



**FIMBANK**

FIMBank p.l.c.

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

## Notice to Members

*in terms of Article 69 of the Articles of Association*

Notice is hereby given of an Extraordinary General Meeting of FIMBank p.l.c. (or the "**Company**") to be held at The Hilton, St. Julian's Malta on 31<sup>st</sup> January, 2013 at 6:00pm, to consider and, if deemed fit, approve the following Resolutions:

### SPECIAL BUSINESS – EXTRAORDINARY RESOLUTIONS

#### 1. Offer received from UGB and Burgan, Directors' Authority to issue Equity Securities and Directors' Authority to Restrict or Withdraw Statutory Pre-Emption Rights

##### *Purpose*

The joint offer (the "**Offer**") of 11 November 2012 made by Burgan Bank S.A.K ("**Burgan**") and United Gulf Bank B.S.C. ("**UGB**") provides for the following:

- (i) Burgan will acquire 35,000,000 (thirty five million) listed ordinary shares in the Company currently pledged by Massaleh Investments K.S.C.C. ("**Massaleh**") in favour of Burgan. On or about the date of the said acquisition, UGB shall acquire approximately an additional 17,950,000 (seventeen million nine hundred and fifty thousand) listed ordinary shares in the Company from Massaleh pursuant to a share transfer between the parties. On completion of this step of the transaction, UGB and Burgan shall have a combined shareholding interest in the Company of approximately 37.04% (the "**Share Transfers**");
- (ii) UGB will grant a two-tranche convertible loan to the Company;
- (iii) UGB and Burgan will potentially acquire a controlling interest in the Company; and
- (iv) UGB and Burgan will participate in and support a rights issue to be made by the Company.

The Board of Directors of FIMBank p.l.c. is now proposing to the shareholders in General Meeting that the Company accepts the main terms of the Offer as set out below:

1. Concurrently with the Share Transfers described above, UGB shall grant a convertible loan facility of USD 60,000,000 (sixty million US Dollars) to the Company, subject to interest at market rates, divided into two tranches of USD 30,000,000 (thirty million US Dollars) each, respectively called 'Tranche A' and 'Tranche B' of the "**Convertible Loan**";

Tranche A: subject to drawdown of Tranche A by the Company, UGB shall have the option to convert, in full or in part, the principal sum and interest of Tranche A into new ordinary shares of USD 0.50c (fifty US cents) each to be issued by the Company and to be listed on the Official List of the Malta Stock Exchange. If the option is exercised, the said conversion shall be at the conversion price of USD 0.83c (eighty three US cents) per share;

Tranche B: subject to drawdown of Tranche B by the Company, UGB shall have the option to convert, in full or in part, the principal sum and interest of Tranche B into ordinary shares of US\$ 0.50c (fifty US cents) each to be issued by the Company and to be listed on the Official List of the Malta Stock Exchange. If the option is exercised, the said conversion shall be at a conversion price equivalent to the book value of the ordinary shares of the Company, as per the latest audited financial statements before such conversion, which conversion price shall however be capped at USD 0.90c (ninety US cents) per share;

2. As part of this process, UGB will also seek to increase its combined shareholding with Burgan in the Company through a bid to all the shareholders of the Company for all of their shares, in conformity with applicable Maltese laws;
3. The Company shall make a rights issue available to all its shareholders, at a price and with the timing yet to be determined, for such number of new ordinary shares in the Company as necessary so as to raise a minimum of USD 100,000,000 (one hundred million US Dollars), whether by way of nominal value and/or premium (the **"Rights Issue"**). The Offer stipulates that each of UGB and Burgan will subscribe in full to all the new ordinary shares in the Company to which it is respectively entitled under the said Rights Issue;
4. As part of the Offer, each of UGB and Burgan has undertaken in favour of the Company not to require or implement any material changes to the Company's current business model as a trade finance specialist;
5. The transactions as contemplated by the Offer are subject, amongst other things, to each party obtaining all required regulatory approvals in Malta, Bahrain and Kuwait; and
6. It is envisaged that all the steps contemplated by this Offer will take place within 12 (twelve) months from the date when all regulatory approvals in the respective countries have been obtained.

In order to facilitate the implementation of all of the above steps, the Board of Directors is also proposing that the Company in this Extraordinary General Meeting authorises the Board of Directors:

- (i) to issue Equity Securities up to the maximum value of the Authorised Share Capital (as increased pursuant to the Extraordinary Resolution No. 2 below); and
- (ii) to restrict or withdraw the statutory pre-emption rights of the Company's Equity Securities holders for as long as the Board of Directors remains authorised to issue and allot Equity Securities.

#### *Proposal*

That, pursuant to the Directors' recommendation, and subject to all the applicable regulatory approvals:

- (i) the Company accepts the main terms of the Offer as set out above;
- (ii) the Company enters into all such acts, transactions or documents as may be necessary or desirable to implement and complete the transactions as contemplated in the Offer (the **"Documents"**);
- (iii) the Board of Directors be hereby generally authorized (with full powers of delegation) to:
  - a) negotiate, sign, agree, execute and deliver amendments to the terms of the Offer, and
  - b) negotiate, sign, agree, execute and deliver any Documents relating to the Offer
 which the Board of Directors (or its delegates) may deem necessary or desirable in connection with the transactions as contemplated in the Offer and generally to do all that is necessary or desirable in connection with the acceptance, implementation and completion of the transactions as contemplated in the Offer;
- (iv) that, pursuant to Article 85 of the Malta Companies Act, and in virtue of the powers vested in the Company by Article 5 of its Articles of Association, the Board of Directors (with full powers of delegation) be hereby authorised to issue and allot such number of Equity Securities<sup>1</sup> for the time being un-issued, as may be determined by the Board of Directors, up to the Authorised Share Capital of the Company (as increased pursuant to the Extraordinary Resolution No. 2

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<sup>1</sup> defined in Article 2 of the Articles of Association as "shares in the Company of whatever class or any other securities that can be converted or exchanged into, or which carry the right to subscribe for, shares of whatever class in the Company".

below) whether or not such an issue or allotment of Equity Securities may have the effect of transferring a controlling interest in the Company, limitedly for the purpose of:

- a) issuing options in favour of UGB to convert, in full or in part, the principal sum of USD 60,000,000 (sixty million US Dollars) of the Convertible Loan and interest thereon into new ordinary shares in the Company having a nominal value of USD 0.50c (fifty US cents) each, ranking *pari passu* in all respects with the other ordinary shares of the Company, and to be listed on the Official List of the Malta Stock Exchange. If these options are exercised, the said conversion shall be at the conversion price of USD 0.83c (eighty three US cents) per share in respect of Tranche A and at a conversion price equivalent to the book value of the ordinary shares of the Company, as per the latest audited financial statements before such conversion, which conversion price shall however be capped at USD 0.90c (ninety US cents) per share in respect of Tranche B; and
- b) issuing such number of new ordinary shares in the Company having a nominal value of USD 0.50c (fifty US cents) each, ranking *pari passu* in all respects with the other ordinary shares of the Company, and to be listed on the Official List of the Malta Stock Exchange, at a price yet to be determined, as necessary so as to raise a minimum of USD 100,000,000 (one hundred million US Dollars), whether by way of nominal value and/or premium, by way of the proposed Rights Issue.

The authorisations granted in paragraphs a) and b) above are valid for a period of 2 (two) years from the date of the adoption of this resolution and are without prejudice to the Board of Directors' Authority to issue Equity Securities and to restrict or withdraw statutory pre-emption rights in connection with the implementation of the Executive Share Options Scheme for the years 2011- 2015.

- (v) That, pursuant to Article 18 of the Articles of Association of the Company, the Board of Directors be hereby generally authorised (with full powers of delegation) to restrict or withdraw the statutory pre-emption rights of the Company's Equity Securities holders for as long as the Board of Directors remains authorised to issue and allot Equity Securities in terms of Article 85 of the Malta Companies Act.

## **2. Memorandum of Association: Amendment**

### *Purpose*

The Board of Directors is proposing to increase the Authorised Share Capital of the Company.

### *Proposal*

That, subject to regulatory approvals, the first paragraph of Article 6 ('Capital') of the Memorandum of Association of the Company be deleted in its entirety and substituted by the following:

"The Authorised Share Capital of the Company is five hundred million US Dollars (US\$ 500,000,000) divided into one billion (1,000,000,000) Ordinary shares of fifty US cents (US\$ 0.50c) each."

By order of the Board.



**M Cassar**  
Company Secretary  
4 January 2013

## NOTES

i) This notice is being mailed to the Members on the Register at the Central Securities Depository of the Malta Stock Exchange on 2 January 2013 (the "Record Date"). Only members registered on the Record Date shall have the right to participate and vote at the Meeting. Any change to an entry on the Register after the Record Date shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.

ii) A Member entitled to vote may appoint a proxy to attend and vote instead of him/her using the enclosed Form of Proxy; the appointed proxy need not be a Member. In the event that a Member is holding shares for and on behalf of third parties and wishes to grant a proxy to each of his clients or to any third party designated by a client, such member is kindly asked to contact FIMBank p.l.c. to obtain proxy forms allowing for split voting. To be valid the Form of Proxy must reach the Office of the Company Secretary at FIMBank p.l.c., Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, St Julian's STJ3155, Malta by not later than Wednesday 30 January at 6.00pm.

iii) In order to participate and to vote at the Meeting, a Member or his/her proxy is to present his/her Identity Card or other means of identification and the Admission Form enclosed with this documentation. In the case of a Member being a body corporate, association of persons, foundation or other body of persons, a representative thereof will only be eligible to attend and be admitted to the Meeting, and to vote there at, if a Form of Proxy has been (a) duly executed in his/her favour by the competent organ of the entity which he/she represents, and (b) submitted to the Company Secretary in accordance with the procedures set out under (ii) above.

iv) A Member/s holding not less than 5% of the voting issued share capital of FIMBank p.l.c. is entitled to:

- (a) request FIMBank p.l.c. to include items on the agenda of the Meeting, provided that each item is accompanied by a justification or a draft resolution to be adopted at the annual general meeting; and
- (b) table draft resolutions for items included in the agenda of a general meeting.

Provided that with respect to the request to put items on the agenda of the Meeting or table draft resolution, this shall have been submitted to FIMBank p.l.c. in hard copy form or in electronic form at least forty six (46) days before the date set for the Meeting and it shall have been authenticated by the person or persons making it. In the event that such a request or resolution has been received after the lapse of the 46 day time limit set out above, FIMBank p.l.c. shall not be obliged to entertain any requests by the Member/s.

v) Each Member or proxy holder appointed by such Member shall have the right to ask questions which are pertinent and related to items on the agenda of the Meeting to the Company Secretary by post or by e-mail CSEC@fimbank.com, in which case such post or e-mail are to be received by not later than Wednesday 30 January at 6.00pm.

vi) In the case of shares held jointly by several persons, the person who had been nominated by the joint holders to be the registered holder of such shares shall be entitled to attend and vote at the Meeting. In the event that the joint holders failed to nominate such person, the first named joint holder on the register of members shall be entitled to attend and vote at the Meeting.

vii) A Member who is a minor may be represented at the Meeting by his/her Legal Guardian who will be required to present his/her Identity Card and the Admission Form.

viii) Admission to the Meeting will commence one hour before the advertised and appointed time.

ix) After the Meeting has proceeded to business, voting documents will continue to be issued until such time as the Meeting proceeds to vote on the first Resolution of the Agenda whether by show of hands or by poll. Thereafter no further voting documents will be issued and admittance to the Meeting will be discontinued.

x) The following information is made available to the Members on [www.fimbank.com](http://www.fimbank.com) in the Investor Relations section:

- (a) a copy of this notice;
- (b) the total number of Shares and voting rights at the date of the notice;
- (c) the documents to be submitted to the General Meeting;
- (d) where applicable, draft resolution or a comment from the Directors of the Company for each item on the proposed agenda of the meeting, with an explanation of the reason why that item has been placed on the agenda of the meeting;
- (e) the proxy form/s.