

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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MALAYAN BANKING BERHAD

(Co. Reg. No. 196001000142)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE GRANT PLAN OF UP TO THREE POINT FIVE PERCENT (3.5%) OF THE ISSUED ORDINARY SHARES IN MALAYAN BANKING BERHAD (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



Investment Bank

Maybank Investment Bank Berhad

(Registration No. 197301002412)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") of Malayan Banking Berhad ("**Maybank**") and Form of Proxy are enclosed in this Circular. This Circular together with the Administrative Notes for the EGM are available at www.maybank.com/ir. The EGM will be held virtually and broadcasted live from Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia. Details of the EGM are as follows:

Date and time : Wednesday, 3 May 2023 at 1.00 p.m. or after the conclusion or adjournment (as the case may be) of the 63rd Annual General Meeting of Maybank scheduled to be held on the same day at 10.00 a.m., whichever is later

Broadcast venue : Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia

If you are unable to attend and vote at the EGM, you may appoint proxy(ies) to attend and vote on your behalf. If you wish to do so, you must complete and deposit the Form of Proxy at the office of the appointed share registrar for this EGM, Boardroom Share Registrars Sdn Bhd ("**Boardroom**") at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The Form of Proxy may also be submitted to Boardroom electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes for the EGM if members wish to submit the Form of Proxy electronically. All Forms of Proxy must be deposited with Boardroom on or before the following time and date:

Last date and time for the deposit of the Form of Proxy : Tuesday, 2 May 2023 at 1.00 p.m.

This Circular is dated 18 April 2023

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

| | | |
|------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Act | : | Companies Act, 2016 |
| BNM | : | Bank Negara Malaysia |
| Board | : | Board of Directors |
| Bursa Depository | : | Bursa Malaysia Depository Sdn Bhd |
| Bursa Securities | : | Bursa Malaysia Securities Berhad |
| By-Laws | : | By-laws governing the Proposed ESGP |
| Circular | : | This circular in relation to the Proposed ESGP dated 18 April 2023 |
| Constitution | : | Constitution of our Company |
| Director(s) | : | Director(s) of Maybank |
| EGM | : | Extraordinary general meeting |
| Eligible Employee(s) | : | Eligible employee(s) and executive director(s) of the Participating Maybank Group who fulfil the criteria for eligibility which will be stipulated in the By-Laws |
| EPS | : | Earnings per Maybank Share |
| ESGP | : | Employees' share grant plan |
| ESGP Grant | : | An award of ESGP Shares made by the NRC to Eligible Employee(s) pursuant to the By-Laws |
| ESGP Grant Date(s) | : | The date on which an ESGP Grant is made or deemed made by the NRC |
| ESGP Participant(s) | : | Eligible Employee(s) who accept(s) the ESGP Grant |
| ESGP Share(s) | : | New Maybank Share(s) for the Proposed ESGP |
| Existing ESGP | : | The existing employees' share grant plan of our Company which was established on 14 December 2018 and will expire on 14 December 2025 |
| Existing ESGP Share(s) | : | New Maybank Shares under the Existing ESGP |
| FYE | : | Financial year ended |
| LPD | : | 24 March 2023, being the latest practicable date prior to the printing of this Circular |
| Maybank or Company | : | Malayan Banking Berhad |
| Maybank Group or Group | : | Maybank and its subsidiaries |
| Maybank IB | : | Maybank Investment Bank Berhad |

DEFINITIONS (Cont'd)

| | | |
|------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maybank Share(s) or Share(s) | : | Ordinary share(s) in Maybank |
| MMLR | : | Main Market Listing Requirements of Bursa Securities |
| NRC | : | The nomination and remuneration committee of Maybank |
| NA | : | Net assets |
| Participating Maybank Group | : | Maybank and its branches and subsidiaries in Malaysia and overseas, excluding dormant subsidiaries |
| Proposed ESGP | : | Proposed establishment of an employees' share grant plan of up to three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time |
| Record of Depositors | : | A record of securities holders established by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 |
| Shareholder(s) | : | Shareholder(s) of Maybank |
| VWAMP | : | Volume weighted average market price |

CURRENCY

| | | |
|----|---|------------------|
| RM | : | Ringgit Malaysia |
|----|---|------------------|

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires otherwise, shall include our Group.

All references to “**you**” and “**your**” in this Circular are to the Shareholders, unless the context otherwise requires.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to any enactment, rules or guidelines in this Circular are references to those enactment, rules or guidelines as for the time being amended or re-enacted.

Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals are due to rounding differences.

Any reference to a time of day and date in this Circular is a reference to Malaysian time and date respectively, unless otherwise stated.

Any reference in this Circular to any provision of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits) be construed as a reference to provision of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

This Circular includes forward-looking statements. All statements other than statements of historical facts included in this Circular including, without limitation, those regarding the Group's financial position, business strategies, prospects, plans and objectives of the Company for future operations, are forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY SETS OUT THE SALIENT INFORMATION OF THE PROPOSED ESGP. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ESGP TO BE TABLED AT OUR FORTHCOMING EGM.

| Key Information | Summary | Reference to Circular |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Rationale and justification for the Proposed ESGP | <p>The Proposed ESGP serves as a long-term incentive plan which would align the interests of the Eligible Employees with the long-term objectives of the Maybank Group that can create sustainable business performance and value enhancement for our shareholders through a high performance culture and is intended to:</p> <ul style="list-style-type: none">(i) continue to retain and motivate key talents as well as attract prospective skilled and experienced employees to the Participating Maybank Group by making the total compensation package more competitive;(ii) drive individual key performance indicators and at the same time motivate and bring the employees together to collaborate and achieve the Maybank Group's common goal and aspiration;(iii) reward and retain the Eligible Employees by giving recognition to their contributions to the smooth operation and continued growth of the Maybank Group and to deliver on pay for performance to achieve a balance between retention and value creation as well as to ensure that the loss of key personnel is kept to a minimum level; and(iv) reward the Eligible Employees by allowing them to participate in the Maybank Group's profitability and eventually realise capital gains arising from any appreciation in the value of Maybank Shares. | Section 2.1 |
| Details of the Proposed ESGP and salient terms of the Proposed ESGP | <p>The Proposed ESGP entails the establishment and implementation an employees' share grant plan of up to three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time during the duration of the Proposed ESGP for the award of ESGP Shares to the Eligible Employees and subject to such Proposed ESGP not contravening any applicable laws, regulatory requirements and/or administrative constraints in the respective countries of the Participating Maybank Group.</p> | Sections 2.2 and 2.3 |
| Directors' recommendation | <p>Our Board (save for Dato' Khairussaleh Ramli who is deemed interested in respect of the Proposed ESGP), having considered the effects and rationale of the Proposed ESGP, is of the opinion that the Proposed ESGP is in the best interest of our Company and accordingly, recommends that you vote in favour of the resolutions in relation to the Proposed ESGP to be tabled at our forthcoming EGM.</p> | Section 10 |



MALAYAN BANKING BERHAD

(Co. Reg. No. 196001000142)

(Incorporated in Malaysia)

Registered Office

14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

18 April 2023

Board of Directors

Tan Sri Dato' Sri Zamzamzairani Mohd Isa (*Non-Independent Non-Executive Director/Chairman*)

Dato' Khairussaleh Ramli (*Non-Independent Executive Director/Group President and Chief Executive Officer*)

Datuk R. Karunakaran (*Senior Independent Non-Executive Director*)

Cheng Kee Check (*Non-Independent Non-Executive Director*)

Edwin Gerungan (*Independent Non-Executive Director*)

Dr Hasnita Dato' Hashim (*Independent Non-Executive Director*)

Anthony Brent Elam (*Independent Non-Executive Director*)

Che Zakiah Che Din (*Independent Non-Executive Director*)

Fauziah Hisham (*Independent Non-Executive Director*)

Shariffuddin Khalid (*Independent Non-Executive Director*)

Dato' Zulkiflee Abbas Abdul Hamid (*Independent Non-Executive Director*)

Shirley Goh (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED ESGP

1. INTRODUCTION

On 3 March 2023, Maybank IB had, on behalf of our Board, announced that our Company is proposing to establish and implement an employees' share grant plan of up to three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time during the duration of the Proposed ESGP for the award of ESGP Shares to the Eligible Employees and subject to such Proposed ESGP not contravening any applicable laws, regulatory requirements and/or administrative constraints in the respective countries of the Participating Maybank Group.

The NRC may from time to time, within the period of the Proposed ESGP, have full discretion to determine the composition of the corporations within the Participating Maybank Group to be eligible to participate in the Proposed ESGP.

In the event that any applicable laws, regulatory requirements and/or administrative constraints prevent or restrict the ability of our Company to allow the Eligible Employees of overseas branches and subsidiaries within the Participating Maybank Group to participate in the Proposed ESGP, an alternative cash-settled performance-based scheme may be made available to them.

On 24 March 2023, Maybank IB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 23 March 2023, approved the listing and quotation of new Maybank Shares, representing up to three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time to be issued under the Proposed ESGP on the Main Market of Bursa Securities, subject to the conditions as set out in Section 5 of this Circular.

On 12 April 2023, Maybank IB had, on behalf of our Board, announced that BNM had, vide its letter dated 12 April 2023, approved the increase in the total number of issued Shares pursuant to the Proposed ESGP of up to three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time.

The purpose of this Circular is to provide you with the details of the Proposed ESGP and to seek your approval for the resolutions pertaining to the Proposed ESGP to be tabled at our forthcoming EGM. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

You are advised to read and consider the contents of this Circular carefully before voting on the resolutions pertaining to the Proposed ESGP to be tabled at our forthcoming EGM.

2. INFORMATION ON THE PROPOSED ESGP

2.1 Rationale and justification for the Proposed ESGP

The Proposed ESGP serves as a long-term incentive plan which would align the interests of the Eligible Employees with the long-term objectives of the Maybank Group that can create sustainable business performance and value enhancement for our shareholders through a high performance culture.

In addition, the Proposed ESGP is intended to:

- (i) continue to retain and motivate key talents as well as attract prospective skilled and experienced employees to the Participating Maybank Group by making the total compensation package more competitive;
- (ii) drive individual key performance indicators and at the same time motivate and bring the employees together to collaborate and achieve the Maybank Group's common goal and aspiration;
- (iii) reward and retain the Eligible Employees by giving recognition to their contributions to the smooth operation and continued growth of the Maybank Group and to deliver on pay for performance to achieve a balance between retention and value creation as well as to ensure that the loss of key personnel is kept to a minimum level; and
- (iv) reward the Eligible Employees by allowing them to participate in the Maybank Group's profitability and eventually realise capital gains arising from any appreciation in the value of Maybank Shares.

Our Company strives to align the total rewards strategy with that of our long term objectives of creating sustainable value enhancement for our shareholders, and believes that this is key in nurturing a high performance culture. Our Company constantly reviews our employees' total remuneration structure as part of the total reward strategy in providing the right remuneration, benefits and career development or progression opportunities. The remuneration structure includes, among others, a basic salary and a variable cash bonus payout to reward our employees based on his/her individual performance achievement at the end of each financial year. The use of variable cash bonus is seen as a short-term incentive mechanism that rewards an employee for his/her annual contributions and achievements.

2.2 Details of the Proposed ESGP

The Proposed ESGP will be valid for a period of ten (10) years and will be administered by the NRC.

At the discretion of the NRC, our Company may from time to time, within the period of the Proposed ESGP, invite the Eligible Employees to enter into an agreement with our Company pursuant to the By-Laws ("**ESGP Agreement**") whereupon our Company shall make ESGP Grants at the respective ESGP Grant Dates, subject to the Eligible Employees fulfilling the relevant service objectives and performance targets that have been set by the NRC which shall be included in such ESGP Grant. The NRC may, at its sole and absolute discretion, determine whether the ESGP Grant will be in a single grant or staggered over the duration of the Proposed ESGP. The maximum number of ESGP Grant to be allocated for each financial year has not been determined at this juncture.

Subject to acceptance of the ESGP Grant, the ESGP Shares will be vested to the Eligible Employees at future date(s) as determined by the NRC ("**ESGP Vesting Date(s)**") provided that the conditions as determined by the NRC ("**ESGP Vesting Conditions**") are met. The number of ESGP Shares to be vested to the ESGP Participants will depend on the achievement of individual key performance indicators by the ESGP Participants, meeting the overall performance targets of the Maybank Group and/or such other target that aligns the interests of the ESGP Participants with those of our shareholders, over the vesting schedule as recommended by the NRC and approved by our Board.

In the event that the ESGP Participants do not meet the above targets over the said period set by the NRC, the ESGP Shares shall not be vested to him/her at the end of the vesting schedule.

The ESGP Shares on the ESGP Vesting Dates shall be settled by way of allotment and issuance of new Maybank Shares or by way of cash settlement as determined by the NRC. For avoidance of doubt, the new Maybank Shares to be issued and allotted to the ESGP Participants would not require any payment by the ESGP Participants to our Company.

In the case of settlement by way of cash, the reference price used to determine the amount to be paid to the ESGP Participants will be based on the market value of the ESGP Shares after taking into account, among others, the VWAMP of Maybank Shares for the five (5) market days immediately preceding the ESGP Vesting Date.

The method of settlement to be made by our Company to the ESGP Participants shall be at the discretion of the NRC.

The Proposed ESGP is intended to be a continuation of the Existing ESGP. For information purposes, the Existing ESGP is a seven (7)-year plan. However, the Existing ESGP Shares will be granted over a five (5)-year period i.e. from 14 December 2018 (being the effective date of the Existing ESGP) until 14 December 2023 as the grants under the Existing ESGP are vested based on a three (3)-year cliff vesting schedule or in the case of a supplemental award ("**Supplemental Award**"), a two (2)-year cliff vesting schedule, provided that all the Existing ESGP's vesting conditions are fulfilled. In view that the Existing ESGP has a remaining period of less than three (3) years up to its expiry on 14 December 2025, the last grant of the Existing ESGP Shares with a three (3)-year cliff vesting schedule was made on 30 September 2022 and will be vested to the ESGP Participants by 30 September 2025 subject to the Existing ESGP vesting conditions being met.

The Proposed ESGP will allow our Company to continue and make the ESGP Grants with three (3)-year cliff vesting schedule to the Eligible Employees upon the effective date of the Proposed ESGP which is expected to be by the third quarter of 2023, subject to the approvals as set out in Section 5 of this Circular. Supplemental Awards may continue to be awarded under the Existing ESGP up to 14 December 2023 or the market day prior to the effective date of the Proposed ESGP, whichever is earlier.

As at the LPD, our Company has a total of 40,484,000 outstanding Existing ESGP Shares granted.

The aggregate number of Maybank Shares which may be awarded under the Proposed ESGP and any other schemes involving the issuance of new Maybank Shares to employees of the Maybank Group which are still subsisting (including the Existing ESGP) (“**Subsisting Schemes**”) shall not exceed three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time during the duration of the Proposed ESGP and the Subsisting Schemes.

For the avoidance of doubt, the abovementioned shall not be construed as limiting the aggregate number of Maybank Shares which may be awarded under the Existing ESGP which shall remain as three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time⁽¹⁾. As an illustration, if at any point our Company has outstanding Existing ESGP Shares granted, which in aggregate amounts to three point five percent (3.5%) or more of the issued Shares (excluding treasury shares), no award under the Proposed ESGP shall be made.

Please refer to **Appendix I** of this Circular for a summary information on the Existing ESGP and **Appendix II** of this Circular for the draft By-Laws.

Note:

- (1) *For information purposes, at the EGM of our Company held on 6 April 2017, we had sought and obtained our Shareholders’ approval for the establishment of the Existing ESGP for up to seven point five percent (7.5%) of the issued Shares (excluding treasury shares). However, vide its letter dated 2 November 2018, BNM had approved the increase in the total number of issued Shares pursuant to the Existing ESGP by up to three point five percent (3.5%) only.*

2.3 Salient terms of the Proposed ESGP

2.3.1 Eligibility

Eligible Employees who meet the following criteria as at the ESGP Grant Dates shall be eligible for consideration and selection by the NRC to participate in the Proposed ESGP:

- (i) in respect of an employee of the Participating Maybank Group, the employee must meet the following criteria as at the ESGP Grant Dates:
 - (a) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) is confirmed in writing as an employee (whether employed on full time basis or serving under employment contract for a fixed duration or any other employment arrangement falling under the ambit of the Employment Act 1955 (as amended from time to time), as may be determined by the NRC) and has been in the employment of the Participating Maybank Group for such period as determined by the NRC prior to and up to the ESGP Grant Date and has not served a notice of resignation or received a notice of termination; and
 - (c) fulfills any other criteria and/or falls within such category as determined by the NRC from time to time;

- (ii) in respect of an Executive Director of the Participating Maybank Group, the Executive Director must meet the following criteria as at the ESGP Grant Dates:
 - (a) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) has been appointed as an Executive Director of the Participating Maybank Group for such period as determined by the NRC prior to and up to the ESGP Grant Date and has not served a notice of resignation or received a notice of termination;
 - (c) specific allocation of ESGP Shares granted by our Company to the person in his/her capacity as an Executive Director of our Company under the Proposed ESGP has been approved at a general meeting of our Company; and
 - (d) fulfills any other criteria and/or falls within such category as determined by the NRC from time to time.

Eligibility for consideration under the Proposed ESGP does not confer an Eligible Employees with any rights whatsoever under or to participate in the Proposed ESGP.

The selection of any Eligible Employees for participation in the Proposed ESGP shall be made at the sole and absolute discretion of the NRC, whose decision shall be final and binding.

2.3.2 Quantum

The maximum number of ESGP Shares which may be made available under the Proposed ESGP and the Subsisting Schemes shall not exceed in aggregate three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time during the duration of the Proposed ESGP and the Subsisting Schemes ("**Maximum ESGP Shares**").

In the event the aggregate number of Maybank Shares which may be awarded under the Proposed ESGP and the Subsisting Schemes exceeds the Maximum ESGP Shares at any point in time during the duration of the Proposed ESGP and the Subsisting Schemes as a result of our Company purchasing or cancelling Maybank Shares in accordance with the provisions of the Act and/or undertaking any corporate proposal resulting in the reduction of the issued Shares, no further ESGP Grants shall be awarded by the NRC until such aggregate number of Maybank Shares awarded falls below the Maximum ESGP Shares.

2.3.3 Maximum allowable allocation and basis of allocation

The aggregate maximum number of ESGP Shares that may be allocated to any one (1) category/designation of Eligible Employees shall be determined by the NRC provided that the allocation to any individual Eligible Employees who, either singly or collectively through persons connected with the Eligible Employees (as defined in the Listing Requirements), holds twenty percent (20%) or more of the issued Shares (excluding treasury shares), shall not exceed ten percent (10%) of the Maximum ESGP Shares.

The actual number of ESGP Shares to be allocated to the Eligible Employees shall be determined by the NRC after taking into consideration factors which may include the Eligible Employees' position, ranking, performance, contribution and potential contribution to the continued success of the Maybank Group.

For clarity purposes, up to 100% of the Maximum ESGP Shares may be allocated to the Executive Directors and senior management of the Participating Maybank Group. The Proposed ESGP is intended to incentivise the Executive Directors and employees who hold senior management positions of the Participating Maybank Group for their contributions to create sustainable business performance and value enhancement for our shareholders through a high performance culture as well as the smooth operation, continued growth and strategic direction of the Maybank Group.

2.3.4 Duration of the Proposed ESGP

The Proposed ESGP shall take effect on a date of full compliance with the relevant requirements of the Listing Requirements and shall be determined by the NRC ("**Effective Date**") and shall be in force for a period of ten (10) years from the Effective Date ("**ESGP Period**").

On the expiry of the ESGP Period, any ESGP Grants which have yet to be vested shall be deemed terminated, and be null and voided.

2.3.5 Rights attaching to the ESGP Shares

The ESGP Shares to be issued pursuant to the Proposed ESGP shall upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that the ESGP Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions ("**Distributions**") which may be declared, made or paid to our shareholders, for which the book closure date is prior to the date of allotment and issuance of the ESGP Shares.

The "book closure date" means the date as at the close of business on which shareholders of our Company must be registered as a member and whose names appear in the record of depositors maintained at Bursa Depository in order to be entitled to the Distributions.

2.3.6 Administration

The NRC shall have the absolute discretion in administering the Proposed ESGP, including prescribing the financial and performance targets/criteria and such other conditions as it may deem fit. Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the NRC (including any selection) pursuant to the By-Laws may be exercised in the NRC's sole and absolute discretion having regard to the terms of reference which our Board may establish to regulate and govern the NRC's functions and responsibilities under the By-Laws.

2.4 Listing and quotation of the ESGP Shares

Bursa Securities had, vide its letter dated 23 March 2023, approved the listing and quotation of new Maybank Shares representing up to three point five percent (3.5%) of the issued Shares (excluding treasury shares) to be issued under the Proposed ESGP on the Main Market of Bursa Securities.

2.5 Pre-emptive rights pursuant to Section 85(1) of the Act

Pursuant to Section 85(1) of the Act read together with Article 50 of our Constitution, our shareholders have a statutory pre-emptive right to be offered new Maybank Shares which rank equally to the existing issued Maybank Shares (“**Section 85 Pre-Emptive Right**”) arising from any issuance of new Maybank Shares to the ESGP Participant.

Section 85(1) of the Act states:

“85. Pre-emptive rights to new shares

- (1) *Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”*

Article 50 of our Constitution states:

“50 (1) *The Company in General Meeting may, before the issue of:-*

- (a) *any original shares or convertible Securities for the time being unissued and not allotted and which rank equally in all respects; or*
- (b) *any new shares or other convertible Securities from time to time created;*

determine that the same or any of them shall first be offered to such Members as are, under this Constitution then entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances allow to the number of existing shares to which such Members are entitled.

- (2) *Such offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time, or on the receipt of an intimation from the Member to whom such notice is given that he declines to accept the shares or Securities offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.*
- (3) *Further, if owing to the proportion which the number of the new shares or Securities bears to the number of shares or the Securities held by the Members entitled to such offer as aforesaid, or by reason of any other difficulty in apportioning the same, the Directors may in like manner dispose of the shares or Securities in respect of which such difficulty arises.”*

We are seeking your approval or the waiver of the Section 85 Pre-Emptive Right via the resolutions pertaining to the Proposed ESGP to be tabled at our forthcoming EGM. The resolutions pertaining to the Proposed ESGP, if passed, will constitute a waiver of your pre-emptive right to any new Maybank Shares to be issued by our Company pursuant to the Proposed ESGP. Please refer to the Notice of EGM for the resolutions pertaining to the Proposed ESGP which are enclosed in this Circular.

3. UTILISATION OF PROCEEDS

Our Company will not receive any proceeds from the Proposed ESGP given that the new Maybank Shares to be issued and allotted to the ESGP Participants would not require any payment by the ESGP Participants.

The estimated expenses relating to the Proposed ESGP comprises the following:

| Description of expenses | RM'000 |
|----------------------------------------------------------------------|---------------|
| Professional fees ⁽¹⁾ | 840 |
| Fees payable to relevant authorities | 15 |
| Expenses to convene our forthcoming EGM and other ancillary expenses | 200 |
| Total | 1,055 |

Note:

(1) *The professional fees include fees payable to the Principal Adviser, the solicitors appointed by our Company and the ESGP consultant for the Proposed ESGP.*

4. EFFECTS OF THE PROPOSED ESGP

4.1 Share capital

The Proposed ESGP will not have any immediate effect on the issued Shares. However, the issued Shares will increase progressively as and when the new Maybank Shares are issued and allotted pursuant to the vesting of the ESGP Grant.

For illustrative purposes only, assuming that all outstanding Existing ESGP Shares granted are fully vested and the Maximum ESGP Shares are fully granted and vested, and there is no other increase in the issued Shares during the ESGP Period, the proforma effect of the Proposed ESGP on the issued Shares is as follows:

| | Minimum Scenario⁽¹⁾ | | Maximum Scenario⁽²⁾ | |
|-----------------------------------------------------------------------------------|------------------------------------------------|------------------------------|------------------------------------------------|------------------------------|
| | ⁽³⁾No. of Maybank Shares | RM | ⁽³⁾No. of Maybank Shares | RM |
| As at the LPD | 12,054,127,092 | 54,619,343,465 | 12,054,127,092 | 54,619,343,465 |
| To be issued assuming the vesting of all outstanding Existing ESGP Shares granted | 40,484,000 | ⁽⁴⁾ 341,709,250 | 40,484,000 | ⁽⁴⁾ 341,709,250 |
| | 12,094,611,092 | 54,961,052,715 | 12,094,611,092 | 54,961,052,715 |
| To be issued pursuant to the Proposed ESGP | ⁽¹⁾ 371,249,388 | ⁽⁵⁾ 3,133,567,584 | ⁽²⁾ 423,311,388 | ⁽⁵⁾ 3,573,002,102 |
| After the Proposed ESGP | 12,465,860,480 | 58,094,620,299 | 12,517,922,480 | 58,534,054,817 |

Notes:

- (1) *Computed based on 12,094,611,092 Maybank Shares after the issuance of new Maybank Shares assuming the vesting of all outstanding Existing ESGP Shares granted and after deducting a total of 52,062,000 new Maybank Shares, consisting of 11,578,000 Maybank Shares that have been vested and 40,484,000 Maybank Shares that will be issued pursuant to the vesting of the Existing ESGP Shares, such that the total Maybank Shares that have been/will be issued pursuant to the Existing ESGP and the Proposed ESGP is 3.5% of the issued Shares (excluding treasury shares) at any point in time.*
- (2) *Computed based on 12,094,611,092 Maybank Shares after the issuance of new Maybank Shares assuming the vesting of all outstanding Existing ESGP Shares granted and the expiry of the Existing ESGP, such that the total Maybank Shares that will be issued pursuant to the Proposed ESGP is 3.5% of the issued Shares (excluding treasury shares) at any point in time.*
- (3) *Excluding treasury shares.*
- (4) *Computed based on the vesting of all outstanding Existing ESGP Shares granted at a price equivalent to the 5-day VWAMP of Maybank Shares up to and including the LPD of RM8.4406.*

- (5) *Computed based on a grant price equivalent to the 5-day VWAMP of Maybank Shares up to and including the LPD of RM8.4406.*

It should be noted that even if the Maximum ESGP Shares illustrated above are allocated to the ESGP Participants, the actual number of Maybank Shares to be issued may be less in view of the following:

- (i) only ESGP Participants who meet the ESGP Vesting Conditions would be entitled to the full vesting of the ESGP Shares allocated under their ESGP Grant; and/or
- (ii) our Company may pay the equivalent cash value of the ESGP Grant in full or partial satisfaction of the vesting of the ESGP Shares.

The actual number of Maybank Shares to be issued pursuant to the Proposed ESGP, as illustrated in the table above, may be higher in the event the number of Maybank Shares in issue increases due to, among others, the new Maybank Shares to be issued pursuant to the Proposed ESGP over the ESGP Period.

4.2 NA per Maybank Share and gearing

In the case of issuance of new Maybank Shares, the Proposed ESGP will not have any immediate effect on the consolidated NA, NA per Maybank Share and gearing of the Maybank Group until such time as new Maybank Shares are issued in connection with the vesting of the ESGP Shares. Any potential effect on the consolidated NA per Maybank Share will depend on the number of ESGP Shares vested which will only be determined at the point of vesting.

In the case of settlement by cash, the Proposed ESGP will reduce the consolidated NA, NA per Maybank Share and increase the gearing of the Maybank Group accordingly.

4.3 Earnings and EPS

The extent of the effect of the Proposed ESGP on the Maybank Group's earnings and EPS cannot be determined at this juncture as it would depend on the fair value of the new Maybank Shares to be issued as at the respective ESGP Grant Dates. In accordance with the Malaysian Financial Reporting Standard No. 2 – Share Based Payments (“**MFRS 2**”), the cost arising from the awarding of the ESGP Grants is required to be measured at the ESGP Grant Date and recognised as an expense over the vesting period of the ESGP Shares comprised in such ESGP Grants, which may have an effect on the future earnings of the Maybank Group.

The potential effects of the Proposed ESGP on the earnings of the Maybank Group and EPS in the future due to the recognition of the abovementioned expense cannot be determined at this juncture as they will depend on the number of ESGP Shares comprised in the ESGP Grants and other various factors which affect the fair value of the ESGP Grants such as the price of the ESGP Shares, the volatility of the Maybank Shares, the vesting period of the ESGP Shares and the dividend yield of the Maybank Shares. However, such expense recognised does not represent a cash outflow as it is only an accounting treatment. For the avoidance of doubt, there will be cash outflow if the vesting of ESGP Shares comprised in the ESGP Grants is fully or partly satisfied via cash.

Our Board has taken note of the potential impact of MFRS 2 on the earnings of the Maybank Group and will take proactive measures to manage the earnings impact in the awarding of the ESGP Grants and/or the vesting of the ESGP Shares pursuant to the Proposed ESGP.

4.4 Substantial shareholders' shareholding

The Proposed ESGP is not expected to have any immediate effect on the shareholding of our substantial shareholders. The dilution to our substantial shareholders' shareholding in our Company will depend on the number of new Maybank Shares issued and allotted to the ESGP Participants at the relevant point in time pursuant to the Proposed ESGP.

For illustrative purposes only, the proforma effect of the Proposed ESGP on our substantial shareholders' shareholding in our Company are as follows:

Minimum Scenario

| | As at the LPD | | | | After assuming the vesting of all outstanding Existing ESGP Shares granted | | | |
|----------------------------------------------------------|-------------------------|-------|----------------------------|---------------------|----------------------------------------------------------------------------|-------|----------------------------|---------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Maybank Shares | % | No. of Maybank Shares | % | No. of Maybank Shares | % | No. of Maybank Shares | % |
| AmanahRaya Trustee Berhad (Skim Amanah Saham Bumiputera) | 3,815,500,393 | 31.65 | - | - | 3,815,500,393 | 31.55 | - | - |
| Employees' Provident Fund Board | 1,671,719,528 | 13.87 | - | - | 1,671,719,528 | 13.82 | - | - |
| Permodalan Nasional Berhad | 827,860,662 | 6.87 | - | - | 827,860,662 | 6.84 | - | - |
| Kumpulan Wang Persaraan (Diperbadankan) | 562,409,220 | 4.67 | ⁽¹⁾ 48,611,892 | ⁽¹⁾ 0.40 | 562,409,220 | 4.65 | ⁽¹⁾ 48,611,892 | ⁽¹⁾ 0.40 |
| Yayasan Pelaburan Bumiputra | - | - | ⁽²⁾ 827,860,662 | ⁽²⁾ 6.87 | - | - | ⁽²⁾ 827,860,662 | ⁽²⁾ 6.84 |
| | After the Proposed ESGP | | | | | | | |
| | Direct | | Indirect | | | | | |
| | No. of Maybank Shares | % | No. of Maybank Shares | % | | | | |
| AmanahRaya Trustee Berhad (Skim Amanah Saham Bumiputera) | 3,815,500,393 | 30.61 | - | - | | | | |
| Employees' Provident Fund Board | 1,671,719,528 | 13.41 | - | - | | | | |
| Permodalan Nasional Berhad | 827,860,662 | 6.64 | - | - | | | | |
| Kumpulan Wang Persaraan (Diperbadankan) | 562,409,220 | 4.51 | ⁽¹⁾ 48,611,892 | ⁽¹⁾ 0.39 | | | | |
| Yayasan Pelaburan Bumiputra | - | - | ⁽²⁾ 827,860,662 | ⁽²⁾ 6.64 | | | | |

Maximum Scenario

| | As at the LPD | | | | After assuming the vesting of all outstanding Existing ESGP Shares granted | | | |
|----------------------------------------------------------|-------------------------|-------|----------------------------|---------------------|----------------------------------------------------------------------------|-------|----------------------------|---------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Maybank Shares | % | No. of Maybank Shares | % | No. of Maybank Shares | % | No. of Maybank Shares | % |
| AmanahRaya Trustee Berhad (Skim Amanah Saham Bumiputera) | 3,815,500,393 | 31.65 | - | - | 3,815,500,393 | 31.55 | - | - |
| Employees' Provident Fund Board | 1,671,719,528 | 13.87 | - | - | 1,671,719,528 | 13.82 | - | - |
| Permodalan Nasional Berhad | 827,860,662 | 6.87 | - | - | 827,860,662 | 6.84 | - | - |
| Kumpulan Wang Persaraan (Diperbadankan) | 562,409,220 | 4.67 | ⁽¹⁾ 48,611,892 | ⁽¹⁾ 0.40 | 562,409,220 | 4.65 | ⁽¹⁾ 48,611,892 | ⁽¹⁾ 0.40 |
| Yayasan Pelaburan Bumiputra | - | - | ⁽²⁾ 827,860,662 | ⁽²⁾ 6.87 | - | - | ⁽²⁾ 827,860,662 | ⁽²⁾ 6.84 |
| | After the Proposed ESGP | | | | | | | |
| | Direct | | Indirect | | | | | |
| | No. of Maybank Shares | % | No. of Maybank Shares | % | | | | |
| AmanahRaya Trustee Berhad (Skim Amanah Saham Bumiputera) | 3,815,500,393 | 30.48 | - | - | | | | |
| Employees' Provident Fund Board | 1,671,719,528 | 13.35 | - | - | | | | |
| Permodalan Nasional Berhad | 827,860,662 | 6.61 | - | - | | | | |
| Kumpulan Wang Persaraan (Diperbadankan) | 562,409,220 | 4.49 | ⁽¹⁾ 48,611,892 | ⁽¹⁾ 0.39 | | | | |
| Yayasan Pelaburan Bumiputra | - | - | ⁽²⁾ 827,860,662 | ⁽²⁾ 6.61 | | | | |

Notes:

- (1) Held by fund managers of Kumpulan Wang Persaraan (Diperbadankan).
- (2) Deemed interested by virtue of its shareholding in Permodalan Nasional Berhad.

4.5 Convertible securities

As at the LPD, our Company does not have any convertible securities in issue.

5. APPROVALS REQUIRED

The Proposed ESGP is subject to approvals being obtained from the following:

- (i) Bursa Securities for the listing and quotation of new Maybank Shares to be issued under the Proposed ESGP on the Main Market of Bursa Securities, which was obtained vide its letter dated 23 March 2023, subject to the following conditions:

| <u>No.</u> | <u>Condition</u> | <u>Status of compliance</u> |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1. | Maybank IB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESGP pursuant to Paragraph 6.43(1) of the MMLR and stating the effective date of implementation together with a certified true copy of the resolution passed by our Shareholders in the EGM approving the Proposed ESGP | To be complied. |
| 2. | Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Maybank Shares listed pursuant to the Proposed ESGP as at the end of each quarter together with a detailed computation of listing fees payable | To be complied. |
| 3. | Our Company must fully comply with Paragraph 8.19 of the MMLR pertaining to the implementation of the Proposed ESGP | To be complied. |
| 4. | Maybank IB is required to submit to Bursa Securities a copy of the approval letter from BNM for the increase in the total number of issued Maybank Shares pursuant to the Proposed ESGP | Complied. |

- (ii) our Shareholders at our forthcoming EGM; and

- (iii) any other relevant regulatory authorities, where applicable.

The Proposed ESGP is not conditional upon any other corporate exercise/scheme of our Company.

6. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed ESGP, there is no other corporate exercise/scheme which has been announced by our Company but pending completion as at the LPD.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

Dato' Khairussaleh Ramli is deemed interested in the Proposed ESGP by virtue of his eligibility for the ESGP Shares in his capacity as Group President and Chief Executive Officer, and Non-Independent Executive Director of Maybank. Dato' Khairussaleh Ramli has abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to the Proposed ESGP and his allocation under the Proposed ESGP at the Board meetings and will continue to abstain from voting in respect of his direct and/or indirect shareholding in Maybank (if any) on the resolutions pertaining to the Proposed ESGP and proposed allocation to him under the Proposed ESGP at our forthcoming EGM. Further, Dato' Khairussaleh Ramli has also undertaken that he shall ensure that persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in Maybank (if any) on the resolutions approving the Proposed ESGP and proposed allocation to him under the Proposed ESGP at our forthcoming EGM.

As at the LPD, Dato' Khairussaleh Ramli does not hold any Shares, directly or indirectly, in our Company.

Save as disclosed above, none of the Directors, major shareholders and/or chief executive of our Company and/or persons connected to them has any interest, direct or indirect, in the Proposed ESGP and the proposed allocation to Dato' Khairussaleh Ramli under the Proposed ESGP.

8. HISTORICAL SHARE PRICES

The monthly high and low market prices of our Shares as traded on the Main Market of Bursa Securities for the past twelve (12) months preceding the date of this Circular are as follows:

| | <u>High</u> | <u>Low</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------|
| | RM | RM |
| 2022 | | |
| April | 9.10 | 8.75 |
| May | 9.18 | 8.88 |
| June | 9.03 | 8.50 |
| July | 8.86 | 8.55 |
| August | 9.03 | 8.80 |
| September | 9.03 | 8.52 |
| October | 8.80 | 8.41 |
| November | 8.84 | 8.38 |
| December | 8.79 | 8.53 |
| 2023 | | |
| January | 8.87 | 8.64 |
| February | 8.85 | 8.60 |
| March | 8.87 | 8.64 |
| Last transacted market price of Maybank Shares on 2 March 2023, being the last full trading day prior to the announcement of the Proposed ESGP | | 8.75 |
| Last transacted market price of Maybank Shares as at the LPD | | 8.43 |

(Source: Bloomberg)

9. ESTIMATED TIMEFRAME FOR COMPLETION / IMPLEMENTATION

Barring any unforeseen circumstances and subject to the approvals for the Proposed ESGP being obtained, the Proposed ESGP is expected to be implemented by the third quarter of 2023.

The Proposed ESGP will be for a period of ten (10) years from the Effective Date.

10. DIRECTORS' RECOMMENDATION

Our Board (save for Dato' Khairussaleh Ramli who is deemed interested in respect of the Proposed ESGP), having considered the effects and rationale of the Proposed ESGP, is of the opinion that the Proposed ESGP is in the best interest of our Company.

Accordingly, our Board (save for Dato' Khairussaleh Ramli who is deemed interested in respect of the Proposed ESGP) recommends that you vote in favour of the resolutions in relation to the Proposed ESGP to be tabled at our forthcoming EGM.

11. EGM

Our EGM will be held virtually and broadcasted live from Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia on Wednesday, 3 May 2023 at 1.00 p.m. or after the conclusion or adjournment (as the case may be) of the 63rd Annual General Meeting of our Company scheduled to be held on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing the resolutions pertaining to the Proposed ESGP. You are advised to refer to the Notice of EGM and Form of Proxy which are enclosed in this Circular.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you should complete and deposit the Form of Proxy at the office of our appointed share registrar for the EGM, Boardroom, at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than Tuesday, 2 May 2023 at 1.00 p.m.. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully

For and on behalf of the Board of Directors of
MALAYAN BANKING BERHAD

TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA
Chairman

SUMMARY INFORMATION ON THE EXISTING ESGP

Under the Existing ESGP, Maybank may from time to time, within the offer period, invite the eligible employee(s) and executive director(s) of the Participating Maybank Group to enter into an agreement with Maybank pursuant to the by-laws governing the Existing ESGP whereupon Maybank shall agree to grant the eligible employee(s) and executive director(s) of the Participating Maybank Group an award of the Existing ESGP Shares subject to fulfilling the relevant service objectives and performance targets that have been set.

The salient features of the Existing ESGP is set out below:

| Implementation date | : | 14 December 2018 | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|------------------|--------------|--------------------------------------------|--------|-------|--------|-------------------------------------------|--------|-----|--------|----------------------------------------------|--------|-------|--------|----------------------------------------------------------------|--------|-----|--------|
| Duration of the scheme | : | Seven (7) years | | | | | | | | | | | | | | | | | | | | |
| Expiry date | : | 14 December 2025 | | | | | | | | | | | | | | | | | | | | |
| Eligible employees | : | Eligible employees and executive director(s) of the Participating Maybank Group who fulfil the criteria for eligibility which are stipulated in the by-laws governing the Existing ESGP | | | | | | | | | | | | | | | | | | | | |
| Maximum number of Maybank Shares which may be issued under the scheme | : | Such number of Maybank Shares representing three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time during the duration of the Existing ESGP | | | | | | | | | | | | | | | | | | | | |
| Number of ESGP Shares granted, vested, forfeited and pending vesting | : | <table> <thead> <tr> <th style="text-align: left;">As at the LPD</th> <th style="text-align: center;">Eligible employees</th> <th style="text-align: center;">Directors</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>No. of Existing ESGP Shares granted ('000)</td> <td style="text-align: center;">67,107</td> <td style="text-align: center;">1,500</td> <td style="text-align: center;">68,607</td> </tr> <tr> <td>No. of Existing ESGP Shares vested ('000)</td> <td style="text-align: center;">11,428</td> <td style="text-align: center;">150</td> <td style="text-align: center;">11,578</td> </tr> <tr> <td>No. of Existing ESGP Shares forfeited ('000)</td> <td style="text-align: center;">15,495</td> <td style="text-align: center;">1,050</td> <td style="text-align: center;">16,545</td> </tr> <tr> <td>No. of outstanding Existing ESGP Shares pending vesting ('000)</td> <td style="text-align: center;">40,184</td> <td style="text-align: center;">300</td> <td style="text-align: center;">40,484</td> </tr> </tbody> </table> | As at the LPD | Eligible employees | Directors | Total | No. of Existing ESGP Shares granted ('000) | 67,107 | 1,500 | 68,607 | No. of Existing ESGP Shares vested ('000) | 11,428 | 150 | 11,578 | No. of Existing ESGP Shares forfeited ('000) | 15,495 | 1,050 | 16,545 | No. of outstanding Existing ESGP Shares pending vesting ('000) | 40,184 | 300 | 40,484 |
| As at the LPD | Eligible employees | Directors | Total | | | | | | | | | | | | | | | | | | | |
| No. of Existing ESGP Shares granted ('000) | 67,107 | 1,500 | 68,607 | | | | | | | | | | | | | | | | | | | |
| No. of Existing ESGP Shares vested ('000) | 11,428 | 150 | 11,578 | | | | | | | | | | | | | | | | | | | |
| No. of Existing ESGP Shares forfeited ('000) | 15,495 | 1,050 | 16,545 | | | | | | | | | | | | | | | | | | | |
| No. of outstanding Existing ESGP Shares pending vesting ('000) | 40,184 | 300 | 40,484 | | | | | | | | | | | | | | | | | | | |
| Maximum allocation to directors and senior management | : | The aggregate allocation to the executive directors and senior management of the Participating Maybank Group under the Existing ESGP is at the discretion of the NRC provided that such allocation does not exceed three point five percent (3.5%) of the issued Shares (excluding treasury shares) at any point in time during the duration of the Existing ESGP | | | | | | | | | | | | | | | | | | | | |
| Actual allocation to directors and senior management | : | As at the LPD, the total Existing ESGP granted (excluding Existing ESGP Shares forfeited) to the executive directors and senior management of the Participating Maybank Group since the commencement of the Existing ESGP represent approximately 0.43% of the issued Shares (excluding treasury shares) | | | | | | | | | | | | | | | | | | | | |

DRAFT BY-LAWS**DEFINITIONS**

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:

| | | |
|----------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Adviser” | : | An entity that may act as a principal adviser under the Securities Commission Malaysia’s Guidelines on Submission of Corporate and Capital Market Product Proposals and Licensing Handbook (as amended from time to time) |
| “Board” | : | The Board of Directors of Maybank |
| “Bursa Depository” | : | Bursa Malaysia Depository Sdn Bhd (Company No. 198701006854 (165570-W)) |
| “Bursa Securities” | : | Bursa Malaysia Securities Berhad (Company No. 200301033577(635998-W)) |
| “By-Laws” | : | By-Laws governing the Scheme as amended, modified and/or supplemented from time to time |
| “CDS Account” | : | The account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities |
| “CDS” | : | The Central Depository System governed under SICDA |
| “Companies Act” | : | Companies Act, 2016 as amended from time to time |
| “Constitution” | : | Constitution of the Company |
| “Director” | : | A natural person being a director in Maybank Group |
| “Effective Date” | : | The date this Scheme takes effect which will be on a date of full compliance with the relevant requirements of the Listing Requirements and other conditions set out in By-Law 8.1 and shall be determined by the NRC |
| “Eligible Employees” | : | Employees and/or Executive Director(s) of Participating Maybank Group who fulfill the criteria of eligibility to participate in the Scheme on terms set out in these By-Laws and include any person who is proposed to be employed/engaged/appointed as an employee of the Maybank Group |
| “ESGP” or “Scheme” | : | The Employees’ Share Grant Plan of the Maybank Group set up under and governed by these By-Laws |
| “ESGP Agreement” | : | An agreement arising between an ESGP Participant and the Company upon acceptance of the ESGP Grant by Selected Employee(s) pursuant to these By-Laws |

DRAFT BY-LAWS (Cont'd)

| | | |
|---------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “ESGP Award” | : | The ESGP share award referred to in By-Law 29.3 |
| “ESGP Grant” or “Grant” | : | An offer made by the NRC to Eligible Employee(s) to enter into the ESGP Agreement(s) as set out in By-Law 29 and where the context permits, shall include any Supplemental ESGP Grant referred to in By-Law 29.5 |
| “ESGP Grant Date” | : | The date on which an ESGP Grant is made or deemed made by the NRC to a Selected Employee which shall not be later than the last day of the ESGP Grant Period during which the ESGP Grant can be accepted by the Selected Employee in accordance with By-Law 29 |
| “ESGP Grant Period” | : | The period of thirty (30) days from the date of the ESGP Grant or such other period as may be determined by the NRC to an Eligible Employee in accordance with the By-Laws for the acceptance of the ESGP Grant |
| “ESGP Participant” | : | A Selected Employee who has duly accepted a ESGP Grant in accordance with these By-Laws |
| “ESGP Shares” | : | Shares to be issued pursuant to the Proposed ESGP |
| “ESGP Vesting Conditions” | : | The conditions determined by the NRC and stipulated in the ESGP Agreement in respect of an ESGP Award which must be fulfilled for the ESGP Shares to be vested in an ESGP Participant, including those set out in By-Law 34 |
| “ESGP Vesting Date” | : | The date on which ESGP Shares granted pursuant to an ESGP Award are vested in the ESGP Participant |
| “ESGP Vesting Price” | : | The reference price (based on the fair value at ESGP Vesting Date) which is used to determine the cash settlement amount to be paid to an ESGP Participant under the ESGP Award in the event the Company elects to settle the vesting of the ESGP Shares in cash |
| “Executive Director” | : | A Director holding office in an executive capacity who is involved in the day-to-day management and is on the payroll of Maybank Group |
| “Existing ESGP” | : | The existing employees’ share grant plan of the Company which was implemented on 14 December 2018 and which will expire on 14 December 2025 |
| “GPCEO” | : | Group President and Chief Executive Officer |
| “Listing Requirements” | : | The Main Market Listing Requirements of Bursa Securities |
| “Market Day” | : | A day on which Bursa Securities is open for trading in securities |

DRAFT BY-LAWS (Cont'd)

| | | |
|--------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Maximum Allowable Allocation" | : | The aggregate maximum number of ESGP Shares that may be allocated to any one category/designation of Selected Employees pursuant to By-Law 4 |
| "Maybank" or "Company" | : | Malayan Banking Berhad (196001000142 (3813-K)) |
| "Maybank Group" | : | Maybank and its Subsidiaries |
| "Maybank Share(s)" or "Shares" | : | Ordinary share(s) in the capital of the Company and "Share" means any one of them |
| "NRC" | : | The Nomination and Remuneration Committee of Maybank comprising Directors appointed by the Board to, amongst others, implement and administer the Scheme in accordance with these By-Laws |
| "Participating Maybank Group" | : | Maybank Group and its branches and subsidiaries in Malaysia and overseas, excluding dormant Subsidiaries |
| "Performance Period" | : | The period in which the Performance Targets stipulated by the NRC and set out in the ESGP Grant is required to be performed |
| "Performance Targets" | : | The performance targets stipulated by the NRC and as set out in an ESGP Grant which are to be achieved by the Selected Employees and/or the Maybank Group during the Performance Period |
| "RM" and "sen" | : | Ringgit Malaysia and sen respectively |
| "Scheme Period" | : | The period of the Scheme as set out in By-Law 8.1 |
| "Selected Employee" | : | An Eligible Employee to whom an ESGP Grant is/is to be made pursuant to By-Laws 29.1 |
| "Service Period" | : | The period determined by the NRC and stipulated in the ESGP Agreement during which an ESGP Participant: (i) must remain/continue in continuous employment with any corporation in Participating Maybank Group; and (ii) must not have given a notice to resign or received a notice of termination |
| "SICDA" | : | Securities Industry (Central Depositories) Act, 1991 as amended from time to time |
| "Subsidiaries" | : | Subsidiaries of Maybank within the meaning of the Companies Act and shall include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Scheme Period unless determined by the Board and/or NRC to fall outside the expression "Subsidiaries" pursuant to By-Law 16.1 |

DRAFT BY-LAWS (Cont'd)

- | | | |
|----------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subsisting Schemes | : | Any other schemes involving the issuance of new Maybank Shares to employees of the Maybank Group which are still subsisting (including the Existing ESGP) |
| “Terms of Reference” | : | The terms of reference which the Board may establish to regulate and govern the NRC’s functions and/or responsibilities under these By-Laws as amended from time to time |
| “VWAMP” | : | Volume weighted average market price |
- 1.2 In these By-Laws, unless the context requires otherwise, words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders.
- 1.3 The headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws.
- 1.4 Any reference to a statute, statutory provisions, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.
- 1.5 Any liberty, power or discretion which may be exercised or any decision or determination which may be made hereunder by the NRC or the Board (including any selection) may be exercised in the NRC’s or the Board’s sole and absolute discretion having regard only to the Terms of Reference (where applicable) and the NRC and the Board shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.
- 1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

DRAFT BY-LAWS (Cont'd)

1. THE SCHEME

- 1.1 The Scheme shall be called the "Employees' Share Grant Plan of the Maybank Group" and shall comprise of the ESGP Award.

2. GENERAL PROVISIONS

Unless expressly provided otherwise, the provisions of these By-Laws shall apply generally to the ESGP Award.

3. MAXIMUM NUMBER OF ESGP SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of ESGP Shares which may be made available under the Scheme and any other schemes involving the issuance of new Maybank Shares to employees which are still subsisting (including the Existing ESGP) shall not exceed in aggregate three point five percent (3.5%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time during duration of the Scheme and the Subsisting Schemes ("**Maximum ESGP Shares**").
- 3.2 In the event that the Company purchases or cancels its own shares in accordance with the provisions of the Companies Act or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its number of issued shares, the following provisions shall apply in respect of future ESGP Grant but all the ESGP Shares and ESGP Grant awarded prior to such purchase and/or the reduction/adjustment of the number of issued shares of the Company shall remain valid or exercisable in accordance with the provisions of the Scheme as if that reduction/adjustment had not occurred:
- (i) if, after such purchase, cancellation or reduction, the aggregate number of ESGP Shares in respect of the ESGP Award granted by the Company as at the date of purchase, cancellation or reduction of shares is greater than the Maximum ESGP Shares, no further ESGP Grant shall be made by the NRC until such aggregate number of ESGP Shares in respect of the ESGP Award granted falls below the Maximum ESGP Shares; and
 - (ii) if, after such purchase, cancellation or reduction, the aggregate number of ESGP Shares in respect of the ESGP Award granted by the Company as at the date of purchase, cancellation or reduction of shares is less than the Maximum ESGP Shares, the NRC may make further ESGP Grant but only until such aggregate number of ESGP Shares in respect of the ESGP Award granted is equivalent to the Maximum ESGP Shares after such purchase, cancellation or reduction.

4. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOCATION

- 4.1 Subject to any adjustments which may be made under By-Laws 36, the aggregate maximum number of ESGP Shares that may be allocated to any one category/designation of Selected Employee shall be determined by the NRC provided that:
- (i) the allocation to any individual Employee who, either singly or collectively through persons connected with the Selected Employee (as defined in the Listing Requirements), holds twenty percent (20%) or more of the total of issued shares of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the Maximum ESGP Shares; and
 - (ii) the allocation to the Executive Director(s) and senior management of Participating Maybank Group shall not exceed the Maximum ESGP Shares.

DRAFT BY-LAWS (Cont'd)

- 4.2 Subject to By-Law 4.1 and any adjustments which may be made under By-Laws 36, the NRC shall determine the actual number of ESGP Shares to be allocated to a Selected Employee after taking into consideration the Eligible Employee's position, ranking, performance, contribution and potential contribution to the continued success of the Maybank Group.
- 4.3 The Company and/or NRC shall ensure that the allocation of ESGP Shares to Selected Employees is verified at the end of each financial year of the Company by the Company's audit committee, as being in compliance with the criteria referred to in By-Law 4.2.
- 4.4 The NRC shall not be obliged in any way to award, grant or vest to any Eligible Employee any ESGP Awards.
- 4.5 If any Eligible Employee is a member of the NRC or the Board, such Eligible Employee shall not participate in the deliberation or discussion of his/her allocations as well as persons connected with them, if any.

5. ELIGIBILITY

- 5.1 Any Eligible Employee in the Participating Maybank Group who meets the following criteria as at the ESGP Grant Date shall be eligible for consideration and selection as a Selected Employee by the NRC to participate in the Scheme:
- (i) in respect of an employee of the Participating Maybank Group, the employee must meet the following criteria as at the ESGP Grant Dates:
 - (a) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) is confirmed in writing as an employee (whether employed on full time basis or serving under employment contract for a fixed duration or any other employment arrangement falling under the ambit of the Employment Act 1955 (as amended from time to time), as may be determined by the NRC) and has been in the employment of the Participating Maybank Group for such period as determined by the NRC prior to and up to the ESGP Grant Date and has not served a notice of resignation or received a notice of termination; and
 - (c) fulfills any other criteria and/or falls within such category as determined by the NRC from time to time;
 - (ii) in respect of an Executive Director of the Participating Maybank Group, the Executive Director must meet the following criteria as at the ESGP Grant Dates:
 - (a) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) has been appointed as an Executive Director of the Participating Maybank Group for such period as determined by the NRC prior to and up to the ESGP Grant Date and has not served a notice of resignation or received a notice of termination;

DRAFT BY-LAWS (Cont'd)

- (c) specific allocation of ESGP Shares granted by the Company to the person in his/her capacity as an Executive Director of the Company under the Proposed ESGP has been approved at a general meeting of the Company; and
 - (d) fulfills any other criteria and/or falls within such category as determined by the NRC from time to time;
- 5.2 Eligibility for consideration under the Scheme does not confer an Eligible Employee with any rights whatsoever under or to participate in the Scheme.
- 5.3 The selection of any Eligible Employee for participation in the Scheme shall be made at the sole and absolute discretion of the NRC whose decisions shall be final and binding.
- 5.4 Notwithstanding By-Law 5.3, the NRC may delegate the selection of any Eligible Employee for participation in the Scheme to GPCEO of the Company.
- 5.5 No ESGP Award, allocation under the Scheme and the related allotment and/or vesting of the new ESGP Shares shall be made to the following persons unless the shareholders of the Company in a general meeting shall have approved the specific allocation and allotment and/or award to such persons:
- (i) any Eligible Employee who is a Director, major shareholder or chief executive officer of the Company ("**interested Director**", "**interested major shareholder**" and "**interested chief executive**"); or
 - (ii) an Eligible Employee who is connected with an interested Director, interested major shareholder or interested chief executive ("**interested person connected with a Director, major shareholder or chief executive**").

In a meeting to obtain shareholder approval in respect of the above allocation, allotment and/or grant:

- (i) to an Eligible Employee who is the interested Director, interested major shareholder, interested chief executive or interested person connected with a Director, major shareholder or chief executive; and
- (ii) where the allocation and allotment is in favour of an Eligible Employee who is an interested person connected with a Director, major shareholder or chief executive, such Director, major shareholder or chief executive,

must not vote on the resolution approving the said allocation and allotment and/or award. An interested Director, interested major shareholder or interested chief executive must ensure that such persons connected with him/her abstain from voting on the resolution approving the said allocation and allotment and/or award.

6. RETENTION PERIOD

- 6.1 The new ESGP Shares to be allotted and issued to the ESGP Participants pursuant to these By-Laws will not be subjected to any retention period unless the NRC stipulates otherwise in the ESGP Agreement.
- 6.2 The expression "retention period" referred to in By-Law 6.1 shall mean the period in which the ESGP Shares allotted and issued pursuant to this Scheme must not be sold, transferred, assigned or otherwise disposed of by the ESGP Participant.

DRAFT BY-LAWS (Cont'd)

7. ELECTRONIC PLATFORM

- 7.1 In the event the Scheme or any part thereof is implemented via the use of an electronic platform, Maybank shall use reasonable measures to ensure the accuracy and reliability of the electronic platform. Maybank shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs the ESGP Participant or any other person may suffer or incur due to, as a consequence or of in connection with the failure of such electronic platform or any inaccuracies, changes, alterations, deletions or omissions which may arrive in connection with or as a result of any fault with web browsers or other relevant software, operating system or other software, viruses or other security threats, and or problems occurring during data transmission which may delay or affect in any whatsoever the implementation of the Scheme.

8. SCHEME PERIOD AND TERMINATION OF THE SCHEME

- 8.1 The Scheme shall take effect on the Effective Date and shall continue to be in force for a maximum period of ten (10) years provided that the following conditions have been fulfilled:

- (i) approval of Bursa Securities for the listing and quotation of the new Shares to be issued pursuant to the Scheme on the Main Market of Bursa Securities;
- (ii) approval of the shareholders of Maybank at an extraordinary meeting to be convened;
- (iii) approval of Bank Negara Malaysia for the increase in the total number of issued shares of Maybank pursuant to the Scheme;
- (iv) the submission to Bursa Securities of the final copy of the By-Laws;
- (v) any other relevant regulatory authorities' approval, where applicable; and
- (vi) fulfillment of all conditions attached to the above approvals (if any).

- 8.2 Within five (5) market days from the Effective Date, the Company shall through its Adviser submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 8.1 stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of Maybank in the general meeting approving the Scheme.

- 8.3 Notwithstanding anything set out in these By-Laws and subject always to compliance with Bursa Securities and any other regulatory authorities' guidelines or directives, the Company may by notice in writing to affected ESGP Participants, terminate the Scheme at any time during the Scheme Period in which event:

- (i) in the case of any unaccepted ESGP Grants, such ESGP Grants shall no longer be capable of being accepted and will forthwith lapse and become null and void on the date specified in the notice;
- (ii) in the case of any ESGP Award which have been accepted but have not vested, such ESGP Award shall no longer be capable of vesting and will forthwith lapse and become null and void on the date specified in the notice ("**Termination Date**") provided that the NRC may in its sole and absolute discretion, permit the vesting of an ESGP Award (or any part thereof) to the ESGP Participant at any time prior to the Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:
 - (a) the ESGP Vesting date is not due or has not occurred; and/or

DRAFT BY-LAWS (Cont'd)

- (b) other terms and conditions set out in the ESGP Grant and/or the ESGP Agreement have not been fulfilled/satisfied.

8.4 Upon termination of the Scheme, no further ESGP Grants shall be made by the Company and the Company shall immediately announce to Bursa Securities:

- (i) the effective date of termination;
- (ii) the total number of ESGP Shares granted and/or vested under the Scheme; and
- (iii) the reason for termination.

9. RIGHTS ATTACHED TO ESGP SHARES

9.1 The ESGP Shares to be issued pursuant to the Scheme shall upon allotment and issuance, rank equally in all respects with the then existing issued Maybank Shares, save and except that the ESGP Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to Maybank shareholders, for which the book closure date is prior to the date of allotment and issuance of the ESGP Shares.

9.2 For the purposes of this By-Law, "book closure date" shall mean the date as at the close of business on which shareholders of the Company must be registered as a member and whose names appear in the record of depositors maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments or other distributions.

9.3 The ESGP Shares shall be subjected to all the provisions of the Constitution in relation to their transfer, transmission or otherwise.

10. ADMINISTRATION

10.1 The Scheme shall be administered by the NRC consisting of such persons appointed by the Board from time to time.

10.2 The NRC shall administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the NRC may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions relating to the administration of the Scheme, as the NRC may in its discretion deem fit, necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme. For the purpose of these By-Laws, the power of the NRC to administer the Scheme includes, for the avoidance of doubt, the power to exercise its sole and absolute discretion to make any decisions on allocation, grant, entitlement, appeals, reinstatement, re-grant, extension of the ESGP Period and any other matters on any aspect of the Scheme provided that such decision on allocation, grant, entitlement, appeals, reinstatement, re-grant, extension of time does not require the approval of shareholders pursuant to By-Law 13.2 and/or the Listing Requirement.

10.3 The Board shall have power at any time and from time to time to:

- (i) approve, rescind and/or revoke the appointment of any member of the NRC and appoint replacement members to the NRC; and
- (ii) assume and/or exercise or execute any of the powers and authorities conferred upon the NRC pursuant to these By-Laws.

DRAFT BY-LAWS (Cont'd)

11. DISCIPLINARY PROCEEDINGS

- 11.1 In the event a Selected Employee is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) after an ESGP Grant is made but before the acceptance thereof by such Selected Employee, the ESGP Grant is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the NRC who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Selected Employee. Nothing herein shall prevent the NRC (but the NRC shall not be obliged to do so) from making a fresh ESGP Grant to such Selected Employee in the event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn provided that such ESGP Grant is made within the duration of the Scheme Period. In the event the Selected Employee is dismissed or Selected Employee's service is terminated after the ESGP Grant is made but before acceptance thereof by such Selected Employee, the ESGP Grant is deemed withdrawn and no longer capable of acceptance.
- 11.2 In the event an ESGP Participant is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), the right of the ESGP Participant to have vested any ESGP Award shall be suspended pending the outcome of the disciplinary proceedings unless otherwise decided by the NRC who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the ESGP Participant. In the event there are no findings against the ESGP Participant after the disciplinary proceedings, the ESGP Award will be automatically reinstated and the ESGP Award if any which would have vested but for the disciplinary proceedings will be vested to the ESGP Participant. If the NRC does not reinstate such right of the ESGP Participant prior to the expiry of the Scheme Period, the ESGP Award shall automatically lapse and shall immediately become null and void. In the event the misconduct on the part of the ESGP Participant is proven at any disciplinary proceeding but does not result in the dismissal or termination of the ESGP Participant, the NRC shall decide on a case to case basis at its sole and absolute discretion whether to reinstate the ESGP Award and allow the vesting of any ESGP Award. In the event an ESGP Participant is dismissed or his employment is terminated after the disciplinary proceedings, By-Law 35.1 (ii) shall apply.

12. QUOTATION

- 12.1 In cases where the ESGP Shares and/or ESGP Grant are satisfied by the issue of new Maybank Shares, the new Maybank Shares to be allotted will be listed and quoted on the Main Market of Bursa Securities.
- 12.2 The Company and the NRC shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list the Shares for which the ESGP Participant(s) is entitled to.

13. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME

- 13.1 Subject to By-Law 13.2 and compliance with the Listing Requirements and the approvals of any other authorities (if required), the NRC may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation provided that no such amendment and/or modification shall be made which would adversely affect the rights attaching to any award of ESGP Shares or ESGP Grants.

DRAFT BY-LAWS (Cont'd)

13.2 The approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendment and/or modification to or deletion of these By-Laws save and except if such addition, amendment, modifications and/or deletion:

- (i) would increase the number of ESGP Shares beyond the Maximum ESGP Shares Available; or
- (ii) is in respect of any matters which are required to be contained in these By-Laws by virtue of Appendix 6E (or any amendments subsequent thereto) of the Listing Requirements which will provide an advantage to any ESGP Participant or group of ESGP Participants or all the ESGP Participants.

14. SCHEME NOT A TERM OF EMPLOYMENT

14.1 This Scheme does not form part of nor shall it in any way be construed as forming part of the terms and conditions of employment of any Eligible Employee. This Scheme shall not confer or be construed to confer on any Eligible Employee any special rights or privileges over the Eligible Employee's terms and conditions of employment in the Maybank Group nor any rights in addition to compensation or damages that the Eligible Employee may be normally entitled to arising from the cessation of such employment.

15. COMPENSATION

15.1 No Eligible Employee, Selected Employee or ESGP Participant who ceases to hold office in or employment with the Maybank Group shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.

15.2 The Company, the Board and/or NRC shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Employee, Selected Employee or ESGP Participant or legal or personal representatives whatsoever and howsoever arising from the suspension of rights to the vesting of ESGP Shares pursuant to the ESGP Grant ceasing to be valid pursuant to the provisions of these By-Laws.

16. SUBSIDIARIES OF MAYBANK

16.1 The Board and/or NRC may determine, in its absolute discretion, that a subsidiary of Maybank (including those subsequently incorporated or acquired during the Scheme Period) shall or shall not fall within the expression "Subsidiaries".

17. DIVESTMENT FROM MAYBANK GROUP

17.1 If an ESGP Participant who held office or was in the employment with a corporation of the Maybank Group which subsequently ceases to be an entity within the Maybank Group as a result of a restricting or divestment exercise or otherwise (other than a takeover or reconstruction as a result of a restructuring or divestment exercise or otherwise provided under these By-Laws), the NRC may in its discretion permit the vesting of the ESGP Award (or any part thereof) in the ESGP Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the ESGP Vesting Date is not due or has not occurred; and/or
- (ii) other terms and conditions set out in the ESGP Grant and/or the ESGP Agreement have not been fulfilled/satisfied.

DRAFT BY-LAWS (Cont'd)

18. ACQUISITIONS OF SUBSIDIARIES

18.1 Notwithstanding anything to the contrary, an employee who is in employment of a corporation which is not a corporation of the Maybank Group (“**Previous Company**”) but subsequently becomes a corporation of the Maybank Group as a result of an acquisition or other exercise involving the Company and/or any corporation of the Maybank Group or transferred to the corporation of the Maybank Group subsequent to the acquisition, in the case of an employee of a Previous Company, such an employee (“**Affected Employee**”):

- (i) will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company’s employee share scheme or employee share option scheme in accordance with the by-laws of that Previous Company’s employee share scheme or employee share option scheme, but he shall not, upon that Previous Company becoming a corporation within the Maybank Group, be eligible to participate for further rights or options under such Previous Company’s employee share scheme or employee share option scheme unless permitted by the NRC; and
- (ii) may be eligible to participate in the Scheme only for remaining duration of the Scheme (subject to the approval of the NRC),

provided that, notwithstanding anything to the contrary, the number of new Shares that may be offered to such an Affected Employee under By-Law 18.1(ii) will always be subject to the discretion of the NRC.

19. TRANSFER TO OTHER SUBSIDIARIES NOT WITHIN THE PARTICIPATING MAYBANK GROUP

19.1 Notwithstanding By-Laws 35.1, in the event an ESGP Participant who was employed in a corporation within the Participating Maybank Group is subsequently transferred from such corporation to an entity which is not within the Participating Maybank Group, the NRC shall have the discretion to decide that the ESGP Participant shall continue to be entitled to have rights in any ESGP Award upon the same terms and conditions as may be set out in the ESGP Grant as if the ESGP Participant is still in employment with the Participating Maybank Group for the purposes of the Service Period.

20. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

20.1 All ESGP Participants shall be entitled to inspect a copy of the latest audited financial statements of the Company at the registered office of Maybank from Mondays to Fridays (excluding public holidays) during normal office hours.

21. COSTS, EXPENSES AND TAXES

21.1 All fees, costs and expenses (including but not limited to administrative and handling charges) incurred in relation to the allotment and issuance of the ESGP Shares pursuant to an ESGP Award upon the vesting of the ESGP Shares pursuant to the ESGP Grant, shall be borne by the Company. All other incidental costs arising from the issuance and allotment of the ESGP Shares shall be borne by the ESGP Participants.

DRAFT BY-LAWS (Cont'd)

- 21.2 However, each ESGP Participant shall be solely responsible for any taxes (including income tax) which may be levied on him arising out of or as a result of such allotment and issuance of ESGP Shares, in accordance with the prevailing tax regulations and guidelines issued by Inland Revenue Board of Malaysia (as may be amended from time to time).

22. CONSTITUTION

- 22.1 Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Constitution, the provisions of the Constitution shall prevail at all times.

23. ERRORS AND OMISSIONS

- 23.1 If in consequences of an error or omission, the NRC discovers/determines that:

- (i) an Eligible Employee who was selected by the NRC as a Selected Employee, has not been given the opportunity to participate in the Scheme on any occasion; or
- (ii) the number of ESGP Shares allotted and issued to any ESGP Participant (including those allotted and issued pursuant to vesting of the ESGP Shares pursuant to the ESGP Grant) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the NRC may do all such acts and things to rectify such error or omission and ensure that the Eligible Employee is given the opportunity to participate in the Scheme and/or the aggregate number of ESGP Shares to which the ESGP Participant is correctly entitled is to be credited into his CDS Account and/or payment of cash to the ESGP Participant in the case of settlement by way of cash (whichever is applicable).

24. NOTICE

- 24.1 Any notice under the Scheme required to be given to or served upon the NRC by an Eligible Employee, Selected Employee or an ESGP Participant or any correspondence to be made between an Eligible Employee, Selected Employee or ESGP Participant to the NRC shall be given or made in writing and sent to the registered office of the Company or such other office which the NRC may have stipulated for a particular purpose by hand (with acknowledgment of receipt) or registered letter.
- 24.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon an Eligible Employee, Selected Employee or ESGP Participant or any correspondence to be made with an Eligible Employee or ESGP Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, facsimile - registered letter, human resource electronic management system (including myHR2u) or e-mail addressed to the Eligible Employee, Selected Employee or ESGP Participant at the place of employment or at the last facsimile number or address known to the Company as being his facsimile number or address. Any notice served by hand facsimile or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged, if by facsimile is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages and if by registered letter would in the ordinary course of post be delivered.

DRAFT BY-LAWS (Cont'd)

24.3 Notwithstanding By-Law 24.2, where any notice is required to be given by the Company or the NRC under these By-Laws in relation to matters which may affect all the Eligible Employees, Selected Employees or ESGP Participants, as the case may be, the Company or NRC may give notice through an announcement to all employees of Participating Maybank Group to be made in such manner deemed appropriate by the NRC. Upon the making of such an announcement, the notice to be made under By-Law 24.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Employees, Selected Employees or ESGP Participants, as the case may be.

25. SEVERABILITY

25.1 If at any time any provision of these By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

26. DISCLAIMER OF LIABILITY

26.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the NRC and the Company, shall not under any circumstances, be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any ESGP Participant in connection with any delay in allotting and issuing new Maybank Shares and/or applying for a or procuring the listing of the new Maybank Shares on Bursa Securities in accordance with these By-laws for any reason whatsoever.

27. DECISION OF THE NRC

27.1 Any decision and/or determination made by the NRC under these By-Laws shall, in the absence of any manifest of error, be final and binding.

28. GOVERNING LAW

28.1 The Scheme, these By-Laws and ESGP Award made and granted and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia. The ESGP Participant, by accepting the ESGP Grant in accordance with the By-Laws and terms of the Scheme and the Constitution, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

29. ESGP GRANT AND SUPPLEMENTAL ESGP GRANT

29.1 Pursuant to the Scheme, the NRC may, from time to time over the Scheme Period, make an ESGP Grant to Selected Employee to participate in the Scheme so that any ESGP Award arising from acceptance of such ESGP Grant shall not vest on a ESGP Vesting Date which falls later than the expiry of the Scheme Period.

29.2 Upon acceptance of the ESGP Grant in accordance with By-Law 29.1, the Selected Employee shall be referred to as an ESGP Participant for the purposes of these By-Laws.

DRAFT BY-LAWS (Cont'd)

- 29.3 Subject to By-Law 29.4 and 29.5, an ESGP Grant shall comprise an ESGP Award wherein the Company may from time to time within the ESGP Grant Period, at the discretion of the NRC invite a Selected Employee to enter into an agreement with Maybank pursuant to these By-Laws whereupon Maybank shall agree to award the ESGP Shares to the ESGP Participants at the ESGP Vesting Date, subject to fulfilling the relevant service and performance objectives, provided that the Performance Targets, Performance Period, Service Period and such other conditions that may be stipulated by the NRC in the ESGP Grant are duly and fully satisfied.
- 29.4 Nothing herein shall prevent the NRC from making:
- (i) an ESGP Grant to a Selected Employee; or
 - (ii) more than one ESGP Grant to any Selected Employee provided always that the aggregate number of ESGP Shares in respect of the Awards granted shall not exceed the Maximum Allowable Allocation.
- 29.5 The NRC may also, from time to time during the Scheme Period, make further ESGP Grant designated as "Supplemental ESGP Grant" to a selected group of Eligible Employees to participate in the Scheme. This selected group may consist of senior management, selected key retentions and selected senior external recruits and such Supplemental ESGP Grant may contain terms and conditions which may vary from earlier ESGP Grants made to Selected Employees.

30. ENTRY INTO AN ESGP AGREEMENT

- 30.1 The ESGP Grant shall be valid for acceptance for the ESGP Grant Period. The acceptance of the ESGP Grant shall be made by way of written notice from the Eligible Employee to the NRC in the form prescribed by the NRC from time to time. In the event that the Eligible Employee fails to accept the ESGP Grant within the prescribed period, the ESGP Grant shall automatically lapse and shall be null and void, provided that the NRC shall not be precluded from making a new ESGP Grant to the Eligible Employee subsequently.

31. TERMS OF AN ESGP AGREEMENT

- 31.1 The NRC may stipulate any terms and conditions it deems appropriate in an ESGP Grant and the terms and conditions of each ESGP Grant may differ.
- 31.2 The terms and conditions set out in the ESGP Grant must include the following:
- (i) Number of ESGP Shares which the Selected Employee shall be vested under an ESGP Award, upon satisfying the conditions set out in the ESGP Award;
 - (ii) ESGP Grant Date;
 - (iii) ESGP Grant Period;
 - (iv) ESGP Vesting Date;
 - (v) ESGP Vesting Conditions; and
- may include such/any other conditions as may be stipulated by the NRC.
- 31.3 In the event of any error in the stating of any particulars referred to in By-Law 31.2 or otherwise in the ESGP Grant, the NRC may, to the extent permitted by law, issue a supplemental ESGP Grant, stating the correct particulars referred to in By-Law 31.2.
- 31.4 Prior to the acceptance of the ESGP Grant by the Selected Employee, the NRC may issue a supplemental ESGP Grant to vary the terms and conditions set out in the ESGP Grant.

DRAFT BY-LAWS (Cont'd)

32. AWARD OF ESGP SHARES

- 32.1 The NRC may at its discretion stipulate, the Performance Targets, Performance Period and/or other conditions.
- 32.2 The NRC shall procure that each ESGP Participant is notified of such Performance Targets, Performance Period or other conditions that will be used to determine the number of ESGP Shares awarded to the Eligible Employee on any ESGP Grant Date, provided that there may be exclusion from such notice any information the disclosure of which the NRC reasonably consider would prejudice confidentiality.
- 32.3 The NRC may, by giving notice in writing to ESGP Participants, vary or waive the terms of any Performance Targets, Performance Period or other conditions as will be used to determine the number of ESGP Shares awarded to such ESGP Participants on any ESGP Grant Date, provided that:
- (i) the consequence of any such variation on the revised Performance Targets, Performance Period or other conditions is no more difficult to satisfy than would have been had the variation not been made; and
 - (ii) no such variation shall have effect unless an event or events have occurred which cause the NRC, acting fairly and reasonably, to consider that a different condition would be a fairer measure of performance.
- 32.4 The determination whether the ESGP Participant has achieved the stipulated conditions or Performance Targets of the Eligible Employee during the Performance Period shall be determined by the NRC at its sole and absolute discretion.
- 32.5 Upon making the determination pursuant to By-Law 32.4, the NRC shall award the ESGP Shares to the ESGP Participant subject to the maximum number of shares set out in the ESGP Participant's ESGP Agreement and subject to By-Law 4.
- 32.6 No ESGP Participant shall have a right to require ESGP Shares to be vested to him/her unless and until the NRC has made a determination under By-Laws 32.4 and 32.5 to award ESGP Shares to the Eligible Employee under ESGP Agreement of the Eligible Employee.

33. ACCEPTANCE OF THE ESGP GRANT

- 33.1 The ESGP Grant may only be accepted by the Selected Employee during the ESGP Grant Period in such form and manner as may be prescribed in the ESGP Grant. The date of receipt by the NRC of such form shall be the date of acceptance of the ESGP Grant by the Selected Employee.
- 33.2 In the event that the Selected Employee fails to accept the ESGP Grant in the manner prescribed within the ESGP Grant Period, the ESGP Grant shall automatically lapse and shall be then null and void provided that the NRC shall not be precluded from either making a fresh ESGP Grant or reinstate the previous ESGP Grant to the Selected Employee subsequently by extending the ESGP Grant Period for acceptance by the Selected Employee. Selected Employees who fails to accept the ESGP Grant within the ESGP Grant Period due to administrative issues may appeal to the NRC for reinstatement of the ESGP Grant within 6 (six) months from the date the ESGP Grant was offered to the Selected Employee or any other period as the NRC may deem fit ("**Appeal Period**"), the NRC may reinstate the ESGP Grant after considering the facts on a case to case basis. For the avoidance of doubt, appeals from the Selected Employee after the Appeal Period shall not be entertained.
- 33.3 In the event there are appeals relating to issues regarding the acceptance of the ESGP Grant, the NRC may delegate part of its power relating to the resolution of the appeal to GPCEO or any other senior management of the Company.

DRAFT BY-LAWS (Cont'd)

34. ESGP VESTING CONDITIONS, SATISFACTION OF ESGP VESTING CONDITIONS AND SETTLEMENT

34.1 The ESGP Shares or such part thereof as may be specified in the ESGP Grant will be vested to the ESGP Participants on the ESGP Vesting Date(s) provided that ESGP Vesting Conditions are met. The ESGP Vesting Conditions, as the case may be, are fully and duly satisfied, in respect of an ESGP Award if:

- (i) the ESGP Participant must remain in employment with any corporation in Maybank Group as at the ESGP Vesting Date(s) (whether employed on a full time basis or serving under employment contract for a fixed duration); and
- (ii) shall not have given a notice to resign or received a notice of termination as at the ESGP Vesting Date(s).

The NRC will assess the ESGP Participants based on Vesting Conditions which will include, among others, achievement of individual key performance indicators by the ESGP Participants as well as meeting the overall performance targets of the Maybank Group or such other target that aligns the interests of the ESGP Participants with those of the shareholders of Maybank, over the vesting schedule or any other period and/or schedule as set out by the NRC.

34.2 The determination as to whether the ESGP Vesting Conditions in the ESGP Grant have been fulfilled shall be made by the NRC at the expiry of the Service Period in respect of an ESGP Award, as the case may be. In the event that the ESGP Participant does not meet the above targets over the Service Period set by the NRC, the ESGP Shares will not be vested to him at the end of the three (3) financial years (within the remainder of the Scheme Period and in any event up to three (3) financial years in the case of Supplemental ESGP Grant) or any other period as set out by the NRC.

34.3 Where the NRC has made the determination that the ESGP Vesting Conditions have been fulfilled pursuant to By-Laws 34.1 and 34.2, the NRC shall notify the ESGP Participant of the number of ESGP Shares vested/which will be vested in him on the ESGP Vesting Date, as the case may be ("**Physical Settlement**"). The NRC shall also have the sole and absolute discretion to settle the vesting of the ESGP Shares by way of cash to the ESGP Participant. Upon receipt of notification from the NRC that stipulates Physical Settlement, the ESGP Participant shall notify the NRC (in the form as may be prescribed by the NRC from time to time) of his CDS Account number.

34.4 In the event that the Performance Targets, Performance Period or other conditions stipulated in an ESGP Grant in respect of any one or more ESGP Participant cannot be achieved/ satisfied, the NRC may in its discretion by notice in writing to such ESGP Participant(s), waive any Performance Targets, Performance Period or other conditions stipulated in the ESGP Grant.

34.5 No ESGP Participant shall have any right to or interest in the ESGP Shares unless and until the NRC has made a determination and notification under the provisions of By-Laws 34.2 and 34.3, that Physical Settlement will apply and on and with effect from the ESGP Vesting Date.

34.6 The ESGP Shares on ESGP Vesting Date may be settled by way of allotment and issuance of new Maybank Shares or by cash at the sole and absolute discretion of the NRC. For avoidance of doubt, the new Maybank Shares to be issued and allotted to the Eligible Employees pursuant to Physical Settlement will not require any payment to the Company by the ESGP Participant. In the case of settlement by way of cash, the ESGP Vesting Price will be based on the value of the ESGP Shares with no entitlement to any discount, taking into account, among others, the VWAMP of Maybank Shares for the five (5) market days immediately preceding the ESGP Vesting Date.

DRAFT BY-LAWS (Cont'd)

34.7 In relation to ESGP Shares to be vested and physically settled on the ESGP Vesting Date, the NRC shall, within eight (8) market days after the receipt of the ESGP Participant's notice of his CDS Account number pursuant to By-Law 34.3 (or such other period as may be prescribed or allowed by Bursa Securities):

- (i) credit the relevant number of ESGP Shares into the CDS Account so notified;
- (ii) despatch a notice of allotment of such ESGP Shares to the ESGP Participant; and
- (iii) make an application for the listing and quotation of such relevant number of ESGP Shares (where applicable).

35. TERMINATION

35.1 Subject to By-Laws 35.2 and 35.3, any unaccepted ESGP Grants in respect of a Selected Employee and/or any ESGP Award in respect of an ESGP Participant shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting in an ESGP Participant, as the case may be, without any liability to or right to claim against the Company and/or the NRC upon the occurrence of any one or more of the following events:

- (i) service of a notice to resign by the Selected Employee or ESGP Participant, as the case may be;
- (ii) service of a notice of termination or cessation of employment of the Selected Employee or ESGP Participant with the Maybank Group by reason of misconduct, as the case may be; or
- (iii) adjudication of bankruptcy of the Selected Employee or ESGP Participant, as the case may be.

35.2 In the event of the termination or cessation of employment of the ESGP Participant with the Maybank Group in any of the following circumstances:

- (i) retirement on attaining the retirement age under the Maybank Group's retirement policy;
- (ii) retirement before attaining the normal retirement age by reason of ill-health, injury, physical mental disability or mental disorder;
- (iii) redundancy or voluntary separation scheme;
- (iv) if the ESGP Participant is serving in a specific designation under an employment contract and his employment contract is not renewed not by reason of misconduct or performance of the ESGP Participant; or
- (v) any other circumstances which are acceptable to the NRC in its sole and absolute discretion,

the NRC may in its discretion permit the vesting of ESGP Award (or any part thereof) in the ESGP Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the ESGP Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set out in the ESGP Grant and/or the ESGP Agreement has not been fulfilled/satisfied,

DRAFT BY-LAWS (Cont'd)

provided that unless the NRC in its sole and absolute discretion so permits such vesting by notice in writing to the ESGP Participant, any unaccepted ESGP Grants in respect of a Selected Employee and/or any ESGP Award in respect of an ESGP Participant which has not vested shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting in an ESGP Participant and/or cease to be exercisable, as the case may be, without any liability to or right to claim against the Company and/or NRC.

35.3 In the event of death of the ESGP Participant, By-Law 35.3 shall apply *mutatis mutandis* to the ESGP Participant's legal or personal representatives as if the ESGP Participant's legal or personal representatives were the ESGP Participant.

35.4 Any unaccepted ESGP Grants and/or ESGP Award which has not vested shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting/exercisable, as the case may be, without any claim against the Company and/or NRC upon the occurrence of one or more of the following events:

- (i) winding-up or liquidation of Maybank; or
- (ii) termination of the Scheme pursuant to By-Law 8.3.

36. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

36.1 If the NRC so decides (but not otherwise), in the event of any alteration in the capital structure of the Company at any time during the Scheme Period, whether by way of capitalisation of profits or reserves, rights issues, bonus issues, capital reduction (save for set off against accumulated losses), capital repayment, sub-division or consolidation of capital, or any other variation of capital or otherwise howsoever taking place, such corresponding alterations (if any) may be made to the ESGP in accordance with the formula to be decided by the NRC.

36.2 Alterations may be made in:

- (i) the number of ESGP Shares comprised in a ESGP Grant; and/or
- (ii) the method and/or manner of the vesting of the ESGP Shares comprised in an ESGP Grant.

36.3 Any adjustment arising from a bonus issue, subdivision or consolidation of shares shall be as determined by the NRC to be in its opinion fair and reasonable to the Selected Employees and the decision of the NRC shall be final and binding in all respects on the Selected Employees.

36.4 Any adjustment other than on a bonus issue, subdivision or consolidation of shares must be in such a manner or formula as to give the Selected Employee a fair and reasonable ESGP Grant entitlement under the ESGP as confirmed in writing by the external auditors or Adviser to the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable. The confirmation by the external auditors or the Adviser shall be final and binding in all respects on the Selected Employee.

36.5 In the event that a fraction of a Share arises from the adjustments referred to in this By-Laws 36, the number of ESGP Shares shall automatically be rounded down to the nearest whole number.

36.6 The NRC shall in writing notify the Selected Employees (or his legal personal representatives where applicable) of any adjustments as determined by the NRC pursuant to By-Laws 36.1.

DRAFT BY-LAWS (Cont'd)

36.7 Notwithstanding anything to the contrary, the provisions of this By-Law 36 shall not apply where the alteration in the capital structure of the Company arises from:

- (i) an issue of ESGP Shares pursuant to the ESGP Grant under the ESGP;
- (ii) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business by the Company;
- (iii) an issue of securities as a private placement and/or restricted issue;
- (iv) any special issuance of securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;
- (v) an issue of new Maybank Shares arising from the conversion of securities with a right of conversion into Maybank Shares including warrants and convertible loan stocks;
- (vi) an issue of new Maybank Shares or securities convertible into shares or securities with rights to acquire or subscribe for new Maybank Shares in compliance with any regulations or guidelines (whether having the force of law or not) made by any relevant authority to comply with any government policy on equity participation in any industry;
- (vii) an issue of new Maybank Shares (other than bonus or rights issues) where the aggregate issues of which in any one financial year do not exceed 10% of the total number of issued shares pursuant to the provision of the Companies Act; and/or
- (viii) a purchase by the Company of its own Maybank Shares of all or a portion of such Maybank Shares purchased pursuant to the Companies Act.

36.8 The provisions of this By-Law 36 shall also, where applicable, apply to a situation where the ESGP Grant has been made but has not been accepted by the Selected Employee or withdrawn by the NRC.

37. TAKEOVER

37.1 In the event of:

- (i) a takeover offer being made for the Company through a general offer, under the Malaysian Code on Take-Over and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (as amended from time to time) to acquire the whole of the issued Shares (or such part thereof not at the time owned by the person making the general offer ("**Offeror**") or any persons acting concert with the Offeror); or
- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Maybank Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date,

the NRC may to the extent permitted by law in its discretion permit the vesting and termination of the ESGP Award (or any part thereof) in the ESGP Participant or the ESGP Participant's legal and personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the ESGP Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set out in the ESGP Grant and/or the ESGP Agreement have not been fulfilled/satisfied.

DRAFT BY-LAWS (Cont'd)

38. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, MERGER, ETC.

38.1 In the event of the court sanctioning a comprise or arrangement between the Company and its members for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other company or companies, the NRC may permit the vesting and termination of ESGP Award (or any part thereof) in the ESGP Participant or the ESGP Participant's legal and personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the ESGP Vesting Date is not due or has not occurred; and/or
- (ii) other terms and conditions set out in the ESGP Grant have not been fulfilled/satisfied.

38.2 In the event the Company decides to merge with other company or companies, the NRC may in its discretion, permit the termination of the ESGP Grant or the vesting of ESGP Award (or any part thereof) in the ESGP Participant at any time prior to the Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the ESGP Vesting date is not due or has not occurred; and/or
- (ii) other terms and conditions set out in the ESGP Grant have been fulfilled/satisfied.

39. NON-TRANSFERABILITY

39.1 The rights of an ESGP Participant to the vesting of ESGP Shares shall be personal to him and cannot be assigned, transferred, charged, pledged or otherwise disposed of in any manner whatsoever unless By-Laws 35.3, 37.1 and 38.1 (where applicable) apply.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT AND CONFLICT OF INTEREST

Maybank IB, being the Principal Adviser for the Proposed ESGP, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB is our wholly-owned subsidiary. As such, our Company and Maybank IB are deemed to be related corporations and Maybank IB is deemed conflicted. Notwithstanding, Maybank IB is a licensed investment bank and its appointment as Principal Adviser to our Company for the Proposed ESGP is in the ordinary course of its business i.e. the provision of corporate advisory services with respect to the regulatory framework. The conduct of Maybank IB is regulated strictly by the Financial Services Act, 2013, the Capital Markets and Services Act, 2007 and by its own internal controls and checks. It is to be noted that the Proposed ESGP is a scheme principally based on regulations of Bursa Securities and the Act. Accordingly, Maybank IB's role as Principal Adviser to our Company for the Proposed ESGP is to ensure that the terms of the Proposed ESGP are in accordance with the regulatory requirements.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

Save as disclosed below, as at 31 December 2022, our Board is not aware of any material commitments incurred or known to be incurred by our Group which may have a material impact on the profits or NA of our Group:

| | <u>RM'000</u> |
|---------------------------------|-----------------------|
| Approved and contracted for | 361,184 |
| Approved but not contracted for | 570,092 |
| Total | <u>931,276</u> |

3.2 Contingent liabilities

As at 31 December 2022, there are no material contingent liabilities which may become enforceable which, in the opinion of our Board, would have a material impact on the profits or NA of our Group.

FURTHER INFORMATION *(Cont'd)*

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant and our Board is not aware of any proceedings, pending or threatened, against our Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of our Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 14th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) our Constitution;
- (ii) our audited consolidated financial statements for the past two (2) FYEs 31 December 2021 and 31 December 2022;
- (iii) draft By-Laws as set out in **Appendix II** of this Circular; and
- (iv) letter of consent referred to in Section 2 of this Appendix.



MALAYAN BANKING BERHAD
(Co. Reg. No. 196001000142)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Malayan Banking Berhad (“**Maybank**” or “**Company**”) will be held virtually and broadcasted live from Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia on Wednesday, 3 May 2023 at 1.00 p.m. or after the conclusion or adjournment (as the case may be) of the 63rd Annual General Meeting of Maybank scheduled to be held on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE GRANT PLAN OF UP TO THREE POINT FIVE PERCENT (3.5%) OF THE ISSUED ORDINARY SHARES IN MAYBANK (“MAYBANK SHARES” OR “SHARES”) (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME (“PROPOSED ESGP”)

“**THAT** subject to the approvals being obtained from the relevant regulating authorities, including but not limited to, the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of new Maybank Shares to be issued pursuant to the award of Maybank Shares under the Proposed ESGP and Bank Negara Malaysia, approval be and is hereby given to the Directors to:

- (i) establish, implement and administer the Proposed ESGP for the benefit of the eligible employees and executive director(s) (“**Executive Director(s)**”) of Maybank and its branches and subsidiaries in Malaysia and overseas, excluding subsidiaries which are dormant (“**Participating Maybank Group**”) who fulfil the criteria of eligibility for participation in the Proposed ESGP (“**Eligible Employees**”) in accordance with the proposed by-laws of the Proposed ESGP set out in Appendix II of the circular to shareholders of Maybank in relation to the Proposed ESGP dated 18 April 2023 (“**By-Laws**”) and subject to such Proposed ESGP not being in contravention with any laws, regulatory requirements and/or administrative constraints in each respective country;
- (ii) issue and allot from time to time such number of new Maybank Shares as may be required to be issued and allotted to the Eligible Employees pursuant to their vesting of Maybank Shares under the Proposed ESGP, provided that the total number of new Maybank Shares to be issued and allotted and/or transferred shall not exceed three point five percent (3.5%) in aggregate of the total issued Shares (excluding treasury shares) at any point of time during the duration of the Proposed ESGP and that such new Maybank Shares for the Proposed ESGP (“**ESGP Shares**”) to be issued pursuant to the Proposed ESGP shall upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that the ESGP Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the shareholders of the Company, for which the book closure date is prior to the date of allotment and issuance of the ESGP Shares and will be subject to all the provisions of the constitution of the Company as amended from time to time relating to transfer, transmission or otherwise; and
- (iii) modify and/or amend the Proposed ESGP from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the By-Laws relating to modifications and/or amendments;

THAT the Directors be and are hereby authorised to give effect to the Proposed ESGP with full power to consent to and to adopt any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities and to deal with all matters relating thereto and to take such steps and to do all acts and things and execute all necessary documents in any manner as they deem necessary or expedient in order to implement, finalise and give full effect to the Proposed ESGP;

AND THAT pursuant to Section 85 of the Companies Act, 2016 (“**Act**”) read together with Article 50 of the constitution of Maybank, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of Maybank to be offered new Maybank Shares ranking equally to the existing issued Maybank Shares arising from any issuance of new Maybank Shares to the Eligible Employees pursuant to the Proposed ESGP;

AND THAT the proposed By-Laws which is in compliance with the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), be and is hereby approved and adopted.”

ORDINARY RESOLUTION 2

PROPOSED GRANT OF NEW MAYBANK SHARES OF UP TO A MAXIMUM OF 4,908,000 NEW MAYBANK SHARES TO DATO' KHAIRUSSALEH RAMLI (“PROPOSED GRANT”)

“**THAT** subject to the passing of Ordinary Resolution 1, the Directors be and are hereby authorised at any time and from time to time during the duration of the Proposed ESGP, to grant new Maybank Shares of up to a maximum of 4,908,000 new Maybank Shares to Dato' Khairussaleh Ramli, Group President and Chief Executive Officer, and Non-Independent Executive Director of Maybank under the Proposed ESGP as they shall deem fit, subject always to such terms and conditions of the By-Laws provided that not more than 10% of the new Maybank Shares to be issued under the Proposed ESGP are to be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with that Eligible Employee, holds 20% or more in the total number of issued Maybank Shares (excluding treasury shares) and the term “person connected with” shall have the same meaning as that assigned under Paragraph 1.01 of the Listing Requirements;

AND THAT pursuant to Section 85 of the Act read together with Article 50 of the constitution of Maybank, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of Maybank to be offered new Maybank Shares ranking equally to the existing issued Maybank Shares arising from any issuance of new Maybank Shares to Dato' Khairussaleh Ramli pursuant to the Proposed ESGP;

AND THAT the Directors be and are hereby authorised to, from time to time, issue and allot new Maybank Shares to him for the purpose of the Proposed ESGP.”

BY ORDER OF THE BOARD

WAN MARZIMIN WAN MUHAMMAD
(LS0009924)
(SSM PC No.: 201908001697)
Company Secretary

FARIZ ABDUL AZIZ
(LS0007997)
(SSM PC No.: 201908001696)
Joint Company Secretary

18 April 2023

Notes:

1. A member entitled to participate and vote at this EGM 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.
2. (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 proxy but not more than two (2) proxies in respect of each securities account it holds with Maybank Shares standing to the credit of the said securities account to participate and vote at this EGM.
(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds Maybank Shares for multiple beneficial owners in one securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
5. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a solicitor, Notary Public, Consul or Magistrate.
6. The duly completed instrument appointing a proxy must be deposited at the office of Boardroom Share Registrars Sdn Bhd (“**Boardroom**”), at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via “Boardroom Smart Investor Portal” at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes for the EGM if members wish to submit the instrument appointing a proxy electronically. All instruments appointing a proxy must be deposited with Boardroom **no later than Tuesday, 2 May 2023 at 1.00 p.m.**
7. Only members whose names appear on the Record of Depositors as at 25 April 2023 shall be eligible to participate at the EGM or appoint proxy(ies) to participate and vote on his/her behalf.

Form of Proxy

Extraordinary General Meeting



Maybank

MALAYAN BANKING BERHAD

(Co. Reg. No. 196001000142)

(Incorporated in Malaysia)

| Number of shares held | CDS Account No. of the Authorised Nominee* | | | | | | | | | | | | |
|-----------------------|--------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | |

* Applicable to shares held through a nominee account

I/We _____ NRIC/Passport/Co. No.: _____
(full name in block letters)

of _____
(full address)

Telephone No. and Email Address: _____ a shareholder/shareholders of MALAYAN BANKING BERHAD,

hereby appoint _____ NRIC/Passport No.: _____
(full name in block letters)

of _____
(full address)

Telephone No. and Email Address: _____ and _____
(full name in block letters)

NRIC/Passport No.: _____ of _____
(full address)

_____ Telephone No. and Email Address: _____

or failing him/her, the Chairman of the meeting, as my/our proxy(ies) to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of Malayan Banking Berhad ("Company") to be held virtually and broadcasted live from Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia on Wednesday, 3 May 2023 at 1.00 p.m. or after the conclusion or adjournment (as the case may be) of the 63rd Annual General Meeting of the Company scheduled to be held on the same day at 10.00 a.m., whichever is later, and any adjournment thereof, on the following resolutions as set out in the Notice of the EGM:

| No. | Ordinary Resolutions | For | Against |
|-----|----------------------|-----|---------|
| 1 | Proposed ESGP | | |
| 2 | Proposed Grant | | |

My/Our proxy(ies) is to vote on the resolutions as indicated by an "X" above. If no indication is given, my/our proxy(ies) shall vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2023

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

| | No. of shares | Percentage |
|---------|---------------|------------|
| Proxy 1 | | |
| Proxy 2 | | |
| Total | | 100% |

Signature(s) / Common Seal of Member(s)

| Number of shares held |
|-----------------------|
| |

Notes:

- A member entitled to participate and vote at the EGM 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.
- A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company (Maybank Shares) standing to the credit of the said securities account to participate and vote at this EGM.
 - Notwithstanding the above, for an exempt Authorised Nominee which holds Maybank Shares for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
- Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
- For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a solicitor, Notary Public, Consul or Magistrate.
- The duly completed instrument appointing a proxy must be deposited at the office of Boardroom Share Registrars Sdn Bhd (Boardroom), at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes for the EGM if members wish to submit the instrument appointing a proxy electronically. All instruments appointing a proxy must be deposited with Boardroom **no later than Tuesday, 2 May 2023 at 1.00 p.m.**
- Only members whose names appear on the Record of Depositors as at 25 April 2023 shall be eligible to participate at the EGM or appoint proxy(ies) to participate and vote on his/her behalf.



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AFFIX
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Share Registrar for Maybank's EGM
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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