



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 30 NOVEMBER 2020

The documentation for the Annual General Meeting of FIMBank plc ("**FIMBank**" or the "**Bank**") to be held **remotely** in terms of Legal Notice 288 of 2020 on Monday 30 November 2020 contains a 'Notice to Members' detailing the Resolutions which Members will be asked to consider and approve. In particular, the Special Business of the Meeting features:

1. one (1) Ordinary Resolution relating to the:
 - (i) Approval of the Remuneration Policy Supplement: and
2. One (1) Extraordinary Resolution relating to the:
 - (i) Amendments to the Bank's Memorandum and Articles of Association.

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 31 OCTOBER 2020 (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 31 OCTOBER 2020, 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/TRANSFeree.

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. APPROVAL OF THE REMUNERATION POLICY SUPPLEMENT

Following the enactment of Directive EU 2017/828 (often referred to as “SRDII”) and the consequential changes to the Listing Rules, in particular Chapter 12 dealing with shareholders’ rights (“Chapter 12”), the Bank is subject to *inter alia* a new requirement to establish a remuneration policy applicable to ‘directors’, as such term is defined in Chapter 12 of the Listing Rules and which describes the different components of directors’ pay and the range of the relative proportions.

In this regard, the Board is proposing to append to the existing remuneration policy which is applicable to all employees at the Bank, a supplement policy outlining all the required information stipulated in Chapter 12 and SRD II and which shall be designed as a framework within which the pay of directors’ is to be held (the “**Supplement**”). Such Supplement is subject to a binding shareholder vote. If approved the Supplement will become effective from the date of the Annual General Meeting in 2020 and which will be applied for three years to the end of the Annual General Meeting in 2023. The term ‘director’ is defined in Chapter 12 as:

- a) any member of the board of directors of FIMBank;
- b) where they are not members of the administrative, management or supervisory bodies of a company, the chief executive office and, if such function exists in FIMBank, the deputy chief executive officer.

For the above purpose, the Board of Directors is proposing to approve the Supplement, which 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) on the Bank’s website, after the Annual General Meeting, together with the date and the results of the binding vote on the Supplement, for as long as the Supplement is applicable.

2. AMENDMENTS TO THE BANK’S MEMORANDUM AND ARTICLES OF ASSOCIATION

Following the changes undertaken to Article 180 of the Companies Act (Cap. 386 of the laws of Malta), it is permissible for the annual accounts to be placed on the Bank’s website without the need of mailing these to the Members, provided that:

- a. the Memorandum and Articles of Association of the Bank does not state otherwise;
- b. a notice of the meeting has been sent to the shareholders; and
- c. the shareholders are informed that the annual accounts are available on the website (and that they may nonetheless ask for a copy to be mailed to them).

The Board of Directors is thus proposing to amend Article 145 of the Articles of Association of the Bank, as follows:

“Without prejudice to the relevant provisions of the Banking Act, currently in force, the Directors shall cause a copy of the profit and loss account and balance sheet, including any document required by law to be annexed thereto, which are to be laid before the company in General Meeting (together with any Directors’ and auditor’s report attached thereto) to be delivered, or sent by post or otherwise made available in any form or manner as may be required or permitted by law, to every Member of the Company and other persons entitled to receive notices of General Meetings, at least fourteen (14) days prior to the Annual General Meeting.”

3. 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

4 November 2020

**also for and on behalf of, Masaud M.J. Hayat, Majed Essa Ahmed Al-Ajeel, Rabih Soukarieh, Mohamed Fekih Ahmed, Rogers David LeBaron, Osama Talat Al-Ghoussein, Hussain Abdul Aziz Lalani, Edmond Brincat, and Abdel Karim A.S. Kabariti.*