

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 4 MAY 2023

The documentation for the Annual General Meeting of FIMBank plc ("**FIMBank**" or the "**Bank**") to be held on Thursday, 4 May 2023 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) Remuneration Report for the year ended 31 December 2022.

2. one (1) Extraordinary Resolution relating to the:
 - (ii) 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 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 4 APRIL 2023 (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 4 APRIL 2023, 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 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. REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Remuneration Report for the year ended 31 December 2022 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.

2. AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Purpose

The Board of Directors is proposing to amend the Memorandum and Articles of Association of the Bank. Most of the proposed amendments serve to update the Memorandum and Articles of Association in order to incorporate certain regulatory changes and requirements which have come about over the past few years. The Board of Directors is also proposing to amend the Memorandum of Association in order to decrease the maximum number of Directors from eleven directors down to nine directors. A marked-up version and a clean version of the Memorandum and Articles of Association of the Bank is made available to the Members on <https://www.fimbank.com/en/documentation-2023> in the Investor Relations section and an explanation of the changes is provided below:

Proposal

That, the Memorandum and Articles of Association of the Bank be deleted in their entirety and replaced and substituted with the Memorandum and Articles of Association provided to Members as indicated in this Circular.

Overview of the proposed amendments

The Board of Directors is proposing that clause 3 of the Memorandum of Association be updated by way of the addition of the following at the end of the sentence: “*and the electronic mail address shall be csec@fimbank.com or such other electronic mail address as may be determined by the Board of Directors of the Company from time to time.*”

Moreover, that the para following (xxxviii) of Clause 4 of the Memorandum of Association be replaced with the following wording: “*Nothing in the foregoing shall be construed as empowering or enabling the Company to carry out any activity or service which requires a licence or other authorisation under any law in force in Malta, without such licence or other appropriate authorisation from the relevant competent authority and the provisions of article 77(3) of the Companies Act shall apply.*”

Clause 7 of the Memorandum shall also be amended to reduce the maximum number of Directors which may be appointed from eleven (11) to nine (9) Directors, and to also update the names and details of the members of the Board of Directors following their respective appointment at the forthcoming annual general meeting.

Changes to the Articles of Association mainly relate to changes in references from “Listing Authority” to “MFSA” and an inclusion of a definition thereof, and also from references to the “Listing Rules” to the “Capital Markets Rules”. Article 5(a) is to be supplemented through the inclusion of the following wording at the end of the para: “*as provided by the Memorandum of Association (in respect of the relevant class of shares to which those Equity Securities relate), which authorisation shall be for a maximum period of five (5) years renewable, by ordinary resolution, for further periods of five (5) years each.*”

Clause 48A relating to Limited Drag Along Rights shall be removed in its entirety from the Articles of Association as this is no longer relevant due to past changes in the shareholding structure of the Bank. Clause 144, shall be supplemented through the inclusion of “and” in the first sentence between “*being Directors,*” and “*no Member*”. Clause 160 shall also be amended to include reference to “*the Capital Markets Rules and any applicable laws*” after reference to the “*Financial Markets Act.*”

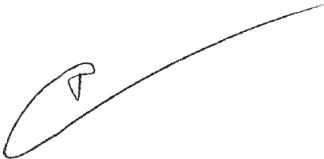
3. RECOMMENDATIONS

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

6 April 2023

**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, Claire Imam Thompson and Erich Schumacher.*