

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised pursuant to the Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, is an appropriately authorised independent financial adviser.**

This document and any documents incorporated into it by reference should be read in conjunction with the accompanying Form of Acceptance, which forms part of this document.

If you have sold or otherwise transferred all of your IBB Shares (other than pursuant to the Offer), please send this document but not any accompanying documents at once to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. **However, the foregoing documents must not be forwarded or transmitted in or into any Restricted Jurisdiction or in or into any jurisdiction where to do so would constitute a violation of the relevant laws in that jurisdiction.** If you have sold or transferred part of your holding of IBB Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

Cattaneo LLP is acting exclusively for IBB and for no one else in connection with the Offer and will not be responsible to anyone other than IBB for providing the protections afforded to clients of Cattaneo LLP or for providing advice in relation to the Offer or the content of this document.

Qatar National Bank SAQ is acting exclusively for Al Rayan (UK) and for no one else in connection with the Offer and will not be responsible to anyone other than Al Rayan (UK) for providing the protections afforded to clients of Qatar National Bank SAQ or for providing advice in relation to the Offer or the content of this document.

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## **Recommended Cash Offer**

for

### **Islamic Bank of Britain PLC**

by

### **Al Rayan (UK) Limited**

*(a wholly owned subsidiary of Masraf Al Rayan Q.S.C.)*

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<p><b>If you have any questions relating to this document or the completion and return of the Form of Acceptance, or you wish to request a hard copy of any information incorporated into this document by reference to another source, please telephone Neville Registrars on 0121 585 1131 (or +44 121 585 1131, if telephoning from outside the UK) between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons, Neville Registrars' helpline will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Offer or to provide legal, financial or taxation advice on the contents of this document.</b></p>
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**YOUR ATTENTION IS DRAWN TO THE LETTER FROM THE INDEPENDENT IBB DIRECTORS, WHICH CONTAINS THEIR RECOMMENDATION TO ACCEPT THE OFFER, WHICH IS SET OUT ON PAGES 2 TO 7 OF THIS DOCUMENT.**

**TO ACCEPT THE OFFER IN RESPECT OF CERTIFICATED IBB SHARES, THE FORM OF ACCEPTANCE SHOULD BE COMPLETED AND RETURNED WITH YOUR VALID SHARE CERTIFICATE AND/OR OTHER DOCUMENTS OF TITLE AS SOON AS POSSIBLE AND, IN ANY EVENT, SO AS TO BE RECEIVED BY NEVILLE REGISTRARS NOT LATER THAN 1.00 P.M. (LONDON TIME) ON 20 DECEMBER 2013.**

**ACCEPTANCES IN RESPECT OF UNCERTIFICATED IBB SHARES SHOULD BE MADE ELECTRONICALLY THROUGH CREST SO THAT THE TTE INSTRUCTION SETTLES NOT LATER THAN 1.00 P.M (LONDON TIME) ON 20 DECEMBER 2013. IF YOU ARE A CREST SPONSORED MEMBER YOU SHOULD REFER TO YOUR CREST SPONSOR AS ONLY YOUR CREST SPONSOR WILL BE ABLE TO SEND THE NECESSARY TTE INSTRUCTION TO EUROCLEAR.**

**THE PROCEDURE FOR ACCEPTANCE OF THE OFFER IS SET OUT IN PARAGRAPH 12 OF PART II OF THIS DOCUMENT, PARTS C AND D OF APPENDIX I AND, IN RESPECT OF CERTIFICATED IBB SHARES, IS FURTHER DESCRIBED IN THE FORM OF ACCEPTANCE.**

### **Important notice to Overseas Shareholders**

The Offer is not being made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer is not capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and any accompanying document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document, the Form of Acceptance and any accompanying document (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer. The availability of the Offer to IBB Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Such persons should read paragraph 5 of Part B and paragraph (c) of Part C (if such person holds IBB Shares in certificated form) or paragraph (b) of Part D (if such person holds IBB Shares in uncertificated form) of Appendix I to this document and inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

**Any person (including custodians, nominees and trustees) who would, or otherwise intends to, or may have a contractual or legal obligation to forward this document and/or the Form of Acceptance to any jurisdiction outside the United Kingdom, should read paragraph 5 of Part B of Appendix I to this document before taking any action.**

### **Cautionary note regarding forward looking statements**

Certain statements contained in this document or incorporated by reference constitute “forward looking statements” including statements about the expected effects on IBB of the Offer, potential strategic options and other statements in this document other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms “believes”, “estimates”, “plans”, “prepares”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. You should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

Such forward looking statements are based on numerous assumptions regarding IBB’s, Al Rayan (UK)’s and MAR’s present and future business strategies and the environment in which IBB, Al Rayan (UK) and MAR will operate in the future. By their nature, forward looking statements involve risk and uncertainty, and the factors described in the context of such forward looking statements in this document could cause actual results and developments to be materially different from those expressed or implied by such forward looking statements.

Given these risks and uncertainties, you should not place undue reliance on forward looking statements as a prediction of actual results. These forward looking statements speak only as at the date of this document. Except as required by applicable law, IBB, Al Rayan (UK) and MAR expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

**Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Neither IBB, Al Rayan (UK) nor MAR assume any obligation to update or correct the information contained in this document except to the extent legally required.**

### **Disclosure requirements of the City Code**

Under Rule 8.3(a) of the City Code, any person who is interested in 1 percent or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified.

Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1 percent or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified.

If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

#### **Publication on website**

This document, together with all information incorporated into this document by reference to another source, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, will be available free of charge on IBB's website at [www.islamic-bank.com/useful-info-tools/investor-relations/regulatory-information](http://www.islamic-bank.com/useful-info-tools/investor-relations/regulatory-information), and MAR's website at [www.alrayan.com/en/Investors\\_Relations](http://www.alrayan.com/en/Investors_Relations) by no later than 12 noon (London time) on 2 December 2013.

#### **Rounding**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

#### **Date**

This document is published on 29 November 2013.

## TO ACCEPT THE OFFER

### **If you hold IBB Shares in certificated form:**

If you hold your IBB Shares, or any of them, in certificated form (that is, NOT in CREST), to accept the Offer in respect of those IBB Shares, you should complete, sign and return the enclosed Form of Acceptance along with your valid share certificate(s) and/or any other relevant documents of title as soon as possible and, in any event, so as to be received by post or by hand (during normal business hours) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA **no later than 1.00 p.m. (London time) on 20 December 2013**. Further details on the procedures for acceptance of the Offer if you hold any of your IBB Shares in certificated form are set out in paragraph 12(a) of Part II of this document, Part C of Appendix I to this document and in the accompanying Form of Acceptance. A reply-paid envelope for use within the UK only is enclosed for your convenience and may be used by holders of IBB Shares in certificated form in the UK for returning their Forms of Acceptance.

### **If you hold IBB Shares in uncertificated form:**

If you hold your IBB Shares, or any of them, in uncertificated form (that is, in CREST), to accept the Offer in respect of those IBB Shares, you should follow the procedure for Electronic Acceptance through CREST so that the TTE instruction settles **as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 20 December 2013**. Further details on the procedures for acceptance of the Offer if you hold any of your IBB Shares in uncertificated form are set out in paragraph 12(b) of Part II of this document and in Part D of Appendix I of this document. If you hold your IBB Shares as a CREST sponsored member, you should refer acceptance of the Offer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

**ACCEPTANCES OF THE OFFER SHOULD BE RECEIVED BY 1.00 P.M. (LONDON TIME)  
ON 20 DECEMBER 2013.**

**You are advised to read the whole of this document carefully.**

**THE FIRST CLOSING DATE OF THE OFFER IS 1.00 P.M. (LONDON TIME)  
ON 20 DECEMBER 2013.**

#### **Helpline**

**If you have any questions relating to this document or the completion and return of the Form of Acceptance, please telephone Neville Registrars on 0121 585 1131 (or +44 121 585 1131, if telephoning from outside the UK) between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons, Neville Registrars' helpline will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Offer or to provide legal, financial or taxation advice on the contents of this document.**

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Event</b>	<b>Time<sup>(1)</sup> and Date<sup>(2)</sup></b>
Publication of this offer document	29 November 2013
Latest time and date for IBB Shareholders for settlement of TTE instructions (prior to First Closing Date)	1.00 p.m. on 20 December 2013
Latest time and date for receipt by Neville Registrars of Form of Acceptance (prior to First Closing Date)	1.00 p.m. on 20 December 2013
First Closing Date	1.00 p.m. on 20 December 2013
Latest date to satisfy Acceptance Condition <sup>3</sup>	28 January 2014
Latest date to declare Offer wholly unconditional <sup>3</sup>	21 days after the Acceptance Condition is satisfied
Latest date for payment of consideration	14 days after the Offer becomes wholly unconditional

### Notes:

- (1) References to time are to London time.
- (2) Each of the times and dates in the above timetable are indicative only and will depend, among other things, on the date upon which the Conditions are satisfied. The times and dates are therefore subject to change without further notice. However, it is expected that, if such dates change, this will be announced in a press release.
- (3) Unless extended by Al Rayan (UK) with the consent of the Panel.

PART I

LETTER FROM THE INDEPENDENT IBB DIRECTORS



**Islamic Bank of Britain PLC**

*(Incorporated and registered in England and Wales with registered number 4483430)*

*Directors:*

Khalifa Jassim Al-Kuwari (Chairman)  
Sultan Ahmed Choudhury (Managing Director (Interim))\*  
Robert John Owen (Senior Independent Non Executive Director)\*  
Jamal Abdullah Al-Jamal (Non Executive Director)  
Adel Mohammed Tayyeb Mustafawi (Non Executive Director)

*Registered office:*

Edgbaston House  
3 Duchess Place  
Hagley Road  
Birmingham  
B16 8NH

\* Independent IBB Director

29 November 2013

*To IBB Shareholders*

Dear Shareholder,

**RECOMMENDED CASH OFFER BY AL RAYAN (UK) FOR IBB**

**1. Introduction**

On 28 November 2013, the IBB Board and the Board of Al Rayan (UK) announced the terms of a recommended cash offer for the entire issued share capital of IBB. Al Rayan (UK) is a company specially formed by Masraf Al Rayan Q.S.C. for the purposes of making the Offer for IBB. The Offer values the entire issued share capital of IBB at approximately £24.1 million.

This letter sets out the background to the Offer, the reasons why the Independent IBB Directors consider the Offer to be fair and reasonable and the factors that Shareholders should consider before determining whether or not to accept the Offer.

Al Rayan (UK) has received irrevocable undertakings from certain IBB Shareholders, including QIIB the majority shareholder of IBB, to accept or procure the acceptance of the Offer in respect of 4,319,936,238 IBB Shares, representing 95.02 percent of IBB's share capital.

Whilst the Offer is subject to a number of customary offer conditions that can be waived by Al Rayan (UK), it is also subject to the Regulatory Condition in connection with the change in control of IBB from QIIB to Al Rayan (UK) which cannot be waived.

Further details of the Offer, its terms and conditions and the action you should take in order to accept the Offer are set out in the letter from Al Rayan (UK) in Part II and in Appendix I of this document.

**2. Summary of the Offer**

The Offer is being made on the following basis:

**for each IBB Share: 0.53 pence in cash**

The IBB Shares will be acquired fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever and together with all rights attaching thereto arising after 29 November 2013 including, without limitation, the right to receive and retain all dividends and other distributions (if any) declared, made or paid after 29 November 2013.

The Offer is conditional upon, amongst other things, the receipt of certain regulatory approvals. The Conditions and further terms of the Offer are set out in Appendix I to this document and (in the case of IBB Shares held in certificated form) in the Form of Acceptance.

### **3. Background to, and reasons for the Offer**

IBB has now been the subject of two offers by QIIB: a cash offer in March 2011 and a proposed acquisition by way of a scheme of arrangement in September 2012 both at a price of one penny per Share. At the time of the QIIB Scheme, QIIB had begun discussions with MAR with a view to selling its IBB shareholding to MAR following a successful completion of the QIIB Scheme. The QIIB Scheme was not approved at the general meeting on 15 October 2012 and lapsed. However, QIIB remained in discussions with MAR regarding a sale of its holding of IBB Shares. Any such purchase of IBB Shares from QIIB which carry 30 percent or more of the voting rights of IBB would trigger the requirement for a general offer to be made to all IBB Shareholders. On 7 January 2013, it was announced that MAR had begun direct discussions with the IBB Board regarding a possible offer for the IBB Shares. Al Rayan (UK) has now been formed by MAR for the purposes of making the Offer for IBB.

QIIB, the majority shareholder in IBB, has given an irrevocable undertaking to accept the Offer in respect of its shareholding in IBB amounting to 90.96 percent of the IBB Shares. Notwithstanding this commitment from QIIB to support the Offer, the Offer remains conditional, inter alia, on the satisfaction of the Regulatory Condition in connection with the change in control of IBB from QIIB to Al Rayan (UK). The relevant submissions for the purposes of the Regulatory Condition were made to the PRA on 18 November 2013 by Al Rayan (UK), MAR and IBB.

Whilst IBB has grown its assets and liabilities since 2004 and launched a range of Sharia compliant products and services it has been unable to grow its net operating income to the point where it can become profitable and self financing. It has therefore depended and is likely to remain dependent upon the allotment of additional shares for cash to increase the capital base of the Company to support asset growth and to fund on-going losses with a view to reaching a level of profitability whereby it can become self-financing.

These increases in IBB's capital base have been provided more recently in a very cost effective way, solely by QIIB, which subscribed for £20 million of IBB Shares in August 2010, £10 million of IBB Shares in April 2012 and a further £10 million of IBB Shares in April 2013 (in each instance at a price of one pence per IBB Share); the latter subscription resulted in QIIB's holding increasing to 90.96 percent of the IBB Shares.

The net assets of the Company as at 31 December 2012 amounted to £20.1 million (equivalent to 0.57 pence per IBB Share) and were subsequently increased by the £10 million share subscription at one penny per IBB Share in April 2013 resulting in the net asset value per IBB Share increasing. However, this increase in net asset value per IBB Share is being eroded over time by the continuing losses being incurred the Company.

### **4. Factors to be considered by Shareholders in considering the Offer**

The Independent IBB Directors believe that in addition to the factors above, in deciding what action to take in respect of the Offer, Shareholders should also take into account that:

- QIIB has given an irrevocable undertaking to accept the Offer and in the light of this fact, the Independent IBB Directors believe there is no realistic prospect that there will be an alternative offer from a third party at a higher price unless the Offer lapses or is withdrawn;
- There has been no dealing facility for IBB Shareholders to trade their IBB Shares since the cancellation of the admission to trading of IBB Shares on AIM in April 2011. The Offer by Al Rayan (UK) may be the only opportunity for Shareholders to realise any value for their IBB Shares in the foreseeable future;
- IBB has not been profitable since it was incorporated, it continues to make losses and has never paid a dividend;
- IBB is reliant upon the ongoing financial support of a parent company (QIIB at this time) for injections of capital;
- Whilst IBB has not made a profit to date, it has undertaken measures to reduce costs and to increase revenues although there is no certainty as to when it will become profitable;
- Al Rayan (UK) has stated that if the Offer becomes wholly unconditional it intends to invest such funds in IBB by way of subscriptions for IBB shares at par that will, immediately following such subscriptions, increase the Company's Total Equity (as set out in the management accounts of IBB

at the end of the month immediately before such subscriptions) to £100 million. This will, inter alia, further substantially dilute the holdings of any IBB Shareholders who do not accept the Offer with no certainty of any future benefit;

- Minority IBB Shareholders currently have shareholdings in an unlisted entity with no public trading facility for their IBB Shares. Al Rayan (UK) has stated it has no intention to provide a market for IBB Shares;
- Al Rayan (UK) has also indicated that it intends to re-register the Company as a private limited company should the Offer succeed; and
- If the Offer becomes wholly unconditional, there is no stated intention by Al Rayan (UK) that it would use the provisions of the Companies Act to compulsorily acquire any IBB Shares that have not been acquired pursuant to the Offer.

**In considering whether or not to accept the Offer Shareholders should consider their own individual circumstances, in particular the benefit of receiving cash now compared to holding an illiquid minority interest in an unquoted private limited company with a significant majority shareholder. If you are in any doubt about the action you should take, you should contact your own independent financial adviser.**

## **5. Information on Al Rayan (UK) and MAR**

### ***Al Rayan (UK)***

Al Rayan (UK) is a limited liability company formed by MAR for the purpose of making the Offer. MAR owns 100 percent of Al Rayan (UK). Details of Al Rayan (UK)'s sources of financing for the Offer are set out in paragraph 8 of Part II of this document. Al Rayan (UK) has not traded since incorporation, nor has it entered into any obligations, other than in connection with the implementation and financing of the Offer.

The directors of Al Rayan (UK) are Adel Mohammed Tayyeb Mustafawi (the CEO of MAR and a non executive director of IBB) and Mohammed Ismail Al Emadi (who is head of Government & Semi-Government Business, Wholesale Banking, at MAR).

### ***MAR***

MAR was incorporated in Qatar in 2006 as a Qatari Shareholding Company and is headquartered in Doha. It is licensed by Qatar Central Bank. Its shares are listed on the Qatar Exchange. All services offered by MAR are provided in accordance with the Principles of Islamic Sharia; MAR's operations are supervised by a Sharia supervisory board.

MAR is structured into three main business divisions; Retail Banking which offers a variety of products and services such as current and saving accounts, time deposit accounts, financing, credit cards; Wholesale Banking which offers products and services such as corporate finance & advisory services, financing products, cash management, treasury, trade finance and products and services designed to meet the need for the small and medium enterprises; and Private Banking which offers tailored solutions in the areas of investment planning & asset management, wealth management, credit planning and management.

Since incorporation MAR has been profitable in each financial year. At 31 December 2012 MAR had total shareholders' funds of QAR 9.7 billion (£1.64 billion) and total assets of QAR 61.6 billion (£10.41 billion). For the year ended 31 December 2012 the company had total income of QAR 2.5 billion (£422.51 million) and made a net profit after tax of QAR 1.5 billion (£256.66 million). MAR has grown into one of the leading banks in Qatar and one of the largest Islamic banks in the world. MAR has twelve branches (all in Qatar). It is rated A2/Prime 1 (Stable outlook) by Moodys and its top 20 shareholders include blue chips in the Qatar investment, corporate and high net worth community.

Further details on Al Rayan (UK) and MAR are set out in the letter from Al Rayan (UK) in Part II and Appendices III and V of this document.

## **6. Management, employees, locations and pension schemes**

Your attention is drawn to the statement of Al Rayan (UK)'s plans for IBB if the Offer becomes or is declared wholly unconditional, as set out in paragraph 7 of the letter from Al Rayan (UK) in Part II of this document.

Al Rayan (UK) has confirmed that, within six months of the Offer becoming or being declared wholly unconditional, it intends to inject such funds into IBB by way of subscriptions for IBB shares at par such that, immediately following such subscriptions, IBB's Total Equity (as set out in the management accounts

of IBB at the end of the month immediately before such subscriptions) will be increased to £100 million. The audited results for IBB for the year ended 31 December 2012 showed Total Equity as at 31 December 2012 of £20.1 million. Al Rayan (UK) intends to follow a strategy of growing IBB as well as improving operational efficiency.

Al Rayan (UK) intends to retain the IBB operations centre in Birmingham whilst moving some senior business functions to a new office in London. Al Rayan (UK) expects IBB to significantly increase business volumes through broadening the geographical spread of its distribution through online and telephony channels together with branches, agencies and intermediaries. It is intended a number of new agencies will be opened as branches approach the end of their leases. An assessment will be made of which branches will remain open and which will be replaced by agencies. Al Rayan (UK) does not otherwise have any current intentions regarding IBB that would affect the continued employment of the employees and management of IBB, including terms and conditions of employment.

There are no proposals to make any changes with regard to any current arrangements in relation to employer contributions into any pension schemes save for the implementation of statutory changes which become effective on 1 May 2014 whereby IBB will be required to contribute 1 percent of salary for all employees into a pension scheme. The Company operates a defined contribution pension scheme and therefore there are no liabilities falling upon the Company for under funding of the scheme.

With effect from the date that the Offer becomes wholly unconditional, it is proposed that Khalifa Jassim Al-Kuwari, Jamal Abdullah Al-Jamal and Robert Owen will all leave the IBB Board. They will receive remuneration and payments to which they are entitled up to such date and payment in lieu of notice in line with the termination provisions of their letters of appointment or service contracts by way of compensation.

It is intended that Sultan Choudhury (Managing Director (Interim)) and Adel Mohammed Tayyeb Mustafawi will remain on the IBB Board following completion of the Offer and that Al Rayan (UK) will make a number of new director appointments, details of which are set out in paragraph 7 of Part II of this document.

In accordance with Rule 2.12 of the City Code, IBB has made available to its employee representatives a copy of the Announcement and has informed its employee representatives of the right of employee representatives under Rule 25.9 of the City Code to require that a separate opinion of the employee representatives on the effects of the Offer on employment be appended to this document. At the date of publication of this document, no such opinion has been provided. If, and to the extent that, IBB is provided with such an opinion after the date of publication of this document, IBB will publish that opinion in accordance with the requirements of Rule 25.9 of the City Code.

The Independent IBB Directors have considered the effects of implementation of the Offer on all of IBB's interests. Having regard for Al Rayan (UK)'s stated plans for the business, as well as the likely effect on employment and locations of IBB's business, the Independent IBB Directors view favourably the long-term interests of the business and employees of IBB were it to be acquired by Al Rayan (UK) following the Offer becoming wholly unconditional.

## **7. Current trading and prospects of IBB**

The audited results for IBB for the year ended 31 December 2012 were published on 23 April 2013 and showed operating income of £2.4 million (2011: £2.1 million), and losses before tax of £7.0 million (2011: £9.0 million). Total assets as at 31 December 2012 were £261.1 million (2011: £216.9 million). The net assets of IBB as at 31 December 2012 were £20.1 million (2011: £17.1 million).

In the financial statements for the year ended 31 December 2012 the Chairman commented that, "though the Board does not expect the macroeconomic and market conditions to considerably improve for some time yet, the Bank is now better positioned to achieve profitability. However, this will require continued focus to identify further opportunities to deliver high quality products and services to our customers".

In order to mitigate the continuing losses, IBB undertook a cost cutting exercise within the business in 2012, which involved a reduction of marketing, IT and employment costs, including the cancellation of previously planned new employment positions. Since the last financial period, which ended on 31 December 2012, IBB has raised a further £10 million by the issue of new shares to QIIB in April 2013. The funds will be used to continue to grow the Company's asset base. However, IBB is continuing to make losses and there has been no material change to the financial and trading prospects of IBB.

## **8. Irrevocable undertakings**

Al Rayan (UK) has received irrevocable undertakings to accept or procure the acceptance of the Offer from: (i) QIIB in respect of its entire beneficial interest in IBB, amounting to, in aggregate, 4,135,408,647 IBB Shares representing approximately 90.96 percent of IBB's fully diluted share capital; (ii) Sheikh Thani in respect of his entire beneficial interest in IBB, amounting to, in aggregate, 163,869,619 IBB Shares, representing approximately 3.61 percent of IBB's fully diluted share capital; and (iii) QIIC in respect of its entire beneficial interest in IBB, amounting to, in aggregate, 20,657,972 IBB Shares, representing approximately 0.45 percent of IBB's fully diluted share capital. Accordingly, Al Rayan (UK) has received, in aggregate, irrevocable undertakings to accept or procure the acceptance of the Offer in respect of a total of 4,319,936,238 IBB Shares, representing approximately 95.02 percent of IBB's fully diluted share capital.

Further details of these irrevocable undertaking are set out in paragraph 3 of Appendix V to this document.

## **9. Taxation**

Your attention is drawn to Appendix IV of this document headed Taxation. If you are in any doubt as to your tax position or are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser immediately.

## **10. Re-registration**

Your attention is drawn to paragraph 9 of the letter from Al Rayan (UK) set out in Part II of this document in relation to Al Rayan (UK)'s intentions regarding the re-registration of IBB as a private company following the Offer becoming or being declared wholly unconditional.

## **11. Action to be taken**

The procedure for acceptance of the Offer is set out in paragraph 12 of the letter from Al Rayan (UK) in Part II of this document and, if you hold your IBB Shares in certificated form, in the accompanying Form of Acceptance.

If you have any questions relating to the procedure for acceptance of the Offer, please telephone Neville Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0121 585 1131 from within the UK or +44 121 585 1131 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

If you are a CREST sponsored member, any action to accept the Offer will need to be implemented by your CREST sponsor on your instructions.

## **12. Further Information**

Your attention is drawn to the letter from Al Rayan (UK) set out in Part II, the Conditions, and further terms of the Offer in Appendix I and the further information on IBB and Al Rayan (UK) contained in Appendices II, III and V of this document.

You are advised to read the whole of this document and not just rely on the summary information contained in this letter.

## **13. Independent IBB Directors**

The Independent IBB Directors are Robert Owen and Sultan Choudhury.

Adel Mohammed Tayyeb Mustafawi has not taken part in the IBB Board's consideration of the Offer due to a potential conflict of interest arising by virtue of him being the Group CEO of MAR and a director of Al Rayan (UK).

Jamal Abdullah Al-Jamal has not taken part in the IBB Board's consideration of the Offer due to a potential conflict of interest arising by virtue of him being the Deputy CEO of QIIB (the majority shareholder of IBB).

Khalifa Jassim Al-Kuwari has not taken part in the IBB Board's consideration of the Offer due to a potential conflict of interest arising by virtue of him being an adviser to the Managing Director & Chief Executive Officer of QH a shareholder in both QIIB and MAR.

**14. Conclusion**

**The Independent IBB Directors, who have been so advised by Cattaneo LLP, consider the Offer to be fair and reasonable. In providing advice to the Independent IBB Directors, Cattaneo LLP has taken into account the commercial assessments of the Independent IBB Directors.**

**15. Recommendation**

**IBB Shareholders should consider carefully their own personal circumstances and the factors set out in this letter in deciding whether or not to accept the Offer. In particular, IBB Shareholders should have regard to the implications of remaining as a minority shareholder in an unlisted company under the control of a new parent company which will own 95.02 percent or more of the Company. On balance, taking into account the factors set out in this letter, the Independent IBB Directors recommend that IBB Shareholders accept the Offer.**

Yours faithfully

**Robert Owen**

**Sultan Choudhury**

**PART II**

**LETTER FROM AL RAYAN (UK) LIMITED**

**AL RAYAN (UK) LIMITED**

*(Incorporated in England and Wales with registered number 8573014)*

*Directors:*

Adel Mohammed Tayyeb Mustafawi  
Mohammed Ismail Al Emadi

*Registered Office:*

16 Hanover Square  
London  
W1S 1HT

29 November 2013

*To IBB Shareholders*

Dear IBB Shareholder,

**RECOMMENDED CASH OFFER FOR ISLAMIC BANK OF BRITAIN PLC**

**1. Introduction**

On 28 November 2013, the IBB Board and the Al Rayan (UK) Board announced the terms of a recommended cash offer by Al Rayan (UK) for the entire issued and to be issued share capital of IBB.

The Offer values IBB's fully diluted share capital at approximately £24.1 million.

This letter, Appendix I to this document and (in the case of IBB Shares held in certificated form) the Form of Acceptance contain the formal terms and conditions of the Offer.

**Your attention is drawn to the letter of recommendation from the Independent IBB Directors in Part I of this document, which sets out the reasons why the Independent IBB Directors, who have been so advised by Cattaneo LLP, consider the terms of the Offer to be fair and reasonable and, accordingly, unanimously recommend that all IBB Shareholders accept the Offer.** In providing advice to the Independent IBB Directors, Cattaneo LLP has taken into account the commercial assessments of the Independent IBB Directors.

**2. Summary of the Offer**

Al Rayan (UK) hereby offers to acquire (on the terms and subject to the Conditions set out in Appendix I to the document and (in the case of IBB Shares held in certificated form) the Form of Acceptance) the entire issued and to be issued share capital of IBB for cash. Under the terms of the Offer, holders of IBB Shares will receive:

**for each IBB Share 0.53 pence in cash**

The IBB Shares will be acquired by Al Rayan (UK) under the Offer fully paid and free from all liens, charges, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now and hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive or retain in full all dividends and other distributions (if any) declared, made or payable on or after the Announcement Date.

The Offer is conditional upon, amongst other things, the receipt of certain regulatory approvals. The conditions and further terms of the Offer are set out in full in Appendix I to this document and (in the case of IBB Shares held in certificated form) the Form of Acceptance.

**3. Irrevocable Undertakings**

Al Rayan (UK) has received irrevocable undertakings to accept or procure the acceptance of the Offer from: (i) QIIB in respect of its entire beneficial interest in IBB, amounting to, in aggregate, 4,135,408,647 IBB Shares, representing approximately 90.96 percent of IBB's fully diluted share capital; (ii) Sheikh Thani in respect of his entire beneficial interest in IBB, amounting to, in aggregate, 163,869,619 IBB Shares, representing approximately 3.61 percent of IBB's fully diluted share capital; and (iii) QIIC in respect of its entire beneficial interest in IBB, amounting to, in aggregate, 20,657,972 IBB Shares, representing

approximately 0.45 percent of IBB's fully diluted share capital. Accordingly, Al Rayan (UK) has received, in aggregate, irrevocable undertakings to accept or procure the acceptance of the Offer in respect of a total of 4,319,936,238 IBB Shares, representing approximately 95.02 percent of IBB's fully diluted share capital.

Notwithstanding the commitments to accept the Offer, the Offer remains conditional, inter alia, on the satisfaction of the Regulatory Condition in connection with the change in control of IBB from QIIB to Al Rayan (UK). The relevant submissions for the purposes of the Regulatory Condition were made to the PRA on 18 November 2013 by Al Rayan (UK), MAR and IBB.

Further details of these irrevocable undertakings are also set out in paragraph 3 of Appendix V to this document.

#### **4. Information on Al Rayan (UK) and background to and reasons for the Offer**

Al Rayan (UK) is a limited liability company formed by MAR for the purpose of making the Offer. Al Rayan (UK) has not traded since incorporation, nor has it entered into any obligations, other than in connection with the implementation and financing of the Offer. Al Rayan (UK) is a wholly-owned subsidiary of MAR and therefore following the Offer becoming wholly unconditional, IBB will become a subsidiary of MAR. Further information on Al Rayan (UK) is contained in Appendix III of this document.

IBB offers the opportunity for MAR to invest in a financial institution with an established platform, the necessary regulatory licences and with an existing client base of over 50,000 customers. The acquisition would give MAR the opportunity to introduce its already developed financial products into the UK and continental European markets and provide MAR's existing customers with additional services as they expand in the UK and Europe.

Historically capital has been invested in IBB in order to maintain capital adequacy levels and fund trading. Going forward the Al Rayan (UK) Board considers that there are a number of opportunities available to IBB if it was properly capitalised and funded through low-cost customer deposits. Once the Offer becomes wholly unconditional it is MAR's intention that Al Rayan (UK) will invest such funds in IBB by way of subscriptions for IBB shares at par that will, immediately following such subscriptions, increase IBB's Total Equity (as set out in the management accounts of IBB at the end of the month immediately before such subscriptions) to £100 million. The audited results for the Company for the year ended 31 December 2012 showed Total Equity of IBB as at 31 December 2012 of approximately £20.1 million.

Al Rayan (UK) believes the benefits available to IBB of being owned by Al Rayan (UK), and being a subsidiary of MAR, include:

- being part of a fast growing group;
- having a parent company with a clear focus on developing the business;
- having sufficient resources to implement and support growth on the liability and asset sides of the business;
- enabling IBB to leverage off newly formed relationships which MAR has established with foreign institutions; and
- facilitating the expansion of IBB's non-UK resident customer base and benefiting from reduced development costs of new Sharia-compliant product lines.

The funds needed by Al Rayan (UK) to finance the Offer, and to increase IBB's Total Equity as described above, will be provided by MAR pursuant to the Subscription Agreement, the terms of which are described in paragraph 6.2(b) of Appendix V to this document. MAR will source the funds from a combination of its existing cash resources and funds advanced under the Murabaha Facility. Further information on the financing of the Offer is set out in paragraph 8 below.

#### **5. Information on MAR**

MAR was incorporated in Qatar in 2006 as a Qatari Shareholding Company (Q.S.C.). It is licensed by Qatar Central Bank. Its shares are listed on the Qatar Exchange. MAR is headquartered in Doha. All services offered by MAR are provided in accordance with the Principles of Islamic Sharia; MAR's operations are supervised by a Sharia supervisory board.

MAR is structured into three main business divisions; Retail Banking which offers a variety of products and services such as current and saving accounts, time deposit accounts, financing, credit cards; Wholesale Banking which offers products and services such as corporate finance & advisory services, financing products, cash management, treasury, trade finance and products and services designed to meet the need for the small and medium enterprises; and Private Banking which offers tailored solutions in the areas of investment planning & asset management, wealth management, credit planning and management.

Since incorporation, MAR has been profitable in each financial year. At 31 December 2012, MAR had total shareholders' funds of QAR 9.7 billion (£1.64 billion) and total assets of QAR 61.6 billion (£10.41 billion). For the year ended 31 December 2012 the company had total income of QAR 2.5 billion (422.51 million) and made a net profit after tax of QAR 1.5 billion (£256.66 million). MAR has grown into one of the leading banks in Qatar and one of the largest Islamic banks in the world. MAR has twelve branches (all in Qatar). It is rated A2/Prime 1 (Stable outlook) by Moodys and its top 20 shareholders include blue chips in the Qatar investment, corporate and high net worth community.

MAR's strategic vision is to be a leading and innovative international Islamic financial institution with corporate, retail, SME, private banking and treasury, specialising in providing Sharia compliant products and services.

Further information on MAR is contained in Appendix III of this document.

## **6. Information on IBB**

IBB is a public limited company incorporated in England and Wales with company number 4483430 and registered at Edgbaston House, 3 Duchess Place, Birmingham B16 8NH. IBB's shares were admitted to trading on AIM on 11 October 2004; IBB's admission to trading on AIM was cancelled on 27 April 2011. The Company was the UK's first fully Sharia compliant bank approved by the Financial Services Authority (as the predecessor of the Financial Conduct Authority and PRA).

In the year ended 31 December 2012, net income from Islamic financing transactions increased by 18.6 percent to £2.2 million and operating income increased by 13.6 percent to £2.4 million. Total operating expenses reduced to £9.4 million in 2012 from £11.1 million in 2011, resulting in a loss before income tax for 2012 of £7.0 million (2011: loss of £9.0 million).

At 31 December 2012, net assets increased to £20.1 million from £17.1 million at 31 December 2011 as a result of the raising of £10 million of additional equity in the year, offset by losses incurred during the year. Total assets increased to £261.1 million from £216.9 million in 2011 and total liabilities increased to £241.1 million in 2012 from £199.9 million in 2011.

Financial information on IBB is contained in Appendix II of this document.

## **7. Management, employees, locations and pension schemes**

The Al Rayan (UK) Board considers that there are a number of strategic and developmental opportunities to acquiring an Islamic bank that has an established position and customer base in the UK. Al Rayan (UK) sees a number of benefits to IBB in the Offer succeeding. The background and reasons for the Offer are set out in paragraph 4 above which highlight the intention of MAR to invest such funds (via Al Rayan (UK)) in IBB by way of subscriptions by Al Rayan (UK) for IBB shares at par that will, immediately following such subscriptions, increase IBB's Total Equity (as set out in the management accounts of IBB at the end of the month immediately before such subscriptions) to £100 million. Al Rayan (UK) intends to follow a strategy of growing IBB as well as improving operational efficiency.

Al Rayan (UK) has given assurances to the IBB Directors that upon completion of the Offer, the existing employment rights (including pension rights) of all IBB management and employees will be fully safeguarded.

With effect from the date that the Offer becomes wholly unconditional, it is proposed that Khalifa Jassim Al-Kuwari, Jamal Abdullah Al-Jamal and Robert Owen will all leave the IBB Board. They will receive remuneration and payments to which they are entitled up to such date and payment in lieu of notice in line with the termination provisions of their letters of appointment or service contracts by way of compensation.

It is intended that Sultan Choudhury (Managing Director (Interim)) and Adel Mohammed Tayyeb Mustafawi will remain on the IBB Board following completion of the Offer and that the following appointments will be made to the IBB Board:

- John Elkhair (as an independent non-executive director and chairman). John Elkhair is the Founder and Managing Director of Elkhair Management Consulting Company (Bahrain). His most recent other

role was as a board member from 2011 until 2013 of the National Bank of Egypt. During his career, Mr. Elkhair has also been a member of the boards of QH, Qatar Abu Dhabi Investment Co., Dubai Qatar Investment Co., Knowledge Universe, BLC Bank Group and Pavilion Real Estate Fund (Malaysia). He is an Australian citizen; and

- Ahmed Swaleh Abdisheikh (as a non-executive director). Ahmed Swaleh Abdisheikh is the Chief Operating Officer of MAR (a position he has held since 2012). He is also a South African qualified chartered accountant and a Kenyan citizen.

Al Rayan (UK) intends to retain the IBB operations centre in Birmingham whilst moving some senior business functions to a new office in London. Al Rayan (UK) expects IBB to significantly increase business volumes through broadening the geographical spread of its distribution through online and telephony channels together with branches, agencies and intermediaries. It is intended a number of new agencies will be opened as branches approach the end of their leases. An assessment will be made of which branches will remain open and which will be replaced by agencies. Al Rayan (UK) does not otherwise have any current intentions regarding IBB that would affect the continued employment of the employees and management of IBB, including conditions of employment.

There are no proposals to make any changes with regard to any current arrangements in relation to employer contributions into any pension schemes save for the implementation of statutory changes which become effective on 1 May 2014 whereby IBB will be required to contribute 1 percent of salary for all employees into a pension scheme. The Company operates a defined contribution pension scheme and therefore there are no liabilities falling upon the Company for under funding of the scheme.

Save as noted above there are no plans to redeploy any of the fixed assets of the Company in the twelve months following completion of the Offer.

IBB cancelled its admission to trading on AIM in April 2011 and since that date there have been no platforms upon which IBB Shareholders could trade their shares. Al Rayan (UK) has stated that following completion of the Offer it intends to re-register IBB as a private limited company.

## **8. Financing of the Offer**

The cash consideration payable by Al Rayan (UK) under the terms of the Offer will be provided by MAR pursuant to the Subscription Agreement, the terms of which are described in paragraph 6.2(b) of Appendix V to this document. MAR will source the funds from a combination of its existing cash resources and funds advanced to MAR under the Murabaha Facility.

Under the Murabaha Facility, QH has agreed to make available to MAR up to £36.5 million under a commodity murabaha facility compliant with Islamic financing principles. The funds advanced must be used by MAR to acquire assets that are denominated in pounds sterling (sterling denominated assets). MAR is permitted to prepay all or part of the financing at any time after the first anniversary of the Effective Date (being the date when the conditions precedent are satisfied or waived). MAR can elect, at its sole discretion, to make any such prepayment in cash or in the form of sterling denominated assets of Equivalent Value or in a combination of the two. "Equivalent Value" means the aggregate acquisition cost at which MAR actually acquired such sterling denominated assets adjusted on a £ for £ basis to reflect the following only: (i) any actual cash injected by MAR and any distributions received by MAR following MAR's acquisition of such sterling denominated assets; (ii) pro-rata acquisition expenses as a proportion that the amount drawn down under the relevant outstanding Murabaha Contract bears to the total acquisition cost (if such total acquisition cost exceeds the amount drawn down under the relevant outstanding Murabaha Contract); and (iii) full financing expenses in connection with the relevant outstanding Murabaha Contract (such financing expenses being capped at the aggregate of the five year mid-swaps rate for pounds sterling and 1.5% per annum).

MAR intends to use the Murabaha Facility to help finance part of: (i) the consideration payable under the Offer; and (ii) the increase in IBB's Total Equity (as described in paragraph 4 above).

MAR therefore has the ability to prepay the Murabaha Facility in the form of IBB Shares. Whether or when MAR will choose to prepay all or part of the Murabaha Facility and, if so, whether MAR will elect to do so using IBB Shares is currently not known by MAR. There is no agreement or arrangement between MAR and QH in relation to MAR prepaying the Murabaha Facility and/or using IBB Shares to do so, and any such decision will be taken by MAR in its absolute discretion taking into account all the relevant circumstances at the time. Factors that are likely to be relevant to MAR's decision whether to prepay any of the Murabaha Facility and, if so, whether to do so partly or wholly in the form of IBB Shares include:

- the financial performance of IBB after it is acquired by MAR. For example, if IBB’s financial position improves, as is hoped, the terms of the Murabaha Facility mean that it may well be in the interests of MAR not to prepay the Murabaha Facility in the form of IBB Shares;
- whether IBB continues to be dependent on external funding. For example, if this is the case, MAR may well consider that IBB and MAR would benefit from having QH as an additional shareholder in IBB;
- the extent of MAR’s cash resources at the relevant time; and
- the relevant approvals (including shareholder and regulatory) that MAR has in place or requires at the relevant time. For example, MAR’s current shareholder approval in connection with the Offer (which is dated late July 2012) refers to MAR acquiring 70 percent of IBB.

Further details of the Murabaha Facility are set out in paragraph 7 of Appendix V of this document.

Full acceptance of the Offer will result in cash consideration of approximately £24.1 million being payable to IBB Shareholders. Qatar National Bank SAQ is satisfied that sufficient resources are available to Al Rayan (UK) to satisfy in full the cash consideration payable to IBB Shareholders as a result of full acceptance of the Offer.

## 9. Re-registration

It is intended that, following the Offer becoming or being declared wholly unconditional and subject to PRA approval, IBB will be re-registered as a private limited company.

## 10. Taxation

Your attention is drawn to Appendix IV to this document, headed “Taxation”. If you are in any doubt as to your tax position or are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser immediately.

## 11. Overseas Shareholders

The attention of IBB Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding IBB Shares for such citizens or residents and any person (including, without limitation, any nominee, custodian or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom is drawn to paragraph 5 of Part B, paragraph (c) of Part C and paragraph (b) of Part D of Appendix I to this document and to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

The Offer is not being made, directly or indirectly in, into or from any Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws of that jurisdiction, and it is not currently intended that the Offer will be capable of acceptance by any such use, means, instrumentality or facility from within any such jurisdiction. Accordingly, persons who are unable to give the warranties set out in paragraph (c) of Part C and/or paragraph (b) of Part D of Appendix I to this document may be deemed not to have validly accepted the Offer.

**The availability of the Offer to IBB Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.**

## 12. Procedure for acceptance of the Offer

IBB Shareholders who hold their IBB Shares in certificated form should read section (a) of this paragraph 12 in conjunction with the Form of Acceptance and Parts B and C of Appendix I to this document. The instructions on the Form of Acceptance are deemed to be part of the terms of the Offer for IBB Shareholders who hold their IBB Shares in certificated form. IBB Shareholders who hold their shares in uncertificated form (that is, through CREST), should read section (b) of this paragraph 12 in conjunction with Parts B and D of Appendix I to this document. IBB Shareholders who hold some of their IBB Shares in certificated form and others in uncertificated form, should read section (a) of this paragraph 12 (in respect of their IBB Shares in certificated form) and section (b) (in respect of their IBB Shares in uncertificated form) below.

### **(a) If you hold IBB Shares in certificated form (i.e. not in CREST)**

*Completion of the Form of Acceptance*

*To accept the Offer in respect of IBB Shares held in certificated form*, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for IBB Shares held in certificated form but under different designations. If you have any questions relating to the procedure for acceptance of the Offer, please contact Neville Registrars' helpline on 0121 585 1131 or +44 121 585 1131 (if calling from abroad) between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

- *To accept the Offer in respect of all your IBB Shares in certificated form*, you must complete Box 3 and sign Box 4 of the enclosed Form of Acceptance.
- *To accept the Offer in respect of less than all your IBB Shares in certificated form*, you must complete Box 3 and sign Box 4 of the enclosed Form of Acceptance.

In all cases, if you are an individual, you must sign Box 4A on the Form of Acceptance in the presence of a witness who should also sign in accordance with the instructions printed on it. Any IBB Shareholder which is a company should execute Box 4B of the Form of Acceptance in accordance with the instructions printed on it. If you do not insert a number in Box 3 of the Form of Acceptance, or if you insert in Box 3 a number which is greater than the number of certificated IBB Shares that you hold and you have signed Box 4, your acceptance will be deemed to be in respect of all the certificated IBB Shares held by you.

#### *Return of the Form of Acceptance*

To accept the Offer in respect of IBB Shares held in certificated form, the completed, signed and (where required) witnessed Form of Acceptance should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA together (subject to the paragraph below) with the relevant share certificate(s) and/or any other documents of title as soon as possible, and in any event, so as to be received by Neville Registrars not later than 1.00 p.m. (London time) on the First Closing Date. A reply-paid envelope is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received in an envelope post-marked in any Restricted Jurisdiction or otherwise appearing to Al Rayan (UK) or its agents to have been sent from any Restricted Jurisdiction may be rejected as an invalid acceptance of the Offer. For further information on IBB Shareholders resident overseas, see paragraph 11 of this Part II above.

#### *Share certificates not readily available or lost*

If your IBB Shares are in certificated form, a completed, signed and (where required) witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge your completed Form of Acceptance as stated above so as to be received by Neville Registrars by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not later than 1.00 p.m. on the First Closing Date. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other documents of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title should be forwarded as soon as possible.

If you have lost your share certificate(s) and/or other document(s) of title, you should call Capita Registrars (in its capacity as IBB's Registrar) between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

### *Validity of acceptances*

Without prejudice to Parts B and C of Appendix I to this document, subject to the provisions of the City Code, Al Rayan (UK) reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to Al Rayan (UK) have been received.

#### **(b) *If you hold IBB Shares in uncertificated form (i.e. in CREST)***

##### *General*

If your IBB Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer IBB Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying Neville Registrars (in its capacity as a CREST participant under the Escrow Agent's relevant Participant ID referred to below) as the Escrow Agent, as soon as possible **and in any event so that the TTE instruction settles by not later than 1.00 p.m. (London time) on the First Closing Date. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure that you time the input of any TTE instructions accordingly.**

The input and settlement of a TTE instruction in accordance with this paragraph will (subject to satisfying the requirements set out in Parts B and D of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of IBB Shares so transferred to escrow.

**If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your IBB Shares.**

After settlement of a TTE instruction, you will not be able to access the IBB Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared wholly unconditional, the Escrow Agent will transfer the IBB Shares concerned in accordance with paragraph (d) of Part D of Appendix I to this document.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your IBB Shares to settle prior to 1.00 p.m. (London time) on the First Closing Date. In this connection, you are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

##### *To accept the Offer in respect of your IBB Shares*

To accept the Offer in respect of IBB Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for IBB Shares. This is GB00B02KNV97;
- the number of IBB Shares in respect of which you wish to accept the Offer (i.e. the number of IBB Shares to be transferred to escrow);
- your participant ID;
- your member account ID;
- the participant ID of the Escrow Agent. This is 7RA11;
- the member account ID of the Escrow Agent for the Offer. This is ISLAMIC;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on the First Closing Date;

- the corporate action number of the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- a contact name and telephone number in the shared note field.

#### *Validity of Acceptances*

IBB Shareholders with IBB Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of that Offer as at the relevant closing date if it has settled on or before 1.00 p.m. on that date. A Form of Acceptance which is received in respect of IBB Shares held in uncertificated form will be treated as an invalid acceptance and be disregarded.

Al Rayan (UK) will make an appropriate announcement if any of the details contained in this paragraph alter for any reason.

#### *Overseas Shareholders*

The attention of IBB Shareholders holding IBB Shares in uncertificated form and who are citizens or resident of jurisdictions outside the United Kingdom is drawn to paragraph 5 of Part B and paragraph (b) of Part D of Appendix I to this document.

#### *General*

Normal CREST procedures (including timings) apply in relation to any IBB Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of IBB Shares or otherwise). Holders of IBB Shares who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) and or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on the First Closing Date.

If you have any questions relating to the procedure for acceptance of the Offer, please telephone Neville Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0121 585 1131 from within the UK or +44 121 585 1131 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

**If you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

### **13. Settlement**

Subject to the Offer becoming or being declared wholly unconditional (and except as provided in paragraph 5 of Part B of Appendix I in the case of certain Overseas Shareholders), settlement of the consideration to which any IBB Shareholder (or the first-named shareholder in the case of joint holders) is entitled under the Offer will be effected by the issue of cheques or CREST payments in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared wholly unconditional, within 14 calendar days of such date; and in the case of acceptances received, complete in all respects, after such date but while the Offer remains open for acceptance, within 14 calendar days of such receipt, in the following manner:

#### **(a) *IBB Shares held in certificated form***

Where an acceptance relates to IBB Shares held in certificated form, settlement of any cash due will be dispatched by first class post (or such other method as may be approved by the Panel) to accepting IBB Shareholders or their appointed agents (but not into any Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

#### **(b) *IBB Shares held in uncertificated form (i.e. in CREST)***

Where an acceptance relates to IBB Shares held in uncertificated form, the cash consideration to which an accepting IBB Shareholder is entitled will be paid by means of a CREST payment in favour of the

accepting IBB Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. Al Rayan (UK) reserves the right to settle all or any part of the consideration referred to in this paragraph, for all or any accepting IBB Shareholder(s), in the manner referred to in paragraph 13(a) above, if, for any reason, it wishes to do so.

**(c) General**

If the Offer does not become or is not declared wholly unconditional:

- in the case of IBB Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other documents of title will be returned by post (or by such other method as may be approved by the Panel) within 14 calendar days of the Offer lapsing to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in Box 1 of the Form of Acceptance or, if none is set out, to the first named holder at his or her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction); and
- in the case of IBB Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days after the lapsing of the Offer), give TTE instructions to Euroclear to transfer all IBB Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the IBB Shareholders concerned.

All remittances, communications, notices, certificates and documents of title sent by, to or from IBB Shareholders or their appointed agents will be sent at their own risk.

**14. Further information**

The terms and conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the further information in the Appendices, which form part of this document and, if your IBB Shares are in certificated form, to the accompanying Form of Acceptance which should be read in conjunction with this document.

**15. Action to be taken**

To accept the Offer:

- (a) if you hold your IBB Shares, or any of them, in certificated form (that is, not in CREST), to accept the Offer in respect of those IBB Shares you should complete and return the Form of Acceptance (together with your share certificate(s) and/or other document(s) of title) as soon as possible and, in any event, so as to be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not later than 1.00 p.m. (London time) on the First Closing Date. A reply-paid envelope is enclosed for your convenience for use in the UK only; or
- (b) if you hold your IBB Shares, or any of them, in uncertificated form (that is, in CREST), to accept the Offer in respect of those IBB Shares you should follow the procedure for Electronic Acceptance through CREST so that the TTE instruction settles as soon as possible and, in any event, not later than 1.00 p.m. (London time) on the First Closing Date.

Yours faithfully

**Mohammed Ismail Al Emadi**

*Al Rayan (UK) Limited Director*

## APPENDIX I

### CONDITIONS TO, AND FURTHER TERMS OF, THE OFFER

#### PART A

#### CONDITIONS TO THE OFFER

##### 1. Conditions of the Offer

The Offer is subject to the following Conditions:

##### Acceptance Condition

- (a) valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00pm on the First Closing Date of the Offer (or such later time(s) and/or date(s) as Al Rayan (UK) may, with the consent of the Panel or in accordance with the City Code, decide) in respect of IBB Shares that, together with any IBB Shares which Al Rayan (UK) may have otherwise acquired constitute not less than 90 percent (or such lesser percentage as Al Rayan (UK) may decide) (1) of the capital carrying voting rights in IBB and (2) of the voting rights in IBB of the IBB Shares, provided that this Condition 1(a) shall not be satisfied unless Al Rayan (UK) and/or any other members of the MAR Group shall have acquired or agreed to acquire, in each case (whether pursuant to the Offer or otherwise), directly or indirectly, IBB Shares carrying in aggregate more than 50 percent of the voting rights then normally exercisable at general meetings of IBB and provided further that, unless Al Rayan (UK) otherwise determines, this Condition 1(a) shall be capable of being satisfied only at a time when Condition 1(b) has either been satisfied or, to the extent permitted, waived;

For the purpose of this Condition 1(a):

- (i) all percentages of voting rights, share capital and relevant securities are to be calculated by reference to the relevant percentage held and in issue outside treasury; and
- (ii) IBB Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights which they will carry on being entered into the register of members of IBB;

##### Regulatory condition

- (b) the PRA giving notice in writing under section 189(4) of FSMA, either unconditionally or subject to conditions satisfactory to Al Rayan (UK) (acting reasonably), of its approval (or being treated as having given its approval by virtue of section 189(6) of FSMA) of Al Rayan (UK) and any other proposed controller in respect of any acquisition of, or increase in control over, any member of the IBB Group which is a UK authorised person which in either case would result from implementation of the Offer;

##### Other third party clearances

- (c) no Regulatory Authority (other than a Regulatory Authority referred to in Condition 1(b)) having decided to take, instituted, implemented or threatened any action, proceedings, suit, investigation or enquiry or enacted, made or proposed any statute, regulation or order or otherwise taken any other step or done any thing, and there not being outstanding any statute, legislation or order, that would or might reasonably be expected to:
- (i) prohibit, or in any material respect, restrict, restrain, delay, impose additional conditions or obligations with respect to, or otherwise interfere in a way which is material in the context of the Offer with the implementation of, the Offer or the acquisition of any IBB Shares by Al Rayan (UK) or any matters arising therefrom;
- (ii) result in a material delay in the ability of Al Rayan (UK), or render Al Rayan (UK) unable, to acquire some or all of the IBB Shares;
- (iii) require, prevent, or materially delay or affect the divestiture by the MAR Group or the IBB Group of all or any portion of their businesses, assets or property or of any IBB Shares or other securities in IBB or impose any material limitation on the ability of any of them to conduct their

- respective businesses or own their respective assets or properties or any material part thereof which, in any such case, is material to the IBB Group as a whole, or in the context of the Offer;
- (iv) impose any material limitation on the ability of any member of the MAR Group to acquire or hold or exercise effectively, directly or indirectly, all rights of all or any of the IBB Shares (whether acquired pursuant to the Offer or otherwise) which, in any such case, is material to the IBB Group as a whole, or in the context of the Offer;
  - (v) require any member of the MAR Group or the IBB Group to offer to acquire any shares or other securities or rights thereover in any member of the IBB Group owned by any third party which is material in the context of the IBB Group as a whole;
  - (vi) make the Offer or its implementation or the proposed acquisition of IBB or any member of the IBB Group of any IBB Shares or any other shares or securities in, or control of, IBB, illegal, void or unenforceable in or under the laws of any jurisdiction;
  - (vii) impose any material limitation on the ability of any member of the MAR Group or IBB Group to co-ordinate its business, with the business of any other member of the MAR Group or the IBB Group which, in any such case, is material to the IBB Group as a whole, the MAR Group as a whole, or in the context of the Offer; or
  - (viii) otherwise materially and adversely affect any or all of the businesses, assets, prospects or profits of any member of the MAR Group or the IBB Group which, in any such case, is material to the IBB Group as a whole, the MAR Group as a whole, or in the context of the Offer; and
  - (ix) all applicable waiting periods during which such Regulatory Authority could institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene having expired, lapsed or been terminated;
- (d) all necessary material authorisations, orders, grants, consents, clearances, licences, permissions and approvals, in any jurisdiction, deemed reasonably necessary or appropriate by Al Rayan (UK) for or in respect of the Offer, the proposed acquisition of any shares or securities in, or control of, IBB or any member of the IBB Group by any member of the MAR Group or the carrying on of the business of any member of the IBB Group being obtained in terms reasonably satisfactory to Al Rayan (UK) from all appropriate Regulatory Authorities (other than a Regulatory Authority referred to in Condition 1(b)) or (without prejudice to the generality of the foregoing) from any persons or bodies with whom the IBB Group or the MAR Group has entered into contractual arrangements and such authorisations, orders, grants, consents, clearances, licences, permissions and approvals remaining in full force and effect and there being no intimation of any intention to revoke, suspend, materially and adversely restrict, materially and adversely modify or not to renew the same and all necessary filings having been made, all appropriate waiting and other time periods (including extensions thereto) in respect of the Offer under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated and all necessary statutory or regulatory obligations in any jurisdiction in respect of the Offer or the proposed acquisition of IBB by Al Rayan (UK) or of any IBB Shares or any matters arising therefrom having been complied with, except where failure to have any such consent, authorisations, orders, grants, consents, clearances, licences, permissions or approvals would not be material in the context of the IBB Group taken as a whole or in the context of the Offer;
- (e) no Regulatory Authority (other than a Regulatory Authority referred to in Condition 1(b)) or any other party with whom IBB or any member of the IBB Group has any contractual or other material business relationship notifying Al Rayan (UK) that the interests held by IBB or any member of the IBB Group under licences, leases, consents, permits and other rights will be materially and adversely amended or otherwise materially affected by the Offer or the proposed acquisition of IBB, or that such licences, leases, consents, permits and other rights will not remain in full force and effect and that there is any intention to revoke or materially and adversely amend any of the same on the part of such Regulatory Authority or other party which, in any such case, is material to the IBB Group as a whole, or in the context of the Offer;

**Confirmation of absence of adverse circumstances**

- (f) save as Disclosed, there being no provision of any Relevant Instrument which, as a consequence of (i) the Offer or (ii) any acquisition of IBB Shares carried out as contemplated by the Offer, would reasonably be expected to have the result that (in each case in a manner which is material in the context of the IBB Group as a whole or in the context of the Offer):

- (i) any monies borrowed by, or other indebtedness, actual or contingent, of, or grant available to, any member of the IBB Group becomes or is capable of being declared repayable immediately or earlier than the repayment date stated in such Relevant Instrument or the ability of any member of the IBB Group to borrow monies or incur indebtedness is withdrawn, inhibited or adversely affected;
- (ii) any mortgage, charge or other security interest is created over the whole or any material part of the business, property or assets of any member of the IBB Group or any such security (whenever arising) becomes enforceable;
- (iii) any such Relevant Instrument is terminated or materially and adversely modified or affected;
- (iv) the value of any member of the IBB Group or its financial or trading position is materially prejudiced or materially adversely affected;
- (v) any material asset or, other than in the ordinary course of business, any asset of the IBB Group being or falling to be charged or disposed of;
- (vi) the rights, liabilities, obligations or interests or business of any member of the IBB Group in or with any other person, firm or company (or any arrangement relating to such interest or business) is terminated, modified or adversely affected; or
- (vii) any member of the IBB Group ceases to be able to carry on business under any name under which it currently does so;

**No material transactions, claims or changes in the conduct of the business of the IBB Group**

- (g) no member of the IBB Group having since 31 December 2012 (being the date to which the annual report and accounts of IBB for the year ended 31 December 2012 were made up) and save as Disclosed prior to the Announcement Date:
  - (i) save in relation to share options or warrants becoming exercisable, issued or agreed to issue or authorised or proposed the issue of additional shares of any class or issued or authorised or proposed the issue of or granted securities convertible into or rights, warrants or options to subscribe for or acquire such shares or convertible securities or redeemed, purchased or reduced or announced any intention to do so;
  - (ii) made any other change to any part of its share capital;
  - (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus or other distribution;
  - (iv) other than pursuant to the implementation of the Offer, authorised or proposed or announced its intention to propose any merger or acquisition or disposal or transfer of assets or shares or any change in its share or loan capital which, in any such case, is material to the IBB Group as a whole;
  - (v) issued or authorised or proposed the issue of any debentures or, save in the ordinary course of business, incurred or increased any indebtedness or contingent liability in each case to an extent which is material to the IBB Group;
  - (vi) disposed of or transferred, mortgaged or encumbered any asset or any right, title or interest in any asset or entered into or varied any contract, commitment or arrangement (whether in respect of capital expenditure or otherwise) which is of a long term or unusual nature or which involves or could involve an obligation of a nature or magnitude which is material (or authorised, proposed or announced any intention to do so) which, in any such case, is material to the IBB Group as a whole or in the context of the Offer;
  - (vii) entered into or varied or proposed to enter into or vary any contract, reconstruction, amalgamation, arrangement or other transaction which is of a long term or unusual and onerous nature or is otherwise than in the ordinary course of business, and which in each such case is material to the IBB Group taken as a whole;
  - (viii) entered into, or materially varied the terms of, or made any offer (which remains open) to enter into or materially vary the terms of, any contract or agreement with any of the directors or senior executives of any member of the IBB Group save for salary increases, bonuses, or variations of terms in the ordinary course of business;

- (ix) taken or proposed any corporate action or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues;
  - (x) waived, compromised or settled any claim other than in the ordinary course of business, which is material in the context of the IBB Group taken as a whole, or the Offer;
  - (xi) made any amendment to its articles of association or other incorporation or constitutional documents which is material in the context of the Offer;
  - (xii) entered into any contract, commitment or agreement or made any offer (which remains open for acceptance) with respect to any of the transactions or events referred to in this Condition (g); or
  - (xiii) been unable or admitted in writing that it is unable to pay its debts generally or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business, which, in any such case, is material to the IBB Group as a whole, or in the context of the Offer;
- (h) since 31 December 2012 (being the date to which the annual report and accounts of IBB for the year ended 31 December 2012 were made up) and save as otherwise Disclosed prior to the Announcement Date:
- (i) no litigation, arbitration, prosecution or other legal proceedings which could reasonably be expected to have a material impact on the IBB Group having been instituted, announced or threatened or become pending or remained outstanding by or against any member of the IBB Group or to which any member of the IBB Group is or may reasonably be expected to become a party (whether as claimant, defendant or otherwise);
  - (ii) no material adverse change having occurred in the business, assets, financial or trading position, profits or prospects of any member of the IBB Group;
  - (iii) no investigation by or complaint or reference to any Regulatory Authority having been threatened, announced, implemented or instituted or remaining outstanding against or in respect of any member of the IBB Group;
  - (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the IBB Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the IBB Group taken as a whole, which, in each such case, is material to the IBB Group as a whole, or in the context of the Offer; and
- (i) save as Disclosed prior to the Announcement Date, Al Rayan (UK) not having discovered that:
- (i) any member of the IBB Group is subject to any material liability, actual or contingent, which is not Disclosed (or which is materially greater than as Disclosed) and which is material in the context of the IBB Group taken as a whole or the Offer;
  - (ii) any member of the IBB Group has failed to comply in all material respects with all applicable legislation or regulations of any jurisdiction with regard to the storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or to harm human health or otherwise relating to environmental matters (which non-compliance might give rise to any liability (whether actual or contingent) on the part of any member of the IBB Group), or that there has otherwise been any such disposal, discharge, spillage, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations and wherever the same may have taken place) which in any such case might give rise to any liability (whether actual or contingent) on the part of any member of the IBB Group and which liability is material to the IBB Group taken as a whole;
  - (iii) there is or is likely to be any material liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any member of the IBB Group under any environmental legislation, regulation, notice, circular or order of any Regulatory Authority, in each such case to an extent which is material in the context of the IBB Group taken as a whole;

- (iv) circumstances exist (whether as a result of the making of the Offer or otherwise) which might lead to any Regulatory Authority instituting or requiring any member of the IBB Group or the MAR Group to institute, an environmental audit or take any other steps which in any such case will reasonably be expected to result in any actual or contingent liability to improve or install new plant or equipment or make good, repair, re-instate or clean up any land or other asset now or previously owned, occupied or made use of by any member of the IBB Group which in each case is material to the IBB Group taken as a whole; or
- (v) circumstances exist whereby a class of persons might reasonably be expected to have any material claim in respect of any product now or previously sold by any member of the IBB Group, which is material in the context of the IBB Group taken as a whole.

## **2. Certain terms of the Offer**

- (a) Al Rayan (UK) reserves the right to waive all or any of the Conditions, in whole or in part, except Condition 1(a).
- (b) Except with the consent of the Panel, the Offer will lapse unless Conditions 1(b) to (i) (inclusive) of the Offer are fulfilled or, if capable of waiver, waived or, where appropriate, have been determined by Al Rayan (UK) in its reasonable opinion to be or to remain satisfied by midnight on the date which is 21 days after the later of the First Closing Date and the date on which Condition 1(a) is satisfied.
- (c) Al Rayan (UK) shall be under no obligation to waive or treat as fulfilled any of Conditions 1(b) to (i) (inclusive) by a date earlier than the latest date specified above for the fulfilment or satisfaction thereof notwithstanding that the other Conditions of the Offer may at such earlier date have been waived, fulfilled or satisfied and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment or satisfaction.
- (d) If Al Rayan (UK) is required by the Panel to make an offer for IBB Shares under the provisions of Rule 9 of the City Code, Al Rayan (UK) may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
- (e) IBB Shares which will be acquired under the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after that date.
- (f) If the consideration due to an IBB Shareholder pursuant to the Offer is not a whole number of pence, the consideration due to that IBB Shareholder shall be rounded down to the nearest whole pence.
- (g) If the Offer lapses or is withdrawn it will cease to be capable of further acceptance. IBB Shareholders who have accepted the Offer and Al Rayan (UK) shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses or is withdrawn.
- (h) The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- (i) This Offer will be governed by English law and be subject to the jurisdiction of the English courts, to the Conditions set out above, the further terms set out below and related form of acceptance. The Offer will comply with the applicable rules and regulations of the FCA and the City Code.
- (j) The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.

## PART B

### FURTHER TERMS OF THE OFFER

The following further terms apply, unless the context requires otherwise, to the Offer.

Unless the context requires otherwise, any reference in this document and in the Form of Acceptance to:

- (a) “**acceptances of the Offer**” includes deemed acceptances of the Offer;
- (b) the “**Offer**” will include any other election available under the Offer and any revision, variation, renewal or extension thereof;
- (c) the Offer “**becoming unconditional**” includes the Offer being or becoming or being declared unconditional as to acceptances whether or not any other condition of the Offer remains to be fulfilled;
- (d) the Offer “**becoming wholly unconditional**” means the Offer being or becoming or being declared wholly unconditional;
- (e) the “**Offer Document**” means this document and any other document containing the Offer;
- (f) “**acting in concert with Al Rayan (UK)**” will mean any such person acting or deemed to be acting in concert with Al Rayan (UK) for the purposes of the City Code and/or the Offer;
- (g) an “**extension of the Offer**” shall include a reference to an extension of the date by which the Acceptance Condition has to be fulfilled;
- (h) “**Day 39 of the Offer**” shall mean 7 January 2014;
- (i) “**Day 46 of the Offer**” shall mean 14 January 2014;
- (j) “**Day 60 of the Offer**” shall mean 28 January 2014; and
- (k) “**Day 70 of the Offer**” shall mean 7 February 2014.

#### 1. Acceptance Period

- 1.1 The Offer will initially be open for acceptance until 1.00 p.m. (London time) on the First Closing Date.

Save as set out in paragraph 1.6 of this Part B of Appendix I, Al Rayan (UK) reserves the right (but will not be obliged, other than as may be required by the City Code) at any time or from time to time to extend the Offer after such time and, in such event, will make a public announcement of such extension in the manner described in paragraph 2.1 of this Part B of Appendix I and give oral or written notice of such extension to Neville Registrars. If the Offer has not become unconditional by the First Closing Date, Al Rayan (UK) currently intends to extend the Offer until such time as the Offer becomes unconditional. There can be no assurance, however, that Al Rayan (UK) will, in such circumstances, extend the Offer and, if no such extension is made, the Offer will lapse on the First Closing Date and no IBB Shares will be purchased pursuant to the Offer.

- 1.2 Although no revision is contemplated, if the Offer is revised it will remain open for acceptance for a period of at least 14 calendar days (or such other period as may be permitted by the Panel) after the date on which Al Rayan (UK) publishes the revised offer documentation. Except with the consent of the Panel, Al Rayan (UK) may not revise the Offer or publish any revised offer documentation after Day 46 of the Offer, or, if later, the date which is 14 calendar days before the last date on which the Offer can become unconditional.

- 1.3 The Offer, whether revised or not, will not (except with the consent of the Panel) be capable of becoming unconditional as to acceptances after 12.00 midnight (London time) on Day 60 of the Offer (or any other time and/or date beyond which Al Rayan (UK) has stated that the Offer will not be extended and has not, where permitted, withdrawn that statement), nor of being kept open for acceptance after that time and/or date unless the Offer has previously become unconditional. If the Offer has not become unconditional at such time (taking account of any prescribed extension of the Offer), the Offer will lapse in the absence of a competing bid and/or unless the Panel agrees otherwise. If the Offer lapses for any reason, the Offer will cease to be capable of further acceptance and Al Rayan (UK) and IBB Shareholders will cease to be bound by prior acceptances. Al Rayan (UK) reserves the right, with the permission of the Panel, to extend the time for the Offer to become unconditional to any later time(s) and/or date(s).

- 1.4 Except with the consent of the Panel, for the purpose of determining at any particular time whether the Acceptance Condition is satisfied, Al Rayan (UK) may only take into account acceptances received or purchases of IBB Shares made in respect of which all relevant documents and/or TTE instructions are received by Neville Registrars:
- (a) by 1.00p.m. (London time) on Day 60 of the Offer (or any other date beyond which Al Rayan (UK) has stated that the Offer will not be extended and has not withdrawn that statement); or
  - (b) if the Offer is extended, with the consent of the Panel, such later time(s) and/or date(s) as the Panel may agree.
- If the latest time at which the Offer may become unconditional is extended beyond 12.00 midnight (London time) on Day 60 of the Offer, acceptances received and purchases made in respect of which the relevant documents are received by Neville Registrars after 1.00 p.m. (London time) on that date may (except where the City Code permits otherwise) only be taken into account with the agreement of the Panel.
- 1.5 If the Offer becomes unconditional it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired. If the Offer becomes unconditional and it is stated by or on behalf of Al Rayan (UK) that the Offer will remain open until further notice or if the Offer will remain open for acceptance beyond Day 70 of the Offer, then not less than 14 calendar days' written notice will be given by or on behalf of Al Rayan (UK) to IBB Shareholders who have not accepted the Offer prior to the closing of the Offer.
- 1.6 If a competitive situation arises (as determined by the Panel) after Al Rayan (UK) has made a "no extension" statement and/or "no increase" statement (as referred to in the City Code) in relation to the Offer, Al Rayan (UK) may, if it specifically reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by or withdraw such statement and to extend or revise the Offer provided it complies with the requirements of the City Code and, in particular, that:
- (a) it announces the withdrawal and that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days of the date of the firm announcement of the competing offer or other competitive situation;
  - (b) it notifies holders of IBB Shares in writing at the earliest opportunity to that effect or, in the case of holders of IBB Shares with registered addresses outside the United Kingdom or whom Al Rayan (UK) reasonably believes to be nominees, custodians or trustees holding IBB Shares for such persons, by announcement in the United Kingdom; and
  - (c) any holders of IBB Shares who accepted the Offer after the date of the "no extension" and/or "no increase" statement are given a right of withdrawal in accordance with paragraph 3.5 of this Part B of Appendix I.
- 1.7 Al Rayan (UK) may, if it specifically reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of a "no extension" or "no increase" statement and may publish an increased or improved offer (either as to the value or form of the consideration or otherwise) in any circumstance permitted by the Panel.
- 1.8 If IBB publishes material new information of the kind referred to in Rule 31.9 of the City Code after Day 39 of the Offer, Al Rayan (UK) may choose not to be bound by a "no extension" statement and/or a "no increase" statement if it specifically reserved the right to do so at the time such statement is made (or otherwise with the consent of the Panel) and to be free to revise and/or extend the Offer, if permitted by the Panel, provided that it:
- (a) announces the withdrawal and that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of publication by IBB; and
  - (b) notifies holders of IBB Shares in writing at the earliest opportunity to that effect or, in the case of holders of IBB Shares with registered addresses outside the UK or whom Al Rayan (UK) reasonably believes to be nominees, custodians or trustees holding IBB Shares for such persons, by announcement in the United Kingdom.
- 1.9 If a competitive situation arises (as determined by the Panel) and is continuing on the Business Day preceding Day 60 of the Offer, Al Rayan (UK) will enable holders of IBB Shares in uncertificated form, who have not already validly accepted the Offer but who have previously accepted a competing offer,

to accept the Offer by special form of acceptance to take effect on Day 60 of the Offer. The special form of acceptance shall constitute a valid acceptance of the Offer provided that (i) it is received by Neville Registrars on or before Day 60 of the Offer; (ii) the relevant IBB Shareholder shall have applied to withdraw his acceptance of the competing offer but that the IBB Shares to which such withdrawal relates shall not have been released from escrow by the escrow agent to the competing offer before Day 60 of the Offer; and (iii) the IBB Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in this document on or before Day 60 of the Offer, but an undertaking is given that they will be so transferred as soon as possible thereafter. IBB Shareholders wishing to use such special forms of acceptance should apply to Neville Registrars on 0121 585 1131 on the Business Day preceding Day 60 of the Offer in order that such forms can be dispatched. Subject to the right to use such a special form of acceptance in terms of paragraph 1.9 of this Part B of Appendix I, holders of IBB Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

- 1.10 For the purposes of determining at any particular time whether the Acceptance Condition is satisfied, Al Rayan (UK) is not bound (unless otherwise required by the Panel) to take into account any IBB Shares which have been issued or unconditionally allotted or which arise as the result of the exercise of subscription or conversion rights before the determination takes place unless IBB or its agent has given written notice containing relevant details of the allotment, issue, subscription or conversion before that time to Al Rayan (UK) or Neville Registrars on behalf of Al Rayan (UK) at the address specified in paragraph 3.2 of this Part B of Appendix I. Notification by e-mail, telex or facsimile or other electronic transmission or copies will not be sufficient to constitute written notice for this purpose.

## 2. Announcements

- 2.1 Without prejudice to paragraph 3.2 of this Part B, by 8.00 a.m. (London time) on the next Business Day (the “**relevant day**”) following the day on which the Offer is due to expire or becomes or is declared unconditional, or is revised or is extended (or such later time(s) or date(s) as the Panel may agree), Al Rayan (UK) will make an appropriate announcement through a Regulatory Information Service. Such announcement will state (unless otherwise permitted by the Panel):
- (a) the total number of IBB Shares (i) for which acceptances of the Offer have been received (showing the extent, if any, to which such acceptances have been received from person(s) acting or deemed to be acting in concert with Al Rayan (UK) for the purposes of the Offer); and (ii) which were the subject of an irrevocable commitment or a letter of intent procured by Al Rayan (UK) or any person acting in concert with it;
  - (b) details of any IBB relevant securities in which Al Rayan (UK) or any person acting in concert with it has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions over IBB relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, will also be stated;
  - (c) details of any IBB relevant securities in respect of which Al Rayan (UK) or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
  - (d) details of any IBB relevant securities which Al Rayan (UK) or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,
- and will in each case specify the percentages of each class of IBB relevant securities represented by these figures. The announcement will include a statement of the total number of IBB Shares which Al Rayan (UK) may count towards the satisfaction of the Acceptance Condition and the percentage of IBB Shares represented by this figure.
- 2.2 Any decision to extend the time and/or date by which the Acceptance Condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 a.m. (London time) on the relevant day (or such later time and/or date as the Panel may agree). The announcement will state the next expiry time and date unless the Offer is then unconditional, in which case it may instead state that the Offer will remain open until further notice.
- 2.3 In computing the number of IBB Shares represented by acceptances and/or purchases for the announcement, an acceptance or purchase will only be counted towards fulfilling the Acceptance

Condition if the requirements of Notes 4, 5 and 6 (as applicable) on Rule 10 of the City Code are satisfied (unless the Panel agrees otherwise). Subject to this, Al Rayan (UK) may include or exclude, for announcement purposes, acceptances and purchases not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title and/or not accompanied by the relevant TTE instruction or which are subject to verification.

- 2.4 In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Al Rayan (UK) include the release of an announcement by Al Rayan (UK)'s public relations consultants on behalf of Al Rayan (UK) to the press and the delivery by hand or telephone, telex or facsimile transmission or other electronic transmission of an announcement through a Regulatory Information Service. An announcement made otherwise than through a Regulatory Information Service will be notified simultaneously through a Regulatory Information Service (unless otherwise agreed by the Panel).
- 2.5 A copy of any announcement made by Al Rayan (UK) in accordance with this paragraph 2 will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on MAR's website at [www.alrayan.com/en/Investors\\_Relations](http://www.alrayan.com/en/Investors_Relations) as soon as possible after the making of such announcement and in any event by no later than 12 noon on the following Business Day and will remain on such website while the Offer remains open for acceptances.

### **3. Rights of withdrawal**

- 3.1 Except as provided by this paragraph 3, acceptances of and elections under the Offer will be irrevocable.
- 3.2 If Al Rayan (UK), having announced the Offer to be unconditional, fails to comply by 3.30 p.m. (London time) on the relevant day (as defined in paragraph 2.1 of this Part B of Appendix I) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 2.1 of this Part B of Appendix I, an accepting certificated IBB Shareholder may (unless the Panel agrees otherwise) withdraw his acceptance of the Offer by written notice or otherwise signed by the accepting holder of IBB Shares (or his agent duly appointed in writing and evidence of whose appointment, in a form reasonably satisfactory to Al Rayan (UK), is produced with the notice) given by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. Alternatively, in the case of IBB Shares held in uncertificated form, withdrawals can also be effected in the manner set out in paragraph 3.7 of this Part B of Appendix I. Subject to paragraph 1.3 of this Part B of Appendix I, this right of withdrawal may be terminated not less than eight calendar days after the relevant day by Al Rayan (UK) confirming, if such is the case, that the Offer is still unconditional and complying with the other requirements relating to the Offer specified in paragraph 2.1 of this Part B of Appendix I. If that confirmation is given, the first period of 14 calendar days referred to in paragraph 1.5 of this Part B of Appendix I will start on the date of that confirmation.
- 3.3 If by 1.00 p.m. (London time) on 10 January 2014 (or such later time and/or date as the Panel agree) the Offer has not become unconditional, an accepting IBB Shareholder may withdraw his acceptance of the Offer by written notice in the manner referred to in paragraph 3.2 of this Part B of this Appendix I (or, in the case of IBB Shares held in uncertificated form, in the manner set out in paragraph 3.7 of this Part B of this Appendix I) at any time before the earlier of:
  - (a) the time that the Offer becomes unconditional; and
  - (b) the final time for the lodging of acceptances of the Offer which can be taken into account in accordance with paragraph 1.4 of this Part B of Appendix I.
- 3.4 If an accepting IBB Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within 14 days) and Neville will immediately give instructions for the release of securities held in escrow.
- 3.5 If a "no extension" and/or "no increase" statement is withdrawn in accordance with paragraph 1.6 of this Part B of Appendix I, an IBB Shareholder who accepts the Offer after the date of that statement may withdraw such acceptance by written notice or otherwise in accordance with paragraph 3.2 of this Part B of Appendix I (or, in the case of IBB Shares held in uncertificated form, in the manner set out in paragraph 3.7 of this Part B of Appendix I) for a period of eight calendar days after the date on which Al Rayan (UK) sends the notice of the withdrawal of that statement to IBB Shareholders.

- 3.6 In this paragraph 3, “**written notice**” (including any letter of appointment, direction or authority) means notice in writing signed by the relevant accepting IBB Shareholder (or his/their agent(s) duly appointed in writing and evidence of whose appointment satisfactory to Al Rayan (UK) is produced with the notice). Telex, e-mail, facsimile or other electronic transmission or copies will not be sufficient to constitute written notice. A notice which is post-marked in, or otherwise appears to Al Rayan (UK) or its agents to have been sent from, a Restricted Jurisdiction, may not be treated as valid.
- 3.7 In the case of IBB Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraphs 3.2, 3.3 or 3.5 of this Part B of Appendix I, an accepting IBB Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and to settle, include the following details:
- (a) the number of IBB Shares to be withdrawn;
  - (b) the ISIN number, which is GB00B02KNV97;
  - (c) the member account ID of the accepting shareholder, together with his participant ID;
  - (d) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance which is ISLAMIC for the Offer, together with the Escrow Agent’s participant ID, which is 7RA11;
  - (e) the CREST Transaction ID of the Electronic Acceptance to be withdrawn;
  - (f) the intended settlement date for the withdrawal;
  - (g) the corporate action number for the Offer; and
  - (h) input with a standard delivery priority of 80.
- Any such withdrawal will be conditional upon Neville Registrars verifying that the withdrawal request is validly made. Accordingly, Neville Registrars will, on behalf of Al Rayan (UK), reject or accept the withdrawal by transmitting in CREST a receiving agent reject (“**AEAD**”) or receiving agent accept (“**AEAN**”) message.
- 3.8 IBB Shares in respect of which acceptances have been validly withdrawn in accordance with this paragraph 3 of this Part B of Appendix I may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 12 of the letter from Al Rayan (UK) set out in Part II of this document while the Offer remains open for acceptance.
- 3.9 All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by Al Rayan (UK) whose determination (except as required by the Panel) will be final and binding. None of Al Rayan (UK), IBB, or Neville Registrars or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification or for any determination under paragraph 3 of this Part B of Appendix I.

#### **4. Revised Offer**

- 4.1 Although no such revision is contemplated, if the Offer is revised (in its original or previously revised form(s) and either in its terms or Conditions or in the value or form of the consideration offered or otherwise), the benefit of the revised offer will, subject to paragraphs 4.3 and 4.4 of this Part B of Appendix I, be made available to an IBB Shareholder who has accepted the Offer (in its original or any revised form(s)) and who has not validly withdrawn such acceptance (a “previous acceptor”) if any such revised offer(s) represents, on the date on which it is announced an improvement (or no diminution) in the value of the consideration compared with the consideration or terms previously offered or in the overall value received and/or retained by an IBB Shareholder (under or in consequence of the Offer or otherwise). The acceptance by or on behalf of a previous acceptor will, subject to paragraphs 4.3 and 4.4 of Part B of this Appendix I, be deemed to be an acceptance of the revised offer and will constitute the separate appointment of each of Al Rayan (UK) and any director of, or person authorised by Al Rayan (UK) as his attorney and/or agent with authority:
- (a) to accept the revised offer on behalf of such previous acceptor;
  - (b) if the revised offer includes alternative form(s) of consideration, to make elections for and/or accept such alternative form(s) of consideration on his behalf in the proportions the attorney and/or agent in his absolute discretion thinks fit; and

- (c) to execute on his behalf and in his name all such further documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/or elections.

In making any election and/or acceptance, the attorney and/or agent will take into account the nature of any previous acceptance(s) or election(s) made by or on behalf of the previous acceptor and other facts or matters he may reasonably consider relevant.

- 4.2 Al Rayan (UK) reserves the right (subject to paragraphs 4.3 and 4.4 of this Part B of Appendix I) to treat an executed Form of Acceptance or TTE instruction relating to the Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or issue of any revised offer as a valid acceptance of the revised offer (and, where applicable, a valid election for the alternative forms of consideration). The acceptance will constitute an authority in the terms of paragraph 4.1 of this Part B of Appendix I, mutatis mutandis, on behalf of the relevant IBB Shareholder.
- 4.3 The deemed acceptance and/or election referred to in paragraph 4.1 of this Part B of Appendix I will not apply, and the power of attorney and the authorities conferred by that paragraph shall not be exercised if, as a result, the previous acceptor would receive and/or retain (as appropriate) less in aggregate in consideration under the revised offer or otherwise than he would have received and/or retained (as appropriate) in aggregate in consideration as a result of his acceptance of the Offer in the form originally accepted by such previous acceptor or on his behalf.
- 4.4 The deemed acceptance and/or election referred to in paragraph 4.1 of this Part B of Appendix I will not apply, and the power of attorney and the authorities conferred by that paragraph will not be exercised in the case of a previous acceptor who (i) lodges with Neville Registrars within 14 calendar days of the publication of the document containing the revised offer to IBB Shareholders, a Form of Acceptance (or any other form issued on behalf of Al Rayan (UK)) in which he validly elects to receive consideration under the revised offer in some other manner, or (ii) sends (or, if a CREST sponsored member, procures that his CREST sponsor sends), in respect of IBB Shares in uncertificated form, an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be changed. Each ESA instruction must, in order for it to be valid and to settle, include the following details:
- the number of IBB Shares in respect of which the changed election is made;
  - the ISIN number, which is GB00B02KNV97;
  - the member account ID of the previous acceptor, together with his participant ID;
  - the member account ID of the Escrow Agent included in the relevant Electronic Acceptance for the Offer, which is ISLAMIC, together with the Escrow Agent's participant ID, which is 7RA11;
  - the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed;
  - the intended settlement date for the changed election;
  - the corporate action number for the Offer; and
  - input with a standard delivery priority 80;
- and, in order that the designated change of election can be effected, must include:
- the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon Neville Registrars verifying that the request is validly made. Accordingly, Neville Registrars will on behalf of Al Rayan (UK) reject or accept the requested change of election by transmitting in CREST an AEAD or AEAN message.

- 4.5 Although no revision is contemplated, if the Offer is revised, a revised offer document will be published. On the day of publication, MAR will publish the document on its website and Al Rayan (UK) will announce that the document has been so published. Where necessary, a circular containing the opinion of the Independent IBB Directors on the revised offer will be published. On the day of publication, IBB will publish the document on its website and will announce that it has been so published.
- 4.6 Although no revision is contemplated, if the revised offer document is published, both Al Rayan (UK) and IBB will make the revised offer document readily and promptly available to the representatives of the employees of Al Rayan (UK) and IBB respectively (or where there are no employee representatives, to the employees themselves) and to the pension trustees of IBB. IBB will make any circular published

by the Independent IBB Directors readily and promptly available to its employee representatives (or where there are no such representatives, to the employees themselves) and pension trustees.

## 5. Overseas Shareholders

- 5.1 The making of the Offer in, or to persons resident in, or citizens or nationals of, jurisdictions outside the United Kingdom (“**Overseas Shareholders**”) or to persons who are custodians, nominees of or trustees for such persons may be prohibited or affected by the laws of the relevant jurisdiction. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required and compliance with other necessary formalities needing to be observed. Any such Overseas Shareholders will be responsible for the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such Overseas Shareholders shall be responsible for any such issue, transfer or other taxes or duties or other payments by whomsoever payable and Al Rayan (UK) (and any person acting on behalf of Al Rayan (UK)) shall be fully indemnified and held harmless by such Overseas Shareholders for any such issue, transfer or other taxes or duties or other payments which Al Rayan (UK) (and any person acting on behalf of Al Rayan (UK)) may be required to pay.
- 5.2 The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction (unless otherwise determined by Al Rayan (UK)) and the Offer cannot be accepted by any such use, means or instrumentality or otherwise from any Restricted Jurisdiction.
- 5.3 Copies of this document, the Form of Acceptance and any related documents are not being (unless determined otherwise by Al Rayan (UK) in its sole discretion), and must not be, mailed or otherwise distributed or sent in, into or from any Restricted Jurisdiction including to IBB Shareholders with registered addresses in a Restricted Jurisdiction or to persons whom Al Rayan (UK) knows to be custodians, trustees or nominees holding IBB Shares for persons with registered addresses in a Restricted Jurisdiction. Persons receiving those documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose directly or indirectly in connection with the Offer, and so doing may render any purported acceptance of the Offer invalid.
- 5.4 Persons wishing to accept the Offer must not use the mails of any Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. All IBB Shareholders (including nominees, trustees or custodians) who may have a contractual or legal obligation, or may otherwise intend, to forward this document and/or Form of Acceptance, should read the further details in this regard which are contained in this paragraph 5 of this Part B and in Parts C and D of Appendix I before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be post-marked in, or otherwise dispatched from, a Restricted Jurisdiction and all acceptors must provide addresses outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer or for the return of the Form of Acceptance or documents of title.
- 5.5 Subject to the provisions of this paragraph 5 of Part B of Appendix I and applicable laws, an IBB Shareholder may be deemed NOT to have accepted the Offer if:
  - (a) he puts “NO” in Box 5 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph (c) of Part C of this Appendix I;
  - (b) he completes Box 1 of the Form of Acceptance with an address in a Restricted Jurisdiction or has a registered address in a Restricted Jurisdiction and in any such case does not insert in Box 1 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;

- (c) he inserts in Box 1 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;
- (d) in any case, the Form of Acceptance received from him is received in an envelope postmarked in, which otherwise appears to Al Rayan (UK) or its agents to have been sent from a Restricted Jurisdiction; or
- (e) he makes a Restricted Escrow Transfer pursuant to paragraph 5.7 below, unless he also makes a related Restricted ESA Instruction which is accepted by Neville Registrars.

Al Rayan (UK) reserves the right, in its sole discretion, to investigate in relation to any acceptance, whether the representations and warranties set out in paragraph (c) of Part C or (as the case may be) Part D of this Appendix I could have been truthfully given by the relevant IBB Shareholder and, if such investigation is made and as a result Al Rayan (UK) determines (for any reason) that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.

5.6 If any person, despite the restrictions described above, and whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related document in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction in connection with that forwarding, that person should:

- (a) inform the recipient of such fact;
- (b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
- (c) draw the attention of the recipient to this paragraph 5.

5.7 If a holder of IBB Shares in uncertificated form is unable to give the warranty set out in paragraph (b) of Part D of this Appendix I, but nevertheless can produce evidence satisfactory to Al Rayan (UK) that he is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he may purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:

- (a) a TTE instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”); and
- (b) one or more valid ESA instructions (a “**Restricted ESA Instruction**”) which specify the form of consideration which he wishes to receive (consistent with any alternatives which may from time to time be offered under the Offer).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and Al Rayan (UK) decides, in its absolute discretion, to exercise its right described in paragraph 5.10 of this Part B of Appendix I to waive, vary or modify the terms of the Offer related to Overseas Shareholders to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 of this Part B of Appendix I. If Al Rayan (UK) accordingly decides to permit such acceptance to be made, Neville Registrars will on behalf of Al Rayan (UK) accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST an AEAN message. Otherwise, Neville Registrars will on behalf of Al Rayan (UK) reject the purported acceptance by transmitting in CREST an AEAD message.

Each Restricted Escrow Transfer must, in order for it to be valid and to settle, include the following details:

- the number of IBB Shares in respect of which the Offer is to be accepted;
- the ISIN number of the IBB Shares, which is GB00B02KNV97;
- the member account ID and participant ID of the IBB Shareholder;
- the Participant ID of the Escrow Agent, which is 7RA11 and its member account ID specific to a Restricted Escrow Transfer, which is RESTRICT;

- the intended settlement date;
  - the corporate action number for the Offer; and
  - input with a standard delivery priority of 80.
- Each Restricted ESA Instruction must, in order for it to be valid and to settle, include the following details:
- the ISIN number of IBB Shares, which is GB00B02KNV97;
  - the number of IBB Shares relevant to that Restricted ESA Instruction;
  - the member account and participant ID of the accepting IBB Shareholder;
  - the member account ID and Participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
  - the participant ID and the member account ID of the Escrow Agent relevant to the form of consideration required (details of which are set out in the letter from Al Rayan (UK) contained in Part II of this document);
  - the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates;
  - the intended settlement date;
  - the corporate action number for the Offer; and
  - input with a standard delivery priority of 80.
- 5.8 Notwithstanding any other provision of paragraph 5 of this Part B of Appendix I, Al Rayan (UK) may in its sole and absolute discretion make the Offer to a resident in a Restricted Jurisdiction if Al Rayan (UK) is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other relevant legislation of a Restricted Jurisdiction.
- 5.9 The provisions of this paragraph 5 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific IBB Shareholders or on a general basis by Al Rayan (UK) in its sole discretion. Subject to this discretion, the provisions of this paragraph 5 supersede any terms of the Offer inconsistent with them. References in this paragraph 5 to an IBB Shareholder shall include the person or persons making an Electronic Acceptance and the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph apply to them jointly and severally.
- 5.10 Al Rayan (UK) reserves the right to notify any matter, including the making of the Offer, to all or any IBB Shareholders:
- (a) with a registered address outside the United Kingdom; or
  - (b) whom Al Rayan (UK) knows to be a custodian, trustee or nominee holding IBB Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom,
- by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice will be deemed to have been sufficiently given, despite any failure by any such IBB Shareholder to receive or see that notice. A reference in this document to a notice or the provision of information in writing by or on behalf of Al Rayan (UK) is to be construed accordingly. No such document will be sent to an address in a Restricted Jurisdiction.
- 5.11 If any written notice from an IBB Shareholder withdrawing his acceptance in accordance with paragraph 3 of this Part B of Appendix I is received in an envelope post-marked in, or which otherwise appears to Al Rayan (UK) or its agents to have been sent from, a Restricted Jurisdiction, Al Rayan (UK) reserves the right, in its absolute discretion to treat that notice as invalid.
- Reference in this paragraph 5 to an IBB Shareholder shall include the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph 5 shall apply to them jointly and severally.

**Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.**

## **6. General**

- 6.1 Except with the consent of the Panel, the Offer will lapse unless all the conditions relating to the Offer have been satisfied or (if capable of waiver) waived or, where appropriate, have been determined by Al Rayan (UK) in its reasonable opinion to be and remain satisfied by 12.00 midnight (London time) on the later of 10 January 2014 and the date which is 21 days after the date on which the Offer becomes unconditional, or such later date(s) as Al Rayan (UK), with the consent of the Panel, may decide.
- 6.2 If the Offer lapses for any reason:
- (a) it will not be capable of further acceptance;
  - (b) accepting IBB Shareholders and Al Rayan (UK) will cease to be bound by: (a) in the case of IBB Shares held in certificated form, Forms of Acceptance submitted; and (b) in the case of IBB Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;
  - (c) in respect of IBB Shares held in certificated form, Forms of Acceptance, share certificates and other documents of title will be returned by post within 14 calendar days of the Offer lapsing, at the risk of the IBB Shareholder in question, to the person or agent whose name and address is set out in the relevant box on the Form of Acceptance or, if none is set out, to the first-named holder at his registered address. No such documents will be sent to an address in a Restricted Jurisdiction; and
  - (d) in respect of IBB Shares held in uncertificated form, Neville Registrars will immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the Offer lapsing) give TFE instructions to Euroclear to transfer all IBB Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the relevant IBB Shareholders.
- 6.3 Al Rayan (UK) reserves the right to elect, with the agreement of IBB and the consent of the Panel (where necessary), to implement the acquisition of IBB by way of a court-approved scheme of arrangement in accordance with Part 26 of the Companies Act.
- 6.4 Any acquisition pursuant to paragraph 6.3 above will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Offer.
- 6.5 Except with the consent of the Panel:
- (a) settlement of the consideration to which any IBB Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer, without regard to any lien, right of set off, counterclaim or other analogous right to which Al Rayan (UK) may otherwise be, or claim to be, entitled against that IBB Shareholder; and
  - (b) settlement of the consideration will be effected in the manner prescribed in paragraph 13 of the letter from Al Rayan (UK) contained in Part II of this document not later than 14 calendar days after the date on which the Offer becomes or is declared wholly unconditional, or within 14 calendar days of the date of receipt of a valid and complete acceptance, whichever is the later.

Subject to paragraph 5 of this Part B of Appendix I, no consideration will be sent to any address in a Restricted Jurisdiction.

- 6.6 Except as otherwise agreed by the Panel:
- (a) an acceptance of the Offer will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the City Code are satisfied in respect of it;
  - (b) a purchase of IBB Shares by Al Rayan (UK) or its nominee(s) or (if Al Rayan (UK) is required by the Panel to make an offer for IBB Shares under Rule 9 of the City Code) by a person acting in concert with Al Rayan (UK) or its nominee(s), will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the City Code are satisfied in respect of it;

- (c) IBB Shares which have been borrowed by Al Rayan (UK) may not be counted towards fulfilling the Acceptance Condition; and
  - (d) before the Offer may become or be declared unconditional, Neville Registrars shall issue a certificate to Al Rayan (UK) (or its respective agents) which states the number of IBB Shares in respect of which acceptances have been received and not validly withdrawn, and the number of IBB Shares otherwise acquired, whether before or during the Offer Period, which comply with the provisions of paragraph 1 of this Part B of Appendix I. A copy of the certificate will be sent to the Panel as soon as possible after it is issued.
- 6.7 The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires. The provisions of this Appendix I shall be deemed to be incorporated into and form part of the Form of Acceptance.
- 6.8 If the expiry date of the Offer is extended, a reference in this document and in the Form of Acceptance to Day 21 of the Offer will (except in the definition of Offer Period and in paragraph 1.1 of this Part B or Appendix I and where the context requires otherwise) be deemed to refer to the expiry date of the Offer as so extended.
- 6.9 No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) or other document(s) of title will be given by or on behalf of Al Rayan (UK). All communications, notices, certificates, documents of title and remittances to be delivered by, to or on behalf of IBB Shareholders (or their designated agents) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- 6.10 Any omission or failure to dispatch this document, the Form of Acceptance or any other document relating to the Offer and/or notice required to be dispatched under the terms of the Offer to, or any failure to receive the same by any person to whom the Offer is, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 5 of this Part B of Appendix I, the Offer is made to any IBB Shareholder to whom this document and the Form of Acceptance or any related document may not be dispatched or by whom such documents may not be received, and these persons may collect these documents from Neville Registrars at the address set out in paragraph 3.2 of this Part B of Appendix I.
- 6.11 Subject to paragraph 5 of this Part B of Appendix I, the Offer is made at 1.00 p.m. (London time) on 29 November 2013 and is capable of acceptance from and after that time. Copies of this document, the Form of Acceptance and any related documents are available from Neville Registrars at the address specified in paragraph 3.2 of this Part B of Appendix I.
- 6.12 Save in respect of the Acceptance Condition, Al Rayan (UK) shall not invoke any condition so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Al Rayan (UK) in the context of the Offer.
- 6.13 All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix I or in the Form of Acceptance are given by way of security for the performance of the obligations of the IBB Shareholder and are irrevocable (in respect of powers of attorney in accordance with section 4 of the Powers of Attorney Act 1971), except in the circumstances where the Offer lapses or the donor of the power of attorney, appointment or authority validly withdraws his acceptance in accordance with paragraph 3 of this Part B of Appendix I.
- 6.14 In relation to any Electronic Acceptance, Al Rayan (UK) reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST, or otherwise, provided any such alterations, additions or modifications are consistent with the requirements of the City Code or are otherwise made with the consent of the Panel.
- 6.15 The Offer, the Form of Acceptance, all acceptances of the Offer and all elections in respect of it are governed by and will be construed in accordance with English law. The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the Offer, all acceptances of the Offer and all elections in respect of it.

- 6.16 For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- 6.17 Subject to the City Code, and notwithstanding any other provision of this Part B of Appendix I, Al Rayan (UK) reserves the right to treat as valid in whole or in part any acceptance of the Offer if received by Neville Registrars or otherwise on behalf of Al Rayan (UK) which is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other relevant document(s) or the relevant TTE instruction or is received by it at any place or places or in any form or manner determined by either Neville Registrars or Al Rayan (UK) otherwise than as set out in this document or in the Form of Acceptance. In that event, no payment of cash will be made until after the acceptance is entirely in order or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Al Rayan (UK) have been received by Neville Registrars.
- 6.18 IBB Shares are to be acquired by Al Rayan (UK) under the Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Announcement, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after that date.
- 6.19 All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- 6.20 Any references in this Appendix I to the return or dispatch of documents by post shall extend to the return or dispatch by such other method as the Panel may approve.
- 6.21 If the Panel requires Al Rayan (UK) to make an offer for IBB Shares under the provisions of Rule 9 of the City Code, Al Rayan (UK) may make such alterations to the Conditions of the Offer, including the Acceptance Condition, as are necessary to comply with the provisions of that Rule.
- 6.22 All mandates and other instructions to IBB given by IBB Shareholders or in force relating to holdings of IBB Shares will, unless and until amended or revoked, continue in force.
- 6.23 Al Rayan (UK) reserves the right to reduce the percentage required to satisfy the Acceptance Condition at any time prior to all the Conditions being satisfied, fulfilled or, where permitted, waived, subject always to the terms of Condition 1(a).

## PART C

### FORM OF ACCEPTANCE

#### (FOR IBB SHARES IN CERTIFICATED FORM)

**This Part C applies to IBB Shares in certificated form. If you hold all your IBB Shares in uncertificated form you should ignore this Part C and instead read Part D.**

For the purposes of this Part C of Appendix I and the Form of Acceptance, the phrase “**IBB Shares in certificated form comprised in the acceptance**” shall mean the lesser of (i) the number of shares inserted in Box 3 of the Form of Acceptance and (ii) the greater of:

- the relevant IBB Shareholder’s entire holding of IBB Shares in certificated form as disclosed by details of the register of members made available to Neville Registrars prior to the time the relevant Form of Acceptance is processed by them;
- the relevant IBB Shareholder’s entire holding of IBB Shares in certificated form, as disclosed by details of the register of members made available to Neville Registrars prior to the latest time for receipt of Form(s) of Acceptance which can be taken into account in determining whether the Offer is unconditional; and
- the number of IBB Shares in certificated form in respect of which certificates or an indemnity in lieu thereof is received.

Without prejudice to the terms of the Form of Acceptance and the provisions of Parts A and B of this Appendix I, each IBB Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and lodged with Neville Registrars (subject to the rights of withdrawal set out in this document), irrevocably undertakes, represents, warrants and agrees to and with Al Rayan (UK) and Neville Registrars (so as to bind him, his personal or legal representatives, heirs, successors and assigns):

- (a) that the execution of a Form of Acceptance, whether or not any boxes are completed, shall constitute:
- (i) an acceptance of the Offer in respect of the number of IBB Shares in certificated form inserted or deemed to be inserted in Box 3 of the Form of Acceptance; and
  - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Al Rayan (UK) to obtain the full benefit of this Part C of Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer,

in each case on and subject to the terms and Conditions set out or referred to in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 3 of Part B of this Appendix I, each such acceptance, election and undertaking shall be irrevocable provided that: (i) if (A) no boxes are completed; or (B) the total number of IBB Shares inserted in Box 3 is greater than the number of IBB Shares in certificated form comprised in the acceptance; or (C) the acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance of the Offer in respect of all IBB Shares in certificated form comprised in the acceptance;

- (b) that he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the IBB Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Announcement, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after that date;
- (c) that, unless “NO” is inserted in Box 5 of the Form of Acceptance, such IBB Shareholder:
- (i) has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into, or from a Restricted Jurisdiction;
  - (ii) has not, in connection with the Offer or the execution or delivery of the Form of Acceptance utilised, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, any Restricted Jurisdiction;

- (iii) is accepting the Offer from outside a Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was delivered;
  - (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside a Restricted Jurisdiction;
  - (v) if such IBB Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in Al Rayan (UK) or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer;
- (d) that, in relation to IBB Shares in certificated form, the execution of the Form of Acceptance and its delivery constitutes (subject to the Offer becoming wholly unconditional and to such IBB Shareholder not having validly withdrawn his acceptance) the irrevocable appointment of any directors of, or any person authorised by Al Rayan (UK) as his agent and/or attorney with an irrevocable instruction and authorisation to such attorney to:
- (i) complete and execute all or any form(s) of transfer, renunciation and/or other documents at the discretion of such attorney in relation to the IBB Shares comprised in the acceptance in favour of Al Rayan (UK) or such other persons as Al Rayan (UK) or its agents may direct;
  - (ii) deliver any form(s) of transfer, renunciation and/or other document(s) at the discretion of such attorney together with any share certificate or other document(s) of title for registration relating to such IBB Shares for registration within six months of the Offer becoming wholly unconditional; and
  - (iii) take any other action as may in the opinion of such attorney be necessary or expedient for the purposes of, or in connection with the acceptance of the Offer and to vest in Al Rayan (UK) (or its nominees) the full legal and beneficial ownership of IBB Shares in certificated form comprised in the acceptance;
- (e) that, in relation to IBB Shares in certificated form, the execution of the Form of Acceptance and its delivery constitutes (subject to the Offer becoming wholly unconditional in accordance with its terms and to such IBB Shareholder not having validly withdrawn his acceptance) an irrevocable instruction and authorisation:
- (i) to IBB or its agents to procure the registration of the transfer of the IBB Shares in certificated form comprised in the acceptance and the delivery of the share certificate(s) and other document(s) of title in respect of the IBB Shares to Al Rayan (UK) or as it may direct;
  - (ii) subject to the provisions of paragraph 5 of Part B of this Appendix I, to Al Rayan (UK) or its agents, to procure the issue and dispatch by post (or such other method as may be approved by the Panel) of a cheque in respect of any cash consideration to which such IBB Shareholder is entitled under the Offer at such IBB Shareholder's risk, to the person or agent whose name and address (outside the Restricted Jurisdictions unless otherwise permitted by Al Rayan (UK)) is set out in Box 1 of the Form of Acceptance or, if none is set out, to the first-named holder at his registered address (outside the Restricted Jurisdictions unless otherwise permitted by Al Rayan (UK));
  - (iii) to Al Rayan (UK), IBB or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of IBB in respect of his holding of IBB Shares (until such are revoked or varied); and
- (f) that the execution of the Form of Acceptance constitutes the giving of authority to each of Al Rayan (UK) and its director(s), partners and agents within the terms set out in Part B and Part C of this Appendix I;
- (g) that, subject to the Offer becoming wholly unconditional (or if the Offer would become wholly unconditional or lapse on the outcome of the resolution in question) or if the Panel otherwise gives its consent in respect of IBB Shares in respect of which the Offer has been accepted or deemed to be accepted, which acceptance has not been validly withdrawn and pending registration in the name of Al Rayan (UK), or as it may direct:
- (i) Al Rayan (UK) or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to call a general or separate class meeting of IBB) attaching to the IBB Shares in certificated form comprised or deemed to be comprised in such acceptance; and

- (ii) the execution of a Form of Acceptance by an IBB Shareholder shall constitute with regard to such IBB Shares in certificated form comprised in the acceptance:
  - (A) an authority to IBB or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of IBB to Al Rayan (UK) at its registered office;
  - (B) an irrevocable authority to any directors of, or person authorised by Al Rayan (UK) or any director of Al Rayan (UK) to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the IBB Shares held by him in certificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as his agent and/or attorney and on his behalf and executing a form of proxy appointing any person nominated by Al Rayan (UK) to attend general and separate class meetings of IBB and attending any such meeting and exercising the votes attaching to the IBB Shares comprised or deemed to be comprised in such acceptance on his behalf, where relevant such votes to be cast so far as possible to satisfy any outstanding Condition); and
  - (C) the agreement of such IBB Shareholder not to exercise any such rights without the consent of Al Rayan (UK) and the irrevocable undertaking not to appoint a proxy for or to attend any such general or separate class meeting of IBB;
- (h) that he will deliver to, or procure the delivery to Neville Registrars of, his certificate(s) or other document(s) of title in respect of those IBB Shares in certificated form comprised in the acceptance and not validly withdrawn by him or an indemnity acceptable to Al Rayan (UK), as soon as possible, and in any event within six months of the Offer becoming wholly unconditional;
- (i) that the terms and Conditions of the Offer are deemed to be incorporated in, and form part of, the Form of Acceptance, which will be read and construed accordingly;
- (j) that he will ratify each and every act or thing which may be done or effected by Al Rayan (UK) or Neville Registrars or any of their respective directors or agents, as the case may be, in the exercise of any of the powers and/or authorities under this Part C of Appendix I;
- (k) that, if any provision of Part B or this Part C of Appendix I will be unenforceable or invalid or will not operate so as to afford Al Rayan (UK) or Neville Registrars or any of their respective directors, agents or persons authorised by them, the benefit of the authority expressed to be given therein, he will, with all practicable speed, do all such acts and things and execute all such documents that may be reasonably required to enable Al Rayan (UK) and/or Neville Registrars and any of their respective directors, agents or persons authorised by them to secure the full benefit of Part B or this Part C of Appendix I;
- (l) that the execution of the Form of Acceptance constitutes the IBB Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the Offer and the Form of Acceptance; and
- (m) that the Form of Acceptance will be deemed to be delivered on the date of its execution and will take effect as a deed on such date.

A reference in this Part C of Appendix I to an IBB Shareholder includes a reference to the person or persons executing the Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of this Part C will apply to them jointly and to each of them.

## PART D

### ELECTRONIC ACCEPTANCE

**This Part D only applies to IBB Shares in uncertificated form. If you hold all your IBB Shares in certificated form you should ignore this Part D and instead read Part C.**

For the purposes of this Part D of Appendix I, the phrase “**IBB Shares in uncertificated form comprised in the acceptance**” shall mean the number of IBB Shares which are transferred by the relevant IBB Shareholder by Electronic Acceptance to an escrow account by means of a TTE instruction.

Without prejudice to the provisions of Parts A and B of this Appendix I, each IBB Shareholder by whom, or on whose behalf, an Electronic Acceptance is made (subject to the rights of withdrawal set out in this document), irrevocably undertakes, represents, warrants and agrees to and with Al Rayan (UK) and Neville Registrars so as to bind him, his personal and legal representatives, heirs, successors and assigns:

- (a) that the Electronic Acceptance shall constitute:
  - (i) an acceptance of the Offer in respect of the number of IBB Shares in uncertificated form to which the TTE instruction relates; and
  - (ii) an undertaking to execute any documents, take any further action and give any further assurances which may be required to enable Al Rayan (UK) to obtain the full benefit of this Part D of Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer,in each case on and subject to the terms and Conditions set out or referred to in this document, and that, subject only to the rights of withdrawal set out in paragraph 3 of Part B of this Appendix I, each such acceptance shall be irrevocable;
- (b) that such IBB Shareholder:
  - (i) has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from a Restricted Jurisdiction;
  - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, any Restricted Jurisdiction;
  - (iii) is not acting on a non-discretionary basis (as agent, nominee, custodian, trustee or otherwise) for or on behalf of a principal, unless such principal has given any instructions with respect to the Offer from outside a Restricted Jurisdiction;
  - (iv) if such IBB Shareholder is a citizen, resident or national of a jurisdiction outside the UK, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in Al Rayan (UK) or any other person acting in breach of any legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer;
  - (v) is accepting the Offer from outside a Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE instruction(s);
- (c) that the Electronic Acceptance constitutes, subject to the Offer becoming wholly unconditional in accordance with its terms and to such IBB Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of Al Rayan (UK) as such IBB Shareholder’s attorney and an irrevocable instruction and authorisation to the attorney to do all such acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in Al Rayan (UK) (or its nominees) the full legal and beneficial ownership of IBB Shares in uncertificated form comprised in the acceptance;
- (d) that the Electronic Acceptance constitutes the irrevocable appointment of Neville Registrars as the accepting IBB Shareholder’s attorney with an irrevocable instruction and authorisation:

- (i) subject to the Offer becoming wholly unconditional in accordance with its terms and the IBB Shareholder not having validly withdrawn his acceptance, to transfer to Al Rayan (UK) (or to such other person or persons as Al Rayan (UK) or its agents may direct) by means of CREST all or any of the IBB Shares in uncertificated form which are the subject of a TTE instruction in respect of that Electronic Acceptance; and
  - (ii) if the Offer does not become wholly unconditional, to give instructions to Euroclear immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 days of the Offer lapsing) to transfer all such IBB Shares to the original balance of the accepting IBB Shareholder;
- (e) that the Electronic Acceptance constitutes (subject to the Offer becoming wholly unconditional in accordance with its terms and to the IBB Shareholder not having validly withdrawn his acceptance) an irrevocable instruction and authorisation:
- (i) subject to the provisions of paragraph 5 of Part B of this Appendix I, to Al Rayan (UK) or its agents to procure the making of a CREST payment obligation in favour of such IBB Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such IBB Shareholder is entitled under the Offer, provided that Al Rayan (UK) may (if, for any reason, it wishes to do so) determine that all or any part of such cash consideration shall be paid by cheque, dispatched by post (or by such other method as may be approved by the Panel); and
  - (ii) to Al Rayan (UK), IBB or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of IBB in respect of his holding of IBB Shares (until such are revoked or varied);
- (f) that the Electronic Acceptance constitutes the giving of authority to each of Al Rayan (UK) and its director(s), partners and agents within the terms set out in Part B and this Part D of Appendix I;
- (g) that, subject to the Offer becoming wholly unconditional (or if the Offer would become wholly unconditional or lapse on the outcome of the resolution in question) or if the Panel otherwise gives its consent in respect of IBB Shares in respect of which the Offer has been accepted or deemed to be accepted, which acceptance has not been validly withdrawn and pending registration in the name of Al Rayan (UK) or as it may direct:
- (i) Al Rayan (UK) or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to call a general or separate class meeting of IBB attaching to the IBB Shares in uncertificated form comprised or deemed to be comprised in the acceptance); and
  - (ii) an Electronic Acceptance by an IBB Shareholder will constitute with regard to such IBB Shares in uncertificated form comprised in the acceptance:
    - (A) an authority to IBB or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of IBB (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such IBB Shares into certificated form) to Al Rayan (UK) at its registered office;
    - (B) an irrevocable authority to any directors of, or person authorised by Al Rayan (UK) to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the IBB Shares held by him (including, without limitation, signing any consent to short notice of a general or separate class meeting as his attorney and on his behalf and executing a form of proxy appointing any person nominated by Al Rayan (UK) to attend general and separate class meetings of IBB and attending any such meeting (and any adjournment thereof) and exercise on his behalf the votes attaching to the IBB Shares in uncertificated form comprised or deemed to be comprised in the acceptance such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer); and
    - (C) the agreement of such IBB Shareholder not to exercise any such rights without the consent of Al Rayan (UK) and the irrevocable undertaking not to appoint a proxy for or to attend such general or separate class meeting of IBB;

The authorities referred to in this paragraph (g) of Part D of Appendix I will cease to be valid if the Offer lapses or acceptance is withdrawn in accordance with paragraph 3 of Part B of this Appendix I;

- (h) that if, for any reason, any IBB Shares in respect of which a TTE instruction has been effected in accordance with paragraph 12 of the letter from Al Rayan (UK) contained in Part II of this document are converted to certificated form, he will (without prejudice to paragraph (g) of this Part D of Appendix I) immediately

deliver, or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such IBB Shares that are so converted to Neville Registrars at the address referred to in paragraph 3.2 of Part B of this Appendix I or to Al Rayan (UK) at its registered address or as Al Rayan (UK) or its agent may direct; and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix I in relation to such IBB Shares, without prejudice to the application of this Part D of Appendix I so far as Al Rayan (UK) deems appropriate;

- (i) that the creation of a CREST payment obligation in favour of his payment bank in accordance with CREST payment arrangements referred to in paragraph (e) of this Part D of Appendix I will, to the extent of the obligation so created, discharge in full any obligation of Al Rayan (UK) to pay him the cash consideration to which he is entitled under the Offer;
- (j) that he will do all such acts and things as shall, in the reasonable opinion of Al Rayan (UK), be necessary or expedient to vest in Al Rayan (UK) or its nominee(s) the IBB Shares in uncertificated form comprised or deemed to be comprised in the acceptance and to enable Neville Registrars to perform its functions as Escrow Agent for the purposes of the Offer;
- (k) that he will ratify each and every act or thing which may be done or effected by Al Rayan (UK) or Neville Registrars or any of their respective directors or agents, as the case may be, in the proper exercise of any of the powers and/or authorities under this Part D of Appendix I;
- (l) that, if any provision of Part B or this Part D of Appendix I shall be unenforceable or invalid or shall not operate so as to afford Al Rayan (UK) or Neville Registrars or any of their respective directors, agents or persons authorised by them, the benefit of the authorities and powers of attorney expressed to be given therein he will, with all practicable speed, do all such acts and things and execute all such documents that may be reasonably required to enable Al Rayan (UK) and/or Neville Registrars and any of their respective directors, agents or persons authorised by them to secure the full benefit of Part B or this Part D of Appendix I;
- (m) that the making of an Electronic Acceptance constitutes such IBB Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the Offer;
- (n) that, by virtue of Regulation 43 of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the CREST member accepting the Offer in the terms of all the powers and authorities expressed to be given in Part B (where applicable by virtue of paragraph (e) above), Part C and Part D of this Appendix I to Al Rayan (UK), Neville Registrars or any of their respective directors or agents set out in this Appendix I; and
- (o) that he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the IBB Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Announcement, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made, or any other return of capital (whether by reduction of share capital or share premium or otherwise) made, on or after that date.

A reference in Part D of this Appendix I to an IBB Shareholder includes a reference to the person or persons making an Electronic Acceptance and, in the event of more than one person making an Electronic Acceptance, the provisions of this Part D will apply to them jointly and to each of them.

## APPENDIX II

### FINANCIAL AND RATINGS INFORMATION RELATING TO IBB

#### **Part A: Financial information relating to IBB**

Set out below is the financial information in respect of IBB as required by Rule 24.3(e) of the City Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the City Code. All documents referred to below are available in “*read-only*” format for reviewing or downloading free of charge on IBB’s website [www.islamic-bank.com](http://www.islamic-bank.com). Please click on the link “*Investor Relations*”, then on the link “*Regulatory Information*” then under the expandable section termed “*Reports*” on the link “*Annual Report and Financial Statements 2012*” and “*Annual Report and Financial Statements 2011*” respectively to view:

- the audited accounts of IBB for the financial year ending 31 December 2012 set out in pages 9 to 37 (both inclusive) in IBB’s annual report and financial statements for the financial year ended 31 December 2012; and
- the audited accounts of IBB for the financial year ending 31 December 2011 set out in pages 9 to 37 (both inclusive) in IBB’s annual report and financial statements for the financial year ended 31 December 2011.

No interim statement or preliminary announcement has been made by IBB since the date of publication of its annual report and financial statements for the financial year ending 31 December 2012.

#### **Part B: Ratings information relating to IBB**

There are no current ratings or outlooks publicly accorded to IBB by ratings agencies.

#### **No incorporation of website information**

Neither the content of IBB’s website, nor the content of any website accessible from hyperlinks on IBB’s website, is incorporated into, or forms part of, this document.

## APPENDIX III

### INFORMATION RELATING TO AL RAYAN (UK) AND MAR

#### 1. Al Rayan (UK)

##### 1.1 *Incorporation and registered office*

Al Rayan (UK) is a limited liability company which was incorporated in England and Wales on 17 June 2013 under the Companies Act with registered number 8573014. It has its registered office at 16 Hanover Square, London W1S 1HT.

##### 1.2 *The Al Rayan (UK) Directors*

The Al Rayan (UK) Directors are Adel Mohammed Tayyeb Mustafawi (Group CEO of MAR and a non executive director of IBB) and Mohammed Ismail Al Emadi (who is head of Government & Semi-Government Business, Wholesale Banking, at MAR).

##### 1.3 *Share capital*

Al Rayan (UK) has 70 ordinary shares of £1 each in issue, all of which are owned legally and beneficially by MAR.

##### 1.4 *Activities*

Save for activities in connection with the making, implementation and financing of the Offer, Al Rayan (UK) has not carried on any business prior to the date of this document nor has it entered into any obligations. Al Rayan (UK) has not paid any dividends.

The principal activity of Al Rayan (UK) is to act as a holding company for IBB. In the event that the Offer is successfully completed (whether or not the Offer receives acceptances from all the IBB Shareholders), IBB will be the only subsidiary of Al Rayan (UK) and IBB Shares will therefore represent all or substantially all of the assets of Al Rayan (UK).

##### 1.5 *Financial and ratings information*

As Al Rayan (UK) was incorporated on 17 June 2013, no financial information is available or has been published in respect of Al Rayan (UK). In particular, Al Rayan (UK) has not prepared any historic accounts.

There are no current ratings or outlooks publicly accorded to Al Rayan (UK) by ratings agencies.

#### 2. MAR

MAR was incorporated in Qatar in 2006 as a Qatari Shareholding Company (Q.S.C.). It is licensed by Qatar Central Bank. Its shares are listed on the Qatar Exchange. MAR is headquartered in Doha. All services offered by MAR are provided in accordance with the Principles of Islamic Sharia; MAR's operations are supervised by a Sharia supervisory board.

MAR is structured into three main business divisions; Retail Banking which offers a variety of products and services such as current and saving accounts, time deposit accounts, financing, credit cards; Wholesale Banking which offers products and services such as corporate finance & advisory services, financing products, cash management, treasury, trade finance and products and services designed to meet the need for the small and medium enterprises; and Private Banking which offers tailored solutions in the areas of investment planning & asset management, wealth management, credit planning and management.

Since incorporation MAR has been profitable in each financial year. At 31 December 2012, MAR had total shareholders' funds of QAR 9.7 billion (£1.64 billion) and total assets of QAR 61.6 billion (£10.41 billion). For the year ended 31 December 2012 the company had total income of QAR 2.5 billion (£422.51 million) and made a net profit after tax of QAR 1.5 billion (£256.66 million). MAR has grown into one of the leading banks in Qatar and one of the largest Islamic banks in the world. MAR has twelve branches (all in Qatar). MAR's top 20 shareholders include blue chips in the Qatar investment, corporate and high net worth community.

MAR's strategic vision is to be a leading and innovative international Islamic financial institution with corporate, retail, SME, private banking and treasury, specialising in providing Sharia compliant products and services.

MAR holds 100 percent of the share capital in Al Rayan (UK). Adel Mohammed Tayyeb Mustafawi (a non executive director of IBB) is Group CEO of MAR.

Set out below are details of the website address where MAR's audited consolidated accounts for the last two financial years have been published. In addition, MAR has published condensed consolidated interim financial statements for the nine months ended 30 September 2013; website address details in this respect are similarly set out below. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the City Code. All documents referred to below are available in "read-only" format for reviewing or downloading free of charge on MAR's website [www.alrayan.com/en/Home](http://www.alrayan.com/en/Home). Please click on the link "Investor Relations", then on the link "Annual and Quarterly Financials" then on the links "2012 Annual English", "2011 Annual English", "2013 QTR 1 English", "2013 QTR 2 English" and "2013 QTR 3 English" respectively to view:

- the audited consolidated accounts of MAR for the financial year ending 31 December 2012 set out in pages 2 to 73 (both inclusive) in MAR's consolidated financial statements for the financial year ended 31 December 2012;
- the audited consolidated accounts of MAR for the financial year ending 31 December 2011 set out in pages 3 to 60 (both inclusive) in MAR's consolidated financial statements for the financial year ended 31 December 2011;
- the condensed consolidated interim financial statements of MAR for the three months ended 31 March 2013;
- the condensed consolidated interim financial statements of MAR for the six months ended 30 June 2013; and
- the condensed consolidated interim financial statements of MAR for the nine months ended 30 September 2013.

MAR is rated A2/Prime 1 (Stable outlook) by Moodys.

Neither the content of MAR's website, nor the content of any website accessible from hyperlinks on MAR's website, is incorporated into, or forms part of, this document.

### ***Major shareholders in MAR***

#### **(a) Qatar Holding LLC**

QH was established in the Qatar Financial Centre in 2006 as a Limited Liability Company (LLC) as a subsidiary of the Qatar Investment Authority. It is licensed by the Qatar Financial Centre Authority. It holds investments in companies such as Barclays, Credit Suisse, London Stock Exchange, QNB, Grupo Santander Brasil, retail businesses such as J Sainsbury, Harrods, real estate businesses such as Canary Wharf and industrials businesses such as Volkswagen and Qatar Electricity & Water Company.

QH is headquartered in Doha. QH holds approximately 11.9 percent of the share capital in MAR and approximately 17 percent of the share capital in QIIB.

Khalifa Jassim Al-Kuwari (the Chairman of IBB) is an advisor to the Managing Director & Chief Executive Officer of QH.

Dr Hussain Ali Al-Abdulla (the Chairman and Managing Director of MAR) is a director of the Qatar Investment Authority (QIA), which is the parent of QH.

#### **(b) Qatar Armed Forces Fund**

QAFF is an investment portfolio for the benefit of the Qatar Armed Forces. It is not a legal person. The portfolio is administered by an investment committee of the Qatar Armed Forces. Such committee is headed by Thani Abdulrahman Al Kuwari (being the Assistant Chief of Staff for Financial Affairs of the Qatar Armed Forces). No public information is available about the portfolio.

QAFF holds approximately 10 percent of the share capital in MAR.

## APPENDIX IV

### TAXATION

#### 1. **United Kingdom Taxation**

The following paragraphs, which are intended as a general guide only, are based on current UK tax legislation and the practice of HM Revenue & Customs (“HMRC”). They summarise certain limited aspects of the UK tax treatment of acceptance of the Offer and they relate only to the position of IBB Shareholders who are beneficial owners of their IBB Shares, who hold their IBB Shares as an investment (other than under an individual savings account) and who are resident or (if individuals) domiciled and ordinarily resident, in the United Kingdom for taxation purposes. They may not apply to certain IBB Shareholders, such as dealers in securities, insurance companies and collective investment schemes, IBB Shareholders who are exempt from taxation and IBB Shareholders who have (or are deemed to have) acquired their IBB Shares by virtue of an office or employment. The following paragraphs do not constitute tax or legal advice. If you are in any doubt as to your taxation position or if you are subject to tax in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately.

#### 2. **Capital Gains Consequences of Acceptance of Offer**

Where an IBB Shareholder accepts the Offer and receives the cash consideration, that IBB Shareholder will be treated as disposing of IBB Shares which may, depending on that IBB Shareholder’s individual circumstances (including the availability of exemptions, reliefs or allowable losses), give rise to a liability to UK tax on capital gains.

#### 3. **UK Stamp Duty and Stamp Duty Reserve Tax Consequences of Acceptance of Offer**

No UK stamp duty or stamp duty reserve tax will be payable by IBB Shareholders as a result of accepting the Offer.

## APPENDIX V

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Al Rayan (UK) Directors, whose names are set out in paragraph 2.1 below of this Appendix V, and the MAR Directors, whose names are set out in paragraph 2.3 below accept responsibility for: (i) the information contained in this document relating to Al Rayan (UK); and (ii) all other information in this document except for that information for which responsibility is taken by others pursuant to paragraphs 1.2 to 1.5 inclusive below. To the best of the knowledge and belief of the Al Rayan (UK) Directors and the MAR Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Al Rayan (UK) Directors, whose names are set out in paragraph 2.1 below of this Appendix V accept responsibility for the information contained in this document relating to the Al Rayan (UK) Directors and their immediate families, related trusts and related persons. To the best of the knowledge of the Al Rayan (UK) Directors (who have taken all reasonable care to ensure that such is the case) the information for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The MAR Directors, whose names are set out in paragraph 2.3 below of this Appendix V, accept responsibility for the information contained in this document relating to MAR, the MAR Directors and their immediate families, related trusts and related persons . To the best of the knowledge and belief of the MAR Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.4 The IBB Directors, whose names are set out in paragraph 2.2 below of this Appendix V, accept responsibility for the information contained in this document relating to IBB (except for that information for which responsibility is taken by the Independent IBB Directors pursuant to paragraph 1.5 below), the IBB Directors and their immediate families, related trusts and related persons. To the best of the knowledge and belief of the IBB Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.5 The Independent IBB Directors, whose names are set out in paragraph 2.2 below of this Appendix V, accept responsibility for the recommendation and opinions of the Independent IBB Directors relating to the Offer in this document. To the best of the knowledge and belief of the Independent IBB Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The Al Rayan (UK) Directors and their respective functions are as follows:

Adel Mohammed Tayyeb Mustafawi	Director
Mohammed Ismail Al Emadi	Director

The business address of each Al Rayan (UK) Director is 16 Hanover Square, London W1S 1HT, which is also the registered office of Al Rayan (UK).

- 2.2 The IBB Directors and their respective functions are as follows:

Khalifa Jassim Al-Kuwari	Chairman
Robert John Owen*	Senior Independent Non-Executive Director
Sultan Ahmed Choudhury*	Managing Director (Interim)
Adel Mohammed Tayyeb Mustafawi	Non Executive Director
Jamal Abdullah Al-Jamal	Non Executive Director

\*Denotes Independent IBB Director

The business address of each IBB Director is Edgbaston House, 3 Duchess Place, Hagley Road, Birmingham B16 8NH, which is also the registered office of IBB.

2.3 The MAR Directors and their respective functions are as follows:

Dr Hussain Ali Al-Abdulla	Chairman & Managing Director
Mr Jassem Saif Ahmed Al Sulaiti	Vice Chairman
Sheikh Saleh Ali Abdulrahman Al Rished	Board Member
Sheikh Nasser Bin Hamad Bin Nasser Al Thani	Board Member
Mr Faisal Abdulwahid Ali Al Hamadi	Board Member
Mr Turki Mohammed Al Khater	Board Member
Mr Abdulla Ahmed Al Maleki Al Jahni	Board Member
Mr Khalaf Sultan Al Dhaheri	Board Member
Mr Abdulla Ahmed M. Taher	Board Member

The business address of each MAR Director is Al-Atya Building, Grand Hamad Street, P.O.Box 28888, Doha, Qatar, which is also the registered office of MAR.

### 3. Irrevocable Undertakings

Al Rayan (UK) has received irrevocable undertakings to accept or procure the acceptance of the Offer from each of: (i) QIIB in respect of its entire beneficial interest in IBB, amounting to, in aggregate, 4,135,408,647 IBB Shares, representing approximately 90.96 percent of IBB's fully diluted share capital; (ii) Sheikh Thani in respect of his entire beneficial interest in IBB, amounting to, in aggregate, 163,869,619 IBB Shares, representing approximately 3.61 percent of IBB's fully diluted share capital; and (iii) QIIC in respect of its entire beneficial interest in IBB, amounting to, in aggregate, 20,657,972 IBB Shares, representing approximately 0.45 percent of IBB's fully diluted share capital. Accordingly, Al Rayan (UK) has received, in aggregate, irrevocable undertakings to accept or procure the acceptance of the Offer in respect of a total of 4,319,936,238 IBB Shares, representing approximately 95.02 percent of IBB's fully diluted share capital.

These irrevocable undertakings will cease to be binding only if the Offer lapses or is withdrawn.

### 4. Interests and Dealings

#### 4.1 Definitions

For the purposes of this paragraph 4:

“**acting in concert**” with a party means any such person acting or deemed to be acting in concert with that party for the purposes of the City Code;

“**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

“**connected advisers**” includes an organisation which (i) is advising Al Rayan (UK) or (as the case may be) IBB in relation to the Offer; (ii) is corporate broker to Al Rayan (UK) or (as the case may be) IBB; (iii) is advising a person acting in concert with Al Rayan (UK) or (as the case may be) IBB in relation to the Offer or in relation to the matter which is the reason for that person being a member of the concert party, in each case above excluding any exempt principal traders and any exempt fund managers;

“**control**” means an interest, or interests, in shares carrying in aggregate 30 percent or more of the voting rights attributable to the capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give de facto control;

“**dealing**” includes: (i) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities; (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities; (iii) subscribing or agreeing to subscribe for securities; (iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights; (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities; (vi) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and (vii) any other action resulting, or which may result, in

an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;

“**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

“**disclosure date**” means 27 November 2013, being the latest practicable date before the publication of this document;

“**disclosure period**” means the period commencing on 15 October 2011 (the date twelve months prior to the commencement of the Offer Period) and ending on the disclosure date;

“**exempt principal trader**” or “**exempt fund manager**” have the meanings attributed to them in the City Code;

“**financial collateral arrangement**” means a security financial collateral arrangement which provides a right for the collateral taker to use and dispose of relevant securities as if it were the owner of those securities;

a person has an “**interest**” or is “**interested**” in securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities and in particular covers: (i) legal title and beneficial ownership (i.e. the ability to exercise, or control the exercise of, voting rights); (ii) the right, option or obligation to acquire, call for or take delivery of securities under an option or derivative; and (iii) the situation where a person holds a derivative referenced to, or which may result in, a long position in securities;

“**related persons**” in relation to a director, means those persons whose interests in shares the director would be required to disclose pursuant to Part 22 of the Companies Act and related regulations;

“**relevant securities**” includes (i) IBB Shares and any other securities of IBB conferring voting rights or, as the context requires, Al Rayan (UK) Shares and any other securities of Al Rayan (UK) conferring voting rights, MAR shares and any other securities of MAR conferring voting rights; (ii) equity share capital of IBB or, as the context requires, Al Rayan (UK) or MAR; (iii) securities of IBB or, as the context requires, Al Rayan (UK) or MAR carrying conversion or subscription rights into any of the foregoing;

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

#### **4.2 Persons acting in concert with Al Rayan (UK)**

In addition to the Al Rayan (UK) Directors (together with their close relatives and related trusts), the persons acting in concert with Al Rayan (UK) for the purposes of the Offer, and which are required to be disclosed are: QIIB and Dr Hussain Ali Al-Abdulla (the chairman and managing director of MAR and a director of the Qatar Investment Authority, the parent of QH).

#### **4.3 Persons acting in concert with IBB**

In addition to the IBB Directors (together with their close relatives and related trusts), the persons acting in concert with IBB for the purposes of the Offer, and which are required to be disclosed are: Cattaneo LLP of One Victoria Square, Birmingham B1 1BD. Cattaneo LLP is providing independent financial advice to IBB in relation to the Offer for the purposes of Rule 3 of the City Code and is a connected adviser for the purposes of the City Code.

#### **4.4 General**

- (a) As at the disclosure date: (i) Dr Hussain Ali Al-Abdulla (the chairman and managing director of MAR and a director of the Qatar Investment Authority, the parent of QH) held 1,000,000 ordinary shares of IBB (representing 0.028 percent of the issued share capital of IBB); he has held such shareholding since before the commencement of the disclosure period; and (ii) QIIB held 4,135,408,647 ordinary shares of IBB (representing 90.96 percent of IBB’s share capital). On 25 April 2012, QIIB subscribed for 1,000,000,000 ordinary shares of IBB at 1 pence per share. On 23 April 2013, QIIB subscribed for a further 1,000,000,000 ordinary shares of IBB at 1 pence per share. Save for the foregoing, none of Al Rayan (UK), the Al Rayan (UK) Directors, any members of such person’s close relatives or any related trusts or companies, nor any person with whom Al Rayan (UK) or any person acting in concert with Al Rayan (UK) has an arrangement, was interested, had any rights to subscribe or had any short positions

in respect of any relevant securities of IBB on the disclosure date nor has any such person dealt in any relevant securities of IBB during the disclosure period.

- (b) None of IBB, the IBB Directors, any members of such person's close relatives or any related trusts or companies, nor any person deemed to be acting in concert with IBB, nor any person with whom IBB or any person acting in concert with IBB has an arrangement, was interested, had any rights to subscribe or had any short positions in respect of any relevant securities on the disclosure date, nor has any such person dealt in any relevant securities during the Offer Period.
- (c) During the period of 12 months preceding the date of this document, IBB has not redeemed or purchased any relevant securities of IBB.
- (d) Neither Al Rayan (UK) nor any person acting in concert with Al Rayan (UK), has borrowed or lent any relevant securities of IBB during the disclosure period, save for any borrowed shares which have either been on-lent or sold.
- (e) Neither IBB nor any person acting in concert with IBB has borrowed or lent any relevant securities of IBB during the disclosure period, save for any borrowed shares which have either been on-lent or sold.
- (f) Neither Al Rayan (UK) nor any person acting in concert with Al Rayan (UK) has entered into or taken any action to unwind any financial collateral arrangements in respect of any relevant securities of IBB during the disclosure period.
- (g) Neither IBB nor any person acting in concert with IBB has entered into or taken any action to unwind any financial collateral arrangements in respect of any relevant securities of IBB during the disclosure period.
- (h) Neither Al Rayan (UK) nor IBB nor any person acting in concert with Al Rayan (UK) or IBB has any arrangements in relation to any relevant securities of IBB.

## **5. Service contracts and letters of appointment of IBB Directors**

5.1 The key terms of the service agreements of the IBB Directors and IBB are set out in paragraph 5.1(a) and (b) below:

### **(a) IBB Executive Directors**

Sultan Choudhury has entered into a service agreement with the Company dated 7 June 2007, subject to termination upon six months' written notice by either party. The agreement provides for an initial annual salary of £95,000, which was increased to £97,850 with effect from 1 January 2010, to £102,742 with effect from 1 March 2012 further to an addendum letter dated 17 April 2012 and further increased to £104,797 further to an addendum letter dated 1 March 2013. Pursuant to this agreement, Mr. Choudhury is entitled, where eligible, to participate in any bonus arrangement which the Company may implement from time to time. Mr. Choudhury participates in the Company's discretionary bonus scheme. Bonuses are determined annually by the Company's Remuneration Committee and are purely discretionary. The Company also makes contributions of 10 percent of salary to a defined contribution pension scheme in respect of Mr. Choudhury. The service agreement is expressed to be at all times conditional upon Mr. Choudhury being approved by the FCA to perform a controlled function under the FCA's "Approved Persons" regime. Mr Choudhury is the managing director (interim) of the Company.

### **(b) IBB Non-Executive Directors**

(i) The services of Robert Owen, as non-executive Director, were provided for the period to 11 February 2010 under the terms of an agreement between him and the Company dated 20 March 2007. This period was extended by a letter dated 9 March 2010 from the Company to Mr. Owen for a further three year period expiring on 12 February 2013. The terms of the agreement were amended by an addendum letter dated 11 January 2011, pursuant to which (with effect from 1 January 2011) Mr. Owen was appointed as Chairman of the IBB Board and his annual fee was increased from £18,000 to £30,000. The terms of the agreement were further amended by an addendum letter dated 8 April 2011, pursuant to which (with effect from 7 April 2011) Mr. Owen reverted to his role of Senior Independent Non-Executive Director and his previous terms applied, meaning his annual fee reverted back to £18,000 from £30,000. The agreement is subject to termination upon three months' notice given by the Company and, in addition to the annual fee of £18,000, provides for attendance fees for each IBB Board meeting and committee meeting attended. As noted in sub paragraph 5.1 (b) (iv) below, Khalifa Jassim Al-Kuwari was appointed as Chairman of the Company with effect from 7 April 2011 in succession to Mr.

Owen. Whilst Mr Owen's contract has expired he continues to act as the Senior Independent Non-Executive Director under his previous contract with the same remuneration provisions.

- (ii) The services of Adel Mustafawi, as non-executive Director, are provided for the period from 7 April 2011 to 7 April 2014 under the terms of an agreement between him and the Company dated 7 April 2011. The agreement is subject to termination upon three months' notice given by the Company and provides for an annual fee of £15,000 to be paid to Mr Mustafawi, together with attendance fees for each IBB Board meeting and committee meeting attended.
- (iii) The services of Jamal Al-Jamal, as non-executive Director, are provided for the period from 7 April 2011 to 7 April 2014 under the terms of an agreement between him and the Company dated 7 April 2011. The agreement is subject to termination upon three months' notice given by the Company and provides for an annual fee of £15,000 to be paid to Mr Al-Jamal, together with attendance fees for each IBB Board meeting and Committee meeting attended.
- (iv) The services of Khalifa Jassim Al-Kuwari, as non-executive Director, were provided for the period from 7 April 2011 to 7 April 2014 under the terms of an agreement between him and the Company dated 7 April 2011. The terms of the agreement were amended by an addendum letter dated 22 May 2011, pursuant to which (in each case with effect from 7 April 2011) Mr. Al-Kuwari was appointed as Chairman of the IBB Board and his annual fee was increased from £15,000 to £30,000. The agreement is subject to termination upon three months' notice given by the Company and, in addition to the annual fee of £30,000, provides for attendance fees for each IBB Board meeting and Committee meeting attended.

5.2 Save as disclosed above:

- (a) there are no service contracts in force between any IBB Director or proposed director of IBB and IBB; and
- (b) none of the service contracts described above were entered into during the six months preceding the date of this document, nor have any amendments been made to any such service contract during that period.

## 6. Material Contracts

### 6.1 IBB material contracts

The following contracts have been entered into by IBB otherwise than in the ordinary course of business since 15 October 2010 (the date two years prior to the commencement of the Offer Period) and are or may be material:

- (a) A subscription letter dated on or around 16 April 2012 from QIIB to IBB in respect of a subscription by QIIB for 1,000,000,000 IBB Shares at 1 pence per IBB Share which was completed on 25 April 2012.
- (b) A confidentiality agreement dated 13 June 2012 entered into between IBB and QIIB (the "**QIIB Confidentiality Agreement**") in connection with confidential information that was received by QIIB as part of the QIIB Scheme. Pursuant to the QIIB Confidentiality Agreement, QIIB undertook to keep such information confidential save that QIIB was permitted to disclose such information to any potential third party purchasers from QIIB of (assuming a successful completion of the QIIB Scheme) all the issued shares of IBB provided any such potential third party purchasers agreed in writing with QIIB to keep such information confidential.
- (c) A subscription letter dated on or around 26 March 2013 from QIIB to IBB in respect of a subscription by QIIB for 1,000,000,000 IBB Shares at 1 pence per IBB Share which was completed on 23 April 2013.

### 6.2 MAR Group material contracts

The following contracts have been entered into by MAR or its subsidiaries otherwise than in the ordinary course of business since 15 October 2010 (the date two years prior to the commencement of the Offer Period) and are or may be material:

- (a) MAR entered into a confidentiality agreement dated 13 June 2012 with QIIB in connection with confidential information that was received by MAR from QIIB pursuant to the QIIB Confidentiality Agreement described in paragraph 6.1(b) above.

- (b) MAR and Al Rayan (UK) are party to the Subscription Agreement, which sets out the terms on which Al Rayan (UK) and MAR have agreed that MAR will make various subscriptions for Al Rayan (UK) Shares. The Subscription Agreement provides for the following matters, amongst others:
  - (i) that MAR will, by way of subscriptions at par for Al Rayan (UK) Shares, provide to Al Rayan (UK) sufficient funds to allow Al Rayan (UK) to pay: (a) the consideration due to the IBB Shareholders who validly accept the Offer; and (b) certain costs relating to the Offer; and
  - (ii) that, in the event that the Offer is successfully completed, then within 6 months of the same, MAR will, by way of subscriptions at par for Al Rayan (UK) Shares, provide to Al Rayan (UK) sufficient funds to allow Al Rayan (UK), by way of subscriptions at par for shares in IBB, to invest such funds in IBB that will, immediately following such subscriptions by Al Rayan (UK), increase IBB's Total Equity (as set out in the management accounts of IBB at the end of the month immediately before such subscriptions by Al Rayan (UK) to £100 million.

## 7. Financing of the Offer

The cash consideration payable by Al Rayan (UK) under the terms of the Offer will be provided by MAR through a financing arrangement the terms of which are described in paragraph 6.1 above. MAR will source the funds from a combination of its existing cash resources and funds advanced to MAR under the Murabaha Facility.

The Murabaha Facility is a commodity murabaha facility for the purposes of complying with Islamic financing principles. It comprises: (i) the Murabaha Facility Agreement; (ii) contract(s) in substantially the form set out in Schedule 1 of the Murabaha Facility Agreement, such contracts to be entered into if and when MAR wishes to draw down under the Murabaha Facility and relating to the sale by QH to MAR of such Shariah-compliant commodities as may be agreed between MAR and QH ("**Metals**") (each a "**Murabaha Contract**"); and (iii) authorisation(s) in substantially the form set out in Schedule 2 of the Murabaha Facility Agreement whereby MAR may appoint QH to act as its agent to sell to an independent third party any Metals that MAR has purchased from QH pursuant to a Murabaha Contract. Under the terms of the Murabaha Facility, QH has agreed to make available to MAR from the date when the conditions precedent set out in the Murabaha Facility Agreement are satisfied or waived (the "**Effective Date**") up to and including 31 December 2013 up to £36.5 million (in pounds sterling) to be used to acquire assets that are denominated in pounds sterling (sterling denominated assets). Draw down can occur in a maximum of three tranches. Subject to the pre-payment provisions set out below, the Murabaha Facility is repayable five years after the "**Settlement Date**" of the first Murabaha Contract (the "**Final Maturity Date**") (i.e. bullet redemption at maturity). "**Settlement Date**" means, in respect of the Metals which are the subject of a Murabaha Contract, the date of payment by QH of the amount payable by QH to the relevant supplier for such Metals (the "**Cost Price**").

With respect to each Murabaha Contract, MAR is required to pay QH the "Deferred Price" on the Final Maturity Date. The Deferred Price comprises the Cost Price of Metals purchased by QH pursuant to the relevant Murabaha Contract plus the Profit Amount. The Profit Amount means 1.5% per annum above the five year mid-swaps rate for pounds sterling, calculated and accrued on a daily basis on the basis of the actual number of days between the Settlement Date of the relevant Murabaha Contract and the Final Maturity Date.

The Murabaha Facility includes events of default, conditions precedent, representations and warranties that are typical for an arrangement of this nature and similar to those that are typically included in a non-Sharia-compliant term loan with bullet repayment. There are no significant covenants.

The Murabaha Facility is unsecured: the obligation to repay the Murabaha Facility ranks as an unsecured debt of MAR.

MAR is permitted to prepay all or part of the Deferred Price under any Murabaha Contract at any time after the first anniversary of the Effective Date subject to giving at least three months' notice. MAR can elect, at its sole discretion, to make any such prepayment in cash or in the form of sterling denominated assets of "Equivalent Value" or in a combination of the two. "Equivalent Value" means the aggregate acquisition cost at which MAR actually acquired such sterling denominated assets adjusted on a £ for £ basis to reflect the following only: (i) any actual cash injected by MAR and any distributions received by MAR following MAR's acquisition of such sterling denominated assets; (ii) pro-rata acquisition expenses as a proportion that the amount drawn down under the relevant outstanding Murabaha Contract bears to the total acquisition cost (if such total acquisition cost exceeds the amount drawn down under the relevant outstanding Murabaha Contract); and (iii) full financing expenses in connection with the relevant outstanding Murabaha Contract (such financing expenses being capped at the aggregate of the five year mid-swaps rate for pounds sterling

and 1.5% per annum). MAR therefore has the ability to prepay the Murabaha Facility in the form of IBB Shares. Whether or when MAR will choose to prepay all or part of the Murabaha Facility and, if so, whether MAR will elect to do so using IBB Shares is currently not known by MAR. The factors that may influence MAR's decision are described in paragraph 8 of Part II of this document.

Full acceptance of the Offer will result in cash consideration of approximately £24.1 million being payable to IBB Shareholders. Qatar National Bank SAQ is satisfied that sufficient resources are available to Al Rayan (UK) to satisfy in full the cash consideration payable to IBB Shareholders as a result of full acceptance of the Offer.

## **8. Bases and sources of information**

- 8.1 The value of approximately £24.1 million attributed to the existing entire issued share capital of IBB is based on 4,546,470,000 IBB Shares in issue at 27 November 2013, being the last practicable date prior to the date of this Offer.
- 8.2 Unless otherwise stated, the financial information concerning IBB has been extracted from the audited annual report and financial statements for IBB for the relevant years.
- 8.3 Unless otherwise stated, the financial information concerning MAR has been extracted from the audited annual report and financial statements for MAR for the relevant years.
- 8.4 References to a percentage of IBB Shares are based on the number of IBB Shares in issue as set out in paragraph 8.1 above.
- 8.5 The QAR:£ exchange rate used in this document has been derived from Bloomberg and is based on the exchange rate at 5.00 p.m. London time on 27 November 2013 (the last practicable date prior to the date of this Offer), being QAR 5.9219:£1

## **9. Incorporation by reference**

A consolidated list of information incorporated by reference in this document is set out in Appendix II (Financial and Ratings Information relating to IBB) and Appendix III (Information relating to Al Rayan (UK) and MAR) of this document. You may request a hard copy of any information incorporated by reference in this document by contacting Neville Registrars Limited during business hours on 0121 585 1131 from within the UK or +44 121 585 1131 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. You can also request a hard copy of any information incorporated by reference into this document by submitting a request in writing to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. Hard copies of this information, incorporated by reference in this document, will not be sent to you unless specifically requested. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.

## **10. Other Information**

- 10.1 Cattaneo LLP of One Victoria Square, Birmingham, B1 1BD, has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.
- 10.2 Qatar National Bank SAQ has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.
- 10.3 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangements) between Al Rayan (UK) or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of IBB or any person interested or recently interested in IBB shares having any connection with or dependence on or which is conditional upon the outcome of the Offer.
- 10.4 Except as disclosed in this document, no agreement, arrangement or understanding of whatever nature whether formal or informal (including indemnity or option arrangements) relating to relevant securities which may be an inducement to deal or refrain from dealing exists between IBB or any concert party of IBB and any other person.

- 10.5 Except as disclosed in this document, there is no agreement, arrangement or understanding by which any securities acquired in pursuance of the Offer will be transferred to any other person, but Al Rayan (UK) reserves the right to transfer any such shares to any subsidiary undertaking or associated undertaking of MAR.
- 10.6 Save as disclosed in this document, there has been no significant change in the financial or trading position of IBB since 31 December 2012, being the date to which the latest audited accounts for IBB were published.
- 10.7 The aggregate fees and expenses expected to be incurred by Al Rayan (UK) and MAR in connection with the Offer are expected to be approximately £810,000 (excluding applicable VAT) with any fee in QAR calculated on the basis of the QAR:£ exchange rate set out in paragraph 8.5 of this Appendix V. This aggregate number consists of the following categories:
- (a) financing arrangements: Details relating to the financing of the Offer are set out in paragraph 7 of this Appendix V;
  - (b) legal advice: approximately £215,000 (excluding applicable VAT);
  - (c) accounting advice: approximately £35,000 (excluding applicable VAT);
  - (d) other professional services: approximately £405,000 (excluding applicable VAT);
  - (e) other costs and expenses: approximately £155,000 (excluding applicable VAT).
- 10.8 The aggregate fees and expenses expected to be incurred by IBB in connection with the Offer are expected to be approximately £115,000 excluding applicable VAT. This aggregate number consists of the following categories:
- (a) financial and corporate broking advice: approximately £62,500 (excluding applicable VAT);
  - (b) legal advice: approximately £35,000 (excluding applicable VAT);
  - (c) other professional services: approximately £12,000 (excluding applicable VAT); and
  - (d) other costs and expenses: approximately £5,500 (excluding applicable VAT).

## **11. Documents available for inspection**

Copies of this document, and the documents listed below, are available free of charge on IBB's website at [www.islamic-bank.com/useful-info-tools/investor-relations/regulatory-information](http://www.islamic-bank.com/useful-info-tools/investor-relations/regulatory-information) and on MAR's website at [www.alrayan.com/en/Investors\\_Relations](http://www.alrayan.com/en/Investors_Relations) until the end of the Offer:

- (a) this document and the Form of Acceptance;
- (b) the memorandum and articles of association of Al Rayan (UK);
- (c) the articles of association of MAR;
- (d) the memorandum and articles of association of IBB;
- (e) the irrevocable undertakings referred to in paragraph 3 of this Appendix V;
- (f) the consent letter referred to in paragraph 10.1 of this Appendix V;
- (g) the material contracts referred to in paragraphs 6.1(b), 6.2(a) and 6.2(b) of this Appendix V; and
- (h) the Murabaha Facility Agreement, referred to in paragraph 7 of this Appendix V.

## APPENDIX VI

### DEFINITIONS

<b>Acceptance Condition</b>	the Condition as to acceptances set out in paragraph (a) of Part A of Appendix I to this document;
<b>AIM</b>	the AIM Market of the London Stock Exchange plc;
<b>Announcement</b>	the announcement of Al Rayan (UK)'s firm intention to make an offer for IBB dated 29 November 2013;
<b>Announcement Date</b>	the date on which the Announcement was released;
<b>Al Rayan (UK)</b>	Al Rayan (UK) Limited, a company registered in England and Wales under number 8573014 and whose registered office is at 16 Hanover Square, London W1S 1HT;
<b>Al Rayan (UK) Directors or Board of Al Rayan (UK) or Al Rayan (UK) Board</b>	the board of directors of Al Rayan (UK), as at the Announcement Date or, where the context so requires, the directors of Al Rayan (UK) as at the Announcement Date;
<b>Al Rayan (UK) Shares</b>	Ordinary shares of £1 nominal value in the share capital of Al Rayan (UK);
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are normally open for business in the City of London;
<b>Capita Registrars</b>	a trading name of Capita Registrars Limited, a company registered in England under number 62605568 and whose registered address is 34 Beckenham Road, Beckenham, Kent BR3 4TU. Capita Registrars act in the capacity of IBB's Registrars;
<b>Cattaneo LLP</b>	the financial and Rule 3 adviser to IBB;
<b>certificated or in certificated form</b>	an IBB Share which is not in uncertificated form (that is, not in CREST);
<b>City Code</b>	the City Code on Takeovers and Mergers;
<b>Companies Act</b>	the Companies Act 2006;
<b>Conditions</b>	the conditions of the Offer set out in Part A of Appendix I to this document, and Condition means any one of them;
<b>CREST</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
<b>CREST Manual</b>	the manual issued by Euroclear from time to time;
<b>CREST member</b>	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations);
<b>CREST participant</b>	a person who is, in relation to CREST, a system-participant (as defined in the Regulations);
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor;

<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member;
<b>Dealing Disclosure</b>	has the meaning given to it by Rule 8 of the City Code;
<b>Deferred Price</b>	has the meaning given to it in paragraph 7 of Appendix V of this document;
<b>Disclosed</b>	information disclosed: (i) in the annual report and financial statements of IBB for the year ended 31 December 2012; (ii) in the Announcement; (iii) in any other announcement made to a Regulatory Information Service by or on behalf of IBB prior to the release of the Announcement; or (iv) fairly to Al Rayan (UK) or MAR or their advisers by or on behalf of IBB prior to the release of the Announcement;
<b>Disclosure Period</b>	the period commencing 15 October 2011 (being the date 12 months prior to the commencement of the Offer Period) and ending on 27 November 2013 being the latest practicable date prior to the publication of this document;
<b>Electronic Acceptance</b>	the inputting and setting of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;
<b>ESA instruction</b>	an Escrow Account Adjustment Input (“AESN”) transaction type “ESA” (as defined in the CREST Manual);
<b>Escrow Agent</b>	Neville Registrars, in its capacity as escrow agent for the purpose of the Offer;
<b>Euroclear</b>	Euroclear UK & Ireland Limited;
<b>First Closing Date</b>	1.00pm (London Time) on 20 December 2013 (being the date which is 21 days after the posting of this document);
<b>Financial Conduct Authority or FCA</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>Form of Acceptance</b>	in relation to IBB Shares, the form of acceptance and authority and election relating to the Offer which accompanies this Offer Document for use by IBB Shareholders with shares in certificated form in connection with the Offer;
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended from time to time);
<b>IBB or the Company</b>	Islamic Bank of Britain plc, a public company incorporated in England and Wales with registered number 4483430 whose registered office is at Edgbaston House, 3 Duchess Place, Hagley Road, Birmingham B16 8NH;
<b>IBB Directors or Board of IBB or IBB Board</b>	the board of directors of IBB as at the Announcement Date or, where the context so requires, the directors of IBB as at the Announcement Date;
<b>IBB Group</b>	IBB and its subsidiary undertakings and parent undertakings, and any other subsidiary of its parent undertakings and, where the context permits, each of them;

<b>IBB Shareholders or Shareholders</b>	holders of IBB Shares from time to time;
<b>IBB Shares</b>	the existing issued or unconditionally allotted and fully paid (or credited as fully paid) ordinary shares of 1 pence each in the capital of IBB and any further such shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Offer closes or, subject to the provisions of the City Code, such earlier date as Al Rayan (UK) may determine;
<b>Independent IBB Directors</b>	Robert Owen and Sultan Choudhury;
<b>MAR</b>	Masraf Al Rayan Q.S.C., a company incorporated in Doha, Qatar under 32010 and whose registered address is Hamad Street, PO Box 28888, Doha, Qatar;
<b>MAR Directors or Board of MAR or MAR Board</b>	the board of directors of MAR as at the Announcement Date or, where the context so requires, the directors of MAR as at the Announcement Date;
<b>MAR Group</b>	MAR and its subsidiary undertakings and where the context permits, each of them;
<b>member account ID</b>	the identification code or number attached to any member account in CREST;
<b>Murabaha Contract</b>	has the meaning given to it in paragraph 7 of Appendix V of this document;
<b>Murabaha Facility</b>	the Sharia-compliant commodity murabaha facility made available to MAR by QH as described in paragraph 8 of Part II and paragraph 7 of Appendix V of this document;
<b>Murabaha Facility Agreement</b>	the facility agreement between MAR and QH dated 28 November 2013 in connection with the Murabaha Facility;
<b>Neville Registrars</b>	Neville Registrars Limited, a company registered in England under number 4770411 and whose registered office is Neville House, 18 Laurel Lane, Halesowen, B63 3DA. Neville Registrars is acting as receiving agent for the Offer;
<b>Offer</b>	the recommended cash offer, made by Al Rayan (UK), for all the issued and to be issued IBB Shares not already owned by Al Rayan (UK) on the terms and subject to the Conditions set out in this document and (in respect of IBB Shares in certificated form) the Form of Acceptance and including, where the context permits, any subsequent revision, variation, extension or renewal of such offer;
<b>Offer Document</b>	this document and any subsequent document containing the Offer;
<b>Offer Period</b>	the period beginning on and including 15 October 2012 and ending on the latest of (i) 1.00 p.m. (London time) on the First Closing Date, (ii) the time and date on which the Offer becomes or is declared unconditional as to acceptances and (iii) the time and date on which the Offer lapses or is withdrawn;
<b>Offer Price</b>	0.53 pence in cash for each IBB Share;
<b>Opening Position Disclosure</b>	has the meaning given to it by Rule 8 of the City Code;

<b>Overseas Shareholders</b>	IBB Shareholders (or nominees of, or custodians or trustees for IBB Shareholders) who are resident in, or nationals or citizens of, jurisdictions outside the United Kingdom;
<b>Panel</b>	the Panel on Takeovers and Mergers;
<b>parent undertaking</b>	has the meaning given to it by section 1162 of the Companies Act;
<b>participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
<b>pounds sterling or £</b>	pounds sterling, the lawful currency of the UK (and references to pence or p shall be construed accordingly);
<b>PRA</b>	Prudential Regulation Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>PRA Handbook</b>	the handbook of rules and guidance made by the Prudential Regulation Authority as amended from time to time;
<b>QAFF</b>	the Qatar Armed Forces Fund;
<b>QAR</b>	Qatari riyal, the lawful currency of the State of Qatar;
<b>QH</b>	Qatar Holding LLC, a limited liability company established in the Qatar Financial Centre under number 00004 and whose registered address is Qatar Financial Centre, 8th Floor, Q-Tel Tower, Diplomatic Area Street, West Bay, Doha, Qatar;
<b>QIIB</b>	Qatar International Islamic Bank Q.S.C., a company incorporated in Doha, Qatar under Amiri Decree No. 52 of 1990 and whose registered address is at Grand Hamad Street, PO Box 664, Doha, Qatar;
<b>QIIB Scheme</b>	the recommended acquisition of IBB by QIIB by means of a scheme of arrangement under sections 895 to 899 of the Companies Act 2006: (i) in respect of which an announcement pursuant to Rule 2.7 of the City Code was made by the boards of IBB and QIIB on 6 September 2012; (ii) in respect of which a circular was posted by IBB on 18 September 2012; and (iii) which lapsed on 15 October 2012;
<b>QIIC</b>	Qatar Islamic Insurance Company Q.S.C.;
<b>Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
<b>Regulatory Authority</b>	any government or governmental, quasi governmental, supranational, statutory or regulatory body, or any court;
<b>Regulatory Condition</b>	Condition 1(b) as set out in Part A of Appendix 1;
<b>Regulatory Information Service</b>	has the meaning given by the City Code;
<b>Relevant Instrument</b>	agreement, instrument, permit, licence or other arrangement to which any member of the IBB Group is a party;
<b>Restricted Jurisdiction</b>	any jurisdiction if making the Offer in such jurisdiction would constitute a violation of the relevant laws of such jurisdiction;

<b>Sheikh Thani</b>	HE Sheikh Thani Bin Abdulla Bin Thani Jasim Al Thani
<b>subsidiary, subsidiary undertaking, associated undertaking and undertaking</b>	have the meanings given by the Companies Act;
<b>Subscription Agreement</b>	the subscription agreement dated 25 November 2013 entered into between Al Rayan (UK) and MAR;
<b>TFE instruction</b>	a Transfer from Escrow instruction (as defined by the CREST Manual);
<b>Third Party</b>	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction;
<b>Total Equity</b>	the aggregate of IBB's: (i) called up share capital; (ii) share premium; (iii) retained deficit; and (iv) profit stabilisation reserve;
<b>TTE instruction</b>	a Cash Offer TTE instruction or other Transfer to Escrow instruction (as defined by the CREST Manual);
<b>uncertificated or in uncertificated form</b>	a share or other security, title to which is recorded in the relevant register of IBB as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland.





