



Banks Holdings Limited

Banks Holdings Ltd (“BHL”)

DIRECTORS’ CIRCULAR NO. 5

**In response to the take-over bid by A.M. Caribbean Development Ventures Ltd.
 (“AMC”)**

as amended on November 20, 2015

to acquire all the remaining issued common shares in BHL

at a cash price of \$7.00 per share (“SLU Amended Offer No. 2”)

November 24, 2015

We refer to the **Directors’ Circular No. 1** issued on October 16, 2015 in response to the take-over bid by SLU which at that time was to acquire all of the remaining issued ordinary shares in BHL at a cash price of \$4.00 per ordinary share (the “**SLU Bid**”) and **Directors’ Circular No. 2** issued on October 28, 2015 in response to the amended offer by SLU to acquire all the remaining issued shares in BHL at a cash price of \$5.60 per share (“**SLU Amended Offer No. 1**”). We also refer to the **Directors’ Circular No. 3** issued on November 19, 2015 in relation to the take-over bid by A.M. Caribbean Development Ventures Ltd. (“**AMC**”) to acquire all of the remaining issued shares in BHL at a cash price of \$6.00 per share (“**AMC Amended Offer No. 1**”) and **Directors’ Circular No. 4** issued November 24, 2015 in relation to the take-over bid by SLU to acquire all of the remaining issued ordinary shares in BHL at a cash price of \$6.20 per ordinary share (“**SLU Amended Offer No. 2**”).

This **Directors’ Circular No. 5** is a supplement to these and shall be read by the shareholder in conjunction with Directors’ Circulars Nos. 1, 2, 3 and 4 when making his/her/its decision.

Capitalised terms used in this Directors’ Circular No. 5 and not defined herein shall have the meaning assigned thereto in Directors’ Circular No. 1.

Directors’ Recommendation

The Special Committee of the Board of Directors of BHL recommends acceptance of the AMC Amended Offer No. 2 subject to no higher bids from either of the bidders being received by the closing date of AMC’s Amended Offer No. 2. This recommendation is being made for the following reasons:

- 1) The AMC Amended Offer No. 2 at \$7.00 is notably higher than the \$6.20 per share currently being offered by SLU in the SLU Amended Offer No. 2;
- 2) The AMC Amended Offer No. 2 is 25% above the top of the range of the Fair Market Value for BHL’s shares determined by BHL’s financial advisor, KPMG, within its Fairness Opinion of October 13, 2015. Notwithstanding the competitive bidding environment that may facilitate higher offers, the AMC Amended Offer No. 2, in the view of the Special Committee, is beneficial to shareholders from a financial perspective.

Shareholders should nevertheless consider the information provided in this Directors’ Circular No. 5 with regard to their circumstances as well as the professional advice of their advisors in making their own decision.

Closing Date

It should be noted that the closing date of the AMC Amended Offer No. 2 is on December 28, 2015 some twenty-five (25) days after the close of the SLU Amended Offer No. 2, currently set for December 3, 2015. SLU may however increase its offer price in response to the AMC Amended Offer No. 2 and, pursuant to the Companies (Take-Over Bid) Regulations, 2002, the earliest date such increased offer could close would be December 17, 2015 which is eleven (11) days earlier than AMC Amended Offer No. 2.

Intentions of Directors & Officers who are beneficial holders of or control BHL Shares

The directors G. Anthony King, Elvin Sealy and C. Richard Cozier, and BHL's Chief Financial Officer Naresh Karnani, together with their associates where applicable, own or control shares held in BHL as was disclosed in Directors' Circular No.1 and updated in Directors' Circular No. 3 with respect to share options exercised by employees of BHL. These persons have all declared that their intention is to accept the AMC Amended Offer No. 2 on its closing date, subject to any further bids and/or further material information coming to hand following the date on which this Directors' Circular No.5 is submitted for printing.

The directors and officers of BHL do not know whether any person who beneficially owns or exercises control or direction over BHL shares carrying more than ten per cent (10%) of the votes attached to the BHL shares has accepted or intends to accept the AMC Amended Offer No. 2 in respect of any BHL shares.

Directors' Certificate

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made. The foregoing does not contain any misrepresentation likely to affect the value or the market price of the securities subject to the AMC Amended Offer No. 2 within the meaning of the Securities Act, Cap 318A of the Laws of Barbados.

On behalf of the board of directors



Director
G. Anthony King



Director
Christopher D. deCaires

BHL

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