



Antigua Commercial Bank

CIRCULAR TO SHAREHOLDERS

65th ANNUAL GENERAL MEETING
OF SHAREHOLDERS

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Dear Shareholders,

We invite you to attend our **65th Annual General Meeting of Shareholders (AGM)** to be held virtually on the Zoom Webinar Platform on **Thursday March 25, 2021 at 2pm.**

For the first time in the Group's history, we will be hosting an online AGM in accordance with Article 12.1 of the Company's Bylaws, as amended on December 30, 2020. We will also be utilizing an online voting tool, subject to validation by our External Auditors.

Please be assured that the decision to host an online AGM was not taken lightly, as we fully appreciate and respect the feedback we received from our Shareholders at our Special Shareholders Meeting in December, 2020. However, at the time of issuing the Notice of this Meeting, Antigua and Barbuda:

- remained under a State of Emergency with curfew hours between 6pm and 5am, daily
- implemented further restrictions on gatherings, reducing the number from twenty-five (25) to five (5)
- recorded an average daily increase of COVID-19 confirmed cases of ten (10) to fifteen (15).

In light of the above circumstances, the Board was obliged to follow the provisions of the Group's Pandemic Preparedness, Response and Continuity Plan, which mandated that risk mitigation measures be followed to reduce any potential for further spread of the virus, including the cessation of all in-person Meetings.

We wish to record our continued commitment to maintaining where possible, the in-person feature of our Shareholders Meetings going forward, on the condition that circumstances safely permit the hosting of same.

On behalf of the Board of Directors, I wish to express our appreciation to our Shareholders for the flexibility and understanding shown, as we continue to adapt to this "new normal" during these unprecedented times.

We look forward to engaging with you at our upcoming AGM, as we present the ACB Group's 2020 financial results and report on the work performed throughout the fiscal.



All AGM attendees will be required to pre-register to attend and vote at the Meeting, on or before Thursday March 18, 2021. Please see the link for your attention: https://us02web.zoom.us/webinar/register/WN_Pda-VJKaRMGqyZA1FaisOg

Should you require Help Desk Service and Support, email us at ACBSecretariat@acbonline.com or call us at (268) 481-4331/4/5.

After you have pre-registered to attend the AGM, additional details will be emailed to you on our new online voting process.

If you are unable to attend the AGM, kindly complete the enclosed proxy form to appoint your proxy to represent your shareholding interest at the Meeting.

We ask that you take the time to read this Circular that contains important information about the business to be conducted at the Meeting.

Sincerely,

DR. LORRAINE RAEBURN
CHAIRMAN

March 5, 2021

CONVENING THE ANNUAL GENERAL MEETING

Note: The Articles referenced throughout this Circular refer to specific provisions contained in the Company's Bylaws, as amended December 30, 2020.

NOTICE REQUIREMENTS

ARTICLE 12.3

Notice: A printed, email, electronic or published Notice stating the day, hour, and place or virtual platform to include registration and access details of a Meeting, shall be given by distributing such Notice to each Shareholder entitled to vote at such Meeting, to each Director and to the Auditor of the Company in the manner specified in paragraph 18.1 hereof, not less than seven (7) days or more than thirty (30) days (in each case exclusive of the day in which the Notice is delivered, sent or first published and of the day of the Meeting) before the date of the Meeting. Notice of a Meeting at which special business is to be transacted shall state (a) the nature of that business in sufficient detail to permit the Shareholder to form a reasoned judgment thereon, and (b) the text of any special resolution to be submitted to the Meeting.

ARTICLE 12.4

Method of Giving Notice and Distributing Documents: Any Notice or other document required by the Act, the Regulations, the Articles or the Bylaws to be sent to any Shareholder, Debenture holder, Director or Auditor may be delivered personally or sent by mail, facsimile, electronic mail or other electronic means to any such person at his last address, including email address, as shown in the records of the Company, or by publishing any such document to include the Notice of a Meeting, on the Company's website.

ARTICLE 18.1

Method of Giving Notice/ Publication of Documents: Any Notice or other document required by the Act, the Regulations, the Articles or the Bylaws to be sent to any Shareholder, Debenture holder, Director or Auditor may be delivered personally or sent by mail, facsimile, electronic mail or other electronic means to any such person at his last address, including email address, as shown in the records of the Company, or by publishing any such document on the Company's website.

QUORUM REQUIREMENT

ARTICLE 12.11

Quorum: Subject to the Act, a quorum for the transaction of business at any Meeting of the Shareholders shall be twenty (20) persons present whether in person or via an electronic or virtual platform, each being either a Shareholder entitled to vote thereat, or a duly appointed proxy holder or representative of a Shareholder so entitled. If a quorum is present at the opening of any Meeting of the Shareholders, the Shareholders present or represented may proceed with the business of the Meeting notwithstanding a quorum is not present throughout the Meeting. If a quorum is not present within one (1) hour of the time fixed for a Meeting of Shareholders, the persons present and entitled to vote may adjourn the Meeting to a fixed time and place but may not transact any other business.

Shareholders, please be guided that the Annual General Meeting is a business Meeting. Only Shareholders on record as at March 1, 2021 are entitled to pre- register to attend the Meeting.

VOTING PROCEDURE

ARTICLE 12.7

Voting at Shareholders' Meetings: Every question submitted to any Meeting of Shareholders on a motion moved and seconded, unless a poll is demanded, shall be decided in the first instance on a show of hands via majority vote on the basis of one Shareholder, one vote, present either in-person or by proxy and/or as facilitated virtually via an online or e-voting platform. In the case of an equality of votes, the Chairman of the Meeting shall have a casting vote in addition to any votes to which he may be otherwise entitled. Where a poll is demanded, voting shall be by ballot, that is to say, one vote for each share held in the Company, whether cast in- person or by proxy, facilitated virtually via an online or e-voting platform or as otherwise determined by a Directors' resolution.

ARTICLE 12.7.1

Every ballot shall be in the form, as from time to time approved by Directors' resolution, to include in a printed, electronic or online format. On a ballot for the Election of Directors, the names of the Nominees for the position of Director shall be included.

ARTICLE 12.7.2

At any Meeting of Shareholders, unless a ballot is demanded, a declaration by the Chairman of the Meeting that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the Minute Book of the Company, shall be conclusive evidence of the fact, without proof of the number of votes recorded in favour of or against such resolution.

ARTICLE 12.7.3

At any Meeting of Shareholders, a poll may be demanded, either before or on the declaration of the result of a show of hands by at least ten (10) Shareholders present in person or by proxy and entitled to vote at the Meeting. The demand for a poll may be withdrawn.

ARTICLE 12.7.4

Except as provided in the Act, the Regulations, the Articles or the Bylaws, if a poll is duly demanded, it should be taken in such a manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.

SHAREHOLDER PROPOSALS

Shareholders are asked to be guided by the procedures detailed in our brochure, "Shareholders Meetings: The ACB Shareholder Voice". Kindly visit the Investor Relations section of our website, www.acbonline.com for more information. A copy of the brochure may be requested via email to ACBSecretariat@acbonline.com.

APPOINTMENT OF PROXY

A Form of Proxy is being circulated herewith. A Shareholder who is entitled to vote at the Meeting may appoint a person to represent him/her at the Meeting by inserting the name of such person in the space indicated on the form and returning the completed form via email to ACBSecretariat@acbonline.com, facsimile: 1 (268) 481-4336 or hand-delivery for the attention of Legal Counsel/Corporate Secretary, Legal / Secretariat Department, Antigua Commercial Bank, Thames & St. Mary's Streets, St. John's, Antigua.

The completed proxy form must be received at the designated Office no later than the time specified on the form (March 18, 2021). Any Shareholder having appointed a proxy has the right to revoke it by depositing an instrument in writing signed by him/her or by his/her authorized attorney.

Please note that the attendance of a Shareholder (after pre-registering for the Meeting) on the day of the Annual General Meeting automatically revokes a previously deposited appointment of a proxy.

BUSINESS OF THE MEETING

CONSIDER THE AUDITED FINANCIAL STATEMENTS 2020

The Consolidated Financial Statements of the Company for the year ended September 30, 2020 and the Independent Auditors' Report thereon, as included in the Company's Annual Report 2020, have been uploaded to the Company's website, www.acbonline.com under the Investor Relations section.

CONFIRM THE MINUTES OF THE 64th ANNUAL GENERAL MEETING

The Minutes of the 64th Annual General Meeting of the Company held on January 30, 2020 with a List of Attendees attached thereto, are circulated herewith.

CONFIRM THE MINUTES OF THE SPECIAL SHAREHOLDERS MEETING- DECEMBER 30, 2020

The Minutes of the Special Shareholders Meeting of the Company held on December 30, 2020 with a List of Participants attached thereto, are circulated herewith.

ELECT DIRECTORS

The Board of Directors is comprised of ten (10) members and in accordance with Articles 4.4 (a) and 4.5 of the Company's Bylaws, the following Directors retire from Office, namely:

- **Sharon A. Matthew-Edwards** (elected on April 23, 2015)
- **Sandra Derrick** (elected on April 23, 2015)
- **C. Davidson Charles** (elected on December 28, 2017).

All three (3) Directors remain eligible and offer themselves for re-election.

As at the date of publication of this Circular, no nominations to the Office of Director had been received by the Group.

Accordingly, the number of Directors to be elected at this year's Annual General Meeting is three (3).

PROFILES OF RETIRING DIRECTORS



VICE CHAIRMAN SHARON A. MATTHEW- EDWARDS

Vice Chairman Matthew- Edwards was elected to the ACB Board of Directors on April 23, 2015. She is a Chartered Accountant, 1994, with the Canadian Institute of Chartered Accountants, and the Council Secretary of the Institute of Chartered Accountants of the Eastern Caribbean, Antigua and Barbuda Branch (membership since 2002).

Vice Chairman Matthew- Edwards obtained a Bachelor of Commerce degree (cum laude), with a double major in Accounting and Finance (1992) before becoming qualified as a Chartered Accountant. Her professional experience includes her employment with PricewaterhouseCoopers (1992 to 2010). She later opened her own accounting firm, Concord Business Associates in 2010.

She has been actively involved in the Antigua and Barbuda Girl Guides Association as a Leader (1992-2012), the Antigua and Barbuda Waste Recycling Corporation (Board Secretary, from 2004), and served as a Board Member and Treasurer of the New Winthorpes Wesleyan Holiness Church (from 2005 to 2015). She is also a member of the Institute of Chartered Secretaries & Administrators (ICSA) and having completed the Directors Education and Accreditation Programme (DEAP), she holds the designation Acc. Dir.

Vice Chairman Matthew- Edwards currently serves as the Chairman of the Audit & Risk Management Committee and is Vice- Chairman of the ACB Mortgage & Trust Company Limited's Board. She also sits as a member of the Credit and Governance & Executive Committees and serves on the ACB Pension Scheme's Board of Trustees.

PROFILES OF RETIRING DIRECTORS



VICE CHAIRMAN SANDRA DERRICK

Vice Chairman Derrick was elected to the ACB Board of Directors on April 23, 2015. She is a financial consultant with over ten (10) years' experience in finance, investments and project management. She graduated with a Bachelor of Science in Industrial Engineering from Stanford University and a Masters of Business Administration in Finance and Decision Sciences from Kellogg School of Business at Northwestern University.

Vice Chairman Derrick is also a Certified Financial Analyst and a member of the CFA Institute. Her work experiences, which have included international assignments, have spanned both private and public enterprises. She started in the technology field customizing databases before expanding into project and financial management. After managing the foreign currency reserves at the Eastern Caribbean Central Bank, she worked in the Ministry of Finance analyzing and solving financial complications.

She is also a member of the Institute of Chartered Secretaries & Administrators (ICSA) and having completed the Directors Education and Accreditation Programme (DEAP), she holds the designation Acc. Dir.

Vice Chairman Derrick is the Chairman of the Technology Committee and is also a member of the Governance & Executive Committee, Human Resources & Compensation Committee and the ACB Pension Scheme Board of Trustees. She is also a Director of the Company's main subsidiary, ACB Mortgage & Trust Company Limited.

PROFILES OF RETIRING DIRECTORS



DIRECTOR C. DAVIDSON CHARLES

Director Charles was re-elected to the ACB Board of Directors on December 28, 2017. He previously served on the ACB Board of Directors from June 19, 2003 to April 23, 2015. During that period, he was appointed to the position of Chairman of the Board in January, 2007 and served in that capacity until his retirement in April, 2015. He has also served on the Board of Directors for the Company's wholly owned subsidiary, ACB Mortgage & Trust Company Limited since May, 2005 to April, 2015.

Director Charles is a Chartered Accountant and the principal of Firm, CD Charles Chartered Accountants, from 1994 to present. In April, 2016, he assumed the role of General Manager and Director at Hutchinson Antigua. He is the former Chief Executive Officer of Cable & Wireless (Antigua) Ltd., a Telecommunications Company which operates in Antigua & Barbuda (2003 to 2015).

He holds a Bachelor of Commerce, B. Comm- Major in Accounting Degree and a Bachelor of Arts, BA- Major in Economics Degree from the St. Mary's University, Halifax, Nova Scotia, Canada. He is a member of the Canadian Institute of Chartered Accountants- CA and the Institute of Chartered Accountants of Eastern Caribbean (ICAEC)- CA.

Director Charles is also a member of the Institute of Chartered Secretaries & Administrators (ICSA) and holds the designation Acc. Dir.

He is a Director of the Group's subsidiary, ACB Mortgage and Trust Company Limited, and also serves as a member of the Technology, Governance & Executive and Scholarship Screening Committees.

QUALIFICATION & NOMINATION TO THE OFFICE OF DIRECTOR

Shareholders who wish to be elected to the Office of Director or Shareholders who are interested in nominating individuals for the Office of Director are reminded of and should be guided by Articles 4.3 and 4.4 (c) of the Company's Bylaws which state as follows:-

ARTICLE 4.3

Every Director shall be the holder in his own right of at least 1000 shares in the Company.

ARTICLE 4.4 (c)

No one other than a retiring Director, who offers himself for re-election, shall be eligible to be a Director, unless Notice in writing that he is a candidate for such Office shall have been given to the Company by two other Shareholders of the Company at least ninety (90) days before the holding of the Meeting at which the election is to take place.

Additionally, section 97 of the Banking Act 2015 (as amended) requires every person who is or who is likely to be a Director of a financial institution to be a fit and proper person to hold the particular position which he holds or is likely to hold.

In light of the above, via the publication of the Company's Director Recruitment advertisement on October 21, 2020, interested Shareholders were encouraged to submit their Applications in advance on or before November 20, 2020 to allow for the requisite due diligence to be conducted.

As stated above, as at the date of publication of this Circular, **no nominations to the Office of Director had been received by the Group.**

DECLARE A DIVIDEND

The Board recommends the payment of dividend of **\$850K or \$0.085** for each unit share to Shareholders on record as at **March 1, 2021** for the financial year ended September 30, 2020.

The Capital Management and Dividend Policy details the following objectives when managing the Company's capital:

- Preserving the "Shareholders' Equity" on Balance Sheet
- To comply with the capital requirements set by its Regulators
- To safeguard the Company's ability to continue as a going concern notwithstanding potential shocks from low, medium, or high probability events, so that it may continue to provide reasonable risk-adjusted returns to Shareholders, and benefits to other Stakeholders; and
- To maintain a strong capital base to support the growth of its business.

The Policy further recognizes that it is imperative that the Company builds up its capital reserves in the form of retained earnings, particularly in light of regulations such as International Financial Reporting Standards (IFRS) 9 and Basel 2 which will require higher levels of capital.

Noting the above, the Board remains guided that the declaration and payment of dividends may take place only after the following criteria have been met:

- Appropriation of at least 20% of net income to the Statutory Reserve account annually, until the account is equal to 100% of the Company's paid up capital in accordance with subsection 45(1) of the Banking Act of Antigua and Barbuda (2015).
- The regulatory capital according to subsection 44(1) (a) of the Banking Act is not impaired.
- The capital adequacy ratio (total regulatory capital to risk weighted assets) exceeds eight percent (8%) in accordance with subsection 46(1) of the Banking Act.
- Thereafter allocate Net Income after tax each as follows:
 1. Statutory Reserves - 20% - minimum
 2. Retained Earnings - 55% - minimum
 3. Dividend Pay-out - 25% - maximum.
- The Company's key liquidity ratios are all within the Company's internal benchmarks, and likewise the ECCB regulatory and statutory benchmarks.

After due consideration of the above, together with the updated COVID-19 Regulatory Guidance on the payment of dividends issued by the Eastern Caribbean Central Bank (ECCB) to all Licensed Financial Institutions (LFIs) dated January 25, 2021, the Board has resolved to propose the subject dividend payout of **\$850K** which accounts for approximately **25%** of the declared profits for the financial year ended September 30, 2020.

It is the Board's position that the dividend payout recommendation represents a fair and reasonable return for Shareholders in compliance with relevant policy and regulatory guidelines, while noting industry developments which the Company anticipates will require more stringent capital requirements.

Shareholders are reminded that further to the previous written notice issued on June 6, 2014, the Company has ceased to issue dividend cheques to its local Shareholders.

Under the circumstances, local Shareholders are reminded to establish their standing order instructions to allow for the direct deposit of future dividend payments to an Account of your choice. Take note that dividends will be withheld until these instructions are received. For further information, kindly telephone the Legal/ Secretariat Department on (268) 481-4331/4/5 or email ACBSecretariat@acbonline.com.

FIX DIRECTORS' FEES

The Board recommends that Directors' fees remain unchanged, that is to say, \$5,500 being paid monthly to the Chairman and each Director receiving \$4,500 per month.

APPOINT EXTERNAL AUDITORS

The External Auditors, KPMG, retiring and being eligible, offer themselves to be re- appointed as the Company's External Auditors for the financial year ending September 30, 2021. The Directors have resolved to recommend to the Shareholders the subject re- appointment.

LOOKING AHEAD

Shareholders will receive updates on the following developments under the Any Other Business section of our AGM Agenda at our upcoming Meeting:

- **RBC ACQUISITION UPDATE**
- **ACB REBRANDING EXERCISE**
- **OUTSOURCING THE MANAGEMENT OF THE SHARE REGISTRY.**

We look forward to the continued support of our Shareholders as we pursue these and other important strategic initiatives to realize the Company's ambitious agenda for growth and profitability by creating value for our stakeholders to include our Customers, Employees and Shareholders.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following are available for inspection by appointment, at the Company's Registered Office, Legal/ Secretariat Department, 3rd floor, ACB Head Office, Thames & St. Mary's Streets, St. John's, Antigua during normal business hours from the date of this Circular up to and including the date of the AGM:

- (a) Shareholders Register as at the record date
- (b) the Company's Bylaws, as amended December 30, 2020
- (c) the Annual Report 2020.

RESPONSIBILITY STATEMENT

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



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