

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to be taken, you are recommended to seek your own personal financial and taxation advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 (as amended), or, if you are taking advice in a territory outside the United Kingdom, is an appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your IBB Shares, please send this document (but not any accompanying Form of Acceptance) and reply-paid envelope, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. **However, such documents must not be forwarded or transmitted in or into any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction, including, but not limited to, any Restricted Jurisdiction.** If you have sold or otherwise transferred only part of your holding of IBB Shares you should retain these documents and consult the purchaser or transferee, or the bank or other agent through whom the sale or transfer was effected.

**You should read the whole of this document carefully and (if you hold IBB Shares in certificated form) in conjunction with the accompanying Form of Acceptance.**

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## **Recommended Unconditional Cash Offer**

by

### **Qatar International Islamic Bank Q.S.C.**

to acquire the entire issued and to be issued ordinary share capital of

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

other than those IBB Shares already held by QIIB

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**The procedure for acceptance of the Offer is set out on pages 15 to 18 of this document and, in respect of IBB Shares held in certificated form, in the Form of Acceptance. To accept the Offer in respect of certificated IBB Shares (that is, not in CREST), the Form of Acceptance must be completed, signed and returned (along with your valid share certificate(s) and/or other documents of title) to the Receiving Agent, Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, as soon as possible, but in any event so as to arrive not later than 1.00 p.m. on 15 April 2011. 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. on 15 April 2011.**

**YOUR ATTENTION IS DRAWN TO THE LETTER FROM QIIB, WHICH IS SET OUT IN PART 2 OF THIS DOCUMENT, WHICH CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER.**

A copy of this document is available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on QIIB's website at <http://www.qiib.com.qa/qiib/en/> and IBB's website at <http://www.islamic-bank.com/investor-relations/regulatory-information/> while the Offer remains open for acceptance.

Westhouse Securities Limited is acting exclusively for QIIB and for no one else in connection with the Offer and will not be responsible to anyone other than QIIB for providing the protections afforded to clients of Westhouse Securities Limited or for providing advice in relation to the Offer or any matter referred to in this document.

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 any other matter referred to in this document.

## **IMPORTANT INFORMATION**

### **Overseas shareholders**

Unless otherwise determined by QIIB and permitted by applicable law and regulation, subject to certain exemptions, the Offer is not being, and will not be, made, directly or indirectly, in or into and will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, unless otherwise determined by QIIB, copies of this document and the Form of Acceptance and any other 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 and persons receiving this document, the Form of Acceptance and any other 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 be a breach of applicable law and regulation in that jurisdiction and may invalidate any purported acceptance of the Offer. The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction and should carefully read paragraph 5 of Part A and paragraph 3 of Part B of Appendix I to this document.

Any person (including nominees, trustees and custodians) who would, or otherwise intends to, or may have a legal or contractual obligation to, forward this document and/or the Form of Acceptance and/or any related document to any jurisdiction outside the United Kingdom, should inform themselves of, and observe, any applicable legal or regulatory requirements of any relevant jurisdiction, seek appropriate advice and carefully read paragraph 5 of Part A and paragraph 3 of Part B of Appendix I to this document and the relevant provisions of the Form of Acceptance, before taking any action.

### **Dealing disclosure requirements**

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any paper 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 paper 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 paper 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 paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper 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 paper 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 paper 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 [www.thetakeoverpanel.org.uk](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.

### **Forward-looking statements**

This document includes certain "forward-looking" statements. These statements are based on the current expectations of the management of QIIB and IBB (as applicable) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained herein may include statements about the expected effects on QIIB or IBB of the Offer, the expected timing and scope of the Offer, anticipated earnings enhancements, estimated cost savings and other synergies, costs to be incurred in achieving synergies, other strategic options and all other statements in this document other than historical facts. Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the terms of the Offer, and QIIB's ability to successfully integrate the operations and employees of IBB, as well as additional factors, such as changes in economic conditions, changes in oil, gas and condensate prices, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, customers' strategies and stability, changes in the regulatory environment, fluctuations in interest and exchange rates, the outcome of litigation, government actions, political instability, expropriation or nationalisation of property and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Neither of QIIB or IBB undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

### **General**

The receipt of cash pursuant to the Offer by IBB Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other tax laws. For summary information on certain limited aspects of the taxation of certain IBB Shareholders tax-resident in the UK, please refer to paragraph 12 of Part 2 of this document. Each IBB Shareholder is urged to consult his independent professional adviser regarding the tax consequences of acceptance of the Offer.

This document is dated 25 March 2011.

## TO ACCEPT THE OFFER

If you hold your IBB Shares in certificated form (that is, not in CREST), to accept the Offer you must complete the enclosed Form of Acceptance in accordance with paragraph 14.1 of Part 2 of this document. Return the completed Form of Acceptance (along with your valid share certificate(s) and/or other documents of title) by post or by hand (during normal business hours only) to Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, **so as to be received by no later than 1.00 p.m. (London time) on 15 April 2011**. If you are posting in the UK only, the enclosed first class reply paid envelope has been provided for your convenience.

If you hold your IBB Shares in uncertificated form (that is, in CREST), to accept the Offer you must follow the procedure set out in paragraph 14.2 of Part 2 of this document **so that the TTE Instruction settles no later than 1.00 p.m. (London time) on 15 April 2011**. If you hold your IBB Shares as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary instruction to Euroclear.

This document is being sent to holders of awards under the IBB CSOP for information only.

**THE CLOSING DATE OF THE OFFER IS 1.00 P.M. (LONDON TIME) ON 15 APRIL 2011.**

**If you require assistance, please telephone Capita Registrars, the receiving agent for the Offer, on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. 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.**

**This page should be read in conjunction with the rest of the document. Your attention is drawn, in particular, to paragraph 14 of Part 2 of this document, which sets out the procedure for acceptance of the Offer, and to the further terms of the Offer set out in Appendix I to this document and (in respect of IBB Shares held in certificated form) in the Form of Acceptance. IBB Shareholders in any doubt about the Offer or the action they should take are recommended to seek financial advice from their independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.**

## IMPORTANT DATES AND TIMES

The dates and times set forth in the table below in connection with the Offer may change in accordance with the terms and conditions of the Offer, as described in this document.

<i>Event</i>	<i>Time and/or Date</i>
Announcement of the Offer	16 March 2011
Publication of this document	25 March 2011
Latest time and date for IBB Shareholders to accept the Offer	1:00 p.m. on 15 April 2011
Cancellation of IBB's admission to trading on AIM	7:00 a.m. on 27 April 2011
Payment of consideration to the IBB Shareholders who accept the Offer will be made within 14 days of receipt of a valid acceptance.	

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## PART 1

### LETTER FROM THE CHAIRMAN OF IBB



### Islamic Bank of Britain PLC

*(Incorporated and registered in England no. 4483430)*

*Directors:*

Robert J Owen (*Chairman*)  
Gerry Deegan (*Managing Director*)  
Sultan Choudhury (*Commercial Director and Company Secretary*)

*Registered office:*

Edgbaston House  
3 Duchess Place  
Hagley Road  
Birmingham  
B16 8NH

25 March 2011

*To IBB Shareholders and, for information only, to participants in the IBB CSOP*

Dear Shareholder

#### **Recommended Unconditional Cash Offer by QIIB for IBB**

##### **1. Introduction**

On 16 March 2011, the Boards of IBB and QIIB announced that they had reached agreement on the terms of a recommended unconditional cash offer, for the entire issued and to be issued share capital of IBB, not already held by QIIB. The Offer values the entire issued share capital of IBB at approximately £25.5 million and the IBB Shares which are subject to the Offer at approximately £4.9 million.

Accordingly, I am now writing to you, on behalf of the IBB Board, to explain the background to the Offer and the reasons why the IBB Board considers the terms of the Offer to be fair and reasonable so far as IBB Shareholders are concerned. I am also writing on behalf of the IBB Board to recommend that you accept the Offer as the IBB Directors have irrevocably undertaken to do in respect of their own beneficial shareholdings amounting to 54,000 IBB Shares, representing approximately 0.002 per cent. of the IBB Issued Share Capital.

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

The Offer, which is unconditional, is being made on the following basis:

**for each IBB Share      one penny in cash**

The IBB Shares which are the subject of the Offer 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 16 March 2011 including, without limitation, the right to receive and retain all dividends and other distributions (if any) declared, made or paid after 16 March 2011.

The Offer extends to all IBB Shares unconditionally allotted or issued and fully paid on the date of the Offer and any IBB Shares which are unconditionally allotted or issued and fully paid before the date on which the Offer closes to acceptances or such earlier date as QIIB may, subject to the Code and in accordance with the further terms of the Offer, announce.

The Offer Price represents a discount of approximately 70.4 per cent., to the Closing Price of 3.38 pence per IBB Share on 15 March 2011, being the last business day prior to the date of the Announcement.

The formal Offer is set out in the letter from QIIB in Part 2 of this document. The terms of the Offer are set out in Appendix 1 to this document and in the accompanying Form of Acceptance.

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

IBB obtained an authorisation to allow it to undertake retail banking operations from the FSA in August 2004, it floated on AIM in October 2004 raising £38.5 million net of expenses.

IBB consistently grew its assets and liabilities since commencement and launched a range of Sharia compliant products and services. It remains the only wholly Sharia compliant retail bank licensed in the UK.

The reduction in Islamic interbank yields in 2008/09 affected IBB's margin income and contributed to a 67 per cent. reduction in operating income for the year ended 31 December 2009 from £4.92 million to £1.60 million. Poor market conditions persisted into 2010 and as a result, operating income remained fairly static in the year ended 31 December 2010 at £1.64 million.

Following the recent global banking crisis, IBB's ability to generate new business has been, and is being, restricted due to a number of factors including the limited availability of funding for new assets and the limited capital available after factoring in projected results. Any material increase in net income will be dependent upon further injections of capital.

Whilst the net assets of the Company have increased by injections of capital, most recently in August 2010, the Company has continued to make losses which are eroding its capital base. The net assets of the Company at 31 December 2010 amounted to £26.2 million which equates to 1.028 pence per IBB Share.

QIIB subscribed for £20 million of IBB Shares in August 2010 at a price of one penny per IBB share, which resulted in it holding 80.95 per cent. of the IBB Issued Share Capital. This subscription was approved by independent shareholders of the Company at a general meeting held on 17 August 2010. The Offer price of one penny per IBB Share is equal to the price at which QIIB subscribed for the two billion placing shares in August 2010.

As a result of its shareholding, QIIB already has significant influence over IBB and is able to pass ordinary and special resolutions at general meetings of the Company, in which it is entitled to vote, at will.

QIIB has requested the IBB Directors to take the necessary steps to apply for the cancellation of the Company's admission to trading on AIM and, in due course, to re-register the Company as a private limited company. Further details regarding the Cancellation are provided later in this document.

The QIIB Concert Party already holds in total 88.2 per cent. of the IBB Issued Share Capital leaving just 11.8 per cent. in the hands of minority Shareholders. Minority Shareholders who do not accept the Offer will be left with shareholdings in an unlisted entity with no public trading facility for their IBB Shares.

### **4. Current trading and prospects**

The audited results for the Company for the year ended 31 December 2010 were announced on 16 March 2011 and showed operating income of £1.6 million (2009: £1.6 million), and losses before tax of £8.1 million (2009: £9.5 million). Total assets as at 31 December 2010 were £218 million (2009: £207 million). The net assets of the Company at 31 December 2010 were £26.2 million (2009: £16.8 million).

The challenging market conditions look set to persist into 2011 and the IBB Directors and management will continue to identify opportunities to mitigate these adverse effects. The IBB Directors will maintain a tight control on costs, though further cost reductions may impact the operational capability of IBB and its ability to respond quickly should its financial position strengthen.

## **5. Information on QIIB**

Information on QIIB is set out in paragraph 4 of Part 2 and Appendices II and IV to this document.

## **6. Management, employees, location and changes to the IBB Board**

QIIB has confirmed that it values the skills, knowledge and experience of IBB's existing management and employees and expects them to play an important role in the further development and continuing growth of the IBB business. QIIB has given assurances to the IBB Directors that, upon and following completion of the Offer, the existing employment and contractual rights (including pension rights) of all IBB management and employees will be fully safeguarded.

QIIB has indicated to the IBB Directors that it has no immediate plans to change the location of IBB's operational places of business or to redeploy any of IBB's fixed assets.

All of the current IBB Directors will remain as Directors of IBB following completion of the Offer under their existing contracts of employment.

## **7. Cancellation of trading on AIM, re-registration as a private company and compulsory acquisition**

QIIB has requested that the IBB Directors take the necessary steps to apply for the cancellation of the Company's admission to trading on AIM. **Shareholders should note that there is no requirement to hold a general meeting to approve the Cancellation and that once the Company's admission to trading on AIM has been cancelled, which is expected to be at 7.00 a.m. on 27 April 2011, there is no intention to provide a facility to enable the Company's shares to be traded on any public share trading platform or to list the Company's shares on an alternative stock exchange.** Any transaction in the IBB Shares undertaken after the cancellation will only be capable of being undertaken by private sale. Shareholders should be aware that the cancellation of trading of the IBB Shares will significantly reduce the liquidity and marketability of any IBB Shares in respect of which the Offer has not been accepted.

Attention of Shareholders is drawn to paragraph 11 of the letter from QIIB in Part 2 of this document in relation to QIIB's intentions with regard to the compulsory acquisition of IBB Shares and re-registration of IBB as a private company.

## **8. IBB Company Share Option Plan**

The Offer extends to any IBB Shares which are issued or unconditionally allotted or issued fully paid (or credited as fully paid) under the IBB CSOP prior to the date on which the Offer closes (or such earlier date as QIIB may, subject to the Code, determine). At the date of this document 1,323,139 share options are outstanding but the option exercise prices are all in excess of the Offer Price.

## **9. United Kingdom Taxation**

Your attention is drawn to paragraph 12 of the letter from QIIB in Part 2 of this document. If you are in any doubt as to your tax position, or you are subject to taxation in any jurisdiction other than the United Kingdom, you should immediately consult an appropriate independent professional adviser.

## **10. Overseas IBB Shareholders**

The attention of Overseas Shareholders is drawn to paragraph 13 of the letter from QIIB in Part 2 of this document.

## **11. Action to be taken to accept the Offer**

Your attention is drawn to paragraph 14 in the letter from QIIB in Part 2 of this document and, in respect of IBB Shares held in certificated form, the Form of Acceptance, which set out the procedure for acceptance of the Offer.

**If you are in any doubt about the Offer and/or the action you should take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or another appropriately authorised independent professional adviser if you are taking advice in a territory outside the United Kingdom.**

**12. Conclusion**

**The IBB Board, which has been so advised by Cattaneo LLP, considers the terms of the Offer to be fair and reasonable. In providing advice to the IBB Board, Cattaneo LLP has taken into account the commercial assessments of the IBB Board.**

**13. Recommendation**

**The IBB Directors unanimously recommend that IBB Shareholders accept the Offer, as they have irrevocably undertaken to do in respect of their own beneficial holdings which amount in aggregate to 54,000 IBB Shares, representing approximately 0.002 per cent. of the IBB Issued Share Capital.**

Yours sincerely

A handwritten signature in black ink, appearing to be 'Robert J Owen', with a stylized, scribbled end.

**Robert J Owen**  
*Chairman*

## PART 2

### LETTER FROM QIIB TO IBB SHAREHOLDERS

**Qatar International Islamic Bank Q.S.C.**  
**(Incorporated in the State of Qatar under Amiri Decree No. 52 of 1990)**

*Directors:*

HE Sheikh Dr. Khalid Bin Thani Bin Abdullah Al  
Thani (*Chairman and Managing Director*)  
HE Sheikh Abdullah Bin Thani Al Thani  
(*Vice Chairman*)  
HE Sheikh Thani Bin Khalifa Al Thani  
Mr. Abdullah Mohamed Al Emadi  
Dr. Yousuf Ahmed Al Naama  
Mr. Ali Abdul Al Rahman Al Hashmi  
Mr. Abdullah Mohamed Al Suwaidi  
Mr. Hisham Mustafa Al Sohtari  
Mr. Abdulbasit Ahmed Al Shaibei

*Registered Office:*

Grand Hamad Street  
PO Box 664  
Doha  
Qatar

25 March 2011

*To IBB Shareholders and, for information only, to holders of awards under the IBB CSOP.*

Dear Shareholder

#### **RECOMMENDED UNCONDITIONAL CASH OFFER FOR IBB**

##### **1. Introduction**

On 16 March 2011 the boards of IBB and QIIB announced that they had reached agreement on the terms of a recommended unconditional cash offer to be made by QIIB to acquire the entire issued and to be issued ordinary share capital of IBB not already held by QIIB.

This letter, Appendix I to this document and the Form of Acceptance (in relation to certificated IBB Shares (that is, those not held in CREST)) together contain the formal terms of the Offer.

Your attention is drawn to the letter from the Chairman of IBB set out in Part 1 of this document, which explains the background to the Offer and the reasons why the IBB Directors, who have been so advised by Cattaneo LLP, consider the terms of the Offer to be fair and reasonable and why the IBB Directors, accordingly, unanimously recommend all IBB Shareholders to accept the Offer. In providing its advice, Cattaneo LLP has taken into account the commercial assessments of the IBB Directors.

Westhouse Securities Limited is acting exclusively as financial adviser and broker to QIIB.

##### **2. The Offer**

Under the Offer, which is made on and subject to the further terms set out in this document and, in the case of IBB Shares held in certificated form, the Form of Acceptance, IBB Shareholders will receive:

**for each IBB Share      one penny in cash**

The Offer values IBB's fully diluted share capital at approximately £25,464,700 (twenty five million four hundred and sixty four thousand seven hundred pounds).

The consideration under the terms of the Offer represents a 70.4 per cent. discount to the Closing Price of 3.38 pence per IBB Share on 15 March 2011, being the last business day prior to the Announcement Date.

The Offer extends to all IBB Shares unconditionally allotted or issued and fully paid on the date of the Offer and any IBB Shares which are unconditionally allotted or issued and fully paid before the date on which the Offer closes to acceptances or such earlier date as QIIB may, subject to the Code and in accordance with the further terms of the Offer, announce.

The IBB Shares which are the subject of the Offer 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 16 March 2011 including, without limitation, the right to receive and retain all dividends and other distributions (if any) declared, made or paid after the Announcement Date.

The Offer will be subject to the further terms set out and referred to in Appendix I to this document and, in the case of IBB Shares held in certificated form, in the accompanying Form of Acceptance.

The procedure for acceptance of the Offer is set out in paragraph 14 of this letter.

For summary information on certain limited aspects of UK taxation consequences of accepting the Offer for certain IBB Shareholders resident in the UK for tax purposes, please refer to paragraph 12 of this letter.

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

QIIB has been a shareholder in the Company since 11 October 2004. In August 2010, QIIB subscribed for 2,000,000,000 IBB Shares by way of a placing, taking its shareholding in the Company to 2,061,299,155 IBB Shares (representing 80.95 per cent. of the total issued share capital of the Company) (the **Subscription**). Details of the Subscription were set out in a circular to shareholders dated 27 July 2010. Following the Subscription and an ongoing review of the Company, QIIB considers that the most appropriate action for the future success of the Company is for QIIB to acquire all minority shareholdings in the Company and to apply for the Cancellation.

### **4. Information relating to QIIB**

QIIB was incorporated under Amiri Decree No. 52 of 1990 and is listed on the Qatar Exchange. QIIB's registered office is at Grand Hamad Street, PO Box 664, Doha, Qatar. QIIB has 14 branches and 50 ATMs across Qatar and is primarily engaged in banking, financing and investing activities in accordance with the provisions of Sharia law.

QIIB has held an interest in shares in IBB since 11 October 2004 when it subscribed for 45,000,000 shares at 25 pence per IBB Share. QIIB has a current shareholding of 2,061,299,155 IBB Shares, representing 80.95 per cent. of the IBB Issued Share Capital.

Further information on QIIB is set out in Appendices II and IV to this document.

Save for the QIIB shareholding in the Company referred to in this paragraph above, and the following interests:

- HE Sheikh Thani Bin Abdulla Bin Thani Jasim Al Thani holds 163,869,619 IBB Shares (or 6.44 per cent. of the IBB Issued Share Capital) and is an indirect holder, through Tadawul Holding Group, of approximately 27.3 per cent. of the shares of QIIB. One of Sheikh Thani's sons (HE Sheikh Khalid Bin Thani Al Thani) is chairman and a director of QIIB and a director of QIIC and another of his sons (HE Sheikh Abdullah Bin Thani Al Thani) is chairman and a director of QIIC and a director of QIIB. Sheikh Thani also has an indirect shareholding, through Tadawul Holding Group, in Qatar Islamic Insurance Company of approximately 22.8 per cent.; and
- Qatar Islamic Insurance Company holds 20,657,972 IBB Shares (or 0.81 per cent. of the IBB Issued Share Capital) and HE Sheikh Abdullah Bin Thani Al Thani, the vice-chairman of Qatar Islamic Insurance Company, is a director of QIIB and his brother, HE Sheikh Khalid Bin Thani Al Thani, the chairman of QIIB, is a director of Qatar Islamic Insurance Company, a body corporate incorporated in the State of Qatar (registered number 16584) whose registered office is at P.O Box 22676, Doha, Qatar;

neither QIIB nor any of the directors of QIIB, nor, so far as the directors of QIIB are aware, any person acting in concert with QIIB for the purposes of the Offer, has any interest in, right to subscribe for, or has borrowed or lent any IBB Shares or securities convertible or exchangeable into IBB Shares (**IBB Securities**), nor does any such person have 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 or any arrangement in relation to IBB Securities.

For these purposes, “arrangement” includes any indemnity or option arrangement or any agreement or understanding, formal or informal, of whatever nature, relating to IBB Securities which may be an inducement to deal or refrain from dealing in such securities.

## **5. Current trading and prospects of QIIB**

The audited results for QIIB for the year ended 31 December 2010 showed net operating income of QR 1,085,381,000 (£183,550,022) (2009: QR 957,940,000 (£161,996,992)) and profits before tax of QR 888,297,000 (£150,218,817) (2009: QR 782,218,000 (£132,244,340)). Total assets as at 31 December 2010 were QR 18,178,941,000 (£3,073,334,363) (2009: QR 15,529,911,000 (£2,625,656,800)). At 31 December 2010 the basic earnings per share were QR 4.03 (£0.68) (2009: QR 3.89 (£0.66)).

QIIB continued to attract deposits and offer corporate and retail banking services over the course of the year ended 31 December 2010. QIIB anticipates continuing to offer its existing services including financing, credit cards, money transfers, foreign exchange, and securities brokerage services and will also continue to seek out viable opportunities to continue the growth it experienced in the last financial year.

## **6. Information relating to IBB**

IBB is a public limited company incorporated in England and Wales with company number 4483430 and registered office at Edgbaston House, 3 Duchess Place, Birmingham B16 8NH. IBB’s Shares were admitted to trading on AIM on 12 October 2004, and the Company is the UK’s first Financial Services Authority approved fully Sharia-compliant retail bank.

## **7. Irrevocable Undertakings**

QIIB has received irrevocable undertakings from each of the IBB Directors to accept the Offer, in respect of a total of 54,000 IBB Shares, representing approximately 0.002 per cent. of the IBB Issued Share Capital. These irrevocable undertakings will remain in full force and effect and binding even in the event of a higher competing offer for IBB unless the Offer is withdrawn.

Further details of the irrevocable undertakings are set out in paragraph 8 of Appendix IV to this document.

## **8. Management, employees and locations**

QIIB values the skills, knowledge and expertise of IBB’s existing management and employees and expects them to play an important role in the further development and continuing growth of the IBB business. QIIB has given assurances to the IBB Directors that, upon and following completion of the Offer, the existing employment and contractual rights (including pension rights) of all IBB management and employees will be fully safeguarded.

## **9. IBB CSOP**

The Offer extends to any IBB Shares which are issued or unconditionally allotted or issued fully paid (or credited as fully paid) prior to the date on which the Offer closes (or such earlier date as QIIB may, subject to the Code, determine).

## **10. Financing of the Offer**

Full acceptance of the Offer will result in the payment by QIIB of approximately £4,852,000 (four million eight hundred and fifty two thousand pounds) in cash.

The aggregate cash consideration payable by QIIB will be provided from existing cash resources.

Westhouse Securities Limited, financial adviser to QIIB, is satisfied that resources are available to QIIB sufficient to satisfy full acceptance of the Offer.

## **11. IBB cancellation of trading on AIM, re-registration as a private company and intention to compulsorily purchase IBB Shares**

QIIB has requested the IBB Directors to take the necessary steps to apply for the Cancellation and, in due course, to re-register the Company as a private limited company. On the basis that the Offer is unconditional and that Shareholders are receiving this Offer Document with details of the Offer including the Cancellation there is no requirement to hold an IBB general meeting to approve the Cancellation. Once the Cancellation has become effective, which is expected to be 7:00 a.m. on 27 April 2011, there is no intention to provide a facility to enable the Company's shares to be traded on any public share trading platform or to list the Company's shares on an alternative stock exchange.

Any transaction in the IBB Shares undertaken after the Cancellation will only be capable of being undertaken by private sale. **Shareholders should be aware that the Cancellation will significantly reduce the liquidity and marketability of any IBB Shares in respect of which the Offer has not been accepted.**

If QIIB receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the IBB Shares to which the Offer relates, QIIB will exercise its rights pursuant to sections 974 to 991 of the Companies Act 2006 to acquire compulsorily the remaining IBB Shares in respect of which the Offer has not been accepted.

## **12. Taxation**

### **12.1 *United Kingdom Taxation***

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK legislation and HMRC published practice as at the last practicable date prior to the issue of this document, which may change. They summarise certain limited aspects of the UK taxation treatment of acceptance of the Offer. They relate only to the position of IBB Shareholders who are resident and, in the case of individuals, ordinarily resident in the UK for taxation purposes at all relevant times and who hold their IBB Shares beneficially as an investment (other than under a personal equity plan or an individual savings account) and who have not (and are not deemed to have) acquired their IBB Shares by reason of an offer of employment. The comments below apply only to certain categories of person and, in particular, may not apply to such persons as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules may apply.

**If you are in any doubt as to your taxation position or if you may be subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.**

#### *UK taxation of chargeable gains*

An IBB Shareholder's liability to UK taxation of chargeable gains in respect of the disposal of IBB Shares pursuant to the Offer will depend on that shareholder's individual circumstances.

The sale of IBB Shares by an IBB Shareholder pursuant to the Offer will constitute a disposal, or part disposal, of his shareholding. Such a disposal or part disposal may give rise to a liability to UK taxation of chargeable gains depending on that IBB Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses) and, in particular, the IBB Shareholder's base cost in his holding of IBB Shares.

For IBB Shareholders within the charge to UK corporation tax (but which do not qualify for the substantial shareholdings exemption in respect of their IBB Shares) indexation allowance may be available in respect of the full period of ownership of the IBB Shares to reduce any chargeable gain arising (but not to create or increase an allowable loss) on the disposal of IBB Shares.

#### *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

No UK stamp duty or SDRT should be payable by IBB Shareholders as a result of accepting the Offer.

### 13. Overseas Shareholders

**The availability of the Offer to IBB Shareholders who are not resident in the UK may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction and should carefully read paragraph 5 of Part A and paragraph 3 of Part B of Appendix I to this document. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.**

The attention of IBB Shareholders who are citizens or residents of jurisdictions outside the UK or who are holding shares for such citizens or residents and any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intend to, or may have an obligation to, forward this document and/or the Form of Acceptance and/or any related document in connection with the Offer outside the UK is drawn to paragraph 5 of Part A and paragraph 3 of Part B of Appendix I to this document and to the relevant provisions of the Form of Acceptance, which they should carefully read before taking any action.

The Offer is not being made, directly or indirectly, in or into and is not capable of acceptance from or within any Restricted Jurisdiction. Accordingly, acceptors who are unable to give the warranties set out in paragraph 3 of Part B of Appendix I to this document or paragraph 3 of Part C of Appendix I to this document in respect of Electronic Acceptances, may be deemed not to have validly accepted the Offer.

### 14. Procedure for Acceptance of the Offer

**IBB Shareholders who hold their IBB Shares in certificated form should carefully read paragraph 14.1 in conjunction with the Form of Acceptance and Parts A and B of Appendix I to this document. The instructions on the Form of Acceptance are deemed to be incorporated in and form part of the terms of the Offer. IBB Shareholders who hold their shares in uncertificated form (that is, through CREST) should carefully read paragraph 14.2 in conjunction with Parts A and C of Appendix I to this document.**

#### 14.1 *To accept the Offer in relation to IBB Shares held in certificated form (i.e. not in CREST)*

##### (a) *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 queries as to how to complete the Form of Acceptance, please telephone the Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. 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. Additional Forms of Acceptance are available from the Registrars upon request.

##### (i) To accept the Offer in respect of all your IBB Shares in certificated form

To accept the Offer in respect of all your IBB Shares held in certificated form, you must complete Box 3A of the enclosed Form of Acceptance. If appropriate, you should also complete Boxes 5 and/or 6. In all cases, you must sign Box 4 of the enclosed Form of Acceptance in accordance with the instructions printed on the Form of Acceptance.

##### (ii) To accept the Offer in respect of less than all your IBB Shares in certificated form

To accept the Offer in respect of less than all your IBB Shares held in certificated form, you must insert in Box 3B of the enclosed Form of Acceptance such lesser number of IBB Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in

paragraph (i) above in respect of such lesser number of IBB Shares. If you do not insert a number in Box 3B of the Form of Acceptance, or if you insert in Box 3B a number which is greater than the number of IBB Shares that you hold and you have signed Box 4, your acceptance will be deemed to be in respect of all IBB Shares in certificated form held by you.

In all cases, you must sign Box 4 on the relevant Form of Acceptance including, if you are an individual, 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 the relevant Form of Acceptance in accordance with the instructions printed on it. The Form of Acceptance is issued only to the addressee(s) and is specific to the class of security and the unique designated account printed on it. The Form of Acceptance is a personalised form and is not transferable between accounts or uniquely designated accounts. QIIB and the Registrars accept no liability for any instructions which do not comply with the terms set out in this document, the Form of Acceptance or accompanying materials.

(b) *Return of the Form of Acceptance*

**To accept the Offer in respect of IBB Shares held in certificated form, the duly completed, signed and witnessed Form of Acceptance should be returned by post or by hand (during normal business hours) to the Receiving Agent at Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU together (subject to paragraph (c) below) with the relevant share certificate(s) and/or other document(s) of title, as soon as possible, and, in any event, so as to be received not later than 1.00 p.m. (London time) on 15 April 2011.** A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given by or on behalf of QIIB.

Any Form of Acceptance received in an envelope postmarked in a Restricted Jurisdiction or otherwise appearing to QIIB 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 Overseas Shareholders, see paragraph 13 of this Part 2 above and paragraph 5 of Part A and paragraph 3 of Part B of Appendix I to this document and the relevant provisions of the Form of Acceptance.

(c) *Document(s) of title*

If your IBB Shares are in certificated form, a completed, signed and 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 the Form of Acceptance as stated above so as to be received by the Registrars at the address referred to in paragraph (b) above **not later than 1.00 p.m. (London time) on 15 April 2011**. 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 document(s) of title. You should then arrange for the relevant outstanding share certificate(s) and/or other document(s) of title to be forwarded as soon as possible. If you have lost your share certificate(s) and/or other document(s) of title, you should contact IBB's registrars, the Registrars, as soon as possible to request a letter of indemnity for the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post or by hand (during normal business hours only) to the Registrars at the address given in paragraph (b) above. The Registrars can be contacted at the address referred to in paragraph 14.1(b) above, or by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from

outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. 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.

(d) *Validity of acceptances in respect of IBB Shares in certificated form*

Without prejudice to Parts A and B of Appendix I to this document and subject to the provisions of the Code, QIIB reserves the right to treat as valid, in whole or in part, any acceptance of the Offer in relation to IBB Shares in certificated form 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 satisfactory to QIIB have been received.

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

(a) *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) (that is, send a TTE Instruction), specifying the 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 15 April 2011. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) – 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 (a) will (subject to satisfying the requirements set out in Parts A and C 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.** Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your IBB Shares are held. In addition, 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 IBB Shares held in CREST for any transaction or charging purposes.

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 15 April 2011. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.**

(b) *To accept the Offer in respect of IBB Shares held in uncertificated form*

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 of the 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 in uncertificated form to be transferred to escrow);
- your participant ID;
- your member account ID;
- the participant ID of the Escrow Agent. This is RA10;
- the member account ID of the Escrow Agent for the Offer. This is QATISL01 for the Offer;
- 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 15 April 2011;
- the corporate action number of the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with a standard delivery instruction priority of 80; and your name and contact telephone number in the shared note field.

(c) *Validity of acceptances in respect of IBB Shares held in uncertificated form*

Holders of 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. (London time) on that date. A Form of Acceptance which is received in respect of IBB Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded.

(d) *General*

QIIB will make an appropriate announcement if any of the details contained in paragraph 14 above alter for any reason.

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). IBB Shareholders who are proposing to convert any such IBB Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the IBB 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) or other document(s) of title or transfers to an escrow balance in the manner described above) **prior to 1.00 p.m. (London time) on 15 April 2011.**

**If you are in any doubt as to the procedure for acceptance of the Offer, please contact the Registrars at the address referred to in paragraph 14.1(b) above, or by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday**

**to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. 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 are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

## **15. Settlement**

Provided that the TTE Instruction, Forms of Acceptance, share certificate(s) and/or other document(s) of title are in order, 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 despatch of cheques or the crediting of CREST accounts: (i) in the case of acceptances received, valid and complete in all respects, by the Closing Date within 14 days of such date; and (ii) in the case of acceptances received, valid and complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, and in either case in the manner described in sub-paragraphs (a), (b) and (c) below.

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

Where an acceptance relates to IBB Shares held in certificated form, settlement of the cash consideration to which the accepting IBB Shareholder is entitled will be despatched by first class post (or by such other method as may be approved by the Panel) to the accepting IBB Shareholder or its 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 in uncertificated form (i.e. in CREST)***

Where an acceptance relates to IBB Shares in uncertificated form, settlement of the cash consideration to which the 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. QIIB reserves the right to settle all or any part of the consideration referred to in this paragraph (b), for all or any accepting IBB Shareholder(s), in the manner referred to in paragraph (a) above, if, for any reason, it wishes to do so.

### **(c) *General***

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

Except with the consent of the Panel, settlement of the consideration to which any IBB Shareholder is entitled under the Offer will be settled 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 QIIB may otherwise be, or claim to be, entitled as against such IBB Shareholder.

## **16. Further information**

Your attention is drawn to the further information contained in the Appendices which form part of this document and (if you hold your IBB Shares in certificated form) the accompanying Form of Acceptance.

## **17. Action to be taken to accept the Offer**

To accept the Offer:

- 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 Form of Acceptance (together with your valid share certificate(s) and any other document(s) of title) **as soon as possible and, in any event, so as to be received by the Registrars not later than 1.00 p.m. on 15 April 2011.** 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 14.1 of this letter, Parts A and B of Appendix I to this document and in the accompanying Form of Acceptance. A reply-paid envelope (for use in the UK only) is enclosed for your convenience; or

- 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., on 15 April 2011**. Further details on the procedures for electronic acceptance of the Offer if you hold any of your IBB Shares in uncertificated form are set out in paragraph 14.2 of this letter and Parts A and C of Appendix I to this document. If you hold your IBB Shares as 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(s) to CREST.

**If you are in any doubt as to the procedure for acceptance, please contact the shareholder helpline by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. 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.**

**Your decision as to whether to accept the Offer will depend on your individual circumstances. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the UK or, if you are outside the UK, from an appropriately authorised independent financial adviser, without delay.**

Yours faithfully



**Abdulbasit Al Shaibei (Chief Executive Officer)**

for and on behalf of

*Qatar International Islamic Bank Q.S.C.*

# Appendix I

## Terms of the Offer

### 1. Certain further terms of the Offer

- (a) The IBB Shares which will be acquired under the Offer will be acquired by QIIB fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or payable after the date of the Announcement. Accordingly, insofar as a dividend and/or a distribution and/or a return of capital is proposed, declared, made, paid or becomes payable by IBB in respect of an IBB Share QIIB reserves the right to reduce the price payable under the Offer in respect of an IBB Share by the amount of the dividend and/or distribution and/or return of capital except insofar as the IBB Share is or will be transferred pursuant to the Offer on a basis which entitles QIIB alone to receive the dividend and/or distribution and/or return of capital and to retain it. To the extent that a reduction in the price payable pursuant to the Offer in respect of an IBB Share is to apply in respect of a dividend and/or distribution and/or return of capital but that reduction in price has not been effected, the person to whom the Offer Price is paid in respect of that IBB Share will be obliged to account to QIIB for the amount of such dividend or distribution or return of capital.
- (b) QIIB reserves the right, with the agreement of the IBB Directors and the Panel (if required), to elect to implement the Offer by way of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006. In such event, such offer will be implemented on the same terms (subject to appropriate amendments as may be required by law or regulation, so far as applicable,) as those that would apply to the Offer. In particular, the scheme will become effective and binding following:
- (i) approval of the scheme at the court meeting (or any adjournment thereof) by a majority of the Shareholders present and voting either in person or by proxy representing 75 per cent. or more in value of the IBB Shares to which the Offer relates;
  - (ii) the resolutions required to approve and implement the scheme being those set out in the notice of general meeting of the Shareholders being passed by the requisite majority at such general meeting; and
  - (iii) the sanction of the scheme and confirmation of any associated reduction of capital by the Court (in each case with or without modification, and any such modification to be on terms reasonably acceptable to IBB and QIIB) and an office copy of the order of the Court sanctioning the scheme and confirming the cancellation of share capital which forms part of it being delivered for registration to the Registrar of Companies and, if ordered by the Court, being registered by him.
- (c) If the Offer lapses it will cease to be capable of further acceptance. Shareholders who have accepted the Offer and QIIB shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses.
- (d) The Offer will lapse if it is referred to the Competition Commission or is subject to a decision to initiate proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004 before 1.00 p.m. on the Closing Date of the Offer.
- (e) 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.
- (f) This Offer is governed by English law and is subject to the jurisdiction of the English courts, the terms set out above, the further terms set out below and the related form of acceptance.

- (g) The Offer is not 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 is not capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.
- (h) The Offer is on the terms set out in this Appendix I and such further terms as may be required to comply with the Takeover Code and other applicable law.

### **Part A: Further Terms of the Offer**

Except where the context requires otherwise, any reference in Parts A, B or C of this Appendix I and in the Form of Acceptance to:

- (a) the **Offer** means the Offer and any revision, variation, renewal or extension of the Offer;
- (b) the **Offer Document** means this document and any other document containing the Offer;
- (c) **acting in concert with QIIB** is a reference to a person acting or deemed to be acting in concert with QIIB for the purposes of the Code and/or the Offer;
- (d) The following further terms apply, unless the context requires otherwise, to the Offer.

#### **1. Acceptance Period**

- 1.1 The Offer is unconditional and will remain open for acceptance until 1.00 p.m. (London time) on the Closing Date. As the Offer is unconditional, QIIB is not required to extend the Offer beyond the Closing Date.
- 1.2 Although no revision is envisaged, 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 the Panel may permit) following the date written notice of the revision is despatched to IBB Shareholders.
- 1.3 As the Offer is unconditional QIIB is not required to extend the Offer beyond the Closing Date. QIIB reserves the right, with the Panel's consent, to extend the Offer to a later time(s) and or date(s). If the Offer is extended, then not less than 14 calendar days' notice in writing will be given to those holders of IBB Shares who have not accepted the Offer prior to any closing of the Offer Period.
- 1.4 If a competitive situation arises after a "no extension" statement and/or a "no increase" statement (as referred to in the Code) has been made by or on behalf of QIIB in relation to the Offer, QIIB may, if it specifically reserves the right to do so at the time such statement is made (or otherwise with the consent of the Panel), choose not to be bound by or withdraw such statement and be free to revise and/or extend the Offer provided it complies with the requirements of the Code and, in particular, that:
  - (a) it announces the withdrawal and that it is free to extend and/or revise the Offer (as appropriate) as soon as possible and in any event within four business days after the day of the firm announcement of the competing offer or other competitive situation;
  - (b) it notifies IBB Shareholders to that effect in writing at the earliest opportunity or, in the case of IBB Shareholders with registered addresses outside the UK or whom QIIB knows to be a nominee, custodian or trustee holding IBB Shares for such persons, by announcement in the UK; and
  - (c) any IBB Shareholders who accepted the Offer after the date of the "no extension" or "no increase" statement are given a right of withdrawal in accordance with paragraph 3 of this Part A.

QIIB may, if it has reserved the right to do so, choose not to be bound by a "no increase" or "no extension" statement if it would otherwise prevent the posting of an increased or improved Offer

(either as to the value or form of the consideration or otherwise) which is recommended for acceptance by the IBB Board, or in other circumstances permitted by the Panel.

## **2. Announcements**

2.1 Without prejudice to paragraph 3 below, by 8.00 a.m. (London time) on the business day (the **relevant day**) following the day on which the Offer is due to expire, or is revised or is extended, as the case may be (or such later time or date as the Panel may agree), QIIB will make an appropriate announcement and simultaneously inform a Regulatory Information Service of the position. Such announcement will also state (unless otherwise permitted by the Panel):

2.1.1 the number of IBB Shares for which acceptances of the Offer have been received (specifying the extent, if any, to which such acceptances have been received from persons acting in concert with QIIB or in respect of IBB Shares which were subject to an irrevocable commitment or a letter of intent procured by QIIB or any person acting in concert with QIIB);

2.1.2 details of any relevant securities of IBB in which QIIB or any person acting in concert with QIIB has an interest or in respect of which any of them has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (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;

2.1.3 details of any relevant securities of IBB in respect of which QIIB or any person acting in concert with QIIB has an outstanding irrevocable commitment or letter of intent; and

2.1.4 details of any relevant securities of IBB which QIIB or any person acting in concert with QIIB 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 relevant securities represented by these figures.

2.2 In computing the number of IBB Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes acceptances and purchases not in all respects in order or subject to verification.

2.3 In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of QIIB include the release of an announcement by public relations consultants or by Westhouse Securities Limited on behalf of QIIB and the delivery by hand, telephone, telex or facsimile transmission or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service will be notified simultaneously to a Regulatory Information Service (unless the Panel otherwise agrees).

2.4 Without limiting the manner in which QIIB may choose to make any public statement and subject to QIIB's obligations under applicable law, including the Code, QIIB will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

## **3. Rights of withdrawal**

3.1 If QIIB fails by 3.30 p.m. (London time), on the relevant day (as defined in paragraph 2 of this Part B) (or such later time(s) and/or date(s) as the Panel may agree) to comply with any of the other relevant requirements specified in paragraph 2 of this Part B, an accepting certified IBB Shareholder may (unless the Panel otherwise agrees) immediately after that time withdraw his acceptance of the Offer by written notice signed by the accepting IBB Shareholder (or his agent duly appointed in writing and evidence of whose appointment, in a form reasonably satisfactory to QIIB, is produced with the notice) given by post or by hand (during normal business hours only) to Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Alternatively, in

the case of IBB Shares held in uncertificated form, withdrawals can also be effected in the manner set out in paragraph 3.5 of this Part B. This right of withdrawal may be terminated not less than eight calendar days after the relevant day by QIIB complying with the other relevant requirements specified in paragraph 2 of this Part B.

- 3.2 If a “no extension” and/or “no increase” statement is withdrawn in accordance with paragraph 1.4 of this Part B, any acceptance made by an IBB Shareholder after the date of that statement may be withdrawn thereafter in the manner referred to in paragraph 3.1 above (or, in the case of IBB Shares held in uncertificated form, in the manner set out in paragraph 3.5 of this Part B) for a period of eight calendar days following the date on which the notice of the withdrawal of such statement is posted to IBB Shareholders.
  - 3.3 Except as provided by this paragraph 3 and subject to paragraph 4 below, acceptances and elections will be irrevocable.
  - 3.4 In this paragraph 3, written notice (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting IBB Shareholder(s) or his/their agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to QIIB). Notification by telex, email, facsimile or other electronic transmissions or copies will not be sufficient to constitute written notice. No notice which is post-marked in, or otherwise appears to QIIB or its agents to have been sent from, a Restricted Jurisdiction, will be treated as valid.
  - 3.5 In the case of IBB Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 3.1 to 3.2 above, 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 settle, include the following details:
    - 3.5.1 the corporate action ISIN number of IBB Shares. This is GB00B02KNV97;
    - 3.5.2 the number of IBB Shares in uncertificated form to be withdrawn;
    - 3.5.3 the member account ID of the accepting holder of IBB Shares;
    - 3.5.4 the participant ID of the accepting holder of IBB Shares;
    - 3.5.5 the participant ID of the Escrow Agent. This is RA10;
    - 3.5.6 the member account ID of the Escrow Agent. This is QATISL01;
    - 3.5.7 the CREST transaction ID of the Electronic Acceptance to be withdrawn, to be inserted at the beginning of the shared note field;
    - 3.5.8 input with a standard delivery instruction priority of 80;
    - 3.5.9 the intended settlement date for the withdrawal;
    - 3.5.10 the corporate action number for the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
    - 3.5.11 the name and contact telephone number of the accepting IBB Shareholder inserted into the shared note field.
- Any such withdrawal will be conditional upon the Registrars verifying that the withdrawal request is validly made. Accordingly, the Registrars will, on behalf of QIIB, reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.
- 3.6 Immediately (or within such longer period, not exceeding 14 calendar days, as the Panel may permit) upon an IBB Shareholder validly withdrawing his acceptance in respect of IBB Shares held in uncertificated form, the Registrars will give TFE Instructions to Euroclear to transfer all relevant 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 Shareholder concerned and, in respect of IBB Shares held in certificated form, the Registrars will return by post (or by such other method as may be approved by the Panel) all share certificates and/or other document(s) of title to the holder of IBB Shares concerned.

- 3.7 IBB Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 3 may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 14 of the letter from QIIB set out in Part 2 of this document, at any time while the Offer remains open for acceptance.
- 3.8 All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by QIIB, acting reasonably, whose determination (except as required by the Panel) will be final and binding. None of QIIB, IBB, the 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 this paragraph.

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

4.1 Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms or in the value or form of the consideration offered or otherwise), which QIIB reserves the right to do and any such revised Offer represents on the date on which the revision is announced (on such basis as Westhouse Securities Limited may consider appropriate) an improvement (or no diminution) in the value of the consideration of the Offer as so revised compared with the value of the consideration or terms previously offered, or in the overall value received by an IBB Shareholder (under or in consequence of the Offer or otherwise), the benefit of the revised Offer will, subject to paragraphs 4.3, 4.4 and 5 of this Part A, be made available to any IBB Shareholder who has validly accepted the Offer in its original or any previously revised form(s) and who has not validly withdrawn such acceptance (a “**Previous Acceptor**”). The acceptance by or on behalf of a Previous Acceptor of the Offer in its original or any previously revised form(s) shall, subject to paragraphs 4.3, 4.4 and 5 of this Part A, be deemed to be an acceptance of the Offer as so revised and will, subject to the rights of the Shareholder to withdraw his acceptance in accordance with paragraph 3 of this Part A, also constitute the separate appointment of QIIB and each of its directors and agents as his attorney and/or agent (“**attorney**”) with authority:

- (a) to accept any such revised Offer on behalf of such Previous Acceptor;
- (b) if such revised Offer includes alternative forms of consideration, to make on his behalf elections for and/or accept such alternative forms of consideration on his behalf in such proportions as such attorney and/or agent in his absolute discretion thinks fit; and
- (c) to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and take such further actions (if any) as may be required to give effect to such acceptances and/or elections.

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

4.2 QIIB reserves the right (subject to paragraphs 3 and 4.1 above) 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) on or after the announcement or issue of the Offer in any revised form as a valid acceptance of the revised Offer (and, where applicable, a valid election for the alternative form(s) of consideration). Such acceptance will constitute an authority in the terms of paragraph 4.1 above, *mutatis mutandis*, on behalf of the relevant IBB Shareholder.

4.3 The deemed acceptances and/or elections referred to in this paragraph 4 shall not apply and the authorities conferred by this paragraph 4 shall not be exercised if, as a result thereof, the Previous

Acceptor would (on such basis as Westhouse Securities Limited may consider appropriate) thereby receive, under or in consequence of the Offer and/or any alternative pursuant thereto as revised or otherwise, less in aggregate in consideration or overall value under the revised Offer than he would have received in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted by him or on his behalf, having regard to any previous acceptance or election made by him, unless the Previous Acceptor has previously otherwise agreed in writing. The authorities conferred by this paragraph 4 shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph 4.3.

4.4 The deemed acceptances and/or elections referred to in this paragraph 4 will not apply and the authorities conferred by this paragraph 4 will be ineffective to the extent that a Previous Acceptor: (i) in respect of the IBB Shares held in certificated form, lodges with the Registrars, within 14 days of the posting of the document pursuant to which the revised Offer referred to in paragraph 4.1 above is made available to IBB Shareholders, a form of acceptance (in the case of IBB Shares) or some other form in which he validly elects (to the extent possible) to receive the consideration receivable by him under the revised Offer in some other manner, or (ii) in respect of IBB Shares held in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each such ESA Instruction must, in order for it to be valid and settle, include the following details:

4.4.1 the number of IBB Shares in respect of which the changed election is made;

4.4.2 the participant ID of the Previous Acceptor;

4.4.3 the member account ID of the Previous Acceptor;

4.4.4 the corporate action ISIN number of IBB Shares. This is GB00B02KNV97;

4.4.5 the CREST transaction ID of the Electronic Acceptance in respect of which an election is to be changed to be inserted at the beginning of the shared note field;

4.4.6 the intended settlement date for the changed election;

4.4.7 the participant ID of the Escrow Agent. This is RA10;

4.4.8 the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;

4.4.9 and in order that the designated change of election can be effected must include;

4.4.10 the member account ID of the Escrow Agent relevant to the new election;

4.4.11 input with a standard delivery instruction priority of 80; and

4.4.12 the name and contact telephone number of the Previous Acceptor inserted into the shared note field.

Any such change of election will be conditional upon the Registrars verifying that the request is validly made. Accordingly, the Registrars will, on behalf of QIIB, reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

4.5 The authorities conferred by this paragraph 4 and any acceptance of a revised Offer and/or any election pursuant thereto shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his acceptance under paragraph 3 above and duly and validly does so.

## 5. Overseas Shareholders

- 5.1 The making of the Offer in jurisdictions outside the UK, or to certain persons who are Overseas Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any such person 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 therewith, including the obtaining of any governmental, exchange control or other consents which may be required and compliance with other necessary formalities. Any such Overseas Shareholder will be responsible for the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction by whomsoever payable and QIIB and Westhouse Securities Limited and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes or duties or other requisite payments as such person (and any person acting on behalf of them) may be required to pay. **If you are an Overseas Shareholder and you are in doubt about your position, you should consult your professional adviser in the relevant jurisdiction.**
- 5.2 Unless otherwise determined by QIIB and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into a Restricted Jurisdiction, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce of, or of any facilities of a national securities exchange of any Restricted Jurisdiction and is not capable of acceptance by any such use, means, instrumentality or facility, or from within any Restricted Jurisdiction.
- 5.3 Copies of the Offer Document and/or the Form of Acceptance are not being and must not be, directly or indirectly, mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction, including to IBB Shareholders with registered addresses in these jurisdictions or to persons whom QIIB knows to be custodians, nominees or trustees holding IBB Shares for such persons. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not distribute, send or mail them in, into or from a Restricted Jurisdiction, or use such mails or any such means or instrumentality for any purpose, directly or indirectly, in connection with the Offer, and doing so may render invalid any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use the mails or any such means, or instrumentality or facility of any Restricted Jurisdiction for any purpose directly or indirectly related to the acceptance of the Offer. Envelopes containing the Forms of Acceptance, evidence of title or other documents relating to the Offer must not be post-marked in, or otherwise dispatched from, any Restricted Jurisdiction and all acceptors must provide addresses outside a Restricted Jurisdiction for the receipt or the remittance of the consideration to which they are entitled under the Offer, or for the return of the Form of Acceptance and (in relation to IBB Shares in certificated form) any IBB share certificate(s) and/or other document(s) of title.
- 5.4 Subject as provided below, an IBB Shareholder will be deemed NOT to have accepted the Offer if:
- 5.4.1 he puts “NO” in Box 5 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph 3 of Part B of this Appendix I;
  - 5.4.2 Box 1 of the Form of Acceptance contains an address in a Restricted Jurisdiction and he does not insert in Box 6B 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, subject to the provisions of this paragraph 5 and applicable laws;
  - 5.4.3 he inserts in Box 2 of the Form of Acceptance a telephone number in a Restricted Jurisdiction for use in the event of queries;
  - 5.4.4 a Form of Acceptance received from him is received in an envelope postmarked in, or otherwise appears to QIIB or its receiving agents to have been sent from or otherwise evidences use of any means of instrumentality of, a Restricted Jurisdiction; or

5.4.5 (in respect of uncertificated IBB Shares) he makes a Restricted Escrow Transfer (as defined in paragraph 5.6 below) pursuant to paragraph 5.6 below unless he also makes a related Restricted ESA Instruction (as defined in paragraph 5.6 below) which is accepted by the Registrars.

QIIB reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph 3 of Part B (or as the case may be Part C) of this Appendix I could have been truthfully given by the relevant IBB Shareholder and, if such investigation is made and as a result QIIB cannot satisfy itself that such representations and warranties are true and correct, such acceptance or election shall not be valid.

5.5 If, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees) whether pursuant to a contractual or legal obligation or otherwise forwards the Offer Document and/or the Form of Acceptance in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile transmission, email, telex, telephone and the internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, such jurisdictions in connection with such forwarding, such person should:

5.5.1 inform the recipient of such fact;

5.5.2 explain to the recipient that such action may invalidate any purported acceptance or election by the recipient; and

5.5.3 draw the attention of the recipient to this paragraph 5.

5.6 If an IBB Shareholder holding IBB Shares in uncertificated form is unable to give the representations and warranties set out in paragraph 3 of Part C of this Appendix I, but nevertheless can produce evidence satisfactory to QIIB that he is able to accept the Offer in compliance with all legal and regulatory requirements and without QIIB or its agents being in breach of any such requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:

(a) a valid 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 the alternatives offered under the Offer if any).

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 QIIB decides in its absolute discretion to exercise its right to waive, vary or modify the terms of the Offer relating 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 this Appendix I. If QIIB decides to permit such acceptance to be made, the Registrars will on behalf of QIIB accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message.

Otherwise, the Registrars will on behalf of QIIB reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

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

- the corporate action ISIN number of the IBB Shares. This is GB00B02KNV97;
- the number of IBB Shares in uncertificated form in respect of which the accepting holder of IBB Shares wishes to accept the Offer (i.e. the number of IBB Shares in uncertificated form to be transferred to an escrow balance);

- the participant ID of the accepting IBB Shareholder;
- the member account ID of the accepting IBB Shareholder;
- the participant ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RA10;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RESTRICT;
- 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 Closing Date;
- the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with standard delivery instruction priority of 80; and
- the contact name and telephone number of the accepting IBB Shareholder inserted in the shared note field.

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

- the corporate action ISIN number of IBB Shares. This is GB00B02KNV97;
- the number of IBB Shares in uncertificated form relevant to that Restricted ESA Instruction;
- the participant ID of the accepting IBB Shareholder;
- the member account ID of the accepting IBB Shareholder;
- the participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer;
- the member account ID of the Escrow Agent relevant to the form of consideration required in respect of the Offer. This is QATISL01;
- the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates;
- 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 Closing Date;
- the corporate action number for the Offer; and
- input with a standard delivery instruction priority of 80.

5.7 Notwithstanding anything to the contrary contained in this document or the Form of Acceptance, QIIB may make the Offer (with or without giving effect to the foregoing paragraphs of this paragraph 5) in a Restricted Jurisdiction or in any other jurisdiction pursuant to an exemption under, or in accordance with, applicable law in such jurisdictions and, in this connection, the provisions of paragraph 3 of Part B and paragraph 3 of Part C of this Appendix I will be varied accordingly.

5.8 The provisions of this paragraph 5 supersede any terms of the Offer inconsistent with them. 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 holder(s) of IBB Shares or on a general basis by QIIB in its absolute discretion.

5.9 References in this paragraph 5 to an IBB Shareholder shall include the person or persons executing a Form of Acceptance or making an Electronic Acceptance and, in the event of more than one person executing a Form of Acceptance or making an Electronic Acceptance, as the case may be, the provisions of this paragraph shall apply to them jointly and to each of them.

- 5.10 Neither QIIB nor any agent or director of QIIB nor any person on behalf of any of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out above or otherwise in connection therewith.

## **6. General**

- 6.1 If the Offer lapses for any reason, it will cease to be capable of further acceptance and accepting IBB Shareholders and QIIB will cease to be bound by Forms of Acceptance and Electronic Acceptances submitted before the time the Offer lapses.

- 6.2 QIIB intends to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily any outstanding IBB Shares to which the Offer relates on the same terms as the Offer.

IBB has applied for cancellation of the admission to trading in IBB Shares on AIM. The cancellation of admission to trading of the IBB Shares would significantly reduce the liquidity and marketability of any of IBB Shares not assented to the Offer.

- 6.3 Except with the consent of the Panel, 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 QIIB may otherwise be, or claim to be, entitled as against such IBB Shareholder and will be effected:

- (a) in the case of acceptances received, complete in all respects (including the relevant transfer to escrow or (as applicable) receipt of relevant share certificate(s), and/or other document(s) of title or indemnities satisfactory to QIIB), by the Closing Date, within 14 calendar days of such date; or
- (b) in the case of acceptances of the Offer received, complete in all respects (including the relevant transfer to escrow or (as applicable) receipt of relevant share certificate(s), and/or other document(s) of title or indemnities satisfactory to QIIB), after the Closing Date, but while it remains open for acceptance, within 14 calendar days of such receipt.

All cash payments (other than payments made by means of CREST) will be made by cheque drawn on a branch of a UK clearing bank. Unless otherwise determined by QIIB, no consideration will be sent to any address in a Restricted Jurisdiction. Where the IBB Shares concerned are in uncertificated form, cash consideration will be paid by a CREST payment, or at QIIB's discretion, in pounds sterling by cheque drawn as aforesaid.

- 6.4 The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance will, in respect of certificated IBB Shares, 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.
- 6.5 All references in this document and in the Form of Acceptance to the Closing Date will (except in the definition of Offer Period and where the context otherwise requires) be deemed, if the expiry date of the Offer is extended, to refer to the expiry date of the Offer as so extended.
- 6.6 References in paragraph 5 of this Part A and in Part B of this Appendix I to an IBB Shareholder will include references to the person or persons executing a Form of Acceptance and in the event of more than one person executing a Form of Acceptance, such paragraphs will apply to them jointly and severally.
- 6.7 Any omission to despatch this document, the Form of Acceptance, any other documents relating to the Offer or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, will not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.

- 6.8 Without prejudice to any other provision of this Part A, QIIB reserves the right to treat acceptances of the Offer and/or any elections pursuant thereto as valid if not entirely in order or not accompanied by the relevant share certificate(s) and/or other relevant document(s) of title or not accompanied by the relevant TTE Instructions or if received, by or on behalf of it, at any place or places, or in any manner, otherwise than as specified in this document or in the Form of Acceptance. In that event, no payment of cash or settlement of consideration will be made under the Offer until the relevant TTE Instruction has settled or (as applicable) the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to QIIB have been received.
- 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 QIIB. All communications, notices, certificates, document(s) of title and remittances to be delivered by, or sent to or from, holders of IBB Shares (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- 6.10 Subject to paragraph 5 of this Part A, the Offer extends to persons to whom the Offer is made or should be made but to whom this document, the Form of Acceptance or any related documents may not be despatched or who may not receive any such documents and such persons may inspect or collect copies of these documents from the Registrars at the relevant address set out in paragraph 3.1 of this Part A.
- 6.11 QIIB reserves the right to notify any matter (including the making of the Offer) to all or any holder of IBB Shares with a registered address outside the UK or whom QIIB knows to be a custodian, trustee or nominee holding IBB Shares for persons who are citizens, residents or nationals of jurisdictions outside the UK, by announcement in the UK to the London Stock Exchange or in any other appropriate manner, or by paid advertisement in a daily newspaper published and circulated in the UK or any part thereof, or in the London Gazette, in which event such notice will be deemed to have been sufficiently given, notwithstanding any failure by any such IBB Shareholder to receive or see such notice, and all references in this document to notice in writing by or on behalf of QIIB will be construed accordingly.
- 6.12 The Offer is made on 25 March 2011 by means of this document and an advertisement proposed to be published in the London Gazette dated on or around 25 March 2011 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 the Registrars at the address set out in paragraph 3.1 of this Part A from that time.
- 6.13 All powers of attorney, appointments of agents and authorities conferred by 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 concerned 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 donor of such power of attorney or authority or appointment is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part B and duly does so.
- 6.14 In relation to any acceptance of the Offer in respect of a holding of IBB Shares which is in uncertificated form, QIIB 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 Code or are otherwise made with the consent of the Panel.
- 6.15 Neither QIIB, nor any agent acting on behalf of QIIB, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection therewith.
- 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 that the relevant instruction settles in CREST.

- 6.17 The Offer, all acceptances made thereof and elections made thereunder, this document, all Electronic Acceptances, the Form of Acceptance and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing, and the relationship between any IBB Shareholder and QIIB or the Registrars in respect thereof will be governed by and construed in accordance with English law. Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of an IBB Shareholder will constitute his submission, in relation to all matters arising out of or in connection with the Offer and the Form of Acceptance or the Electronic Acceptance (as appropriate), to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right of QIIB and its agents to bring any action, suit or proceeding arising out of or in connection with the Offer and the Form of Acceptance or the Electronic Acceptance (as appropriate) in any other manner permitted by law or in any court of competent jurisdiction.
- 6.18 The IBB Shares are to be acquired by QIIB fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto, including, without limitation, the right to receive and retain in full all dividends and other distributions, if any, declared, paid or made after the Announcement Date.
- 6.19 The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to this document, the Form of Acceptance or any contract made pursuant to the Offer.

**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).**

## Part B: Form of Acceptance

Each IBB Shareholder by whom, or on whose behalf, any Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with QIIB, Westhouse Securities Limited and the Registrars (so as to bind him and his personal representatives, heirs, successors and assigns) to the following effect that:

1. the execution of the Form of Acceptance shall constitute:
  - 1.1 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
  - 1.2 an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable QIIB to obtain the full benefit of this Part B and/or to perfect any authorities expressed to be given hereunder,in each case on and subject to the terms 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 A of this Appendix I, each such acceptance, election and undertaking shall be irrevocable. If Box 3B is left blank or a number greater than such IBB Shareholder's registered holding appears in Box 3B or the Form of Acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance by such IBB Shareholder of the terms of the Offer in respect of the total number of IBB Shares registered in his name;
2. IBB Shares in certificated form in respect of which the Offer is accepted, or deemed to be accepted, are sold fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto, including, without limitation, the right to receive and retain in full all dividends and other distributions, if any, declared, paid or made after the Announcement Date;
3. unless "NO" is inserted in Box 5 of the Form of Acceptance, such IBB Shareholder:
  - 3.1 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;
  - 3.2 has not otherwise utilised in connection with the Offer, directly or indirectly, the use of the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction;
  - 3.3 was outside a Restricted Jurisdiction when the Form of Acceptance was delivered and at the time of accepting the Offer and, in respect of IBB Shares to which the Form of Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within a Restricted Jurisdiction or is a resident of any Restricted Jurisdiction; and
  - 3.4 the Form of Acceptance and the Offer Document has not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such shareholder is accepting the Offer from outside such jurisdictions;
4. the execution of the Form of Acceptance and its delivery to the Registrars constitutes, subject only to the accepting IBB Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of each of QIIB, Westhouse Securities Limited and/or any director of each of them, and/or any person authorised by QIIB as such IBB Shareholder's attorney and/or agent (**attorney**), with an irrevocable instruction and authorisation to the attorney to:
  - 4.1 complete and execute all or any form(s) of transfer and/or renunciation and/or other documents in the attorney's discretion in relation to IBB Shares referred to in paragraph 1.1 of this Part B in favour of QIIB or such other person or persons as QIIB or its agents may direct;

- 4.2 deliver such form(s) of transfer and/or renunciation and/or other documents at the attorney's discretion together with any certificate(s) and/or other document(s) of title relating to such IBB Shares for registration within six months of the Offer; and
  - 4.3 execute all such other documents and do all such other 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 or deemed acceptance of the Offer and to vest in QIIB or its nominee(s) the IBB Shares as aforesaid;
5. the execution of the Form of Acceptance and its delivery to the Registrars constitutes, subject only to the accepting IBB Shareholder not having validly withdrawn his acceptance, a separate and irrevocable authority and request:
  - 5.1 to IBB or its agents to procure the registration of the transfer of those IBB Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to QIIB or as it may direct; and
  - 5.2 to QIIB or its agents to procure the despatch by post (or such other method as may be approved by the Panel) of a cheque in respect of any cash consideration to which an accepting IBB Shareholder is entitled under the Offer, at the risk of such IBB Shareholder, to the person or agent whose name and address (outside any Restricted Jurisdiction unless otherwise permitted by QIIB) is set out in Box 1 or Box 6 of the Form of Acceptance or, if none is set out, to the first-named holder at his registered address (outside any Restricted Jurisdiction unless otherwise permitted by QIIB);
6. the execution of the Form of Acceptance and its delivery constitutes a separate authority to QIIB and/or Westhouse Securities Limited and/or their respective directors and/or agents within the terms of paragraph 4 of Part A of this Appendix I;
7. pending registration, that:
  - 7.1 QIIB or its agents be entitled to direct the exercise of any votes and any and all other rights and privileges (including the right to requisition the convening of a general meeting or separate class meeting of IBB) attaching to any certificated IBB Shares in respect of which the Offer has been accepted, or is deemed to have been accepted, and such acceptance has not been validly withdrawn; and
  - 7.2 the execution of a Form of Acceptance by an IBB Shareholder constitutes, in respect of certificated IBB Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
    - (a) an irrevocable authority to IBB and/or its agents from such IBB Shareholder to send any notice, circular, warrant, document or other 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 QIIB at its registered office;
    - (b) an irrevocable authority to QIIB and/or any of its directors and/or its agents to sign on such IBB Shareholder's behalf such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such IBB Shares (including, without limitation, an authority to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such IBB Shares appointing any person nominated by QIIB to attend general meetings and separate class meetings of IBB or its members (or any of them) (and any adjournments thereof) and to exercise, or refrain from exercising the votes attaching to such shares on such IBB Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding terms of the Offer; and

- (c) the agreement of such IBB Shareholder not to exercise any of such rights without the consent of QIIB and the irrevocable undertaking of such IBB Shareholder not to appoint a proxy or representative for or to attend any such general meeting or separate class meeting;
8. he shall deliver (or procure the delivery) to the Registrars at the address referred to in paragraph 3.1 of Part A of this Appendix I his share certificate(s) or other document(s) of title in respect of all IBB Shares held by him in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to QIIB in lieu thereof, as soon as possible and in any event within six months of the end of the Offer Period;
  9. if, for any reason, any IBB Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 14.2 of the letter from QIIB contained in Part 2 of this document are converted to certificated form, he will (without prejudice to paragraph 7.2(a) of this Part B) 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 as so converted to the Registrars at the address referred to in paragraph 3.1 of Part A of this Appendix I or to QIIB at its registered office or to such address as QIIB or its agents may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in this Part B in relation to such IBB Shares without prejudice to the application of Part C of this Appendix I so far as QIIB deems appropriate;
  10. if he accepts the Offer, and does not validly withdraw such acceptance, he shall do all such acts and things (subject to the Code) as shall, in the opinion of QIIB and/or the Registrars, be necessary or expedient to vest in QIIB or its nominee(s) or such other person as QIIB may decide, title to the number of IBB Shares inserted or deemed to be inserted in Box 3 of the Form of Acceptance;
  11. the terms of the Offer contained in this document will be deemed to be incorporated in, and form part of, the Form of Acceptance, which will be construed accordingly;
  12. he will ratify each and every act or thing which may be lawfully done or effected by QIIB or Westhouse Securities Limited or the Registrars or their respective directors, agents or attorneys or IBB or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom other than losses arising as a result of the negligence or wilful default of such person);
  13. if any provision of Part A and B of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford QIIB or Westhouse Securities Limited or the Registrars or their respective directors, agents or attorneys, as the case may be, the full benefit of authorities or powers of attorney expressed to be given therein, he shall with all practicable speed do all such acts or things and execute all such documents as may be required to enable those persons to secure the full benefits of Part A and B of this Appendix I;
  14. the execution of the Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right of QIIB and/or Westhouse Securities Limited and/or any of their respective directors or agents to bring any action, suit or proceeding arising out of or in connection with the Offer and the Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction; and
  15. on execution, the Form of Acceptance will take effect as a deed.

References in this Part B to an IBB Shareholder shall include reference to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance the provisions of this Part B shall apply to them jointly and severally.

### Part C: Electronic Acceptance

Each IBB Shareholder who holds IBB Shares in uncertificated form by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with QIIB, Westhouse Securities Limited and the Registrars (so as to bind him and his personal representatives, heirs, successors and assigns) to the following effect that:

1. the Electronic Acceptance shall constitute in respect of the number of IBB Shares in uncertificated form to which a TTE Instruction relates:
  - 1.1 an acceptance of the Offer;
  - 1.2 an undertaking to execute any further documents, take any further action and give any further assurances (subject in each case to the Code) which may be required to enable QIIB to obtain the full benefit of this Part C and/or to perfect any authorities expressed to be given hereunder, in each case on and subject to the terms set out or referred to in this document and that, subject only to the rights of withdrawal set out in paragraph 3 of Part A of this Appendix I, such acceptance, election and undertaking shall be irrevocable.
2. IBB Shares in uncertificated form in respect of which the Offer is accepted, or deemed to be accepted, are sold fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto including, without limitation, the right to receive and retain in full all dividends and other distributions, if any, declared, paid or made after the Announcement Date.
3. Such IBB Shareholder:
  - 3.1 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 and has not otherwise utilised in connection with the Offer, directly or indirectly, the use of the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction at the time of the input and settlement of the relevant TTE Instruction(s), and in respect of IBB Shares in uncertificated form to which an Electronic Acceptance relates, he is not an agent or fiduciary acting on a nondiscretionary basis for a principal, who has given any instructions with respect to the Offer from within a Restricted Jurisdiction or is a resident of any Restricted Jurisdiction; and
  - 3.2 If such IBB Shareholder is not a citizen, resident or national of the UK, he has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from him, in connection with such acceptance in any territory, and that he has not taken or omitted to take any action which will or may result in QIIB, or any other person acting in breach of any legal or regulatory requirements of any territory in connection with the Offer or his acceptance thereof, provided that the warranties and representations above shall be deemed not to be given if such IBB Shareholder purports to accept the Offer by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) a Restricted Escrow Transfer and a Restricted ESA Instruction pursuant to paragraph 5.6 of Part A of this Appendix I;
4. the Electronic Acceptance constitutes, subject to such accepting IBB Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of each of QIIB, Westhouse Securities Limited and/or any director of each of them, and/or any person authorised by QIIB as such IBB Shareholder's attorney and/or agent (attorney) with 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 QIIB or its nominee(s) the IBB Shares in uncertificated form referred to in paragraph 1 above in respect of which such accepting IBB Shareholder has not validly withdrawn his acceptance (the "**Electronic Acceptance Shares**");

5. the Electronic Acceptance constitutes the irrevocable appointment of the Registrars as such IBB Shareholder's attorney and/or agent with an irrevocable instruction and authority to the attorney and/or agent, subject to such accepting IBB Shareholder not having validly withdrawn his acceptance, to transfer to QIIB (or to such other person or persons as QIIB or its agents may direct) by means of CREST all or any of the Electronic Acceptance Shares;
6. the Electronic Acceptance constitutes, subject to such accepting IBB Shareholder not having validly withdrawn his acceptance, an irrevocable authority and request, subject to the provisions of paragraph 5 of Part A of this Appendix I, to QIIB or its agents:
  - 6.1 to procure the making of a CREST payment obligation in favour of the accepting IBB Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such accepting IBB Shareholder is entitled under the Offer, provided that:
    - (a) QIIB 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, despatched by post; and
    - (b) if the accepting IBB Shareholder is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which he is entitled shall in any case be paid by cheque despatched by post,and in either case all such cheques shall be despatched at the risk of such IBB Shareholder to the first-named holder at an address outside a Restricted Jurisdiction stipulated by such holder or as otherwise determined by QIIB;
7. the Electronic Acceptance constitutes, a separate authority to any of QIIB and/or Westhouse Securities Limited and/or their respective directors and/or agents within the terms of paragraph 4 of Part B of this Appendix I in respect of the Electronic Acceptance Shares;
8. the Electronic Acceptance constitutes the same undertakings, acceptances, acknowledgements and authorities as set out in paragraph 4 of Part B of this Appendix I as if the same had been restated in this Part C *mutatis mutandis*;
9. pending registration that:
  - 9.1 QIIB or its agents be entitled to direct the exercise of any votes and any and all other rights and privileges (including the right to requisition the convening of a general meeting or separate class meeting of IBB) attaching to any uncertificated IBB Share in respect of which the Offer has been accepted, or is deemed to have been accepted, and such acceptance has not been validly withdrawn; and
  - 9.2 an Electronic Acceptance by an IBB Shareholder constitutes, in respect of uncertificated IBB Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
    - (a) an irrevocable authority to IBB and/or its agents from such IBB Shareholder to send any notice, circular, warrant, document or other 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 QIIB at its registered office;
    - (b) an irrevocable authority to QIIB, and/or any of its directors and/or its agents to sign on such IBB Shareholder's behalf such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such IBB Shares (including, without limitation, an authority to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such IBB Shares appointing any person nominated by QIIB to attend general meetings and separate class meetings of IBB or its members

(or any of them) (and any adjournments thereof) and to exercise or refrain from exercising the votes attaching to such shares on such IBB Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding terms of the Offer; and

- (c) the agreement of such IBB Shareholder not to exercise any of such rights without the consent of QIIB and the irrevocable undertaking of such IBB Shareholder not to appoint a proxy or representative for or to attend any such general meeting or separate class meeting;
10. if, for any reason, any IBB Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 14.2 of the letter from QIIB contained in Part 2 of this document are converted to certificated form, he will (without prejudice to paragraph 9.2(a) of this Part C) 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 as so converted to the Registrars at the address referred to in paragraph 3.1 of Part A of this Appendix I or to QIIB at its registered office or to such address as QIIB or its agents may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part B of this Appendix I in relation to such IBB Shares without prejudice to the application of this Part C so far as QIIB deems appropriate;
  11. the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in paragraph 6.1 of this Part C of Appendix I shall, to the extent of the obligations so created, discharge in full any obligation of QIIB to pay him the cash consideration to which he is entitled pursuant to the Offer;
  12. if he accepts the Offer and does not validly withdraw such acceptance, he shall do all such acts and things as shall, in the opinion of QIIB and/or the Registrars, be necessary or expedient to enable the Registrars to perform its functions as Escrow Agent for the purposes of the Offer;
  13. he will ratify each and every act or thing which may be lawfully done or effected by QIIB or Westhouse Securities Limited or the Registrars or their respective directors, agents or attorneys, or IBB or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom other than losses arising as a result of the negligence or wilful default of such person);
  14. if any provision of Part A or this Part C of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford QIIB or Westhouse Securities Limited or the Registrars or their respective directors, agents or attorneys, as the case may be, the full benefit of authorities or powers of attorney expressed to be given therein, he shall with all practicable speed do all such acts or things and execute all such documents as may be required to enable those persons to secure the full benefits of Part A and this Part C of this Appendix I;
  15. the making of an Electronic Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Electronic Acceptance, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right of QIIB and/or Westhouse Securities Limited and/or any of their respective directors or agents to bring any action, suit or proceeding arising out of or in connection with the Offer and the Electronic Acceptance in any other manner permitted by law or in any court of competent jurisdiction; and
  16. by virtue of the Regulations the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of IBB Shares in the terms of the powers and authorities expressed to be given by Part A, this Part C and (where applicable by virtue of paragraph 9 above) Part B of this Appendix I to QIIB, Westhouse Securities Limited and the Registrars and their respective directors or agents.

References in this Part C to an IBB Shareholder shall include 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 C shall apply to them jointly and severally.

## Appendix II

### Financial Information relating to QIIB

#### Incorporation of relevant information by reference

The information listed below relating to QIIB is incorporated by reference into this document.

<i>Information</i>	<i>Source of Information</i>
For the last three financial years for which information has been published: turnover and profit or loss before taxation	QIIB consolidated financial statements 2010, page 1 QIIB consolidated financial statements 2009, page 27 QIIB consolidated financial statements 2008, page 2
A statement of the net assets shown in the last published audited accounts	QIIB consolidated financial statements 2010, page 1
A cash flow statement as provided in the last published accounts	QIIB consolidated financial statements 2010, page 5 QIIB consolidated financial statements 2009, page 30
Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures	QIIB consolidated financial statements 2010, page 6 QIIB consolidated financial statements 2009, page 31

Please note that the consolidated financial statements referred to above for QIIB for the two years ended 31 December 2009 and 31 December 2010 can be accessed free of charge by entering the following web address into your web browser:

<http://www.qiib.com.qa/qiib/en/FinancialReports.aspx>

The consolidated financial statements are available in “read-only” format and can be printed from the web address detailed above.

Please see paragraph 12 of Appendix IV for details for inspecting hard copies of documents incorporated by reference into this document.

## Appendix III

### Financial Information relating to the IBB Group

#### Incorporation of relevant information by reference

The information listed below relating to the IBB Group is incorporated by reference into this document.

<i>Information</i>	<i>Source of Information</i>
Turnover, net profit or loss before and after taxation, the charge for tax extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for IBB for the financial years ended 31 December 2010, 31 December 2009, 31 December 2008 and 31 December 2007	The IBB Annual Report and Accounts 2010, page 9. The IBB Annual Report and Accounts 2009, page 12. The IBB Annual Report and Accounts 2008, page 16. The IBB Annual Report and Accounts 2007, page 11.
A statement of the assets and liabilities shown in the last published audited accounts	The IBB Annual Report and Accounts 2010, page 10.
A cash flow statement as provided in the last published accounts	The IBB Annual Report and Accounts 2010, page 12.
Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures	The IBB Annual Report and Accounts 2010, pages 13 to 37. The IBB Annual Report and Accounts 2009, pages 16 to 41. The IBB Annual Report and Accounts 2008, page 20 to 54. The IBB Annual Report and Accounts 2007, page 15 to 44.

The above financial information has not been published in an inflation adjusted form.

The Annual Report and Accounts for IBB for the financial years ended 31 December 2010, 31 December 2009, 31 December 2008 and 31 December 2007 are available free of charge in a read-only, printable format on the IBB website, at the following addresses:

<http://www.islamic-bank.com/investor-relations/regulatory-information/>

Please see paragraph 12 of Appendix IV for details for inspecting hard copies of documents incorporated by reference into this document.

## Appendix IV

### Additional Information

#### 1. Responsibility

- (a) The QIIB Directors, whose names are set out in paragraphs 2(a) below, accept responsibility for the information contained in this document (other than the information relating to IBB, the IBB Directors and members of their immediate families, related trusts and persons connected with them). To the best of the knowledge and belief of the QIIB Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The IBB Directors, whose names are set out in paragraph 2(b) below, accept responsibility for the information contained in this document relating to IBB and the IBB Directors and members of their immediate families, related trusts and persons connected with them. 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 accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- (a) The QIIB Directors and their respective functions are as follows:

<i>Name</i>	<i>Position</i>
HE Sheikh Dr. Khalid Bin Thani Abdullah Al Thani	Chairman and Managing Director
HE Sheikh Abdullah Bin Thani Al Thani	Vice Chairman
HE Sheikh Thani Bin Khalifa Al Thani	Director
Mr. Abdullah Mohamed Al Emadi	Director
Dr. Yousuf Ahmed Al Naama	Director
Mr. Ali Abdul Rahman Al Hashmi	Director
Mr. Abdullah Mohamed Al Suwaidi	Director
Mr. Hisham Mustafa Al Sohtari	Director
Mr. Abdulbasit Ahmed Al Shaibei	Director

The registered office of QIIB and principal business address of each of the QIIB Directors is Grand Hamad Street, PO Box 664, Doha, Qatar.

- (b) The IBB Directors and their respective functions are as follows:

<i>Name</i>	<i>Position</i>
Robert John Owen	Chairman
Gerry Deegan	Managing Director
Sultan Ahmed Choudhury	Commercial Director

The registered office of IBB (registered number 04483430) and the business address of each of the IBB Directors is Edgbaston House, 3 Duchess Place, Hagley Road, Birmingham B16 8NH, United Kingdom.

#### 3. Market quotations

The following table shows the Closing Price for IBB Shares in each case on:

- (a) the first dealing day of each month for the six months immediately prior to the date of this document;
- (b) 15 March 2011, being the last dealing day prior to the commencement of the Offer Period; and

- (c) 24 March 2011, being the last dealing day prior to the posting of this document:

<i>Date</i>	<i>Closing Price</i> <i>(pence)</i>
24 March 2011	1.30
15 March 2011	3.38
1 March 2011	4
1 February 2011	4.38
4 January 2011	4.25
1 December 2010	4
1 November 2010	3.75
1 October 2010	3.25

#### 4. Disclosure of interests and dealings

##### 4.1 For the purposes of this Appendix IV:

**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 Code and/or the Offer;

**arrangement** includes an indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing but excludes irrevocable commitments and letters of intent;

**connected persons** has the meaning given to it in section 252 of the Companies Act 2006;

**dealing** or **dealt** includes:

- (a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
- (b) the taking, granting, acquisition, disposal of, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
- (c) subscribing or agreeing to subscribe for relevant securities;
- (d) the exercise or conversion, whether in respect of new or existing relevant securities, of any securities carrying conversion or subscription rights;
- (e) 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 relevant securities;
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

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

**disclosure date** means 24 March 2011 (being the latest practicable date prior to the publication of this document);

**disclosure period** means the period commencing on 16 March 2010 (being the date 12 months prior to the commencement of the Offer Period) and ending on the disclosure date;

to have an **interest** in relevant securities means to have a long economic exposure, whether absolute or conditional, to changes in the price of such securities. A person who only has a short position in

relevant securities will not be treated as interested in those securities. In particular, a person will be treated as having an interest in relevant securities if he:

- (h) owns relevant securities;
- (i) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to the relevant securities or has general control of them;
- (j) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (k) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

**relevant securities** includes (A) IBB Shares; (B) equity share capital of IBB; and (C) any securities convertible into or exchangeable for rights to subscribe for options in respect of derivatives referenced to IBB Shares; and

**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 *Interests in relevant securities of IBB*

4.2.1 As at the close of business on the disclosure date, the IBB Directors, members of their immediate families or related trusts and, so far as the IBB Directors are aware, connected persons (excluding interests held through options granted under the IBB CSOP which are described in paragraph 4.2.2 below), held the following interests or short positions in, or rights to subscribe for relevant securities of, IBB, all of which are beneficial (unless otherwise stated):

<i>Director</i>	<i>Nature of interest/ right/short position</i>	<i>No. of IBB Shares</i>
Gerry Deegan	Shareholder	20,000
Sultan Ahmed Choudhury	Shareholder	34,000

4.2.2 As at the close of business on the disclosure date, the IBB Directors had the following interests held through awards granted in the form of options under the IBB CSOP:

<i>Director</i>	<i>No. of ordinary shares to which IBB CSOP awards relate</i>	<i>Exercise Price</i>	<i>Date from which normally exercisable</i>	<i>Date of expiry</i>
Gerry Deegan	157,894	9.5 pence	5 November 2010	5 November 2017
Sultan Ahmed Choudhury	157,894	9.5 pence	5 November 2010	5 November 2017

#### 4.3 *Dealings in IBB Shares*

4.3.1 The following dealings for value in relevant securities of IBB by QIIB or persons acting in concert with QIIB have taken place during the disclosure period:

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Price per IBB Share</i>	<i>Number of IBB Shares</i>
QIIB	17 August 2010	Buy	One penny	2,000,000,000

\* These dealings were undertaken with the consent of the Panel in accordance with the Code and the Panel have confirmed that they have no Code consequences.

4.4 Save as disclosed in this paragraph 4:

- (a) as at the disclosure date, neither QIIB nor any of the QIIB Directors, their immediate families, related trusts or connected persons, nor any person acting in concert with QIIB, held an interest or short position in, or right to subscribe for, relevant securities of IBB, or had any arrangement in relation to relevant securities of IBB, nor has any such person dealt for value therein during the disclosure period;
- (b) neither QIIB nor any person acting in concert with QIIB has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities of IBB during the disclosure period, except for any borrowed shares which have either been on-lent or sold;
- (c) as at the disclosure date, neither IBB nor any of the IBB Directors nor any of their immediate families, related trusts or connected persons nor any person acting in concert with IBB held an interest or short position in, or right to subscribe for, relevant securities of IBB or QIIB, or had any arrangement in relation to relevant securities of IBB or QIIB, nor has any such person dealt for value therein during the Offer Period;
- (d) neither IBB nor any person acting in concert with IBB has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities of IBB during the Offer Period, except for any borrowed shares which have either been on-lent or sold; and
- (e) IBB has not redeemed or purchased any relevant securities of IBB during the disclosure period.

## **5. Material contracts**

### **5.1 IBB**

The following contracts have been entered into by members of the Wider IBB Group otherwise than in the ordinary course of business during the period commencing on 16 March 2009 (being two years prior to the commencement of the Offer Period) and ending on 24 March 2011 (being the last practicable date prior to the posting of this document) and are, or may be, material:

- (a) the placing letter dated 27 July 2010 from QIIB to IBB under which QIIB agreed to subscribe for 2,000,000,000 Ordinary Shares in IBB, at 1 pence per share. IBB raised £20,000,000 (before expenses) through this placing.
- (b) the investment and shareholders' agreement dated 27 July 2010 between IBB and QIIB (the "Investment Agreement"), pursuant to which, in each case during the period commencing on 18 August 2010 and terminating on (at the latest) 31 October 2010: (i) IBB undertook not to carry out certain specified actions relating to the management and running of the business without the prior written consent of QIIB (such consent not to be unreasonably withheld or delayed); and (ii) QIIB provided certain undertakings relating to both the independence of IBB and the conduct of any conflicts arising between the concert party of which QIIB is a member and IBB.

### **5.2 QIIB**

QIIB and its subsidiaries have not entered into any contracts, which were not in the ordinary course of business and may be material in the two year period preceding the publication date of this document.

## **6. Service contracts and other arrangements with IBB Directors**

6.1 The IBB Directors each have a service agreement or letter of appointment with IBB as at 24 March 2011 (the latest practicable day prior to the posting of this document) are as follows:

- (a) Gerry Deegan has entered into a service agreement with the Company dated 10 January 2007, subject to termination upon three months' written notice by either party. The agreement provides for an initial annual salary of £150,000, which was increased to £154,500 with effect

from 1 January 2010. Pursuant to the agreement, Mr. Deegan is entitled, where eligible, to participate in any bonus arrangement which the Company will implement from time to time.

Mr. Deegan participates in the Company's discretionary bonus scheme and the Option Scheme. Bonuses are determined annually by the Company's Remuneration Committee and are purely discretionary. The Company also makes contributions of 10 per cent. of salary to a defined contribution pension scheme in respect of Mr. Deegan. The service agreement is expressed to be at all times conditional upon Mr. Deegan being approved by the FSA to perform a controlled function under the FSA's "Approved Persons" regime.

- (b) 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. Pursuant to this agreement, Mr. Choudhury is entitled, where eligible, to participate in any bonus arrangement which the Company will implement from time to time.

Mr. Choudhury participates in the Company's discretionary bonus scheme and the Option Scheme. Bonuses are determined annually by the Company's Remuneration Committee and are purely discretionary. The Company also makes contributions of 10 per cent. 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 FSA to perform a controlled function under the FSA's "Approved Persons" regime.

- (c) 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 (in each case 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 agreement is subject to termination upon three months' notice and, in addition to the annual fee of £30,000, provides for attendance fees for each Board meeting and Committee meeting attended.

6.2 Save as set out above in paragraph 6.1, there are no service contracts between any member of IBB Group and any director or proposed director of IBB and no IBB Directors' service contracts or letters of appointment have been entered into or amended within the six months preceding the date of this document.

6.3 Certain of the IBB Directors also hold awards granted in the form of options under the IBB CSOP. Such entitlements are set out in paragraph 4.2.2 of this Appendix IV.

## **7. Financing of the Offer and cash confirmation**

Full Acceptance of the Offer will result in the payment by QIIB of approximately £4,852,000 (four million eight hundred and fifty two thousand pounds) in cash.

The aggregate cash consideration payable by QIIB will be provided from existing cash resources.

Westhouse Securities Limited is satisfied that QIIB has the necessary financial resources available to satisfy the consideration that would be payable on full acceptance of the Offer.

## 8. Irrevocable undertakings

- 8.1 QIIB has received the following irrevocable undertakings from each of the IBB Directors to accept the Offer, in respect of a total of 54,000 IBB Shares, representing approximately 0.002 per cent. of IBB's existing issued ordinary share capital:

<i>Name of IBB Director</i>	<i>Number of IBB Shares</i>	<i>Percentage of the issued share capital of IBB (per cent)</i>	<i>Percentage of the fully diluted share capital of IBB (per cent)</i>
Gerry Deegan	20,000	Less than 0.01%	Less than 0.01%
Sultan Choudhury	34,000	Less than 0.01%	Less than 0.01%

- 8.2 Under the terms of the above irrevocable undertakings the relevant IBB Directors have each undertaken, subject to their duties as directors of IBB, not to directly or indirectly solicit any person other than QIIB to make an offer for any shares or other securities of IBB or take any action or make any statement which is, or is reasonably likely to be prejudicial to the successful outcome of the Offer. The irrevocable undertakings will continue to be binding in the event that a higher offer is made for IBB and will cease to be binding in the event that the Offer lapses or is withdrawn.

## 9. Information on the Concert Party

### 9.1 *Information on Qatar Islamic Insurance Company*

QIIC was incorporated in the State of Qatar on 30 October 1993 as a closed Qatari Shareholder Company under Qatar Companies' Law 11 of 1981 with registration number 16584. On 12 December 1999, QIIC changed its status to a public shareholding company and listed its shares on the Qatar Exchange. QIIC's registered office is at PO Box 22676, Doha, Qatar. QIIC is primarily engaged in the business of underwriting general Takaful (life) and health insurance in accordance with the provisions of Sharia'a and investing its capital and other resources in all activities on a non-interest basis (Ribba).

QIIC and its subsidiaries have not entered into any contracts which were not in the ordinary course of business and are or may be material in the two year period preceding the publication date of this document.

There has been no material change in the financial or trading position of QIIC since 31 December 2010, being the end of the last financial period for which audited financial information has been published.

### 9.2 *Information on Sheikh Thani*

The business address for Sheikh Thani is HE Sheikh Tani Bin Abdulla Bin Thani Jasim Al Thani, PO Box 3222, Doha, Qatar. Sheikh Thani is a member of the Qatar ruling family. Sheikh Thani is also on the board of two listed companies on the Qatar Exchange, being Ezdan Real Estate Company and The Group for Medical Care. Sheikh Thani also has many personal investments through a private investment company.

Sheikh Thani has an indirect shareholding, through Tadahul Holding Group, in QIIB and QIIC of approximately 27.3 per cent. and 22.8 per cent. respectively. One of Sheikh Thani's sons (HE Sheikh Khalid Bin Thani Al Thani) is chairman and a director of QIIB and a director of QIIC and another of his sons (HE Sheikh Abdullah Bin Thani Al Thani) is chairman and a director of QIIC and a director of QIIB. As a result of the above, Sheikh Thani and QIIC are currently considered to be persons acting in concert for the purposes of the Takeover Code in relation to IBB.

## 10. Other information

- (a) Westhouse Securities Limited has given and has not withdrawn its written consent to the issue of this document and the references herein to its name in the form and context in which they are included.

- (b) Cattaneo LLP has given and has not withdrawn its written consent to the issue of this document and the references herein to its name in the form and context in which they are included.
- (c) No agreement, arrangement or understanding (including any compensation arrangement) exists between QIIB or any person acting in concert with them for the purposes of the Offer, and any of the IBB Directors, recent directors of IBB, IBB Shareholders or recent shareholders of IBB, or any person interested or recently interested in IBB Shares, having any connection with, or dependence upon, the Offer.
- (d) No agreement, arrangement or understanding exists whereby the beneficial ownership of any of the IBB Shares to be acquired by QIIB pursuant to the Offer will be transferred to any other person, save that QIIB reserves the right to transfer any such shares to any other member of the Wider QIIB Group.
- (e) Save as disclosed in this document, the QIIB Directors are not aware of any material change in the financial or trading position of QIIB since 31 December 2010, being the date to which the last published audited accounts of QIIB were published.
- (f) Save as disclosed in this document, the IBB Directors are not aware of any material change in the financial or trading position of the IBB Group since 31 December 2010, being the date to which the last published audited accounts of IBB were published.

## **11. Bases of calculations and sources of information**

### **11.1 *Unless otherwise stated:***

- (a) Financial information relating to the IBB Group has been extracted or derived (without any adjustment) from the IBB audited annual report and accounts for the financial years ended 31 December 2009 and 31 December 2010 (announced on 16 March 2011); and
- (b) Financial information relating to QIIB has been extracted from the QIIB annual report and accounts for the financial year ended 31 December 2010.

11.2 The value of the Offer based on the offer price of one penny per IBB Share is calculated on the basis of the fully diluted number of IBB Shares in issue referred to in paragraph 11.4 below.

11.3 As at the close of business on 15 March 2011 (being the last business day prior to the Announcement Date), IBB had in issue 2,546,470,000 IBB Shares. The ISIN Number for IBB Shares is GB00B02KNV97.

11.4 The fully diluted share capital of IBB as at 15 March 2011 (being 2,546,470,000 IBB Shares) is calculated on the basis of:

- (a) the number of IBB Shares referred to in paragraph 11.3 above; and
- (b) no further Shares being issued on or after the Announcement Date on the exercise or vesting of options under the IBB CSOP, on the basis that the exercise price for the existing options is above the Offer price.

11.5 Unless otherwise stated, all prices and closing prices for IBB Shares are closing middle market quotations derived from the Daily Official List.

11.6 The discount calculations to the price per IBB Share have been calculated by reference to 70.4 per cent. discount to the Closing Price of 3.38 pence per IBB Share on 15 March 2011, being the last business day prior to the Announcement Date.

## **12. Documents available for inspection**

Copies of the following documents will be published on QIIB's website (<http://www.qiib.com.qa/qiib/en/>) and on IBB's website (<http://www.islamic-bank.com/investor-relations/regulatory-information/>) and available for inspection during normal business hours on any weekday (Saturdays, Sundays and public

holidays excepted) at the offices of CMS Cameron McKenna LLP at Mitre House, 160 Aldersgate Street, London EC1A 4DD for so long as the Offer remains open for acceptance:

- (a) the constitutional documents of QIIB;
- (b) the Articles of Association of IBB;
- (c) the audited accounts of IBB for the two financial years ended 31 December 2009 and 31 December 2010;
- (d) the audited consolidated accounts for QIIB for the three financial years ended 31 December 2008, 31 December 2009 and 31 December 2010;
- (e) the letters of consent referred to in paragraphs 10(a) and 10(b) above;
- (f) those material contracts entered into in connection with the Offer referred to in paragraph 5 above;
- (g) the irrevocable undertakings to accept the Offer referred to in paragraph 8 above; and
- (h) this document and the Form of Acceptance.

### **13. Documents incorporated by reference**

#### ***QIIB financial information***

The financial information set out in Appendix II has been incorporated by reference into this document from the published report and audited accounts of QIIB for each of the financial years ended 31 December 2008, 31 December 2009 and 31 December 2010.

The QIIB annual report and accounts for each of these accounting periods are available free of charge in a “read only” printable format for receiving or downloading on the QIIB’s website at:

<http://www.qiib.com.qa/qiib/en/>

#### ***IBB financial information***

The financial information set out in Appendix III has been incorporated by reference into this document from the published Annual Report and Accounts for the IBB Group for each of the financial years ended 31 December 2010, 31 December 2009, 31 December 2008 and 31 December 2007. These documents are available free of charge in a read-only printable format on the IBB website at:

<http://www.islamic-bank.com/investor-relations/regulatory-information/>

#### ***Right to request copies of documents or information incorporated by reference***

IBB and QIIB will provide, without charge, to each person to whom a copy of this document has been delivered, upon their written request, a copy of any documents or information incorporated by reference in this document. Copies of any documents or information incorporated by reference into this document will not be provided unless such a request is made.

Requests for copies of any such documents or information should be directed Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by telephone to the helpline on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers’ costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. 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.

### **14. Date of despatch and publication**

This document was despatched and published on 25 March 2011.

## Appendix V

### Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

<b>AIM</b>	the AIM market of the London Stock Exchange
<b>Announcement</b>	the announcement of QIIB's firm intention to make the Offer pursuant to Rule 2.5 of the Code published on the Announcement Date
<b>Announcement Date</b>	16 March 2011
<b>associated undertaking</b>	has the meaning given to the term "associated bodies corporate" by section 256 of the Companies Act 2006
<b>ATM</b>	automated teller machine
<b>business day</b>	any day not being a public holiday, Saturday or Sunday, on which banks are normally open for business in the City of London
<b>Capita</b>	a trading name of Capita Registrars Limited
<b>Cattaneo LLP</b>	the financial and Rule 3 adviser to IBB
<b>Cancellation</b>	the cancellation of admission of the IBB Shares to trading on AIM
<b>certified or in certificated form</b>	a share or other security which is not in uncertificated form (that is, not in CREST)
<b>Closing Price</b>	the closing middle market quotation of an IBB Share as derived from the Daily Official List published by the London Stock Exchange
<b>Closing Date</b>	15 April 2011
<b>Code</b>	the City Code on Takeovers and Mergers
<b>Companies Act 2006</b>	the Companies Act 2006 (as amended)
<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 payment</b>	has the meaning given to it in the CREST Manual
<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>Daily Official List</b>	the AIM Appendix of the Daily Official List of the London Stock Exchange

<b>dealing day</b>	any day on which the London Stock Exchange is open for business in the trading of securities admitted to AIM
<b>Electronic Acceptance</b>	the input and settlement of a TTE Instruction in respect of IBB Shares held in uncertificated form which constitutes or is deemed to constitute 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 described in the CREST Manual)
<b>Escrow Agent</b>	Capita (in its capacity as Escrow Agent) as described in the CREST Manual
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>Form of Acceptance</b>	the form of acceptance and authority relating to the Offer which accompanies the Offer Document
<b>FSA</b>	the Financial Services Authority
<b>HMRC</b>	HM Revenue and Customs
<b>IBB or the Company</b>	Islamic Bank of Britain PLC, a company incorporated in England and Wales with company number 04483430 and whose registered address is Edgbaston House, 3 Duchess Place, Hagley Road, Birmingham B16 8NH
<b>IBB Board</b>	the board of directors of IBB
<b>IBB CSOP</b>	the IBB Company Share Option Plan
<b>IBB Directors</b>	the directors of IBB, being Robert Owen, Gerry Deegan and Sultan Choudhury
<b>IBB Group</b>	Islamic Bank of Britain PLC and its subsidiary undertakings from time to time
<b>IBB Issued Share Capital</b>	the 2,546,470,000 IBB Shares in issue at the date of this Offer Document
<b>IBB Shares</b>	the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 1 pence each in IBB and any further such shares which are unconditionally allotted or issued fully paid (or credited as fully paid) in each case prior to the time at which the Offer ceases to be open for acceptance (or such earlier time, as QIIB may, with the Panel’s consent or in accordance with the Code, decide), including shares unconditionally allotted or issued pursuant to the exercise of options under the IBB CSOP or otherwise
<b>London Stock Exchange</b>	London Stock Exchange plc, together with any successors thereto
<b>member account ID</b>	the identification code or number attached to any member account in CREST
<b>Offer</b>	the unconditional recommended cash offer made to acquire all of the IBB Shares on the terms and set out in this document and the Form of Acceptance and including, where the context admits, 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 16 March 2011 and ending on the latest of (i) 1.00 p.m. (London time) on 15 April 2011; and (ii) the time and date on which the Offer lapses or is withdrawn
<b>Offer Price</b>	one penny per IBB Share
<b>Overseas Shareholders</b>	IBB Shareholders who are resident in, or nationals or citizens of, jurisdictions outside the UK or who are nominees of, or custodians, or trustees for, IBB Shareholders who are citizens, residents or nationals of countries other than the UK
<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 2006
<b>participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>QIIB</b>	Qatar International Islamic Bank Q.S.C, a company incorporated in Qatar, under Amiri Decree No.52 of 1990 and whose registered office is at Grand Hamad Street, PO Box 664, Doha, Qatar
<b>QIIB Concert Party</b>	QIIB together with HE Sheikh Thani Bin Abdulla Bin Thani Jasim Al Thani and Qatar Islamic Insurance Company Q.S.C who together hold 2,245,826,746 IBB Shares representing 88.2 per cent. of the IBB Issued Share Capital
<b>QIIB Directors</b>	the directors of QIIB referred to in paragraph 2(a) of Appendix IV and <b>QIIB Director</b> means any one of them
<b>QIIB Group</b>	QIIB and its subsidiary undertakings and parent undertakings, and any other subsidiary of its parent undertakings, in each case from time to time
<b>Receiving Agent</b>	Capita Registrars Limited
<b>Registrar of Companies</b>	the Registrar of Companies for England and Wales, within the meaning of Part 35 of the Companies Act 2006
<b>Registrars</b>	Capita Registrars Limited, the Company's registrar and the receiving agent in relation to the Offer
<b>Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
<b>Regulatory Information Service</b>	any of the services set out in Appendix 3 to the Listing Rules published by the United Kingdom Listing Authority
<b>Restricted Jurisdiction</b>	the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan and any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for QIIB or IBB if information or documentation concerning the Offer is sent or made available to Shareholders in that jurisdiction.
<b>Shareholders or IBB Shareholders</b>	the registered holders of IBB Shares from time to time

<b>significant interest</b>	in relation to an undertaking, an interest, direct or indirect, in 10 per cent. or more of the equity share capital (as defined in section 548 of the Companies Act 2006) of such undertaking
<b>subsidiary, subsidiary undertaking and undertaking</b>	have the meanings given by sections 1159, 1161 and 1162 of the Companies Act 2006
<b>TFE Instruction</b>	a Transfer from Escrow instruction (as described in the CREST Manual)
<b>TTE Instruction</b>	a Transfer to Escrow instruction (as described in the CREST Manual) in relation to IBB Shares in uncertificated form meeting the requirements set out in paragraph 14.2(b) of the letter from QIIB contained in Part 2 of this document
<b>uncertified or in uncertified form</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form and title to which, by virtue of the Regulations may be transferred by means of CREST
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>Wider QIIB Group</b>	QIIB Group, associated undertakings of any member of the QIIB Group (including any joint venture, partnership, firm or company in which any member of the QIIB Group is interested) or any other undertaking in which any member of the QIIB Group and/or such undertakings (aggregating their interests) have a significant interest
<b>Wider IBB Group</b>	IBB and its subsidiaries and subsidiary undertakings, associated undertakings (including any joint venture, partnership, firm or company in which any member of the IBB Group is interested) or any other undertaking in which IBB and/or such undertakings (aggregating their interests) have a significant interest
<b>Westhouse Securities Limited</b>	the financial adviser to QIIB

In this document:

- all references to “pounds”, “£” “p” “pence” or “penny” are to the lawful currency of the United Kingdom;
- all references to “QR” are to the lawful currency of the State of Qatar (and an exchange rate of £1: 5.91QR, being the exchange rate on 23 March 2011, was used to calculate the sterling equivalent provided in paragraph 5 of Part 2);
- the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender;
- all references to legislation are to English legislation, unless the contrary is indicated, and any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension thereof; and
- references to time are to London time.