



FIMBANK

FIMBank p.l.c.
Mercury Tower
The Exchange Financial & Business Centre
Elia Zammit Street, St. Julian's
STJ3155 - Malta

Circular to Members

in terms of Chapter 6 of the Listing Rules

Dear Member,

ANNUAL GENERAL MEETING OF 7 MAY 2019

The documentation for the Annual General Meeting of FIMBank plc (“**FIMBank**” or the “**Bank**”) to be held on 7 May 2019 contains a ‘Notice to Members’ detailing the Resolutions which Members will be asked to consider and approve. In particular,

- a) The Special Business of the Meeting features three (3) Extraordinary Resolutions:
- i. Bonus Issue;
 - ii. Employee Share Award Scheme Rules and Directors’ Authority to Issue Equity Securities; and
 - iii. Directors’ Authority to Restrict or Withdraw Statutory Pre-Emption Rights.

THE PURPOSE OF THIS CIRCULAR TO THE MEMBERS (THE “CIRCULAR”), WHICH IS TO BE READ IN CONJUNCTION WITH THE “NOTICE TO MEMBERS”, IS TO HIGHLIGHT SALIENT POINTS IN TERMS OF THE LISTING RULES IN CONNECTION WITH CERTAIN RESOLUTIONS, EXPLAINING THEIR ESSENTIAL CHARACTERISTICS, BENEFITS AND RISKS. ALL MEMBERS ON THE REGISTER AT THE CENTRAL SECURITIES DEPOSITORY OF THE MALTA STOCK EXCHANGE ON 7 APRIL 2019 (THE “RECORD DATE”) ARE ENTITLED TO RECEIVE NOTICE OF, PARTICIPATE IN AND VOTE AT THE MEETING. PLEASE READ THE NOTICE TO MEMBERS AND THIS CIRCULAR CAREFULLY IN VIEW OF THE VOTING ACTION YOU ARE REQUIRED TO TAKE AT THE FORTHCOMING MEETING. IN THE EVENT THAT YOU HAVE TRANSFERRED YOUR EQUITY SECURITIES AFTER THE RECORD DATE OF 7 APRIL 2019, YOU ARE STILL ENTITLED TO VOTE AT THE MEETING BUT ARE ASKED TO INFORM THE INTERMEDIARY (THROUGH WHOM THE SALE/TRANSFER TOOK PLACE) OF THIS CIRCULAR AND THE NOTICE FOR ONWARD INFORMATION TO THE PURCHASER/TRANSFEEE.

The documents required in terms of Listing Rule 6.2.12, as may be applicable, will be available for inspection at the Registered Office of the Bank from the date of publication of this Circular until the date of the Annual General Meeting.

1. BONUS ISSUE

In the Company Announcement dated 25 March 2019, the Board of Directors of the Bank recommended, subject to the regulatory approval, a one for thirty (1:30) bonus share issue to its Members. It is proposed that such issue will take place by means of the capitalisation of the share premium account and the bonus shares will be issued and allotted to those members registered on the register of the Central Securities Depository of the Malta Stock Exchange as at the Record Date of 7 April 2019.

The issue and allotment of the new bonus shares will be executed by the capitalisation of not less than USD 8,400,000 from the share premium account of the Bank. Members are hereby notified that fractional shares shall be rounded to the nearest whole share. Consequently, the amount of bonus shares is not derived arithmetically by simple division of the total number of shares in issue (as above) but by summation of the individual entitlements of each Member. The Equity Securities issued as a result of this bonus share issue will rank *pari passu* with all other Equity Security issued by the Bank.

An application will be made to the Malta Stock Exchange for the newly issued Equity Securities to be admitted to listing and trading thereon.

2. EMPLOYEE SHARE AWARD SCHEME RULES AND DIRECTORS' AUTHORITY TO ISSUE EQUITY SECURITIES

The Board of Directors is proposing the Employee Share Award Scheme Rules for the years 2019 – 2023. In order to be able to implement the Employee Share Award Scheme Rules, the Board of Directors is proposing that the Bank in the Annual General Meeting grants fresh authority to issue up to a maximum of 10,000,000 Equity Securities over a period of five (5) years. This means that the maximum amount of Equity Securities which the Board of Directors will have authority to allow shall be up to 10,000,000 Ordinary Shares of USD 0.50 each.

The maximum amount of Equity Securities which the Board of Directors will have authority to allot in terms of this proposed authority represents approximately 2.0% of the total Ordinary Share Capital in issue at the date hereof.

For the above purpose, the Board of Directors is proposing to approve the Employee Share Award Scheme Rules and to approve the granting of authority to the Board of Directors to issue new Equity Securities for the purpose of implementing the Employee Share Award Scheme Rules. The Employee Share Award Scheme Rules will be available for inspection:

- a) at the Registered Office of the Bank, from the date of publication of this Circular until the close of the Annual General Meeting, and;
- b) at the place of the Annual General Meeting, namely, Hilton Malta, Portomaso Suite, St. Julian's, Malta, for at least fifteen (15) minutes prior to and during the Annual General Meeting.

3. DIRECTORS' AUTHORITY TO RESTRICT OR WITHDRAW STATUTORY PRE-EMPTION RIGHTS

The Board of Directors is proposing that it be granted the authority by the Bank in the Annual General Meeting to restrict or withdraw the statutory pre-emption rights of the Bank's Equity Securities holders to fully implement the decision to establish a new Employee Share Award Scheme Rules.

Whereas such authority would always be exercised in the best interests of the Bank, a restriction of withdrawal of these rights can lead to a dilution of existing shareholders.

Accordingly, the Board of Directors is proposing that the Annual General Meeting of 7 May 2019 authorises the Board of Directors, to restrict or withdraw the statutory pre-emption rights of the Bank's Equity Securities holders for a period of five (5) years, being the period for which it is proposed that the Board of Directors remains authorised to issue and allot Equity Securities to implement the Employee Share Award Scheme Rules.

4. RECOMMENDATIONS

The Directors, whose names appear hereunder, accept responsibility for the information contained in this Circular and have taken all reasonable care to ensure that it is in accordance with the facts and does not omit anything likely to affect the import of such information. Nothing shall be construed as meaning that the Malta Financial Services Authority is in agreement with any of the Resolutions presented to the Annual General Meeting.

The Directors believe that this Circular, read in conjunction with the 'Notice to Members', adequately describes the essential characteristics, benefits and risks of the Resolutions presented to the Annual General Meeting.

Consequently, the Directors recommend that the Members approve the Resolutions presented above as, in their opinion, they are in the best interests of the Members as a whole.

If you are in doubt as to what action to take in relation to these recommendations please consider seeking independent advice.



Dr. John C. Grech
Chairman

12 April 2019

**also for and on behalf of, Masaud M.J. Hayat, Majed Essa Ahmed Al-Ajeel, Eduardo Eguren Linsen, Adrian Alejandro Gostuski, Rabih Soukarieh, Mohamed Fekih Ahmed, Rogers David LeBaron, Osama Talat Al-Ghoussein, Hussain Abdul Aziz Lalani and Edmond Brincat.*