

**CIMB GROUP HOLDINGS BERHAD**

(Company No. 195601000197 (50841-W))

Minutes of the Extraordinary General Meeting of CIMB Group Holdings Berhad (“CIMB” or “the Company”) held fully virtual at the broadcast venue at Level 31, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Thursday, 15 April 2021 at 12.30 p.m.

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**Present at Broadcast Venue** : Datuk Mohd Nasir Ahmad - Chairman  
Dato’ Abdul Rahman Ahmad – Group Chief Executive Officer  
Dato’ Lee Kok Kwan  
Dato’ Mohamed Ross Mohd Din  
Encik Didi Syafruddin Yahya

**Present remotely via Tele-presence** : Encik Afzal Abdul Rahim  
Mr. Robert Neil Coombe  
Ms. Shulamite N K Khoo  
Ms. Teoh Su Yin  
Ms. Serena Tan Mei Shwen

And 288 shareholders attending or by proxy via RPV as per Attendance List

**In Attendance** Encik Khairul Rifaie – Group Chief Financial Officer  
Datin Rossaya Mohd Nashir – Group Company Secretary

**1. CHAIRMAN OF THE MEETING**

Datuk Mohd Nasir Ahmad took the Chair.

**2. QUORUM**

The Group Company Secretary confirmed that there was sufficient quorum in accordance with Article 63 of the Company’s Constitution, and the Extraordinary General Meeting (EGM) of the Company was duly convened.

**3. NOTICE OF MEETING**

The Notice convening the Meeting was tabled and taken as read.

**4. CHAIRMAN’S OPENING REMARKS**

The Chairman welcomed the shareholders to the EGM of CIMB which was held fully virtual. The Chairman took the opportunity to thank the shareholders for their virtual presence and continuous support to CIMB.

The Chairman then introduced the Board of Directors of CIMB, the Group Chief Financial Officer and the Group Company Secretary.

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**5. POLLING PROCESS**

The Chairman informed that the members, corporate representatives and proxies present had the right to speak and vote on the resolutions set out in the Notice of the EGM dated 31 March 2021.

Before moving to the formal business of the Meeting, the Chairman informed that voting on each of the Resolutions set out in the Notice of EGM would be conducted via online electronic voting. Shareholders had the right to speak and ask questions in real time by clicking on the messaging icon.

The Chairman further informed that in his capacity as Chairman of the Meeting, he had been appointed as a proxy by some shareholders, and would be voting in accordance with their instructions.

The Chairman then informed that the Share Registrar, Boardroom Share Registrars Sdn Bhd (Boardroom), would act as a Poll Administrator to conduct the online electronic polling process and Messrs Deloitte was appointed as the Scrutineer to verify the poll results.

The Chairman then invited the Group Company Secretary to explain the process for online electronic poll voting.

The Group Company Secretary then explained the online electronic poll voting process, including the relevant house-keeping rules for the online electronic poll voting, details of which were duly noted.

Before proceeding with the Agenda for the EGM, the Chairman informed shareholders that any queries regarding banking-related matters should be directed to CIMB's dedicated email at [cru@cimb.com](mailto:cru@cimb.com).

The Chairman highlighted that the Group Chief Financial Officer and the Group Company Secretary were also shareholders of the Company. They have offered to be proposer and seconder for both resolutions. In this respect, Resolution 1 to Resolution 2 were duly proposed and seconded.

**6. PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN**

The Chairman informed that Agenda 1, Ordinary Resolution 1 was for the proposed establishment of a Long-Term Incentive Plan (LTIP) which comprised the proposed employee share option scheme (Proposed ESOS) and the proposed share grant plan (Proposed SGP), of up to 2.5% of the issued share capital of the company (excluding Treasury shares, if any) at any point in time during the duration of the LTIP, for the eligible Executive Directors and employees of the company and its subsidiary companies (Group), which were not dormant, who fulfilled the eligibility criteria as set out in the by-laws of the LTIP ("Proposed LTIP").

CIMB had announced the LTIP Circular to Bursa Malaysia on 31 March 2021 and subsequently uploaded the same onto CIMB's Website on the same day.

**7. PROPOSED ALLOCATION OF LTIP AWARDS TO DATO' ABDUL RAHMAN AHMAD**

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The Chairman informed that the next item was Agenda 2, Ordinary Resolution 2 on the proposed allocation of LTIP awards to Dato' Abdul Rahman Ahmad.

Subject to the passing of the Ordinary Resolution 1 and the approvals of the relevant authorities being obtained, approval was sought for the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Dato' Abdul Rahman Ahmad under the Proposed LTIP (in the form of LTIP Awards(s)) up to 12,000,000 new Shares, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Malaysia or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/or any adjustments which might be made in accordance with the provisions of the By-Laws.

The Ordinary Resolution 2, if approved would authorise the Board to issue and/or transfer via treasury shares the corresponding number of the shares arising from the exercise of the LTIP Award(s) that might be awarded to Dato' Abdul Rahman under the Proposed LTIP.

Dato' Abdul Rahman Ahmad would be entitled to participate in the Proposed LTIP in his capacity as Group Chief Executive Officer/Executive Director of the Company. He was therefore deemed interested in the Proposed LTIP to the extent of his allocation, as well as allocations to persons connected to him, if any, under the Proposed LTIP.

The Chairman informed that Dato' Abdul Rahman Ahmad had abstained from and would continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to his allocation as well as allocations to persons connected to him, if any, under the Proposed LTIP. He had also voluntarily abstained from and would continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to the Proposed LTIP.

The Chairman further informed that Dato' Abdul Rahman Ahmad would also abstain from voting in respect of his direct and/or indirect shareholdings in the Company, if any, on the ordinary resolutions tabled at this EGM for the Proposed LTIP and his proposed allocation of the LTIP Awards under the Proposed LTIP. In addition, Dato' Abdul Rahman Ahmad would undertake to ensure that persons connected to him, if any, would abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the ordinary resolution at this EGM for his proposed allocation of the LTIP Awards under the Proposed LTIP.

The Chairman then invited Ms. Debbie Leong of CIMB Investment Bank Berhad, the Principal Adviser, to provide an introduction of the Proposed LTIP.

## **8. PRESENTATION ON THE PROPOSED LTIP**

Ms. Debbie Leong thanked the Chairman, the Board members and the shareholders and proceeded to explain the Proposed LTIP.

Ms. Debbie Leong informed that the Proposed LTIP comprised 2 components, as follows:

- (i) Proposed ESOS
  - (a) Award of share options to eligible persons;

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- (b) The options would be exercisable into new CIMB shares at a fixed exercise price; and
  - (c) The exercise price would be set at the premium of up to 15% of market price at grant.
- (ii) Proposed SGP
- (a) Award of CIMB shares to eligible persons; and
  - (b) The award would be vested upon the fulfilment of performance conditions, which were defined as the long term ROE targets in line with Foward23+.

The eligible persons comprised Executive Directors of the CIMB Group and selected employees who held Senior Management positions and key roles within the CIMB Group.

The salient features of the Proposed LTIP were as follows:

- (i) Size
- (a) Up to 2.5% of total number of issued CIMB shares (excluding treasury shares) at any one time.

Ms. Debbie Leong informed that this was significantly lower than the 15% allowed under Listing Requirements and generally lower than other LTIP schemes in the market.

- (ii) Tenure and Vesting
- (a) Proposed base duration of 7 years.
  - (b) Vesting of the awards would occur in year 2024 and 2025.

The vesting periods and conditions shall be determined in alignment with Forward23+ and overall shareholders' value creation.

- (iii) Performance Conditions
- (a) For the SGP, the performance targets were defined in alignment with Forward23+ targets, on the attainment of the ROE levels.
  - (b) For the ESOS, the performance hurdle was set on the exercise price with a premium of up to 15% of the market price at grant.

The Listing Requirements provided for up to 10% discount. It was customarily priced at a discount.

Ms. Debbie Leong further informed that an Independent HR consultant were engaged to assist in the overall scheme design of the LTIP.

The rationale for the Proposed LTIP were as follows:

- (i) Realign total compensation for eligible persons by reducing variable cash remuneration and replacing it with share-based rewards, aligning their total compensation to that of shareholders' value creation and future growth.
- (ii) Motivate high performance and inculcate an ownership mentality through direct participation in CIMB's equity, thereby promoting a shared vision amongst the stakeholders to further enhance shareholders' value.
- (iii) Recognise the contribution of eligible persons and reward them by enabling them to participate in the CIMB Group's profitability and to realise capital gains arising from appreciation in share value.

- (iv) Retain the eligible persons, ensuring that loss of key personnel was kept to a minimum level.

## 9. PRE-EGM QUESTIONS FROM SHAREHOLDERS

The Chairman informed that CIMB had received pre-EGM questions and he would address them on behalf of the Board.

The Chairman then addressed the following questions from the shareholders:

- (i) Mr. Chuah Beng Tin commented that due to the Movement Control Order, economic turmoil, and the COVID-19 pandemic, CIMB's net profits had been much lower than the previous years. He queried on the reasons for the 12 million shares being allocated to Dato' Abdul Rahman as the Group CEO. He was of the view that CIMB should allocate the shares to front liners (sales/operations staff at branches and fields) who risked and sacrificed their lives to the service and generated income for CIMB, to help them survive the current financial crisis and to motivate them. Currently, many were demoralised.

The Chairman explained that the Group had launched a Forward23+ Strategic Plan to deliver improved ROE levels and reach comparative market leading level by 2024. The achievement of an enhanced ROE would lead to a better share price performance and enhanced total shareholders' return.

The LTIP served to align the remuneration of Senior Management with the success of this strategy, share price performance and shareholder value creation. At the same time, the LTIP was part of CIMB's shift to have a more balanced pay/compensation mix for Senior Management from one that was currently skewed towards annual variable bonus to one that was more aligned with long-term shareholders' value creation.

The LTIP was subjected to vesting periods and conditions - vesting would only start in year 2024 onwards and was based on performance targets:

- (a) For shares, the actual grants were based on the attainment of the targeted ROE levels.
- (b) For ESOS, the hurdle was set based on a premium of the market share price – it would likely be set at up to 15% premium.

Accordingly, Management received value only if the share price at vesting exceeded the premium above the current market price.

The quantum allocated for the Group CEO was the maximum amount that could be issued and the eventual amount would be determined by LTIP Committee after taking into account various factors, such as:

- (a) Reference to market total compensation of other CEOs.
- (b) Reference to historical total compensation of CIMB's CEOs.
- (c) Annual Group and Individual Performance.

The actual grant (subject to the maximum of 12 million) would reflect a fair reward for the Group CEO in the situation where CIMB achieved its targets and the share price performed. If that did not happen, then the CEO's total

compensation would be materially lower than the past as well as with the market.

The LTIP would focus on Senior Management rather than the general employee population given the direct influence and accountability that Senior Management had over the Group's total performance. For the general employees, the compensation strategy was to remain focused on rewarding them competitively using annual merit-based cash bonus.

- (ii) Mr. Lee Choon Meng posed 3 questions as follows:
- (a) Whether the ESOS was an additional perk to eligible persons.
  - (b) The reason for the ESOS not granted to all staffs. He suggested the Board to grant odd lots of 100 at fee to non-senior management staff.
  - (c) The expected price to determine ESOS issuance.

The Chairman responded to the 3 questions, as follows:

- (a) The LTIP was part of CIMB's shift to have a more balanced pay/compensation mix for Senior Management that would be aligned towards shareholders' value creation. As part of this exercise, Senior Management's variable cash bonus would be reduced going forward and be replaced with share-based rewards (LTIP), which was more aligned to shareholders' value creation. If share price did not increase, then actual rewards value for Senior Management would be significantly lower. If share price performed, the actual rewards would be higher. At the same time, CIMB was executing the proposed LTIP with contract migration for Senior Management, and that if the Senior Management did not perform, the ability to separate would be much easier for the company.
- (b) The LTIP was focused on Senior Management rather than the general employee population given the direct influence and accountability that Senior Management had over the Group's total performance. For the general employees, the compensation strategy was to remain focused on rewarding them competitively using annual merit based cash bonus. For the general employees, such annual cash bonus was preferred given that they would be able to receive it on an immediate basis compared to a share scheme which could only crystallise after the 3 year vesting period.
- (c) The exercise price was likely to be set at the premium of 10% to 15% to market price at grant. For instance, if market price was RM4.50, the exercise price should be at a premium of RM4.95 to RM5.17.

## 10. ONLINE QUESTIONS FROM SHAREHOLDERS DURING THE EGM

The Chairman then opened the Questions and Answers (Q&A) session and invited shareholders to submit questions online for the Board/Management's response. The Chairman informed that the Board would endeavour to respond to these questions. The questions posed online would be reviewed to avoid repetition of questions of similar in nature, and if they were lengthy the Board would summarise them.

The Chairman further informed that CIMB had appointed the Independent Scrutineers, Messrs. Deloitte to verify and oversee the Q&A process.

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The Board/Management then addressed the following questions from the shareholders:

- (i) The Chairman informed that CIMB had received quite a few queries from shareholders about door gifts for those who attend the EGM. The Chairman reiterated that there would be no door gifts for shareholders or proxies attending the EGM in line with CIMB's standard practice.
- (ii) Mr. Lee Choon Meng queried whether the SGP would be allocated to Senior Management as an additional remuneration benefit or part of Senior Management remuneration.

The Chairman responded that the LTIP would be part of the total remuneration for the Senior Management. As mentioned earlier, the key objectives of this scheme was to better align the different components of remuneration with the attainment of the targets and also shareholders' value creation.

- (iii) Mr. Lee Mun Hoe enquired on the difference between SGP and ESOS and whether the SGP would be given to employee at free.

The Chairman informed that, as explained by Ms. Debbie Leong earlier, the SGP provided shares to participants with performance conditions, where shares would only be vested upon meeting ROE targets in line with Forward23+. If ROE targets were not met, the shares would not be given. ESOS provided options to participants based on an exercise price with a premium of up to 15% of market price at grant. If market price at grant was RM4.50, exercise price would be set higher at RM5.17, for instance. Hence, share price must increase above RM5.17 for the options to be of value to the participants.

- (iv) With the proposed resolutions, Mr. Yap Yik Yong enquired on the expected benefits (in terms of RM) for the Bank and the projected profits in FYE 2021 and FYE 2022. Without this resolution or incentives, he enquired on the projected profits in FYE 2021 and FYE 2022.

The Chairman answered that the LTIP scheme was to better align Senior Management towards achieving or exceeding the projected profits and other targets. The Board and Management believed that this scheme would drive a higher probability of the Group delivering and exceeding the Forward23+ plans as it aligned Management's remuneration with the attainment of those targets and shareholders' value creation

- (v) Ms. Tsou Chia Ling sought for a clarification in organising the EGM for the Proposed LTIP resolutions instead of at the AGM.

The Chairman clarified that the Proposed LTIP required approval from Bank Negara Malaysia (BNM) and Bursa Malaysia which had taken around 1 month. Given that the AGM would be held on 15 April 2021, the notice of AGM had to be announced and published 28 clear days from the date of the AGM, as per the recommendation stated in the Malaysian Code of Corporate Governance. As such, the notice of AGM was announced and published on 18 March 2021. At this point, the approval from BNM and Bursa Malaysia had yet to be obtained. Hence, the proposed LTIP resolutions was held under a separate

forum where the notice of EGM was announced and published on 31 March 2021.

The Chairman thanked shareholders for all questions put forth and informed that if there were questions yet to be answered, Management would revert to shareholders via email soonest possible.

With that, the Chairman declared that the Q&A session closed.

## 11. POLLING AND CLOSE OF POLLING

The Chairman informed that additional 5 minutes would be provided for all resolutions to be voted on by poll and another 5 minutes for the Independent Scrutineers to verify the results. In the meantime, the Corporate Videos would be shown on screen and the Chairman declared that the Meeting would resume in 10 minutes.

## 12. ANNOUNCEMENT OF POLL RESULTS

The Chairman resumed the Meeting at 1.10 pm for the declaration of results. He informed that he had received the poll results from Boardroom and Deloitte and proceeded to read out the poll results, as follows:

- (i) Proposed establishment of a Long-Term Incentive Plan (LTIP) which comprises the proposed employee share option scheme ("Proposed ESOS") and the proposed share grant plan ("Proposed SGP"), of up to 2.5% of the issued share capital of the company (excluding Treasury shares, if any) at any point in time during the duration of the LTIP, for the eligible Executive Directors and employees of the company and its subsidiary companies ("Group"), which are not dormant, who fulfil the eligibility criteria as set out in the by-laws of the LTIP ("Proposed LTIP").

The Chairman announced the poll result in respect of **Ordinary Resolution 1** which was carried as follows:

Poll Results	Number of Shareholdings	%
For	6,846,588,555	87.3146
Against	994,698,018	12.6854

"**THAT**, subject to the approvals of all relevant regulatory authorities being obtained (where applicable), and to the extent permitted by law and the Constitution of the Company, the Board of Directors of the Company ("**Board**"), be and is hereby authorised and empowered to:-

- i. establish, implement and administer the Proposed LTIP of up to 2.5% of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company ("**Shares**") at any point of time during the duration of the Proposed LTIP for the executive directors of the Group and employees who hold senior management positions and key roles within the Group ("**Eligible Persons**") in accordance with the provisions of the by-laws governing the Proposed LTIP ("**By-Laws**"), a



draft of which is set out in Appendix I of the Company's circular to shareholders dated 31 March 2021 ("**Circular**"), and to give full effect to the Proposed LTIP to assent to any conditions, variations, modifications and/ or amendments as may be required by the relevant authorities;

- ii. allot and issue and/ or transfer such number of Shares from time to time to the Eligible Persons upon the award of the Shares in writing to the SGP Participants ("**SGP Award(s)**") and/ or exercise of the options awarded in writing to the ESOS Participants to subscribe for new Shares and/ or acquire the existing Shares of the Company at the prescribed exercise price ("**ESOS Award(s)**"), subject to the terms and conditions of the By-Laws, provided that the total number of such Shares to be issued under the Proposed LTIP shall not in aggregate exceed 2.5% of the total number of issued Shares (excluding treasury shares, if any) of the Company at any point of time during the duration of the Proposed LTIP. (Collectively, the SGP Award(s) and ESOS Award(s) are referred to as "**LTIP Award(s)**");
- iii. any new Shares to be issued under the Proposed LTIP, shall upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution, the entitlement date of which precedes the relevant date of allotment and issuance of the new Shares. The new Shares will be subject to all provisions of the Constitution of the Company and such amendments thereafter, if any; and
- iv. add, amend, modify and/ or delete all or any part of the terms and conditions as set out in the By-Laws governing the Proposed LTIP from time to time provided that such addition, amendment, modification and/ or deletion are effected in accordance with the provisions of the By-Laws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed LTIP.

**THAT** the Board be and is hereby authorised to give effect to the Proposed LTIP with full power to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things as they may consider necessary and/ or expedient to implement, finalise and give full effect to the Proposed LTIP.

**AND THAT** the draft By-Laws as set out in Appendix I of the Circular and which is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), be and is hereby approved and adopted."

- (ii) Proposed Allocation of LTIP Awards to Dato' Abdul Rahman Ahmad

The Chairman announced the poll result in respect of **Ordinary Resolution 2** which was carried as follows:

Poll Results	Number of Shareholdings	%
For	6,846,586,837	87.3146
Against	994,699,736	12.6854

**"THAT**, subject to the passing of the Ordinary Resolution 1 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Dato' Abdul Rahman Ahmad under the Proposed LTIP (in the form of LTIP Award(s)) of up to 12,000,000 new Shares, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws.

**AND THAT** the Board is also authorised to issue and/ or transfer via treasury shares the corresponding number of the Shares arising from the exercise of the LTIP Award(s) that may be awarded to him under the Proposed LTIP."

### 13. ANY OTHER BUSINESS

The Chairman had been duly advised by the Group Company Secretary that the Company had not received any notice of any other business. Therefore, there was no other business to be transacted of which due notice had been given in accordance with the Companies Act, 2016.

### 14. CLOSE OF MEETING

The Chairman then declared the EGM of the Company closed and thanked all members present for their participation.

There being no other business, the Meeting concluded at 1.20 p.m. with a vote of thanks to the Chair.

Confirmed

**Datuk Mohd Nasir Ahmad**  
Chairman

Date: 30 April 2021

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