

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 Capital Markets Rules

Dear Member,

ANNUAL GENERAL MEETING OF 14 JUNE 2022

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 Tuesday, 14 June 2022 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) Amendments to the Remuneration Policy Supplement: and
2. one (1) Ordinary Resolution relating to the:
 - (i) Remuneration Report for the year ended 31 December 2021.

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 CAPITAL MARKETS 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 15 MAY 2022 (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 15 MAY 2022, 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 Capital Markets 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. AMENDMENTS TO THE REMUNERATION POLICY SUPPLEMENT

Following the enactment of Directive EU 2017/828 (often referred to as “SRDII”) and the consequential changes to the Capital Markets 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 Capital Markets Rules and which describes the different components of directors’ pay and the range of the relative proportions.

Following the approval of the Remuneration Policy Supplement (the “Supplement”) during the Annual General Meeting of 2020, the Supplement has been amended to be aligned with the applicable provisions of Directive (EU) 2019/878 (CRD V), the EBA Guidelines on Sound Remuneration Policies (EBA/GL/2021/04), Banking Rule 21 on Remuneration Policies and Practices (BR/21/2022), Banking Rule 24 on Internal Governance of Credit institutions (BR/24/2022), the amendments to Chapter 12 of the Capital Markets Rules and to the Group Remuneration Policy as amended in March 2022 for the same scope. In accordance with Capital Markets Rule 12.26I, Issuers are to submit the remuneration policy to a vote by the general meeting at every material change and in any case at least every four years.

For the above purpose, the Board of Directors is proposing to approve the amendments to 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 amendments to the Supplement, for as long as the amended Supplement is applicable.

2. REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Remuneration Report for the year ended 31 December 2021 is being submitted to the Annual General Meeting for an advisory vote as indicated by the Capital Markets Rules. An advisory vote is a non-binding vote which allows shareholders to express their opinion regarding the issue at hand.

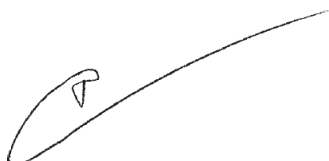
3. RECOMMENDATIONS

All the Directors, whose names appear hereunder, accept responsibility for the information contained in this Circular. To the best of the knowledge and the 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. 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.

The information contained herein should be read as a general notice. Nothing in this Circular is intended and/or should be interpreted as legal advice.



Dr. John C. Grech
Chairman

16 May 2022

**also for and on behalf of, Masaud M.J. Hayat, Majed Essa Ahmed Al-Ajeel, RabiH Soukariéh, Mohamed Fekih Ahmed, Rogers David LeBaron, Hussain Abdul Aziz Lalani, Edmond Brincat, Abdel Karim A.S. Kabariti and Claire Imam Thompson.*