

## Circular to Members

in terms of Chapter 6 of the Capital Markets Rules

Dear Member,

### ANNUAL GENERAL MEETING OF 12 JUNE 2024

The documentation for the Annual General Meeting of FIMBank plc (“**FIMBank**” or the “**Bank**”) to be held on Wednesday, 12 June 2024 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. two (2) Ordinary Resolutions relating to the:
  - (i) Remuneration Report for the year ended 31 December 2023; and
  - (ii) Amendments to the Remuneration Policy Supplement.
  
2. one (1) Extraordinary Resolution relating to the:
  - (iii) Amendments to the Bank’s Memorandum 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 13 MAY 2024 (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 13 MAY 2024, 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. REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Remuneration Report for the year ended 31 December 2023 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 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* the 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 “**Policy**”) during the Annual General Meeting of 2020, and as amended following approval at the Annual General Meeting of 2022, the Policy shall be further amended as follows:

- a. the title of the Policy shall be changed from “*Remuneration Policy Supplement*” to “*Directors’ Remuneration Policy*”;
- b. to ensure completeness of information various amendments throughout relate to either the insertion of additional text or the amendment of text, mainly relating to extracts from BR/21/2022;
- c. amendment to Article 5 to replace the term “*maximum ratio*” with “*indicative ratio*” since maximum variable remuneration is stipulated under the sub-article “*Variable Remuneration*” within the same Article 5;
- d. amendment to the Non-Executive Directors’ Remuneration Policy Table in order to redefine the performance measures for the payment of fees; and
- e. amendments to Article 7 in order to clarify the manner in which deviations from the Policy are governed.

For the above purpose, the Board of Directors is proposing to approve the amendments to the Policy, 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 at [FIMBank - Corporate Governance](#), after the Annual General Meeting, together with the date and the results of the binding vote on the amendments to the Policy, for as long as the amended Policy is applicable.

## 3. AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

### *Purpose*

The Board of Directors is proposing to amend the Memorandum of Association in order to increase the maximum number of Directors from nine (9) directors up to ten (10) 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 [www.fimbank.com](http://www.fimbank.com) 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*

Clause 7 of the Memorandum shall be amended to increase the maximum number of Directors which may be appointed from nine (9) to ten (10) 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.

#### 4. 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

15 May 2024

*\*also for and on behalf of, Masaud M.J. Hayat, Rabih Soukarieh, Hussain Abdul Aziz Lalani, Edmond Brincat, Mohamed Louhab, and Sunny Bhatia.*