

Middlesea Insurance p.l.c
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MIDDLESEA
A MEMBER OF THE  **MAPFRE GROUP**

Circular to Shareholders
34th Annual General Meeting
24 April 2015

This document is important and requires your immediate attention
CIRCULAR to SHAREHOLDERS

Shareholders are advised that they should consider seeking the advice of an appropriate independent advisor before taking any decision in connection with the proposed resolution.

**Extraordinary resolution being put to Middlesea Insurance p.l.c.'s Annual General Meeting
to be held on Friday 24 April 2015**

The Annual General Meeting of the Members of Middlesea Insurance p.l.c. (the "**Company**") has been convened for Friday 24 April 2015 at 09:30 hrs at the Grand Ballroom, Radisson Blu Resort, St George's Bay, St Julians Malta. Apart from considering the normal business transacted at an annual general meeting, it is also proposed to table the extraordinary resolution set out hereunder for consideration by the Annual General Meeting ("**AGM**").

This Circular contains information about the extraordinary resolution being proposed for adoption at the AGM. This circular is being sent to all shareholders entitled to attend and vote at the meeting to enable them to understand better the nature of the resolution that is to be considered at the AGM and to provide the necessary information about the resolution to assist shareholders to make a properly informed decision.

This Circular is being issued and sent to all shareholders in compliance with the Listing Rules of the Listing Authority currently applicable in Malta.

This Circular includes the text of the proposed resolution and the principal purpose and effect of the proposed resolution.

Extraordinary Resolution

The proposed text of the extraordinary resolution is as follows:

IT IS RESOLVED To substitute and replace in its entirety Article 1 of the Memorandum of Association of the Company by the following:

The name of the Company is Mapfre Middlesea p.l.c.

Explanatory Note

Background

On the 29 July 2011 MAPFRE Internacional S.A. (hereinafter Mapfre) acquired the 19.9% shareholding that Munich Re had in the Company. Following the completion of this acquisition, Mapfre increased its aggregate shareholding in the Company to 50.98% of the issued share capital, thus acquiring a controlling interest in the Company. This entailed that Mapfre was required, in accordance with the Listing Rules, to make a Mandatory Bid for the remaining shares in the Company, whereby the other shareholders in the Company would be entitled (but not obliged) to sell their shareholding in the Company to Mapfre.

Mapfre launched the Mandatory Bid with its Offer Document on the 11 August 2011, giving the opportunity to all the other minority shareholders to either maintain their existing shareholding in the Company or to sell it to Mapfre. The acceptance period of the Bid started on the 29 August and was concluded on the 26 September 2011.

A total number of 780 shareholders, equivalent to 3.585% of the total shareholding of Middlesea Insurance p.l.c., accepted the Bid and opted to sell their shareholding to Mapfre at the Bid price. Following the said Mandatory Bid the shareholding structure of the Company resulted as follows:

- | | |
|-----------------------------|--------|
| • MAPFRE Internacional S.A. | 54.56% |
| • Bank of Valletta p.l.c. | 31.08% |
| • Public | 14.36% |

Developments

Mapfre is building up a global name in the insurance industry and is currently one of the largest insurance companies in the world. It has recently made substantial acquisitions in Indonesia, Italy and Germany which are a clear indication that the Mapfre Group is set on growth.

Global/multinational companies are always very keen to promote their brand at a global level to project the same image of competence and expertise in their specific market, and Mapfre is also keen to adopt this strategy across the 46 countries in which it operates. The Mapfre SA Chairman, Mr Antonio Huertas has set expansion, policy standardisation and brand image as the group's main strategic objectives.

The Company has a strong reputation which has been built over more than 30 years of operation, and is known as one of the strongest insurance brands on the Maltese Islands as well as being the largest insurance group in Malta. In April 2012, the Company went through a rebranding exercise to include the Mapfre brand into its new logo.

New ventures have also been established in Malta between Mapfre and the Company like Middlesea Assist that has had a resounding success.

The Company is of the opinion that it should continue building on the global brand but leaving the local brand intact.

This is the reason for proposing the change in the Company name from Middlesea Insurance p.l.c. to Mapfre Middlesea p.l.c.: to be able to get the best from the Mapfre global brand but also retaining the local Middlesea brand. This is considered as being a natural transition from a local company into being part of a global brand.

Declaration by Directors

All the Directors of the Company, whose names appear below, accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

List of current Board Directors

Martin Galea
Nikos Antimissaris
Charles Borg
John Cassar White
Gaston Debono Grech
Javier Fernández-Cid
Pedro López Solanes
Paul Testaferrata Moroni Viani
Joseph F.X. Zahra

Documents available for inspection

The following documents or certified copies thereof will be available for inspection at the Company's registered office at Middle Sea House, Floriana, Malta for at least fourteen (14) days from the date of publication of the Circular:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the last Annual Financial Report of the Company; and
- (c) the last half-yearly Financial Report of the Company.

Notice to Shareholders

Shareholders are advised that they should consider seeking the advice of an appropriate independent advisor before taking any decision in connection with the above.

The Directors recommend that shareholders should approve the proposed resolution described above in the best interests of the company and the shareholders as a whole.

In the eventuality that shareholders have sold or otherwise transferred any or all of their securities in the Company, this Circular is to be passed on to the person effecting the sale or transfer for transmission to the purchaser or transferee.

2 April 2015

Approved and issued by Middlesea Insurance p.l.c., Middlesea House, Floriana FRN 1442, Malta.
Middlesea Insurance p.l.c. (C-5553) is authorised by the Malta Financial Services Authority to carry on both Long Term and General Business under the Insurance Business Act, 1998.

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A MEMBER OF THE  **MAPFRE GROUP**

ĊIRKULARI lill-AZZJONISTI
L-34 Laqgħa Ġenerali Annwali
24 ta' April 2015

Dan id-dokument huwa importanti u jehtieg l-attenzjoni immedjata tiegħek
ĊIRKULARI lill-AZZJONISTI

L-azzjonisti huma avżati li għandhom jikkunsidraw li jfittxu l-parir ta' konsulent indipendenti xieraq qabel ma jieħdu kwalunkwe deċiżjoni in konnessjoni mar-risoluzzjoni proposta.

Risoluzzjoni straordinarja li qed tiġi proposta fil-Laqgħa Ġenerali Annwali ta' Middlesea Insurance p.l.c.
li se ssir nhar il-Ġimgħa 24 ta' April, 2015

Il-Laqgħa Ġenerali Annwali tal-Membri tal-Middlesea Insurance p.l.c. (il-**"Kumpanija"**) se tiġi msejja nhar il-Ġimgħa 24 ta' April, 2015 fid-9:30 ta' filgħodu, fil-Grand Ballroom, Radisson Blu Resort, Il-Bajja ta' San Ġorġ, San Ġiljan, Malta. Apparti n-negozju normali ta' laqgħa ġenerali annwali, huwa propost ukoll li titressaq il-risoluzzjoni straordinarja stabbilita hawn taht għall-konsiderazzjoni tal-Laqgħa Ġenerali Annwali ("**LĠA**").

Din iċ-Ċirkulari fiha informazzjoni dwar ir-risoluzzjoni straordinarja li qed tiġi proposta għall-adozzjoni tal-LĠA. Din iċ-ċirkulari qed tintbagħat lill-azzjonisti kollha intitolati li jattendu u jivvutaw fil-laqgħa sabiex ikunu jistgħu jifhmu aħjar in-natura tar-risoluzzjoni li se tiġi kkunsidrata fil-LĠA u biex tipprovdi l-informazzjoni meħtieġa dwar ir-risoluzzjoni biex tassisti lill-azzjonisti biex jieħdu deċiżjoni infurmata sew.

Din iċ-Ċirkulari qed tinħareġ u tiġi mibgħuta lill-azzjonisti kollha b'mod konformi mar-Regoli tal-Awtorità dwar l-Elenku attwalment applikabbli f'Malta.

Din iċ-Ċirkulari tinkludi t-test tar-risoluzzjoni proposta kif ukoll l-iskop prinċipali u l-effett tagħha.

Risoluzzjoni straordinarja

It-test propost tar-risoluzzjoni straordinarja huwa kif ġej :

HUWA RIŻOLUT Li jiġi sostitwit u mibdul fl-intier tiegħu l-Artikolu 1 tal-Memorandum ta' Assoċjazzjoni tal-Kumpanija b'dan li ġej :

L-isem tal-Kumpanija huwa Mapfre Middlesea p.l.c.

Nota ta' Spjegazzjoni

Sfond

Nhar id-29 ta' Lulju 2011 MAPFRE Internacional SA (minn hawn 'il quddiem imsejja Mapfre) akkwistat 19.9% tal-ishma li Munich Re kellha fil-Kumpanija. Wara dan l-akkwist, Mapfre ziedet l-ishma totali tagħha fil-Kumpanija għal 50.98% tal-kapital azzjonarju maħruġ, u b'hekk kisbet "*controlling interest*" fil-Kumpanija. Dan wassal sabiex Mapfre tkun teħtieġ, skont ir-Regoli tal-Elenku, li tagħmel offerta obbligatorja għall-ishma li fadal tal-Kumpanija, li permezz tagħha l-azzjonisti l-oħra tal-Kumpanija jkunu intitolati (izda mhux obbligati) li jbiegħu l-ishma tagħhom fil-Kumpanija lil Mapfre.

Mapfre nediet l-offerta obbligatorja permezz ta' Dokument ta' Offerta fil-11 ta' Awwissu 2011, fejn offriet l-opportunità lill-azzjonisti minoritarji l-oħra li jew iżommu l-ishma eżistenti tagħhom fil-Kumpanija jew ibiegħu is-sehem tagħhom lil Mapfre. Il-perjodu li fih setgħet tiġi aċċettata l-Offerta beda fid-29 ta' Awwissu u spicċa fis-26 ta' Settembru, 2011.

Total ta' 780 azzjonist, ekwivalenti għal 3.585% tal-ishma kollha ta' Middlesea Insurance p.l.c., aċċettaw l-Offerta u għażlu li jbiegħu l-ishma tagħhom lil Mapfre bil-prezz tal-Offerta. Wara l-imsemmija Offerta Obbligatorja, l-istruttura tal-ishma tal-Kumpanija tirriżulta kif ġej:

- | | |
|-----------------------------|---------|
| • MAPFRE Internacional S.A. | 54.56 % |
| • Bank of Valletta p.l.c. | 31.08 % |
| • Pubbliku | 14.36 % |

Zviluppi

Mapfre qed tibni isem globali fl-industrija tal-assigurazzjoni u bhalissa hija waħda mill-akbar kumpaniji tal-assigurazzjoni fid-dinja. Riċentement għamlet akkwisti sostanzjali fl-Indoneżja, l-Italja u l-Ġermanja li huma indikazzjoni ċara li l-Grupp Mapfre huwa determinat li jkompli jikber.

Kumpaniji globali/multinazzjonali dejjem jagħtu importanza lill-promozzjoni tad-ditta tagħhom fuq livell globali sabiex jipprogettaw l-istess immaġini ta' kompetenza u hila fis-swieq speċifiċi fejn joperaw. Mapfre qed temfasizza l-adozzjoni ta' din l-istrategija fis-46 pajjiż li topera fihom. Iċ-Chairman ta' Mapfre SA, is-Sur Antonio Huertas stabilixxa l-espansjoni, l-istandardizzazzjoni tal-politika tal-kumpanija u l-immaġni tad-ditta bħala l-għanijiet prinċipali tiegħu.

Il-Kumpanija għandha isem qawwi f'Malta, mibni fuq aktar minn 30 sena ta' operat. Hija magħrufa bħala waħda mill-aktar kumpaniji tal-assigurazzjoni b'saħħithom fil-gżejjer Maltin kif ukoll bħala l-akbar grupp ta' assigurazzjoni f'Malta. F'April 2012, il-Kumpanija wettqet eżercizzju ta' *rebranding* li jinkludi l-isem Mapfre fil-logo l-aktar riċenti tagħha.

Ġew stabbiliti wkoll kollaborazzjonijiet godda f'Malta bejn Mapfre u Middlesea bħall-kumpanija Middlesea Assist li kienet ta' suċċess kbir.

Il-Kumpanija hija tal-fehma li din għandha tkompli tibni fuq il-pregju tal-isem globali filwaqt li thalli l-isem tad-ditta lokali intatt.

Din hija r-raġuni li qed nipproponu l-bidla fl-isem tal-Kumpanija minn Middlesea Insurance p.l.c. għal Mapfre Middlesea p.l.c.: biex inkunu nistgħu niksbu l-benefiċċji assoċjati mal-isem globali Mapfre filwaqt li nżommu wkoll l-isem lokali Middlesea. Dan qed jiġi kkunsidrat bħala tranżizzjoni naturali minn kumpanija lokali għal kumpanija li tiffirma parti minn kumpanija u ditta globali.

Dikjarazzjoni mid-Diretturi

Id-Diretturi tal-Kumpanija, li isimhom jidher hawn taħt, jaċċettaw ir-responsabbiltà tal-informazzjoni li tinsab f'dan id-dokument. Għall-aħjar għarfien u twemmin tad-Diretturi li taw attenzjoni raġonevoli biex ikun żgurat li dan huwa l-każ, l-informazzjoni li tinsab f'dan id-dokument hija konformi mal-fatti u ma thalli xejn barra li jista' jaffettwa l-importanza ta' din l-istess informazzjoni.

Lista tal-Membri attwali tal-Bord tad-Diretturi

Martin Galea
Nikos Antimissaris
Charles Borg
John Cassar White
Gaston Debono Grech
Javier Fernández-Cid
Pedro López Solanes
Paul Testaferrata Moroni Viani
Joseph F.X. Zahra

Dokumenti disponibbli għall-ispezzjoni

Id-dokumenti li ġejjin jew kopji ċċertifikati tagħhom se jkunu disponibbli għall-ispezzjoni fl-uffiċċju reġistrat tal-Kumpanija, Middle Sea House, Floriana, Malta għal mill-inqas erbatax (14)-il jum mid-data tal-pubblikazzjoni taċ-Ċirkolari:

- (a) il-Memorandum u l-Artikoli ta' Assoċjazzjoni tal-Kumpanija;
- (b) l-aħħar Rapport Finanzjarju Annwali tal-Kumpanija; u
- (c) l-aħħar Rapport Finanzjarju ta' nofs is-sena tal-Kumpanija .

Avviz lill- Azzjonisti

L-Azzjonisti huma avżati li għandhom jikkunsidraw li jfittxu l-parir ta' konsulent indipendenti xieraq qabel ma jieħdu kwalunkwe deċiżjoni in konnessjoni ma' dak li huwa stipulat hawn fuq.

Id-Diretturi jirrakkomandaw li l-azzjonisti għandhom japprovaw ir-riżoluzzjoni proposta, kif spjegata hawn fuq, fl-aħjar interessi tal-kumpanija u l-azzjonisti flimkien.

Fl-eventwalità li l-azzjonisti jkunu bieġhu jew trasferew xi ishma tagħhom fil-Kumpanija , din iċ-Ċirkolari għandha tigi mgħoddija lill-persuna li bieġhet jew trasferiet l-ishma sabiex tingħata lix-xerrej jew lil min irċieva t-trasferiment.

2 ta' April 2015

Approvat u maħruġ mill Middlesea Insurance p.l.c., Middlesea House, Floriana FRN 1442, Malta.

Il-Middlesea Insurance p.l.c. (C-5553) hi awtorizzata mill-Awtorità ta' Malta għal Servizzi Finanzjarji biex tmexxi Negożju kemm għat-Tul u kemm Ġenerali taħt l-Att tal-1998 dwar Negożju ta' Assigurazzjoni.