

THE COMPANIES ACT 2016

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PUBLIC COMPANY LIMITED BY SHARES

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MALAYSIA

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CONSTITUTION

OF

AFFIN ISLAMIC BANK BERHAD  
(Company No. 709506-V)

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Incorporated on the 13th day of September, 2005

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COMPANIES ACT 2016  
PUBLIC COMPANY LIMITED BY SHARES

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CONSTITUTION  
OF  
**AFFIN ISLAMIC BANK BERHAD**

1. The name of the Company is “AFFIN ISLAMIC BANK BERHAD”.
2. The registered office of the Company shall be situated in Malaysia.
3. The business, affairs and activities of the Company will be transacted in accordance with the Islamic principles, rules and practices. In this respect, any transactions which involve any elements that are not in compliance with the Islamic principles, rule and practices are prohibited from being carried out by the Company.
4. The objects for which the Company is established are:-
  - (1) To establish and carry on the business of an Islamic Bank, whereof the head office or principal place of business shall be located in Malaysia, with such branches or agencies in any part of the world as may from time to time be determined.
  - (2) To carry on the Islamic banking business in all its branches and departments and to transact and do all matters and things incidental thereto, or which may at any time hereafter at any place where the Company shall carry on business as usual in connection with the Islamic banking business.
  - (3) In a Shariah compliant manner, to borrow, raise or take up money; lend or advance money with or without security; discount, buy, sell, deal in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or otherwise; grant and issue letters of credit and circular notes; buy, sell and deal in exchange, bullion and specie; acquire, hold, issue on commission, underwrite and deal with stocks, funds, shares, obligations, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; negotiate loans and advances; receive money and valuables on deposit, in safe custody or otherwise; managing property; to give financial advice, arrange, raise capital or finance any government, public authority, corporation, association or any person in business undertakings, projects or enterprises with a view to profit, collect and transact all kinds of agency business commonly transacted by Islamic bankers and to do all such other things as are incidental or the Company may think fit and proper to attain the above objects or any of them.
  - (4) To conduct Islamic banking business, Islamic derivative, Islamic factoring business, international Islamic banking, Islamic financial advisory business, Islamic leasing business and deal in Islamic payment instrument or Islamic’s securities in accordance with the definitions stated in the Islamic Financial Services Act 2013 and all applicable guidelines, circulars and policies on Islamic services and products issued by the relevant governmental regulatory authority supervising/overseeing the Company.

AND IT IS HEREBY DECLARED that the objects as set out herein shall not be restrictively construed and shall be given the widest possible interpretation so long as they are not contrary to the religion of Islam. Each of the objects are independent of the other.

5. The liability of the Members is limited.
6. The capital of the Company is the issued share capital with the power of the Company to increase, reduce, split, consolidate the amounts or sub-divide the Shares, and to issue any part of its capital, original or increased with or without preference, priority, special privilege or subject to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of Shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.
7. The provisions set out in the Act which may be modified or substituted by the provisions of this Constitution shall not apply to the Company, except in so far as the same are repeated or contained in this Constitution.

## INTERPRETATION

8. In this Constitution, the words standing in the first column of the Table next hereinafter shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context.

<b>WORDS</b>	<b>MEANINGS</b>
“Act”	The Companies Act 2016 or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other legislation for the time being in force concerning companies and affecting the Company.
“Constitution”	This Constitution as originally framed or as altered from time to time by Special Resolution.
“Clause”	A clause of this Constitution.
“Company”	AFFIN ISLAMIC BANK BERHAD
“Court”	The High Court or a judge of the High Court.
“the Directors” or “the Board”	The Directors for the time being of the Company, including their respective alternates if any, as a body or a quorum of the Directors present at a meeting of the Directors.
“dividend”	Any distribution authorised by the Directors in accordance with the Act.
“electronic address”	Any address or number used for the purposes of sending or receiving documents or information by electronic means.
“electronic communication”	A document or information which is sent or supplied by electronic communication if it is sent initially, and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means.
“electronic form”	Document or information sent or supplied in electronic form are those sent by “electronic communication” or by any other means while in an electronic form whereby a recipient of such document or information would be able to retain a copy.
“effect takaful/insurance”	Includes pay, whether directly or indirectly, the costs of the takaful/insurance.

“indemnify”	Includes relieve or excuse from liability, whether before or after the liability arises, and “indemnity” has a corresponding meaning.
“Member”	A member of the Company being any person/persons for the time being holding one or more shares in the Company and whose names appear in the Register.
“Office”	The registered office for the time being of the Company.
“Register”	The register of members of the Company to be kept pursuant to the Act.
“Seal”	The common seal of the Company.
“Securities Seal”	The official seal of the Company to seal Securities issued by the Company or to be affixed on documents creating or evidencing Securities so issued by the Company pursuant to this Constitution.
“Shares”	Shares in the Company.
“Secretary”	Any person or persons appointed to perform the duties of the Secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.
“Securities”	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
“Statutes”	The Act, the Financial Services Act, 2013 and every other Ordinance or Act for the time being in force concerning banking and joint stock companies and affecting the Company.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including reference to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine shall include the feminine.

Words importing persons shall include corporations and companies.

Subject as aforesaid, any words or expressions contained in these Clauses shall be interpreted in accordance with the provisions of the Interpretation Acts, 1948 and 1967 of Malaysia, as amended from time to time and any re-enactment thereof.

### **SHARIAH COMMITTEE**

9. The Board shall establish a Shariah Committee in accordance with any written law and/ or guidelines on the matter, whose members are made up of qualified persons as may be approved by Bank Negara Malaysia to advise the Company on its business affairs and activities in order to ensure that they do not involve any element which is contrary to Shariah law. The Company to the extent permitted by relevant laws, guidelines, directives, regulations, orders and rulings which the Company is subject to, shall adhere to and comply with the advice of the Shariah Committee and where applicable, the rulings of the Shariah Advisory Council established at Bank Negara Malaysia on any matter as regards its business affairs and activities so as to ensure that its business affairs and activities do not include any element that contravenes Shariah law.

## SHARES

10. The Shares taken by the subscribers to the Constitution shall be issued by the Directors. The Shares of the Company shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of such Shares to such persons on such terms and conditions and at such times as the Directors think fit. Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.
11. The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional for any Shares in the Company provided that the rate or the per centum of the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and that such commission shall not exceed ten per centum (10%) of the price at which such Shares are issued, or an amount equivalent to such percentage, and that the requirements of Section 80 of the Act shall be observed. Subject to the provisions of Section 78 of the Act, such commission may be satisfied by the payment of cash or the allotment of fully paid Shares or partly in one way and partly in the other. The Company may also on any allotment of Shares pay such brokerages as may be lawful.
12. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a share, or (except only as by this Constitution or by law otherwise provided) any other right in respect of any Share, except an absolute right to the entirety thereof in the registered holder.
13. The Company shall not be required to issue a share certificate unless an application by a shareholder for a certificate relating to the shareholder's Shares in the Company has been received and any share certificate issued shall be in accordance with the Act. In respect of a Share or Shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.
14. If a share certificate be worn out, defaced, lost or destroyed, it may be renewed on payment of such fee not exceeding Ringgit Malaysia Fifty (RM50.00) and on such term, if any, as to evidence and indemnity and, the payment of out-of-pocket expenses of the Company of investigating evidence, as the Directors think fit and, in the case of defacement or wearing out, on delivery of the old certificates.

## LIEN

15. Subject to the Act, the Company shall be entitled to a lien, in priority to any other claim, over (a) a partly paid issued Shares; and (b) any dividend payment on the Shares, for all money due by the Members of the Company by way of money called or payable at a fixed date. The Company's lien on Shares and dividends from time to time declared in respect of such Shares, shall be restricted to unpaid calls and instalments upon the specific Shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the Shares of the Member.
16. The Directors may sell any Shares on which the Company has a lien in such manner as they think fit, but no sale shall be made until such time as the money in respect of which such lien exists is presently payable and until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death, bankruptcy or mental disorder or operation of law.
17. To give effect to any such sale of Shares subject to the lien, the Directors may authorise some person to transfer the Shares sold to the purchaser and may enter the purchaser's

name in the register as Members, and the Directors shall not be bound to see to the application of the purchase money, nor shall the purchaser's title to the Shares be effected by any irregularity or invalidity in the proceedings in reference to the sale.

18. The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue (subject to a similar lien for amounts not presently payable as existed on the Shares prior to the sale) shall be paid to the Members or the person (if any) entitled to the Shares at the date of the sale or his executors, administrators or assignees or as he directs.
19. No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he has paid all calls for the time being due and payable on every share held by him whether alone or jointly with any other person together with compensation, charges or expenses (if any).

### **CALLS ON SHARES**

20. The Directors may, subject to the provisions of this Constitution, from time to time make calls upon the Members in respect of any money unpaid on their Shares and not by the conditions of allotment thereof made payable at fixed times, provided that no calls shall exceed one-fourth of the issued price of the Share or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the date, time and place of payment) pay to the Company as the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
21. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
22. The joint holders of a share shall be jointly and severally liable to pay all calls and installments in respect thereof.
23. If before or on the day appointed for payment thereof a call or instalment payable in respect of a Share is not paid, the person from whom the same is due, shall pay late payment charges in accordance with Bank Negara Malaysia's Guidelines on Late Payment Charges for Islamic Banking Institutions on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight per centum (8%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of the late payment charges, wholly or in part.
24. Any sum which by the terms of allotment of a Share is made payable upon allotment or at any fixed date, shall, for all purposes of this Constitution, shall apply as if such sum had become payable by virtue of a call duly made and notified as hereby provided.
25. The Directors may, from time to time, make arrangements on the issue of shares to differentiate between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.
26. Provided that the following is transacted through a Shariah compliant manner, the Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys due upon his Shares beyond the sums actually called upon thereon, and upon the moneys so paid in advance is received by the Directors from the Member become payable, the Company may pay such return at a rate not exceeding eight per centum (8%) per annum as may be agreed upon between the Directors and the Member paying the sum in advance, unless the Company in a general meeting otherwise directs. Such capital paid on Shares in advance of calls shall not confer a right to participate in dividends.

### **TRANSFER OF SHARES**

27. Subject to the restrictions of this Constitution, Shares shall be transferable but every transfer shall be in writing in the usual common form or in such other form as the Directors shall from

time to time approve, and shall be left at the Office accompanied by the certificate of the Shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer.

28. The instrument of transfer of any Share be executed by or on behalf of the transferor and stamped, and the transferor shall be deemed to remain the holder of the said Share until the name of the transferee is entered in the Register in respect thereof.
29. The Directors may refuse or delay to register a transfer of any Share to any person of whom they do not approve, and they may also refuse to register transfer of any Share on which the Company has a lien. If the Directors refuse to register a transfer they shall pass a resolution within thirty (30) days from the receipt of the instrument of transfer and thereafter send the notice of the resolution set out in full the reasons for refusing or delaying the registration and the said notice of the resolution is sent to the transferor and to the transferee within seven (7) days of the resolution being passed.
30. The Company shall be entitled to charge a fee not exceeding Ringgit Malaysia One (RM1.00) or such other sum as the Directors may require on the registration of every transfer.
31. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.

#### **TRANSMISSION OF SHARES**

32. In the case of death of a Member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder shall be the only person recognised by the Company as having title to his Shares, but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any Share held by him.
33. A person entitled to a Share by transmission shall be entitled to receive, and may give a discharge for any dividends or other monies payable in respect of the Share, but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or privileges as a Member unless and until he has been duly registered as a Member in Register.
34. Any person becoming entitled to a registered Share either solely or jointly in consequence of the death, bankruptcy, winding-up or any incapacity of any Member may, upon producing such evidence or title as the Directors shall require and subject as hereinafter provided, either be registered himself as holder of the Share, or elect to have some person nominated by him registered as the transferee thereof.
35. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he has so elected. For all purposes of this Constitution relating to the registration of transfers of Shares, such notice shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred, and the notice were a transfer executed by the person from whom the title by transmission is derived.
36. If the person so becoming entitled shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such Share. The Directors shall have in respect of transfers so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.
37. The Company shall be entitled to charge a fee not exceeding Ringgit Malaysia One (RM1.00) on the registration of every probate, letter of administration, certificate of death, instrument of marriage, power of attorney, or other like instruments.

## FORFEITURE OF SHARES

38. If any Member fails to pay any call or installment of a call within the stipulated time, the Directors may at any time thereafter, during such time as the call or installment or any part thereof remains unpaid, serve a notice on such Member or on the person entitled to the Share by transmission requiring him to pay such call or installment or such part thereof as remains unpaid together with any late payment charges in accordance with Bank Negara Malaysia's Guidelines on Late Payment Charges for Islamic Banking Institutions or compensation that may have accrued by reason of such non-payment.
39. The notice shall specify a date on or before which the payment is required to be made and state that in the event of non-payment on or before the specified date, the Shares in respect of which the call was made is liable to be forfeited.
40. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which such notice has been given shall be forfeited by a resolution of the Directors unless the payment as required by the notice has been made before such resolution. A forfeiture of Shares shall include all dividends declared or other distributions in respect of the said Shares not actually paid before the forfeiture.
41. When any Share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given, within fourteen (14) days of the forfeiture, to the holder of the Share or to the person entitled to the Shares by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register opposite to the Share. The Directors may accept the surrender of any Share when they are in a position to forfeit such share by way of compromise of any question as to the holder being properly registered in respect thereof or any other case allowed by law.
42. Every Share which shall be forfeited may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and the Directors may, if necessary, authorise some person to transfer the same to such other person as aforesaid.
43. At any time before the forfeited share has been otherwise sold or disposed of, the Directors may annul the forfeiture upon such terms of payment of calls and charges due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.
44. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all money which, at the date of forfeiture, was payable by him to the Company in respect of the Shares (together with late payment charges in accordance with Bank Negara Malaysia's Guidelines on Late Payment for Islamic Banking Institutions or compensation at rate not exceeding eight per centum (8%) per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of such charges or compensation, and the liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.
45. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities in respect of the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members.
46. A statutory declaration in writing by a Director or Secretary of the Company that a share has been duly forfeited in pursuance of this Constitution, and stating the date upon which it was forfeited, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated, and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof, and a certificate of proprietorship of the share under the



Securities Seal delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share, and such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition, and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture sale, re-allotment or disposal of the share.

47. (1) The Company may by special resolution convert any paid-up share into stock and reconvert any stock into paid-up shares of any number.
- (2) The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.
- (3) The holders of stock shall according to the amount of the stock so held by them have the same rights, interests, privileges and benefits as regards dividends and other distributions, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such rights, interests, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that rights, interests, privileges or benefits.
- (4) Such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

#### **ALTERATION OF CAPITAL**

48. (1) The Company may alter its share capital in any one or more of the following ways by passing a special resolution to:-
- (a) consolidate and divide all or any of its capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or
- (c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.
- (2) Anything done in pursuance of this Clause shall be done in manner provided and subject to any condition imposed by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.
- (3) The Company may by special resolution and with any consent required by law reduce its share capital in accordance with the Act.
49. The Company may by special resolution:-
- (a) consolidate and divide all or any of its Share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the Share from which the subdivided share is derived;

- (b) subdivide its Shares or any of the Shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the share from which the subdivided Share is derived.
50. The Company may reduce its share capital by-
- (a) a special resolution and confirmation by the Court in accordance with Section 116 of the Act; or
  - (b) a special resolution supported by a solvency statement in accordance with Section 117 of the Act.

### **MODIFICATION OF CLASS RIGHTS**

51. Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of shares and subject to the provisions of this Constitution, the Act and the provisions of any resolution of the Company, all or any of the rights, privileges or conditions for the time being forming part of the share capital of the Company may from time to time, be modified, affected, varied, extended or surrendered in any manner with the consent in writing of such holders of not less than seventy-five per centum (75%) of the total voting rights of the Members of that class or with the sanction of a special resolution passed at a separate meeting of the Members of each such class. To any such separate meeting all the provisions of this Constitution as to general meetings of the Company shall mutatis mutandis apply, so that the necessary quorum shall be two Members of the class present holding or represented by proxy at least one-third (1/3) of the share capital paid or credited as paid on the issued shares of the class, and every holder of shares of the class in question shall be entitled on a poll to one (1) vote for every such share held by him.
52. An annual general meeting of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meeting shall be called extraordinary general meetings. All general meetings shall be held at such time, date and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution. The annual general meeting shall be held within six (6) months of the Company's financial year end and not more than fifteen (15) months after the last preceding annual general meeting.
- Such general meeting of the Company may be held at more than one venue using any technology or method that allows all Members of the Company to participate and to exercise the Members' rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that general meeting subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting.
53. Subject to the provisions of the Act relating to Special Resolutions, at least twenty-one (21) days' notice and agreements for shorter notice, fourteen (14) days' notice in writing at the least, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of such business shall be given to such persons as are under the provisions of this Constitution entitled to receive notices of general meetings from the Company. Provided that general meeting notwithstanding that it has been called by a shorter notice that specified above shall be deemed to have been duly called if it is so agreed-
- (a) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and
  - (b) in the case of an extraordinary general meeting by majority in the number of the Members giving a right to attend and vote thereat, being a majority who together hold not less than ninety-five per centum (95%) in the number of the shares giving a right to attend and vote at the meeting.

The accidental omission to give such notice to, or to the non-receipts of such notice by, any person entitled to receive such notice shall not invalidate the proceedings of any resolution passed at any such meeting.

54. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the laying of the audited financial statements and the reports of the Directors and auditors, the election of those Directors in place of those retiring by rotation or otherwise, the declaration of dividends, the fixing of Directors' fees and benefits payable, and the re-appointment and fixing of the remuneration of the auditors.
55. Subject to the provisions of the Act, a resolution of the Members or of a class of Members shall be passed at a general meeting of the Company.

### **PROCEEDINGS AT GENERAL MEETING**

56. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) members present in person shall be quorum. For the purpose of constituting a quorum-
  - (a) one (1) or more representatives appointed by a corporation shall be counted as one (1) Member, or
  - (b) one (1) or more proxies appointed by a person shall be counted as one (1) Member.
57. If within half (1/2) an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, but if a quorum is not present at an adjourned meeting, the Members present shall form a quorum.
58. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he is not present within fifteen (15) minutes after the time appointed for the holding of the meeting or is unwilling to act, the Members present shall elect one of their number to be chairman of the meeting. Proxies of Members shall not be elected as the Chairman of any meeting.
59. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjournment meeting.
60. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result on the show of hands) demanded:-
  - (a) by the chairman; or
  - (b) by at least three (3) Members present in person or by proxy; or
  - (c) by any Member or Members present in person or by proxy and representing not less than ten per centum (10%) of the total voting rights of all members having the right to vote at the meeting; or
  - (d) by a Member or Members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not

less than ten per centum (10%) of the total sum paid up on all the shares conferring that right.

61. On a vote on a resolution at a meeting on a show of hands, a declaration by the chairman that the resolution has been passed unanimously or by a particular majority, or is lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.
62. If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs (including the use of a ballot or voting papers or tickets), and the result of the poll shall be the resolution of the meetings at which the poll was demanded, but a poll demanded on the election of a chairman on a question of adjournment shall be taken forthwith. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may, in addition to the power to adjourn meetings contained in Clause 59, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.
63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

#### **VOTES OF MEMBERS**

64. Subject to any rights or restrictions for the time being attaching to any class or classes of Shares, at meetings of Members or classes of Members each Member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person present who is a Member or a representative of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for such each share he holds.

Where a Member entitled to vote on a resolution has appointed more than one (1) proxy—

- (a) the proxies shall only be entitled to vote on poll; and
  - (b) the appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
65. In the case of joint holders of Shares of the Company, the joint holder shall be considered as one shareholder. For this purpose if the joint holders purport to exercise the power in the same way, the power is treated as exercised in that way; if the joint holders do not purport to exercise the power in the same way, the power is treated as not exercised.
  66. A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee, or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy or attorney.
  67. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
  68. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
  69. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A

proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without any restriction as to the qualification of such person. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. . The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

A proxy may vote only as directed in the proxy form. However, if the appointor or representative attend and vote on a resolution, the proxy or attorney must not vote.

70. Where it is desired to afford Members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

**AFFIN ISLAMIC BANK BERHAD (709506-V)**

I/We, \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_ of \_\_\_\_\_ and telephone no./email address \_\_\_\_\_ being a member/members of Affin Islamic Bank Berhad (the "Company"), hereby appoint \_\_\_\_\_ NRIC No. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Meeting of Members of the Company, to be held at \_\_\_\_\_ on \_\_\_\_\_ or at any adjournment thereof. I/We indicate with an "x" in the spaces below how I/we wish my/our vote to be cast.

Agenda	For	Against

Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as \*he/\*she/\*they may think fit.

If appointment of proxy is under hand

.....  
Signed by \*individual member/\*officer or attorney of member/\*authorised nominee of ..... (beneficial owner)

If appointment of proxy is under seal

The Common Seal of

.....  
was hereto affixed in accordance with its Constitution in the presence of:-

.....  
Director Director/Secretary in its capacity as \*member/\*attorney of member/\*authorised nominee of ..... (beneficial owner)

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

*\*Strike out whichever is not desired. Unless otherwise instructed, the proxy may vote as he thinks fit.*

An instrument appointing a proxy shall, unless the contrary is stated thereon be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.

71. (1) The communication between the Company and its Members relating to meetings and resolutions, supply of information or documents or otherwise for purpose of complying with the Act, may be:-
- (a) in hard copy;
  - (b) in electronic form; or
  - (c) by other methods agreed between the Company and Members.
- (2) An appointment of proxy by electronic communication must be received at the electronic address specified by the Company pursuant to Clause 72(4) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote, and in default the instrument of proxy shall not be treated as valid.

- (3) An appointment of proxy by electronic communication which is not made in accordance with this Clause shall be invalid.
  - (4) The Company may determine the manner and procedures for the use of electronic communication received or sent by the Company which is authorised to be used in this Clause or under the Act.
72. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office, or such other place within Malaysia as is specified for that purpose in the notice convening the general meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

The Company may specify a facsimile number and an electronic address in notice of meeting, for the purposes of receipt of proxy appointments, subject to the Constitution, rules and laws for the time being in force.

73. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed or the transfer of the Share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation or transfer as aforesaid had been received by the Company at the Office before the commencement of the general meeting or adjourned or postponed meeting (in the case of a poll, before the time appointed for taking of the poll) at which the instrument is used.

## **DIRECTORS**

74. At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3) then the number nearest one-third (1/3) shall retire from office.
75. A retiring Director shall be eligible for re-election.
76. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
77. The Company at the meeting at which a Director so retires may fill the vacated office by electing a person thereto, and in default the Director shall if offering himself for re-election and not being disqualified under the Act from holding office as a director be deemed to have been re-elected, unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for the re-election of that Director is put to the meeting and lost.
78. The Company may from time to time by ordinary resolution passed at a general meeting increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office. Until and unless otherwise determined as aforesaid the number of Directors shall not be less than five (5) and not more than twelve (12). All the Directors of the Company shall be natural persons of at least eighteen (18) years of age.
79. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

80. The Company may by ordinary resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he becomes a Director on the day on which the director in whose place he is appointed was last elected a Director.
81. The fees and benefit payable to the Directors of the Company including any compensation for loss of employment of a Director or former Director shall from time to time be determined by the Company in general meeting. Those fees and benefit payable shall be deemed to accrue from day to day. The fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover and be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration. The remuneration payable to executive Directors shall not include a commission on or percentage of turnover. Any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration. No fees and benefit payable shall be paid to both an alternate Director and the Director nominating him unless specifically authorised by the Company in general meeting. The directors may also be paid all travelling, hotel, and other expenses properly incurred by them in attending and returning from meeting of the Directors or general meeting of the Company or in connection with the business of the Company.
82. The Directors may, subject to the approval by an ordinary resolution of the Company in a meeting of Members, grant special remuneration to any Director who (on request by the Directors) is willing to perform or render any special duties or services outside his ordinary duties as a Director or to go or reside away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors. Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director and may be paid by way of a fixed sum or otherwise as may be arranged PROVIDED ALWAYS that such special remuneration shall not be by a commission on or percentage of profits or turnover.
83. Subject to Section 233 of the Act, the Company shall keep and maintain a copy of every Director's service contract with the Company or with its subsidiaries available at the Office of the Company for inspection, in accordance with Section 232 of the Act.
84. The Directors shall cause to be kept the register of their holdings of shares and debentures of the Company and of its holding company (if any), and of any subsidiaries of the Company or its holding company, required by Section 59 of the Act, and shall render the same available for inspection during the period and by the persons therein specified, and shall produce the same at every annual general meeting as required by the said Section.
85. There shall be no shareholding qualifications for Directors.
86. Except for the Managing Director, any Director with the approval of the other Directors may appoint any person (whether a member of the Company or not) to be an alternate or substitute Director in his place during such period as he thinks fit. Any person while he so holds office as an alternate or substitute Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly, and to exercise all the powers of the appointor in his place. An alternate or substitute Director shall ipso facto vacate his office if the appointor's office is vacated. Any appointment or removal of alternate or substitute Director under this Clause shall be effected by notice in writing to the Company left at the Office, under the hand of the appointing Director.
87. The office of a Director shall be vacated if the person holding that office:-
- (a) subject to Sections 196(3) and 209 of the Act, resigns his office by giving a written notice to the Company at its registered office;
  - (b) has retired in accordance with the Act or this Constitution of the Company but is not re-elected;

- (c) is removed from office in accordance with the Act or the Constitution of the Company;
- (d) ceases to be a director by virtue of or becomes prohibited from being a director by reason of any order of the Act, the Islamic Financial Services Act, 2013 or any rules, regulations and directives made thereunder;
- (e) becomes disqualified from being a director under Section 198 or 199 of the Act;
- (f) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (g) dies; or
- (h) absents himself from more than fifty per centum (50%) of the total Board's meetings held during a financial year.

### **POWERS AND DUTIES OF DIRECTORS**

88. The business and affairs of the Company shall be managed by or under the direction of the Directors. The Directors have all the powers necessary for managing and for directing or supervising the management of the business and affairs of the Company subject to any modification, exception or limitation contained in the Act or this Constitution provided that no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulations had not been made, provided always that the Directors shall not without the prior approval of the Members in a meeting of Members:-

- (1) carry into effect any proposal or execute any transaction for any sale or disposal by the directors of a substantial portion of the Company's main undertaking or property;
- (2) exercise any power of the Company to issue shares unless otherwise permitted under the Act; or
- (3) subject to Section 229 of the Act, enter into any arrangement or transaction with a Director or a substantial shareholder of the Company or a director or a substantial shareholder of its holding company or its subsidiary, or a person connected with such a director or substantial shareholder to acquire from or dispose of shares or non-cash assets of the requisite value to such a director or substantial shareholder.

The general powers given by this Clause shall not be limited or restricted by any special authority or power given to the Directors by any other Clause.

89. Subject to the Act and this Constitution, the Directors may exercise all the powers of the Company to borrow money or raise funding/obtain financing, to mortgage, pledge or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the Company or its wholly owned subsidiaries or of any related corporation. The Directors may guarantee the whole or any part of the financing or loans or debts raised or incurred by or on behalf of the Company or any profit payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or of any of its subsidiaries.

90. If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable from any loss in respect of such liability.



91. The Directors shall not borrow any money or raise fund or mortgage or charge any of the Company's or its subsidiaries' undertakings, property or any uncalled capital or issue debentures or other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
92. The Directors shall lodge, within thirty (30) days from the creation of the charge, together with the prescribed fee with the Registrar for registration, a statement of particulars of the charge in the form and manner as may be determined by the Registrar in accordance with Section 352 of the Act in regard to the registration of charges therein specified.
93. The Directors may exercise all the power of the Company in relation to any Seal for use outside Malaysia and in relation to branch register.
94. The Directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities, and discretion (not exceeding those vested in or exercisable by the Directors under these regulations) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretion vested in him.
95. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn accepted, endorsed or otherwise executed, as the case may be, by any two (2) Directors or in such other manner as the Directors from time to time determine by resolution.
96. The Directors shall cause minutes to be duly entered in books provided for the purpose:-
- (a) of all appointments of officers to be engaged in the management of the Company's affairs;
  - (b) of names of Directors present at all meetings of the Company and of the Directors; and
  - (c) of all proceedings at all meetings of the Company and of the Directors.
- Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

### **PROCEEDINGS OF DIRECTORS**

97. The Directors may meet together for the dispatch of business adjourned and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall on the requisition of a Director summon a meeting of the Directors by giving them not less than seven (7) days' notice thereof unless such requirement is waived by them.
98. The Director may from time to time elect and remove a Chairman and Deputy Chairman and determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the deputy Chairman shall preside at all meetings of the Board.
99. A Director or, if requested by a Director to do so, a secretary, may convene a meeting of the Directors by giving notice in accordance with Clause 100.
100. A notice of a meeting of the Directors shall be sent to every Director, and the notice of the meeting and the matters to be discussed. An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without objection to the irregularity.
101. A meeting of the Directors may be held either:-

- (1) by a number of the directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
  - (2) by means of audio, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.
102. Subject to the notice requirement as provided in Clause 97 and quorum requirements as provided in Clause 105, meetings of the Directors may be held and conducted through the telephone, live video or any other forms of instantaneous communications equipment which allows all persons participating in the meeting to hear one another. A Director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in quorum accordingly.
103. Subject to these regulations, questions arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.
104. A Director shall not vote in respect of any contract or proposed contract with the Company in which he is interested, or any matter arising thereat, and if he does so vote his vote shall not be counted.
105. The quorum necessary for the transaction of the business of the Directors a minimum of two (2) or 50% of total board members (whichever is higher). No business may be transacted at a meeting of the Directors if a quorum is not present.
106. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Constitution of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purpose.
107. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected or if at any meeting the chairman is not present within thirty (30) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the chairman of the meeting.
108. The Directors may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary down, vary or annual such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person to be members of any such committee or local board, or any managers or agents, and may fix their remuneration, and may delegate to such committee, local board, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate, and may authorise the members of any such committee or local board or any of them, to fill any vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit. The Directors may remove any person so appointed, any may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
109. The meetings and proceedings of any such committee consisting of two (2) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by a regulation made by the Directors under the preceding Clause.
110. A committee or local board may elect a chairman of its meetings and may determine its own proceedings; if no such chairman is elected, or if at any meeting, the chairman is not present within thirty (30) minutes after the time appointed for holding of the meeting, the members present may choose one of their members to be the chairman at the meeting.

111. Any questions arising at any meeting of a committee or local board shall be determined by majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.
112. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
113. A resolution in writing, signed or assented to by majority of the Directors then entitled to receive notice of meeting of the Directors, is as valid and effective as if it had been passed at a meeting of the Directors duly convened. Any such resolution may consist of several documents, including facsimile, telex, telegram or electronic mail or other communication modes/equipment), in similar form and each document shall be signed or assented to by one or more Directors or their alternates. Any such document may be accepted as sufficiently signed by a Director or his alternate if transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the Director or his alternate. A copy of any such resolution shall be entered in the minute book of Directors' proceedings.

#### **MANAGING DIRECTOR**

114. The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period and such terms as they think fit but if the appointment is for a fixed term, the term shall not exceed three (3) years and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment.
115. A managing Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission, or participation in profits, or partly in one way and partly in another) as the Directors may determine.
116. The remuneration of the Managing Director shall subject to the terms of any agreement entered into in any particular case and may be by way of salary or commission or participation in profits or otherwise or by any or all these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.
117. The Managing Director shall be subject to retirement by rotation, and subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignations and removal as the other Directors, and if he ceases from any cause to be a Director shall ipso facto and immediately ceases to be Managing Director.
118. The Managing Director, or a person performing the functions of a managing director, by whatever name called, shall be subject to the control of the Board who may entrust to and confer upon him any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and, either concurrently with or to the exclusion of their own powers, and may from time to time revoke, withdraw or vary all or any of such powers.

#### **SECRETARY AND ASSISTANT SECRETARY**

119. (1) The Secretary or Joint Secretaries shall, in accordance with the Act be appointed by the Directors for such term, at such remuneration, and upon such conditions as they may think fit, and any Secretary or Joint Secretaries so appointed may be removed by them. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment.

- (2) The Directors may also appoint one or more Assistant Secretaries and may subject to the provisions of the Act from time to time direct how the duties and responsibilities for the secretarial department are to be allocated as between the Secretary/ies and Assistant Secretary/ies.

### **SEAL**

120. The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the affixing Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the seal is affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose. The instrument to which the Seal is affixed may bear the facsimile signature of a Director or the Secretary provided the signature of the other Director, Secretary or authorised person is made under its own hand. Such facsimile signature may be reproduced by mechanical or other means.
121. All forms of certificate for shares, stock or debenture stock or representing any other form of security other than letters of allotment shall be issued under the Securities Seal and bear the autographic signatures of one or more Directors and/or the Secretary; provided that the Board may by resolution determine that such signatures or either of them shall be dispensed with or be affixed by some method or system of mechanical signature.
122. The Company may exercise the powers conferred by Section 62 of the Act respecting an official seal for use outside Malaysia and conferred by Section 62 of the Act respecting a duplicate common seal and such powers shall be vested in the Directors.

### **ACCOUNTS**

123. The Directors shall cause proper accounting and other records to be kept and shall distribute copies of the balance sheets and other financial statements as required by the Act and shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be opened to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors of the Company in general meeting.
124. Auditors shall be appointed and their duties regulated in accordance with Sections 271 to 287 of the Act or any amendment thereof.

### **DIVIDENDS AND RESERVES**

125. (1) The Company may only make a distribution to the shareholders from time to time but no such dividend shall be payable except out of the profits of the Company available if the Company is solvent in accordance with the Act.
- (2) The Directors may authorise a distribution of dividend at such time and in such amount as it considers appropriate, if the Board is satisfied that the Company will be solvent immediately after the distribution is made, in accordance with the Act.
- (3) If, after a distribution is authorised and before it is made, the Directors cease to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made, the Directors shall take all necessary steps to prevent the distribution from being made.

No higher dividend shall be paid than is authorised by the Directors, and the declarations of the Directors as to the distribution shall be conclusive.

126. The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company.
127. No dividend shall be paid otherwise than out of profits or pursuant to the Act nor shall any unpaid dividend bear late payment charges, interest or returns against the Company.
128. The Directors shall, before recommending any dividends, set aside out of the net profits of the Company after due provision has been made for zakat, such sum or sums as may be prescribed, or such additional sums as they deem fit, to maintain a reserve fund in compliance with the Islamic Financial Services Act 2013 or any modification thereof for the time being in force, and the Directors may set aside any further sum or sums as they think fit and proper as separate reserve fund or reserve funds. Subject to any provisions to the contrary contained in any written law and/or guidelines, any such reserve fund shall, at the discretion of the Directors, be applicable for any purposes to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares in the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
129. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be equally declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respects of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date that Share shall rank for dividend accordingly.
130. The Directors may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of unpaid or partially paid calls or otherwise in relation to the Shares of the Company.
131. Any general meeting declaring a dividend, bonus or other distributions may direct payment of such dividend, bonus or distribution wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.
132. Any dividend or other money payable in cash in respect of Shares may be paid by cheque or warrant sent through the ordinary post direct to the address of the holder or, in the case of joint holders, to the address of the joint holder who is first named as appearing in the Register on books closure date. Every such cheque or warrant shall be made payable to the order of the holder as appearing in the Register on the said date or in the case of joint holders, to the order of the holder whose name first appearing in the Register in trust for the other joint holder in addition to himself proportionately. The payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.
133. A general meeting when declaring or approving a dividend including, without limitation, a dividend or bonus of the kind referred to in Clause 117 and whether together with or as an alternative to such dividend or bonus in such Clause, direct (notwithstanding other provisions of this Constitution) that such dividend declared or approved on terms including all or any of the following:-

- (a) Such dividend be distributed or made available to Members or such Members as the Directors may decide;
- (b) The Directors may determine whether a Member is permitted to participate in such dividend and the terms and conditions upon which a member may participate in such dividend;
- (c) The Directors may prescribe whether a Member should be entitled to receive such dividend in a particular form of assets or together with cash or with a Member being able to elect for specific assets or cash or with any other variations, subject to such dividend in such forms having been approved in such general meeting;
- (d) The Directors may provide that specific assets which a Member could receive in such dividend be sold or disposed of instead with the proceeds being given to such Member less any costs, expenses or other charges as the Directors may determine;
- (e) The Directors may prescribe any other terms and conditions of such dividend.

The general meeting may determine any of the matters referred to in (a) to (e) above instead and may impose or provide for such additional terms and conditions for such dividend as the meeting may think fit.

134. The Company in meeting of Members may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution. A share premium account and a capital redemption reserve may, for the purposes of this regulation, be applied only in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
135. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of Shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amount remaining unpaid on their existing Shares, and any agreement made under such authority shall be effective and binding on all such Members.
136. Where any accounts, minutes books or other records required to be kept by the Act are not kept in the National or English Language, the Directors shall cause a true translation of such accounts, minute books and other records to be made from time to time at intervals of not more than seven (7) days and shall cause such translation to be kept with the original accounts, minute books and other records for so long as the original accounts, minute books and other records are required by the Act to be kept.
137. Any Director or the Secretary or any person appointed by the Directors for the purpose of this Clause shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the directors and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies of extracts; and, where any books, records,

documents or accounts are kept elsewhere than in the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

138. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Clause 137 shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

## NOTICES

139. (1) Notice of a general meeting or any other documents shall be in writing and shall be given to the Members either—
- (a) in hard copy;
  - (b) in electronic form; or
  - (c) partly in hard copy and partly in electronic form.
- (2) A notice—
- (a) given in hard copy shall be sent to any Member either personally or by post to the address supplied by the Member to the Company for such purpose; or
  - (b) given in electronic form shall be transmitted to the electronic address provided by the Member to the Company for such purpose or by publishing on a website subject to the Act, rules, regulations and laws.
- (3) Any notice or other document, if served personally or sent by post, shall be deemed to have been served or delivered at the time personally or when the letter containing the same is put into the post, and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a pre-paid letter. Any notice or other document given in electronic form shall be transmitted to the electronic address provided by the Member for such purpose. Every person who, by operation of law, transfer, transmission or other means whatsoever, becomes entitled to any Share, shall be bound by every notice which have been duly served to the person from whom he derives the title of such Shares, prior to his name and address being entered in the Register as the registered holder of such Shares.
- (4) Where a notice, or any other document or information is served, sent or supplied by electronic communication:-
- (a) to the current address of Member, shall be deemed to have been duly given, sent, or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of Members (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent).
- (5) A Member shall be implied to have agreed to receive such notice or document or information by way of such electronic communications. However, Members are given a right to request for a hard copy of such notice, document or information and the Company shall forward a hard copy of such notice or document or information to the Member.
- (6) The Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice, document or information by way of electronic communications or as a physical copy, and such Member shall be deemed to have consented to receive such notice, document or

information by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have right to receive a physical copy of such notice, document or information.

140. A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the Register in respect of the Share jointly held to the address as stated therein.
141. A notice may be given by the Company to the persons entitled to a Share in consequence of the death, bankruptcy, winding-up or any incapacity of a Member by sending it through the post addressed to them by name, or by the title of representatives of the deceased, or assignee of the bankrupt or liquidating company, or guardian of the unsound holder or by any like description, at the address, if any, within Malaysia supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
142. Notice of every meeting of Members shall be given in any manner hereinafter authorised to:-
- (a) every Member;
  - (b) every Director;
  - (c) every person entitled to a Share in consequence of the death, bankruptcy, winding-up or incapacity of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting; and
  - (d) the auditor for the time being of the Company.

Save as aforesaid, no other person shall be entitled to receive notices of general meeting.

143. If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company divide amongst the Members in kind the whole or any of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon trusts for the benefit of the contributories as the liquidators, with the like sanction, thinks fit, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.

## **INDEMNITY**

144. (1) Subject to Sections 288 and 289 of the Act, every Director or officer or auditor for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred or sustained by him in or about the execution of his duties of his office or otherwise in relation thereto, including, defending any claims or proceedings relating to any such liability, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court under the Act or where proceedings are discontinued or not pursued.
- (2) Subject to the provisions of the Act, the Company may, with the prior approval of the Directors, effect Takaful/insurance for every Director, officer and auditor of the Company in respect of the following:-
- (a) civil liability, for any act or omission in his capacity as an officer of the Company;
  - (b) costs incurred by him in defending or settling any claim or proceeding relating to any such liability; or



- (c) costs incurred by him in defending any proceedings that have been brought against him in relation to any act or omission in his capacity as an officer or Auditor which he has been acquitted, granted relief under the Act or where proceedings have been discontinued or not pursued.

The word "officer" referred in this Clause shall include:-

- (a) any Director, manager, secretary or employee of the Company;
- (b) a receiver and manager of any part of the undertaking of the Company appointed under a power contained in any instrument; and
- (c) any liquidator of the Company appointed in a voluntary winding up,

but does not include any receiver who is not also a manager, any receiver and manager appointed by the High Court or any liquidator appointed by the High Court or by the creditors.

145. These Clauses have been adopted in a manner to incorporate the requirements of the relevant governing statutes, regulations and guidelines. Without prejudice to any provisions in the Act or under these Clauses pertaining to the amendments of the Constitution, in the event the applicable provisions of any relevant governing statutes, regulations and guidelines are from time to time amended, modified or varied, such amendments, modifications or variations shall be deemed inserted herein whereupon these Clauses shall be read and construed subject to and in accordance with the amended, modified or varied statutes, regulations and guidelines.