



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 46TH ANNUAL GENERAL MEETING (“AGM”) OF AFFIN BANK BERHAD [197501003274 (25046-T)] (“ABB”/“THE COMPANY”) WILL BE BROADCASTED LIVE FROM MENARA AFFIN, LINGKARAN TRX, TUN RAZAK EXCHANGE, JALAN TUN RAZAK, 55188 KUALA LUMPUR, MALAYSIA (“BROADCAST VENUE”) ON WEDNESDAY, 25 MAY 2022 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESSES:

AGENDA

AS ORDINARY BUSINESSES:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of a single-tier final dividend of 12.50 sen per ordinary share in respect of the financial year ended 31 December 2021.
3. To re-elect the following Directors who retire by rotation pursuant to Article 118 of the Company's Constitution and who being eligible offer themselves for re-election:
 - 3.1 Dato' Mohd Hata bin Robani
 - 3.2 Dato' Abdul Aziz bin Abu Bakar
 - 3.3 Yuen Wai Hung, Peter
4. To approve the increase of Directors' fees and Board Committees' fees from the 46th AGM of the Company and further to approve the payment of the same to the Non-Executive Directors for the period from the 46th AGM to the 47th AGM of the Company as follows:
 - 4.1 Chairman's fee of RM265,000 per annum;
 - 4.2 Director's fee of RM165,000 per annum for each Non-Executive Director;
 - 4.3 Board Committee Chairman's fee of RM50,000 per annum for the Chairman of each Board Committee; and
 - 4.4 Board Committee Member's fee of RM35,000 per annum for each member of a Board Committee.
5. To approve the payment of Directors' benefits of an amount up to RM2.0 million to eligible Non-Executive Directors from the 46th AGM to the 47th AGM of the Company.
6. To re-appoint Messrs PricewaterhouseCoopers PLT as the Company's Auditors for the financial year ending 31 December 2022 and to authorise the Directors to fix the Auditors' remuneration.

Resolution 1

**Resolution 2
Resolution 3
Resolution 4**

Resolution 5

Resolution 6

Resolution 7

AS SPECIAL BUSINESSES:

To consider, and if thought fit, to pass the following resolutions:

7. Ordinary Resolution

AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN AFFIN BANK BERHAD (“ABB SHARES”)

“THAT subject always to the Companies Act, 2016 (“Act”), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 and Section 76 of the Act, to allot and issue ABB Shares at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of ABB Shares to be allotted pursuant to the said allotment does not exceed ten percent (10%) of the total number of issued shares of the Company as at the date of such allotment and that the Directors be and are hereby authorised to obtain all necessary approvals from the relevant authorities for the allotment, listing and quotation of the additional shares so allotted on Bursa Malaysia and that such authority to allot ABB Shares shall continue to be in force until the conclusion of the next AGM of the Company.”

Resolution 8

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8. Ordinary Resolution

ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES OF AFFIN BANK BERHAD (“ABB SHARES”) IN RELATION TO THE DIVIDEND REINVESTMENT PLAN BY THE COMPANY THAT GIVES THE SHAREHOLDERS OF THE COMPANY THE OPTION TO REINVEST THEIR WHOLE OR A PORTION OF THE DIVIDEND FOR WHICH THE REINVESTMENT OPTION APPLIES IN NEW ABB SHARES (“DIVIDEND REINVESTMENT PLAN”)

“THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 15 May 2018 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new ABB Shares upon the election of the shareholders of the Company to reinvest the dividend pursuant to the Dividend Reinvestment Plan until the conclusion of the next AGM upon such terms and conditions and to such persons as the Board may, in their sole and absolute discretion, deem fit and in the interest of the Company;

AND THAT, the issue price of the said new ABB Shares which will be determined by the Board on a price-fixing date to be determined (“Price Fixing Date”), shall not be more than 10% discount to the adjusted 5-day volume-weighted average market price (“WAMP”) of ABB Shares immediately prior to the Price Fixing Date, of which the WAMP shall be adjusted ex-dividend before applying the abovementioned discount in fixing the issue price;

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements, deeds or undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, variations, modifications and/or amendments, as the Board may, in its absolute discretion deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

9. Ordinary Resolution

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)

“THAT authority be and is hereby given in line with Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, for the Company, its subsidiaries or any of them to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particulars of which are set out in the Circular to Shareholders dated 26 April 2022 with the Related Parties as described in the said Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm’s length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company;

AND THAT such authority shall commence immediately upon the passing of this Ordinary Resolution until:

- i. the conclusion of the next AGM of the Company at which time the authority shall lapse unless by a resolution passed at a general meeting, the authority is renewed; or
- ii. the expiration of the period within which the next AGM of the Company which is to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by a resolution passed by the shareholders of the Company at a general meeting, whichever is earlier.

AND FURTHER THAT the Board of Directors be and is hereby authorised to do all acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Shareholders’ Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Shareholders’ Mandate in the best interest of the Company.”

Resolution 9

Resolution 10



10. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

NIMMA SAFIRA KHALID
(LS0009015)
(SSM PC No. 201908001266)
Company Secretary

Kuala Lumpur
26 April 2022

Notes:

- (1) The 46th AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online>. Please follow the procedures provided in Appendix 1 of Administrative Notes for Members of the 46th AGM in order to register, participate and vote remotely via the RPV facilities.
- (2) The Broadcast Venue of the 46th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairperson of the meeting to be present at the main venue of the meeting. Members/proxies are not allowed to attend the 46th AGM in person at the Broadcast Venue on the day of the 46th AGM.
- (3) A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
- (4) (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Authorised Nominee") may appoint at least one (1) proxy but not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company ("ABB Shares") standing to the credit of the said securities account to participate and vote at this AGM.

(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds ABB Shares for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies that the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
- (5) Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (6) The instrument appointing a proxy in the case of any individual shall be signed by the appointer or his/her attorney and in the case of a corporation, under its common seal or under the hand of the officer duly authorised.
- (7) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 17 May 2022 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 46th AGM.
- (8) The appointment of proxy may be submitted in hard copy form or electronically via TIIH Online website at <https://tiih.online>. The hard copy of the Proxy Form must be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for the 46th AGM or no later than 23 May 2022 at 10.00 a.m.

If members wish to submit their Proxy Form electronically, please refer to the Procedures for Electronic Lodgement of Proxy Form as set out in Appendix 2 of the Administrative Notes for Members.
- (9) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 46th AGM of the Company shall be put to vote by way of a poll.

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(10) Explanatory Notes on Ordinary Businesses:

(i) Audited Financial Statements for the Financial Year Ended 31 December 2021

The Audited Financial Statements are for discussion only in accordance with Section 340(1)(a) of the Act and do not require shareholders' approval. Hence, the same will not be put forward for voting.

(ii) Ordinary Resolution 1 - Payment of Single-Tier Final Dividend

The proposed single-tier final dividend as per Ordinary Resolution 1 can be entirely reinvested into new ABB Shares in accordance with the Dividend Reinvestment Plan.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the single-tier final dividend, if approved, shall be paid not later than three (3) months from the date of the shareholders' approval. The Books Closure Date will be announced by the Company after this AGM.

(iii) Ordinary Resolutions 2,3 and 4 - Re-election of Directors

The Group Board Nomination and Remuneration Committee ("GBNRC") has considered the performance and contribution of each of the retiring Directors and has also assessed the independence of the Independent Non-Executive Directors ("INEDs") seeking re-election.

Based on the results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2021, the performance of each of the retiring Directors was found to be satisfactory.

The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the GBNRC and Board meetings.

The details and profiles of the Directors who are standing for re-election at the 46th AGM are provided herein.

(iv) Ordinary Resolutions 5 and 6 - Remuneration Payable to Non-Executive Directors

The Directors' Remuneration for the Non-Executive Chairman and Non-Executive Directors ("NEDs") was last reviewed and approved by the shareholders at the 41st AGM of the Company held on 24 April 2017.

In March 2022, the Company had engaged an external consultant, Willis Towers Watson Malaysia ("WTW") to conduct an independent review of the NEDs' fees for the members of the Board and Board Committees of ABB.

In its review, WTW had adopted comparators which include public and non-public listed financial institutions. Based on the outcome of the review, WTW recommended the revision of the Directors' remuneration to be streamlined and aligned with peers in the market. This revision will ensure the necessary differentiation in fees to reflect the various roles and accountabilities between the Holding Company and subsidiaries as well as the Chairperson and members.

The fees review is also necessary to commensurate with the Directors' heightened responsibilities, accountabilities, commitment and contribution with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders. The review is crucial to determine the Board's competitiveness to attract as well as retain individuals with strong credentials and high calibre to serve on the Board of the Company.

The proposed fees review was comprehensively deliberated at the GBNRC in March 2022 and was duly approved by the Board for tabling at the 46th AGM for the shareholders' approval.

Accordingly, it is recommended that the existing Directors' Fees, Board Committees' Fees and Meeting Allowance be revised as follows:

(a) Directors' Fees:-

	Chairman		Member	
	Current (RM)	Proposed (RM)	Current (RM)	Proposed (RM)
Board				
Director's Fee (per annum)	160,000	265,000	130,000	165,000
Board Committee				
Board Committee Fee (per annum)	40,000	50,000	35,000	35,000



(b) Meeting allowance:-

	Chairman		Member	
	Current (RM)	Proposed (RM)	Current (RM)	Proposed (RM)
Board				
Director's Sitting Fee (per meeting)	3,000	3,000	2,000	2,500
Board Committee				
Board Committee Sitting Fee (per meeting)	2,400	2,500	2,000	2,500

WTW recommended that the existing benefits remain status quo except for the token of appreciation/gratuity upon retirement or resignation of the NED which shall be discontinued and no longer be part of the benefits.

The benefits payable to NEDs comprise allowances, benefits-in-kind and other emoluments, details of which are as follows:

- (i) Meeting Allowance;
- (ii) Car Allowance and Company Driver for Chairman (based on maximum taxable rate); and
- (iii) Other Benefits - includes benefits that are claimable or otherwise such as monthly subscription of club membership and other facilities made available by the Company to eligible NEDs.

The total amount of benefits payable to the NEDs is estimated to increase during this AGM to the next AGM to be held in 2023. In view of this, the Board is seeking approval from shareholders for an amount of up to RM2.0 million as benefits payable to the NEDs. Among the reasons for the increase are as follows:

- (i) Revision of Director's sitting fee as proposed by WTW;
- (ii) Expected increase in the number of Board members from 9 to 11;
- (iii) Establishment of an additional Board Committee i.e. Board Sustainability Committee; and
- (iv) One-off payment for the token of appreciation/gratuity that will no longer be part of the NEDs' benefits.

The amount of benefits approved by the shareholders at the previous AGMs and the current proposal are as follows:

Benefits Payable to NEDs (as approved at AGM)	44 th AGM held on 27 July 2020	45 th AGM held on 2 June 2021	Approval to be sought at 46 th AGM on 25 May 2022
Up to an amount of	RM1.4 million	RM1.4 million	RM2.0 million

Payment of the NEDs' remuneration will be made by the Company on a monthly basis and/or as and when deemed appropriate, if the proposed Ordinary Resolutions 5 and 6 have been passed at the 46th AGM of the Company. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' remuneration on a monthly basis and/or as and when deemed appropriate, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.

(v) Ordinary Resolution 7 – Appointment of Auditors

The Group Board Audit Committee ("GBAC") had, at its meeting held on 24 January 2022, conducted an annual review on the external auditors, Messrs PricewaterhouseCoopers PLT in accordance with BNM's Guidelines on External Auditors and ABB's Policy and Procedures for Appointment of Group External Auditors. The assessment covered a wide spectrum of matters such as performance, suitability, independence and objectivity of the external auditors.

Being satisfied with the performance, technical competency, audit approach as well as audit independence of Messrs PricewaterhouseCoopers PLT, the GBAC has recommended the re-appointment of Messrs PricewaterhouseCoopers PLT as the external auditors of the Company for the financial year ending 31 December 2022 ("FY2022").

The Board had, at its meeting held on 27 January 2022 endorsed the GBAC's recommendation for the shareholders' approval to be sought at the 46th AGM on the re-appointment of Messrs PricewaterhouseCoopers PLT as external auditors of the Company for FY2022.

The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the external auditors for FY2022.

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(vi) Ordinary Resolution 8 - Authority for Directors to Issue Shares

The Company has not issued any shares under the general mandate for allotment of shares pursuant to Section 75 and Section 76 of the Companies Act, 2016 which was approved at the 45th AGM held on 2 June 2021 and will lapse at the conclusion of the 46th AGM to be held on 25 May 2022.

The proposed Ordinary Resolution 8, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company.

The authority will, unless revoked or varied by the Company in a General Meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The general mandate sought will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding investment(s), working capital and/or acquisition(s).

(vii) Ordinary Resolution 9 – Dividend Reinvestment Plan

The proposed Ordinary Resolution 9, if passed, will give authority to the Board to allot and issue new ABB Shares pursuant to the Dividend Reinvestment Plan in respect of any future dividends to be declared, to which the Dividend Reinvestment Plan applies and such authority shall expire at the conclusion of the next AGM of the Company.

(viii) Ordinary Resolution 10 - Proposed Shareholders' Mandate

The proposed Ordinary Resolution 10, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.