



Banks Holdings Ltd (“BHL”)

DIRECTORS' CIRCULAR NO. 6

In response to the take-over bid by SLU Beverages, Ltd (“SLU”)

as amended on December 2, 2015

to acquire all the remaining issued common shares in BHL

at a cash price of \$7.10 per share (“SLU Amended Offer No. 3”)

and also

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

as amended on December 2, 2015

to acquire all the remaining issued common shares in BHL

at a cash price of \$7.20 per share (“AMC Amended Offer No. 3”)

December 4, 2015

We refer to the following: -

- **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.
- **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.
- **Directors' Circular No. 3** issued on November 19, 2015 in relation to the take-over bid (as amended) by AMC, to acquire all of the remaining issued shares in BHL at a cash price of \$6.00 per share.
- **Directors' Circular No. 4** issued on November 24, 2015 in response to the amended offer by SLU to acquire all the remaining issued shares in BHL at a cash price of \$6.20 per share.
- **Directors' Circular No. 5** issued on November 24, 2015 in response to the amended offer by AMC, to acquire all of the remaining issued shares in BHL at a cash price of \$7.00 per share.

Directors' Circular No. 6 is a supplement to these and shall be read by the shareholder in conjunction with Directors' Circulars Nos. 1, 2, 3, 4 and 5 when making his/her/its decision.

For reasons of expediency and in the interest of time, the Special Committee of the board of directors of BHL has determined that this Directors' Circular No.6 should be a composite directors' circular in response to the SLU Amended Offer No. 3 and the AMC Amended Offer No. 3 as this would be more efficient and assist the shareholders in better assessing the take-over bids by SLU and AMC (each as amended).

Capitalised terms used in this Directors' Circular No. 6 and not defined herein shall have the meaning assigned thereto in Directors' Circular No. 1.

Since the publication of Directors' Circulars No. 1 through 5, the following events have occurred:

- 1) Trades on the floor of the BSE:
 - a. On November 24 2015 Ansa Mcal (Barbados) Limited ("Ansa Mcal") purchased 779,374 BHL shares at \$7.00 per share;
 - b. On November 25, 2015 Ansa Mcal purchased 90,693 BHL shares at \$7.00 per share;
 - c. On November 26, 2015 Ansa Mcal purchased 387,996 BHL shares at \$7.00 per share;
 - d. On November 27, 2015 Ansa Mcal purchased 352,014 BHL shares at \$7.00 per share;
 - e. On December 1, 2015 Ansa Mcal purchased 493,759 BHL shares at \$7.00 per share;
 - f. On December 2, 2015 SLU purchased 6,054,354 BHL shares at \$7.10 per share; and
 - g. On December 3, 2015 SLU purchased 620,777 BHL shares at \$7.10 per share.
- 2) December 1, 2015 – The court hearing in relation to the application by Ansa Mcal for an injunction pending appeal was adjourned with leave to Ansa Mcal to reinstate it in the future upon notice to all parties. This adjournment was granted after SLU's counsel informed the court that SLU would be announcing a revised bid at noon on that same day. The effect of SLU's amended offer is that it pushed the closing date for SLU's bid until after the court dates to hear the substantive appeal scheduled to commence on December 11, 2015. This change in factual circumstances no longer necessitated the urgent hearing of the application for an injunction pending appeal;
- 3) December 2, 2015 – SLU issued the SLU Amended Offer No. 3 at \$7.10;
- 4) December 2, 2015 – the shares in BHL acquired by SLU on the BSE effectively increases SLU's stake in BHL to over 50% upon settlement which would bring BHL under the control of SLU as a subsidiary; and
- 5) December 3, 2015 – AMC posts a Notice of Variation of their bid with its AMC Amended Offer No. 3 dated December 2, 2015 on the Ansa Mcal Limited's website increasing its offer to \$7.20 per share but introducing a new condition whereby AMC must achieve a take-up of a minimum of 51% of BHL's shares or the AMC Amended Offer No. 3 can be withdrawn.

Directors' Recommendation

The Special Committee of the board of directors of BHL recommends that shareholders accept the SLU Amended Offer No. 3 and reject the AMC Amended Offer No. 3. These recommendations are being made for the following reasons:

- 1) The SLU Amended Offer No. 3 at \$7.10, whilst lower than the AMC Amended Offer No. 3 of \$7.20, is not conditioned on a minimum requirement of shares being tendered to SLU. AMC Amended Offer No. 3 introduces, for the first time, a condition of a minimum requirement of shares to be tendered to AMC.
- 2) Due to the trades on the floor of the BSE on December 2 and 3, 2015, SLU on settlement will control just over 50% of the outstanding share capital of BHL. This means that the condition introduced by AMC in the AMC Amended Offer No. 3 cannot be satisfied unless SLU decides to sell shares it already owns to AMC. We have no information to suggest that this is foreseeable.
- 3) The SLU Amended Offer No. 3 is over 25% above the top of the range of the Fair Market Value for BHL's shares determined by BHL's financial advisors, KPMG, within its Fairness Opinion of October 13, 2015.

- 4) The comparison of the potential opportunities and limitations for BHL's businesses considering what is known to-date about the two bidders as discussed in Directors' Circular No. 3 under the heading 'Assessment of the Two Bidders' favours acceptance of the take-over bid made by SLU.

Shareholders should nevertheless consider the information provided in this Directors' Circular No. 6 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 SLU Amended Offer No. 3 is on December 17, 2015 some twenty-five (25) days before the close of the AMC Amended Offer No. 3, currently set for January 11, 2016.

Effect of AMC's Condition

It is now arithmetically impossible for AMC and its affiliates to acquire 51% of the shares in BHL without a sale of shares to them by SLU. The introduction of the new condition by AMC in respect of the minimum share percentage requirement therefore provides a means for AMC to exit from their intended take-over of BHL. Shareholders who may have already tendered their shares to AMC should therefore now withdraw their shares using the procedures provided for such in the AMC take-over bid circulars, thereby enabling them to accept the recommendation above or such other option they deem appropriate.

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 the share options that were exercised by BHL employees. These persons have all declared that their intention is to accept the SLU Amended Offer No. 3 and reject the AMC Amended Offer No. 3.

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 rejected or intends to accept or reject either the SLU Amended Offer No. 3 or the AMC Amended Offer No. 3.

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 SLU Amended Offer No. 3 or the AMC Amended Offer No. 3 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