

CORPORATE GOVERNANCE STATEMENT OF MAYBANK IB

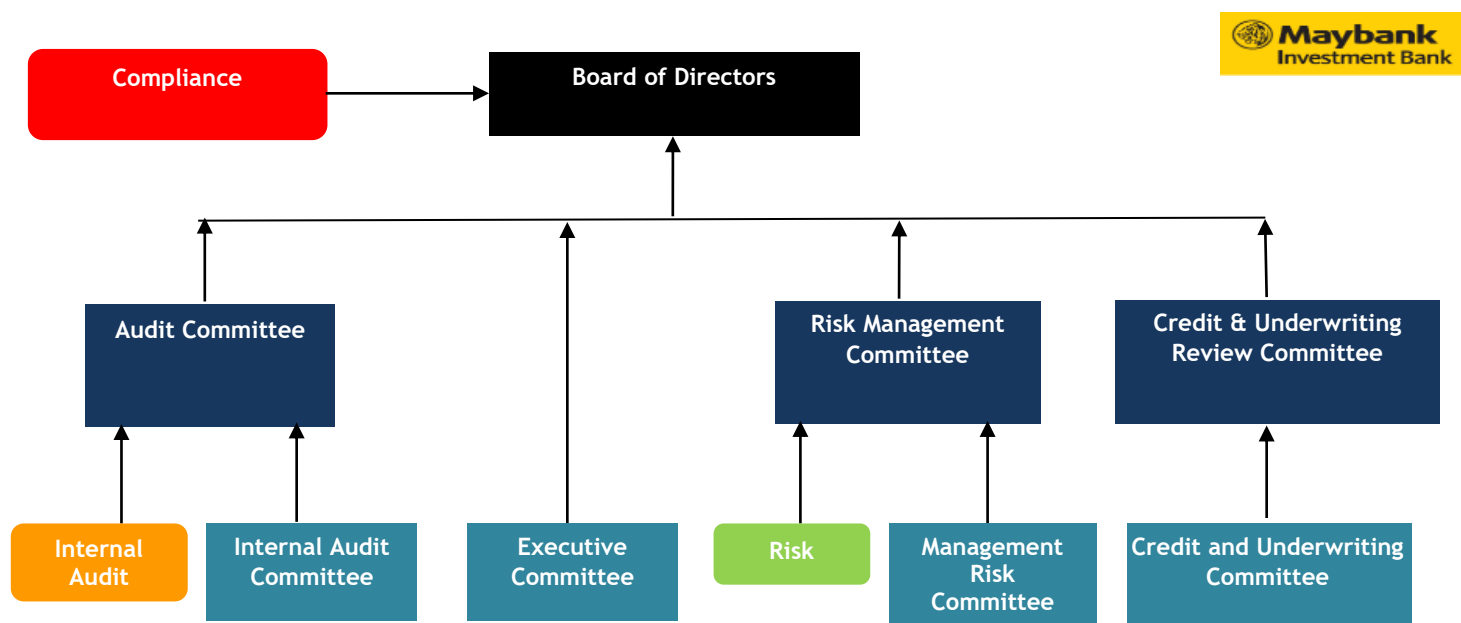
INTRODUCTION

The Board of Directors of Maybank IB views corporate governance as a fundamental process contributing towards achieving long term shareholder value, whilst taking into account the interest of other stakeholders. Amidst an increasingly challenging operating environment, the Board continuously strives to refine the corporate governance practices and processes to meet these challenges, to ensure that Maybank IB's competitive edge both locally and regionally remains undiminished.

This Corporate Governance Statement seeks to provide vital insights into the corporate governance practices of Maybank IB.

CORPORATE GOVERNANCE FRAMEWORK

Fundamental to the Board's success in instilling good corporate governance practices within Maybank IB is the Corporate Governance Framework that has been adopted by Maybank IB, as illustrated below:



Maybank IB has been exempted by Bank Negara Malaysia ("BNM") from complying with the requirement to establish a Nomination and Remuneration Committee ("NRC") as the functions of the committee for Maybank IB are assumed by Maybank Group's NRC.

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INFORMATION OF THE BOARD

Composition of the Board

The Board of Maybank IB currently comprises seven (7) directors. There are six (6) Independent Non-Executive Directors (“INEDs”) and one (1) Non-Independent Executive Director. The current composition of the Board complies with BNM’s Policy on Corporate Governance which provides that the Board must have a majority of Independent Directors at all times.

The members of the Board are as follows:

Chairman

Dr. Hasnita Dato’ Hashim	- <i>Independent Non-Executive Director</i>
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Members

Dato’ Muzaffar Hisham	- <i>Non-Independent Executive Director</i>
Mr. Hans Johan Patrik Sandin	- <i>Independent Non-Executive Director</i>
Mr. Goh Ching Yin	- <i>Independent Non-Executive Director</i>
Dato’ Abdul Hamid Sh. Mohamed	- <i>Independent Non-Executive Director</i>
Dato’ Sri Sharifah Sofianny Binti Syed Hussain	- <i>Independent Non-Executive Director</i>
Ms. Che Zakiah Binti Che Din	- <i>Independent Non-Executive Director</i>

Company Secretary

Ms. Edleen Rehanie Ariffin

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Profile of Directors

The directors bring to the Board a wealth of experience and skills in the aspects of accountancy, business, finance and risk management, among others. The profile of each member of the Board is presented below.

Dr. Hasnita Dato' Hashim

- Independent Non-Executive Director

- 62 years of age - Malaysian
- PhD in Nuclear Physics from Oxford University, United Kingdom
- Bachelor of Science in Physics from Surrey University, United Kingdom

Dr. Hasnita was appointed as Chairman and Independent Non-Executive Director of Maybank Investment Bank on 2 November 2020.

Dr. Hasnita has 30 years of global financial management experience in the field of asset management, structured finance and asset securitisation, with over 20 years in senior management roles at local and multinational companies. She is also known to be a pioneer and innovator in Islamic finance and has extensive relationships with large investors and key business players particularly from the Gulf countries.

Dr. Hasnita's directorships in companies within the Maybank Group include Malayan Banking Berhad and Chairman of Maybank IBG Holdings Limited and Chairman of Maybank Asset Management Group Berhad and Maybank Asset Management Sdn Bhd. At present, Dr. Hasnita is a director of Guidance Atel Investments Ltd, Guidance Investment (Labuan) Ltd, Redachem Malaysia Sdn Bhd and Guidance ATEL GCC Investments Ltd.

Dato' Muzaffar Hisham

- Non-Independent Executive Director

- 51 years of age - Malaysian
- Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, United Kingdom
- Chartered Banker, Asian Institute of Chartered Bankers

Dato' Muzaffar was appointed as a Non-Independent Executive Director of Maybank Investment Bank on 3 August 2017. He serves as a member of Credit & Underwriting Review Committee of the Board.

He first joined the Maybank Group as CEO of Maybank Islamic Berhad in 2011. Dato' Muzaffar was the Group Head, Islamic Banking of the Maybank Group and Chief Executive Officer of Maybank Islamic Berhad before his appointment as Group CEO, Global Banking of Maybank Group in 2016.

Prior to joining Maybank, he has over 20 years of experience in financial services and investment banking including Islamic banking with Asian International Merchant Bankers Berhad (now known as Public Merchant Bank Berhad), Amanah Merchant Bank Berhad (now known as Alliance Merchant Bank Berhad), Malaysia Discounts Berhad, Amanah Short Deposits Berhad, Commerce International Merchant Bankers Berhad, HSBC Bank Malaysia Berhad and CIMB Islamic Bank Berhad.

Dato' Muzaffar's current directorships in companies within the Maybank Group include Maybank Asset Management Group Berhad, Maybank IBG Holdings Limited and Maybank Ventures Sdn Bhd (formerly known as BinaFikir Sdn Bhd). Dato' Muzaffar is also a member of the International Centre for Education in Islamic Finance's ("INCEIF") Professional Development Panel.

Mr. Hans Johan Patrik Sandin

-Independent Non-Executive Director

- 57 years of age - Swedish
- Master of Philosophy (Economics) from University of Cambridge, United Kingdom
- Bachelor's Degrees in Economics and Finance from University of Cape Town, South Africa

Mr. Sandin was appointed as an Independent Non-Executive Director of Maybank Investment Bank on 20 May 2015. He serves as Chairman of the Risk Management Committee of the Board and member of the Audit Committee of the Board as well as the Credit & Underwriting Review Committee of the Board.

Prior to his appointment as an Independent Non-Executive Director of Maybank Investment Bank on 20 May 2015, Mr. Sandin has 23 years of working experience in international financial markets, a strong expertise in derivatives, coupled with a good knowledge of the evolving market infrastructure and regulations. Mr. Sandin started his banking career in 1991 at Union Bank of Switzerland, Zurich. In 1993, he moved to Singapore where he served in various roles, focusing on Asian emerging market debts, equity and derivatives products. Mr. Sandin then joined BNP Paribas, specializing in the fixed income division and hedging advisory, investment banking. He retired in 2014.

Mr. Sandin's other directorships in companies within the Maybank Group include as Director of Maybank Securities (Thailand) Public Company Limited, Maybank IBG Holdings Limited and Chairman of MIB Securities (Hong Kong) Limited.

Mr. Goh Ching Yin

-Independent Non-Executive Director

- 66 years of age - Malaysian
- Master of Business Administration, Cranfield University, United Kingdom

Mr. Goh was appointed as an Independent Non-Executive Director of Maybank Investment Bank on 25 July 2016. He serves as a member of the Risk Management Committee of the Board and Chairman of the Credit & Underwriting Review Committee of the Board.

Mr. Goh started his professional career with Peat Marwick Mitchell and then moved on to consultancy at Price Waterhouse Associates. He later embarked in the investment banking industry when he was with RHB Sakura Merchant Bankers Berhad as a General Manager for Corporate Finance. Subsequently, he assumed the roles of the Managing Director of Corporate Finance with the BNP Paribas Group in Malaysia, and the Chief Executive Officer of Southern Investment Bank of the Southern Bank Group. He then held positions as Executive Director in the Chairman's Office, Strategy and Development, and Market Oversight Divisions during his tenure with the Securities Commission of Malaysia. He was also a member of the National Cyber Security Advisory Committee, Ministry of Science, Technology and Innovation Malaysia and member of the Intellectual Capital Development Committee, Innovation Agency Malaysia.

His current directorships in companies within the Maybank Group include as director of Maybank Asset Management Group Berhad, Maybank Asset Management Sdn Bhd, Maybank IBG Holdings Limited, and Chairman of Maybank Asset Management Singapore Pte. Ltd. and Maybank Securities Pte. Ltd. His directorships in other companies include Shangri-La Hotels (M) Bhd, Khazanah Nasional Berhad, Allianz Malaysia Berhad and Allianz Life Insurance Malaysia Berhad.

He is also a member of the Disciplinary Panel of the Asian Institute of Chartered Bankers (formerly known as Institut Bank-Bank Malaysia). Previously, he was a member of the Board of Trustees of the Capital Market Development Fund for a 3 year tenure ended in 2022.

Dato' Abdul Hamid Sh. Mohamed

-Independent Non-Executive Director

- 58 years of age - Malaysian
- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom

Dato' Abdul Hamid was appointed as an Independent Non-Executive Director of Maybank Investment Bank on 26 October 2017. He serves as Chairman of the Audit Committee and member of the Credit and Underwriting Review Committee of the Board.

Dato' Abdul Hamid first started his career in the accounting firm, Messrs. Lim Ali & Co/Arthur Young (now known as Messrs. Ernst & Young) before joining Bumiputra Merchant Bankers Berhad (now known as Alliance Investment Bank Berhad) and Amanah Capital Malaysia Berhad. Dato' Abdul Hamid subsequently joined the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Malaysia), where he held various key roles including Chief Financial Officer. During his 5-year tenure there, he had led KLSE's acquisitions of the Kuala Lumpur Options and Financial Futures Exchange ("KLOFFE") and the Commodity and Monetary Exchange of Malaysia ("COMMEX"), and their merger to form the Malaysia Derivatives Exchange ("MDEX"). Dato' Abdul Hamid had also led the acquisition of the Malaysian Exchange of Securities Dealing and Automated Quotation ("MESDAQ"), as well as the KLSE's demutualisation exercise.

Dato' Abdul Hamid's directorships in companies within the Maybank Group include Maybank IBG Holdings Limited and as a Commissioner of PT Maybank Sekuritas Indonesia. Dato' Abdul Hamid is a director of MMC Corporation Berhad, OM Holdings Limited, Ekuiti Nasional Berhad and entities within the Symphony Group of Companies and entities within Lembaga Tabung Haji Group of Companies.

Dato' Sri Sharifah Sofianny Binti Syed Hussain

-Independent Non-Executive Director

- 61 years of age - Malaysian
- Bachelor of Science in Accountancy, University of Missouri, USA

Dato' Sri Sharifah Sofianny was appointed as an Independent Non-Executive Director of Maybank Investment Bank on 4 December 2017. She serves as member of the Audit Committee, the Risk Management Committee and the Credit and Underwriting Review Committee of the Board.

Dato' Sri Sharifah Sofianny was formerly Managing Director, Head of Institutional Equities at Maybank Investment Bank in 2011 prior to holding the post of Managing Director of Client Coverage (Public) at Maybank Global Banking in 2014, before leaving the Maybank Group in 2015. During her tenure in Maybank, she spearheaded numerous restructuring initiatives leading to many major accounts being successfully elevated to top-tier positions which saw Maybank receive various prestigious awards. Dato' Sri Sharifah Sofianny has 18 years of experience holding various leadership roles in stockbroking and wholesale banking business. She started her career with Shell Malaysia and left after 11 years to begin a career in stockbroking at K&N Kenanga Berhad and JF Apex Securities before eventually joining Maybank.

Dato' Sri Sharifah Sofianny's directorships within the Maybank Group include Maybank Capital Inc, Maybank IBG Holdings Limited and Maybank Securites Inc. She is also currently a director on the board of Sime Darby Plantation Berhad, Andaman Capital Investment Limited and New Britain Palm Oil Limited.

She is also a member of the Majlis Pekerjaan Negara (National Employment Council) and Chairman of the Industry Advisory Panel for Bachelor of Finance at University Tenaga Nasional ("UNITEN").

Ms. Che Zakiah Che Din

-Independent Non-Executive Director

- 64 years of age - Malaysian
- Bachelor Degree in Economics from University of Malaya

Ms. Che Zakiah was appointed as an Independent Non-Executive Director of Maybank Investment Bank on 26 October 2018. She serves as member of the Audit Committee of the Board.

Ms. Che Zakiah has more than 30 years of working experience with Bank Negara Malaysia (“BNM”) mainly in the areas of banking supervision, regulations and enforcement. She was the Director of Financial Conglomerates Supervision Department prior to her retirement on 1 May 2017. In her role as Director of Financial Conglomerates Supervision, she oversaw the implementation of prudential supervision on 8 domestic banking groups on consolidated basis.

Ms. Che Zakiah’s directorships in companies within the Maybank Group include Malayan Banking Berhad, Maybank IBG Holdings Limited and as Chairman of the Board of Members of Maybank Securities Limited. She is a board member of FIDE Forum.

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None of the Directors has family relations with any director and/or major shareholder of Maybank or conflict of interest with Maybank IB. None of the Directors of Maybank IB hold shares in Maybank IB.

Constitution

The Memorandum & Articles of Association of Maybank IB has been adopted as the Constitution of the Company within the meaning of the new Companies Act, 2016.

The Constitution of Maybank IB regulates the manner in which Maybank IB is governed. It sets out the powers and objects of Maybank IB being the fundamental conditions upon which Maybank IB is allowed to operate. In addition, the Constitution also sets out the duties, obligations and powers of the Directors as well as the rights of shareholders.

Board Charter

In line with BNM's Policy on Corporate Governance, the Board has adopted a Board Charter which outlines among others, the respective roles, responsibilities and authorities of the Board (both individually and collectively) in setting the direction, management and control of Maybank IB. The Board Charter also includes the division of responsibilities and powers between the board and management, and between the Chairman and the Chief Executive Officer ("CEO").

Board Manual

Besides the Board Charter, the Board has in place a Board Manual, which acts as guidance for the Board members in discharging their duties effectively. The Board Manual highlights the guiding principles and matters relating to Board organisation, responsibilities, and relevant internal policies and procedures which are applicable to the Board, including those mentioned in the Board Charter.

Corporate Governance Statement**Roles and Responsibilities of the Board**

The Board has the responsibility to approve and periodically review the overall business strategies and significant policies of Maybank IB, premised on sustainability and promoting ethical conduct in business dealings, understanding the major risks faced by Maybank IB, setting acceptable levels of risk taking and ensuring that the Senior Management takes the steps necessary to identify, measure, monitor and control these risks.

The Board also approves the organizational structure of Maybank IB and ensures that Senior Management is monitoring the effectiveness of the internal control system. The primary obligations of the Board are as follows:

- (a) To review and approve strategies, business plans and significant policies and monitor Management's performance in implementing them.
- (b) To review and approve the annual budget.
- (c) To approve new investments, divestments, mergers and acquisitions, including the establishment of subsidiaries, joint ventures or strategic alliances.
- (d) To approve credit facilities and underwriting of securities under the category of policy loans (other than those delegated to the Credit and Underwriting Review Committee ("CURC")) as well as director-related facilities.
- (e) To set corporate values and clear lines of responsibilities and accountability that are communicated throughout the organization.
- (f) To obtain external legal or other independent professional advice with relevant experience and expertise if considered necessary.
- (g) To approve comprehensive policies, processes and infrastructure with respect to the management of all risk categories (including but not limited to credit, market, and liquidity, operational, legal and reputational risks).
- (h) To review and ensure the adequacy and integrity of the Company's internal control system and management information system, including systems for compliance with applicable laws, regulations, rules and guidelines.
- (i) To approve and periodically review the risk management capabilities of the Company to ensure that they are able to support the business expansion.
- (j) To approve policies on credit, margin-trading facility, trading limit, underwriting and investment in securities (both equities and fixed income).

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- (k) To oversee the conduct of the Bank's business, to evaluate whether the business is effectively managed and to ensure that the operations of the business are conducted within the framework as required by relevant laws and policies.
- (l) To consider and approve the financial statements and interim dividend and to recommend the final dividend to shareholders.
- (m) To promote Shariah Compliance in respect of the Islamic business of Maybank IB, including to perform oversight role over the effective functioning of Maybank IB's Shariah governance framework.
- (n) To ensure that the required Anti Money Laundering/Counter Financing of Terrorism ("AML/CFT") measures are in place.
- (o) To set minimum standards and approve the AML/CFT policies, procedures and controls.
- (p) To designate Compliance Officers at Senior Management level with sufficient authority.
- (q) To regularly review and assess the measures adopted and implemented for AML/CFT.
- (r) To ensure regular independent audit of the internal AML/CFT measures to determine their effectiveness and compliance with AMLA.
- (s) To ensure that proper training programs on AML/CFT practices and measures for its employees are sufficiently and appropriately conducted.
- (t) To approve the recruitment, appointment, promotion, confirmation and termination of services, as well as the remuneration package, the compensation and benefits policies, the terms and conditions, including the job grade and the review of the CEO and Senior Officers of Maybank IB. The proposed appointment of Senior Officers would be recommended by the CEO, Maybank IB.
- (u) To approve the compensation package and human resource policies pertaining to Management and staff of Maybank IB.
- (v) To approve changes to the corporate organization structure of Maybank IB.
- (w) To approve the succession planning policy and continuously monitor Senior Officers' performance.

Role and Responsibilities of the Chairman and the Chief Executive Officer

The roles and responsibilities of the Chairman and the CEO are separated with a clear division of responsibilities, defined, documented and approved by the Board, in line with best practices so as to ensure appropriate supervision of the Management. This distinction allows for a better understanding and distribution of responsibilities and accountabilities. The clear hierarchical structure with its focused approach and attendant authority limits also facilitates efficiency and expedites informed decision-making.

Chairman

The Chairman leads the Board and is also responsible for the effective performance of the Board. She continuously works together with the rest of the Board in ensuring the Group's policy framework and strategies are aligned with the business activities driven by the Management and is consistent with Maybank IB's objectives and aspirations.

The Chairman ensures the proceedings of the Board are conducted in an orderly manner, where healthy debate on issues being deliberated is encouraged to reflect an appropriate level of scepticism and independence. She also takes the lead to ensure that the succession planning programme for the Board and senior management are at the appropriate level of effectiveness. The Chairman also cultivates a healthy working relationship with the CEO and provides the necessary support and advice as appropriate. She continues to demonstrate the highest standards of corporate governance practices and ensures that these practices are regularly communicated to the stakeholders.

As ever, the Chairman will always try to ensure that the Board's decisions are reached by consensus. Failing this, the decisions will reflect the will of the majority and any concern or dissenting view expressed by any Directors on any matters deliberated at meetings of the Board, or any of its Committees, as well as the meetings' decisions, will accordingly be addressed and duly recorded in the relevant minutes of the meeting.

Corporate Governance StatementChief Executive Officer

Dato' Fad'l Bin Mohamed (Dato' Fad'l) was appointed as CEO of Maybank IB on 1 October 2018. Dato' Fad'l has been delegated certain responsibilities by the Board in his capacity as CEO, Maybank IB and is primarily accountable for overseeing the day-to-day operations of Maybank IB's business.

He is responsible for spearheading Maybank IB's business with broad guidance and direction from the Maybank IB Board of Directors. He ensures that the long-term goals and aspirations of the investment banking business are in line with Global Banking and Maybank Group's strategies and goals. He leads the formulation of strategies and plans (short, medium and long term) to achieve the goals of the investment banking business, including product strategies, customer strategies, branding strategies, and the identification of new markets and business opportunities and evaluation of opportunities for organic and inorganic growth and partnerships.

The CEO leads, guides and advises the senior management team to achieve timely and effective execution of strategies, plans and initiatives (including post-merger integration), and reports the performance of the investment banking business to the Maybank IB Board of Directors. He ensures that systems, procedures and controls are in place to ensure that the business is in compliance with all relevant laws and regulations at all times, and to ensure that risks are identified, monitored and appropriately managed.

His other responsibilities include ensuring that whilst the ultimate objective is maximising shareholders' return, the social and environmental factors are not being neglected, and also developing and maintaining strong communication programmes and dialogues with all relevant stakeholders of the Bank, and providing the effective leadership to the organisation.

He is also responsible for ensuring management competency including the emplacement of an effective succession plan to sustain continuity.

The CEO, by virtue of his position, also functions as the intermediary between the Board and senior management.

Independent Directors

With more than half of its members comprising INEDs, the Board has a strong degree of independence. The Maybank Group has established a Directors' Independence Policy which sets out Maybank Group's approach in determining directors' independence ("the Independence Policy"). The Independence Policy provides a guideline for the Board to assess the independence of each INED. Consistent with the

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Independence Policy and the recommendations of the Malaysian Code on Corporate Governance issued in 2017 (the Code), the Board via the NRC, assesses the independence of INEDs upon their appointment, re-appointment and annually.

Tenure of Independent Non-Executive Directors

In line with BNM's Corporate Governance Policy, the tenure of service for INEDs has been capped at the maximum period of nine (9) years whereby upon the completion of such tenure, an INED may continue to serve on the Board subject to his re-designation as a Non-Independent Non-Executive Director, taking into account NRC's recommendation and BNM's approval.

Currently, none of the Independent Non-Executive Directors has reached the 9-year term in Maybank IB. The Board will continue to monitor the tenure of each independent Director as part of succession planning.

Independence Assessment

The NRC determines the ability of the INEDs to continue bringing independent and objective judgment to the board deliberations. Additionally, the NRC considers any ground or reason that have come to their attention that may affect the independence status of Independent Directors.

To assist the NRC in evaluating the independence of directors, Maybank Group had established a Directors' Independence Policy ("Independence Policy") which sets out the approach in determining directors' independence. The Independence Policy provides a guideline for the Board in the assessment of independence of each INED. Consistent with the Independence Policy, the Board via the NRC assesses the independence of INEDs prior to their appointment and re-appointment as part of the annual Fit and Proper Assessment exercise.

Pursuant to the recommendation of the NRC and based on the assessment undertaken for FY2022, the Board is satisfied that all the INEDs of the Maybank IB Board have met the independence criteria set out under BNM's Policy on Corporate Governance and Maybank Group's Independence Policy.

Senior Independent Director

Further to the clear separation of the role and duties between the Chairman and the CEO, a Senior Independent Director ("SID") is appointed from amongst the INEDs, to whom concerns of shareholders and stakeholders may be conveyed.

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The SID may also:

- (i) Preside at all meetings of the Board at which the Chairman or Vice-Chairman (if the SID is not the Vice Chairman) is not present;
- (ii) Serve as a liaison between the Chairman and the Independent Directors; and
- (iii) Have authority to call for meetings of the Independent Directors.

In this respect, Maybank IB Board had appointed Mr. Goh Ching Yin as Senior Independent Director of Maybank IB.

BOARD APPOINTMENTS

The Board delegates to the NRC the responsibilities to establish a formal and transparent procedure for the nomination and appointment of new Directors to the Board. Such responsibilities include screening, conducting initial selection of internal and external candidates, performing requisite evaluation and assessment on the candidates' ability to discharge their duties effectively and efficiently, prior to making recommendations to the Board for its approval. The NRC also ensures candidates possess the appropriate skills, core competencies, experience, integrity and time to effectively discharge his or her role as a director.

Fit and Proper Assessment

Besides the assessment on independence, the Directors also undergo a fit and proper assessment upon their appointment, re-appointment or annually. The assessment is undertaken in accordance with the Maybank Group's Fit and Proper Policy which has been in force since August 2006.

The Fit and Proper Policy, which sets out the attributes and qualifications required of a candidate to determine his/her suitability, include amongst others, requirements in respect of his/her management and leadership experience, which has to be at the most senior level in a reputable local or international financial services group, public corporation or professional firm/body. In relation to the candidate's skills, expertise and background, the candidate should ideally and to the extent available, possess a diverse range of skills, including in particular, business, legal and financial expertise, professional knowledge and financial industry experience, as well as experience in regional and international markets. The Fit and Proper Policy also assists in identifying the gaps in skills in the composition of the Board.

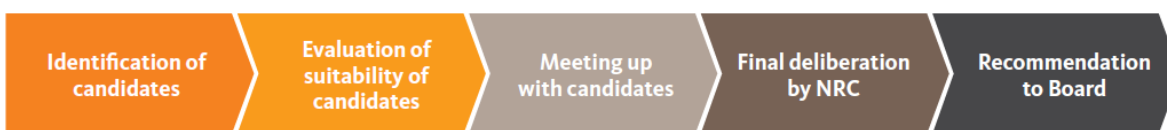
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The following aspects would be considered by the Board in making the selection, with the assistance of the NRC:

1. Probity, personal integrity and reputation – the person must have key qualities such as honesty, integrity, diligence, independence of mind and fairness.
2. Competency and capability – the person must have the necessary skills, ability and commitment to carry out the role.
3. Financial integrity – the person must manage his debts or financial affairs prudently.

Nomination and Appointment Process

The Maybank Group Policy on the Nomination Process for appointment of Chairman, Director and CEO of Maybank Group (Policy on Nomination Process) sets out a clear and transparent nomination process of the same, which involves the following five stages:



Upon approval being obtained from the Board, an application for the appointment of the shortlisted candidates will be submitted to BNM for the requisite approval as required under the Financial Services Act 2013 (“FSA”).

The appointment process for Executive Directors is similarly robust, in order to ensure that the best person is selected for the top executive position in the interest of the Group. The process includes the identification of potential candidates (both internal as well as external) by a special committee of the Board, governed by the expectation of the roles and capabilities described and required by the Board. This process includes interviews, which are subsequently followed by a submission to the NRC for deliberation and thereafter the final recommendation to the Board for endorsement, and ultimately submission to BNM for approval.

Maybank IB also conducts annual assessments on the suitability of the Directors to continuously occupy their strategic leadership position subsequent to the appointment process, in accordance with the Maybank Group’s Fit and Proper Policy and in line with BNM Guidelines on Fit and Proper Criteria.

The Fit and Proper assessment involves self-declaration by the Directors as well as independent checks on their business interests in compliance with section 59 of FSA and BNM’s Policy on Corporate Governance to ensure the suitability of the Directors to continue to serve as directors of Maybank IB.

SUCCESSION PLAN

Succession planning is an integral part of the Board's corporate governance practices as the Board believes that the membership and composition of the Board should be reassessed from time to time. This is to ensure continuity towards meeting the Bank's long term goals and objectives.

The NRC plays a major role in the recruitment and selection process of potential candidates. This process includes reviewing the Group's Talent Pool and procuring from time to time, the curriculum vitae of prospective candidates discreetly from various internal and external sources for its review and consideration to ensure that the Board will always have a steady pool of talent for selection whenever there is a need to appoint new directors. In this regard, the Group's Policy on the Tenure of Directorships ("Directors Tenure Policy") facilitates succession planning by providing the Board with the opportunity to consider and reassess its membership periodically.

This is to ensure continuity in meeting its long term goals and objectives and also to ensure that the knowledge, experience, and skillset of its members would be well suited to meet the demands of the ever-changing landscape of the financial industry.

Tenure of Directorships

The appointment of Non-Executive Directors on the Board, as well as their tenure as a director, is subject to the approval of BNM ("BNM Approved Tenure"). Prior to the expiry of the BNM Approved Tenure, Maybank IB may apply to BNM for an extension of the same if, pursuant to an assessment, the Board is satisfied with the performance and contribution of the said Non-Executive Director.

Directors' Retirement, Re-Election and Re-Appointment

All directors of Maybank IB are subject to re-election by the shareholders at the first opportunity after their appointment in accordance with Article 100 of Maybank IB's Constitution and are subject to retirement by rotation at least once every three years in accordance with Article 95 of Maybank IB's Constitution.

The Board's support for a Director's re-appointment is not automatic and is subject to satisfactory assessment of performance. The NRC will first assess the Directors who are due for re-appointment and will then submit its recommendation to the Board for deliberation and approval. Upon obtaining the Board's endorsement, the relevant submission including the justifications for such re-appointment is thereafter made to BNM for approval if the relevant Director's BNM's term of appointment is expiring.

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BOARD PROCESSES

Board Effectiveness

The Board conducts annual evaluation of the Board, its committees and each individual Director. The Annual Board Effectiveness Evaluation will be conducted internally, with the assistance of the Corporate Secretarial team. The Board will upon NRC's advice, decide whether the assistance of external experts may be required in the future to undertake this exercise.

The scope of the assessment conducted for FY2022 comprised the following;

- (a) Board Effectiveness Evaluation ("BEE") which covered the following aspects:

Annual Board Assessment	Aspects/ Areas of Assessment
Board	(i) Board effectiveness in leading M25/M25+ Plan (ii) Board responsibilities; (iii) Board composition; (iv) Board remuneration (v) Board conduct - Boardroom environment and dynamics; (vi) Board interaction and communication with Management (vii) Leadership by Board chair; (viii) Board administration and processes; and (ix) Directors Learning and Development Programme

Annual Board Assessment	Aspects/ Areas of Assessment
Board Committees	(i) Effectiveness of Board Committee in discharging its responsibilities; (ii) Board Committee composition; and (iii) Leadership by Board Committee chair.
Individual Director Self & Peer Evaluation	(i) Board dynamics and participation; (ii) Knowledge and expertise; (iii) Contribution to Board; (iv) Performance of Board general duties; and (v) Independence.
360° Management Evaluation On Board Effectiveness	(i) Board effectiveness in leading M25/M25+ Plan; (ii) Board oversight over management; (iii) Board responsibilities; (iv) Mode of Engagement; (v) Effectiveness in Board communication with management; (vi) Effectiveness of Board Committee; and (vii) Board composition.

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The overall result of the evaluation was tabled to the Board and the NRC and the individual results/feedback were provided to each Director for their information and records. Pursuant to the BEE, all Board members had provided feedback not only on the areas of assessment but also on areas that the Board could improve on moving forward. These areas have been incorporated in the Board's Actionable Improvement Plan ("AIP") to be addressed throughout 2022. The Board has suggested the following areas for discussion for 2022:

- Succession planning for board member; and
- Setting of Key Performance Indicator for Management.

The topics identified to address the training needs of Directors are in the following areas:

- Environmental, Social and Governance ("ESG");
- Cyber and Technology Risk; and
- Digitalisation.

Board Meetings

The Board meets on monthly basis, and the meeting dates are scheduled well in advance (before the commencement of each financial year) to enable the Directors to plan ahead. When required, the Board will meet on ad hoc basis to consider urgent matters. All the Directors had exceeded the 75% meeting attendance requirement in accordance with BNM's Policy on Corporate Governance.

Details of attendance of each Director on the Board and respective Board Committees of Maybank IB during the financial year ended 31 December 2022 are highlighted in the table below:

	Board		Credit and Underwriting Review Committee (CURC)		Audit Committee of the Board (ACB)		Risk Management Committee of the Board (RMC)	
Name of Director	Attended	%	Attended	%	Attended	%	Attended	%
Dr Hasnita Dato Hashim Shamsudin	8/8	100	n/a	n/a	n/a	n/a	n/a	n/a
Dato' Muzaffar Hisham	6/7	86	6/8	75	n/a	n/a	n/a	n/a
Mr. Hans Johan Patrik Sandin	8/8	100	8/8	100	9/9	100	8/8	100
Mr. Goh Ching Yin	8/8	100	8/8	100	n/a	n/a	8/8	100
Dato' Abdul Hamid Sh. Mohamed	8/8	100	8/8	100	9/9	100	n/a	n/a

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	Board		Credit and Underwriting Review Committee (CURC)		Audit Committee of the Board (ACB)		Risk Management Committee of the Board (RMC)	
Name of Director	Attended	%	Attended	%	Attended	%	Attended	%
Dato' Sri Sharifah Sofianny Binti Syed Hussain	8/8	100	8/8	100	9/9	100	8/8	100
Che Zakiah Che Din	8/8	100	n/a	n/a	9/9	100	n/a	n/a

n/a - Not Applicable

Meeting Process

Prior to each Board meeting, an agenda together with comprehensive reports for each agenda item to be discussed, will be forwarded to each director at least five (5) clear days before the scheduled meeting to enable the directors to obtain further clarification or explanation, where necessary.

However, papers that are deemed urgent may still be submitted to the Company Secretary after the expiry of such deadline of papers submission to be tabled to the Board, subject to the approval of the Chairman of the Board and CEO of Maybank IB. These materials are disseminated in a paperless manner via the “BoardPAC”, an iPad-based solution which stores meeting documents digitally in a secured manner.

Feedback is obtained from directors on the quality and quantity of meeting papers as part of the annual assessment of the Board’s current meeting practices. The current format and structure of the Board meeting papers are designed to ensure the papers contain sufficient and relevant information pertaining to the business, operations and management of Maybank IB in a clear and concise manner to enable the directors to effectively discharge their duties.

At Board meetings, presentations and briefings by external consultants or advisors on relevant papers, particularly those involving complex issues are also held to assist directors to deliberate and decide on such matters. The Board also monitors the status and follow-up actions on issues raised at Board meetings via Matters Arising which is a fixed item in the meeting agenda.

Draft minutes of each Board meeting are also circulated to all directors in advance for their perusal prior to tabling the said minutes for confirmation of the minutes at the subsequent Board meeting.

In accordance with the expectations of BNM and the continuous practice of the Maybank Group, the Maybank IB’s minutes of meeting of the Board and various Board Committees incorporate the discussions of the members at the meetings in arriving at decisions and are concise and accurate.

The Company Secretary also ensures that a quorum is present at the commencement of each Board and Committees meeting in order to constitute a valid meeting.

Corporate Governance Statement

Directors' Remuneration

The NRC is further authorised to develop and implement formal and transparent procedures for the development of the Group's remuneration policy for its directors by ensuring that their compensation is competitive and consistent with industry standards.

The NRC has established a remuneration framework for the Non-Executive Directors ("NED Remuneration Framework") which is subject to periodic review, Details of the NED Remuneration Framework for FY2022 are illustrated as follows:

Non-Executive Director Remuneration Framework per annum (RM)		
Fee Component	Chairman	Member
Board Fee	230,000	150,000
Board Committees Fee	32,500	28,000

Based on the framework set out above, details of the total remuneration of the Directors (distinguished between Executive and Non-Executive Directors), in aggregate with categorisation into appropriate components for the financial year ended 31 December 2022 is as follows:

	Directors' Fees (RM)	Other Emolument [#] (RM)	Benefits-in-kind* (RM)	Total (RM)
Executive Director				
Dato' Muzaffar Hisham ¹	178,000	26,000		204,000
Non-Executive Directors				
Dr Hasnita Dato' Hashim (Chairman)	230,000	18,000	35,200.00	283,200.00
Mr. Hans Johan Patrik Sandin	238,500	68,000	1,086.77	307,586.77
Mr. Goh Ching Yin	210,500	50,000	18,258.77	278,758.77
Dato' Abdul Hamid Sh. Mohamed	210,500	52,000	1,086.77	263,586.77
Dato' Sri Sharifah Sofianny Binti Syed Hussain	234,000	68,000	1,086.77	303,086.77

Corporate Governance Statement

	Directors' Fees (RM)	Other Emolument [#] (RM)	Benefits-in-kind* (RM)	Total (RM)
Che Zakiah Che Din	178,000	36,000		214,000
GRAND TOTAL	1,479,500	318,000	56,719.08	1,854,219.08

Other Emolument refers to meeting allowances.

* Benefits in-kind for Non-Executive Directors comprise of insurance premium for Group Term Life and Group Personal Accident. In addition, the benefits-in-kind for the Chairman also include car, driver and fuel allowance.

Notes:

1. Dato' Muzaffar Hisham is the Group CEO, Global Banking at Maybank Group.

Total Rewards Framework

In line with Maybank Group, Maybank IB's remuneration and rewards philosophy is aligned with the Maybank IB's strategies and shareholders' interests, fostering a performance-oriented and prudent risk-managed culture to deliver long-term sustainable returns and strong business performance. We have in place a comprehensive Total Rewards system, which is a strategic human capital component embedded with sustainability considerations of the integrated Talent Management framework that guides us to effect "Reward Right" principles to drive positive outcomes and deliver exponential business results responsibly. The system not only supports Maybank IB's strategy and business plan, it is also critical to improving employee productivity and engagement. By focusing on the right compensation, benefits and development support, it inspires our employees to achieve their personal and professional aspirations.

To uphold our Environment, Social and Governance (ESG) commitments, ESG is embedded in various aspects of our Total Rewards management through proper governance, performance measurement standards and prudent risk management considerations. Governed by sound principles, our remuneration policies and practices are reviewed periodically to ensure alignment with regulatory requirements and to reinforce a high-performance culture. The aim is to attract, motivate and retain talents through market competitiveness and responsible values.

Corporate Governance Statement



Components of Remuneration

Maybank IB embraces a holistic Total Rewards Framework comprising Total Compensation, Benefits & Well-Being, Recognition, and Development & Career Opportunities.

i) Total Compensation:

Maybank IB's Compensation Policy ensures that our employees are paid salaries in line with the market rate. We ensure our differentiated compensation levels are competitive through annual salary reviews, variable bonuses and long-term incentive plans (for eligible senior management and above), to retain, motivate and reward our talents.

Our Total Compensation is based on two components, Fixed Pay and Variable Pay (i.e. Variable Bonus and Long-term Incentive Award), with targeted Pay Mix levels designed to align with the long-term performance goals and objectives of the organisation. The compensation framework provides a balanced approach between fixed and variable components that change according to the performance of the Group, business/corporate function and individual.

Fixed Pay	Variable Pay	
	Variable Bonus	Long-Term Incentive Award
<ul style="list-style-type: none"> Attract and retain talents by providing competitive and equitable pay. Reviewed annually using a holistic approach through internal and external 	<ul style="list-style-type: none"> Reinforce a pay-for-performance culture and adherence to Maybank Group's Core Values, TIGER. Variable cash award design that is aligned with the risk management and long-term performance goals of the Group 	<ul style="list-style-type: none"> A significant component of Senior Management's Total Compensation with the intent to drive sustainable, longer-term risk management and to meet the Group's Strategy.

Corporate Governance Statement

Fixed Pay	Variable Pay	
	Variable Bonus	Long-Term Incentive Award
benchmarking against relevant peers/ locations, with consideration of market dynamics, differences in individual responsibilities, functions/roles, performance level, skillsets, as well as competency level.	<p>through our deferral and claw-back policies.</p> <ul style="list-style-type: none"> Based on the overall performance of the Group, business/corporate function and individual. Premised on the Balanced Scorecard (BSC) approach (comprising financial and non-financial KPIs) that is tailored to drive the desired behaviour and performance levels in creating long-term shareholder value. 	
	<p>Deferral Policy: Any Variable Bonus in excess of certain thresholds will be deferred over a period of time. A Deferred Variable Bonus will lapse immediately upon termination of employment (including resignation) except in the event of ill health, disability, redundancy, retirement or death.</p> <p>Clawback Provision: Maybank's Board has the right to make adjustments or clawbacks to any Variable Bonus or Long-Term Incentive Award if deemed appropriate based on risk management issues, financial misstatement, fraud, gross negligence or wilful misconduct.</p>	

ii) **Benefits & Well-being**

Employee benefits are an integral component of our Total Rewards management, along with the integration of ESG values and M25+ objectives. Maybank's benefits programme provides financial protection, health care benefits, paid time-off, employee loans at preferential rates and other benefits that support work-life integration. These are reviewed periodically and benchmarked against industry practices and evolving trends within the rapidly changing business environment. We embrace a holistic way of working that embeds sustainability considerations to cater our employees' physical, mental and emotional well-being as well as their financial social, and career needs.

iii) Development & Career Opportunities

In line with our strong learning culture, we continue to deploy best-in-class learning and development programmes to nurture our employees at all levels in a multitude of flexible or customisable development programmes for long-term relevance, competitive advantage and growth.

Employees are encouraged to assume personal ownership of their development by upgrading their skills and taking on stretch assignments as well as expanded responsibilities.

LONG-TERM INCENTIVE AWARD**Employees' Share Grant Plan**

In December 2018, Maybank rolled out the Employees' Share Grant Plan ("ESGP") under the Long-Term Incentive Award to replace a previous scheme that expired in June 2018. The ESGP is valid for seven years and it serves as a long-term incentive for eligible talents and senior management.

Eligibility for the ESGP is subject to fulfilment of the ESGP vesting conditions as well as meeting the performance criteria at the Maybank Group and individual levels. The first ESGP Award that was granted in December 2018 has vested in December 2021, whilst the second ESGP Award granted in September 2019 was vested in September 2022. The last tranche of the ESGP Award (i.e. fifth ESGP Award) under the current plan was granted in September 2022 and will be vested in 2025. There will be no further awards under the current ESGP.

In line with the Group's remuneration strategy to drive long-term sustainable goals to maximise shareholder value, a new Long-Term Incentive Plan is to be rolled out in 2023. The new plan will run concurrently with the existing plan until its expiry in 2025.

Governance & Controls - Remuneration Practices

We maintain strong corporate governance practices with remuneration policies and practices that comply with all statutory and regulatory requirements, and are strengthened by sound risk management and controls, ensuring remuneration practices are carried out responsibly.

Maybank IB has strong internal governance on the performance and remuneration of control functions which are measured and assessed independently of the business units to avoid any conflict of interests. The remuneration of employees in control functions are predominantly fixed to reflect the

Corporate Governance Statement

nature of their responsibilities. Annual reviews of their compensation are benchmarked internally and against the market to ensure they are competitive.

Based on sound Performance Management principles, our Key Performance Indicators (KPIs) continue to focus on outcomes aligned with our business plans. Each of the Senior Officers and Other Material Risk Takers (OMRT) carries Risk, Governance and Compliance goals in his/her individual scorecards which are cascaded accordingly. The right KPI setting continues to shape our organisational culture while driving risk and compliance agendas effectively. Inputs from control functions and Board Committees are incorporated into the respective functional areas and individual performance results.

Senior Officers and Other Material Risk Takers

The remuneration of Senior Officers and OMRTs are reviewed annually and submitted to the Nomination and Remuneration Committee for recommendation to the Board for approval.

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The remuneration of Maybank IB's Senior Officers and OMRTs in FY2022 is summarised in the table below:

	MRT		OMRT	
	Unrestricted	Restricted	Unrestricted	Restricted
Fixed Compensation				
Cash	6,790,438 (12 Headcount)		6,390,195 (15 Headcount)	
Shares and share-linked instrument				
Others				
Variable Compensation				
Cash	4,060,988 (12 Headcount)	540,000 (1 Headcount)	3,554,355 (14 Headcount)	450,859 (2 Headcount)
*Shares and share-linked instrument	774,728 (10 Headcount)		809,008 (8 Headcount)	
Others				
Definition	<p>Senior Management are defined as the CEO and senior officers. MRT for senior officers refers to EXCO of Maybank IB and business heads and who:-</p> <ul style="list-style-type: none"> i. Can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile; or ii. is among the most highly remunerated officers 		<p>OMRT are defined as an officer who is not a member of Senior Management and who:-</p> <ul style="list-style-type: none"> i. Can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile; or ii. is among the most highly remunerated officers 	

Notes:

*In FY2022, a total of 282,000 and 227,000 units of Maybank shares (for On Target performance levels) under Maybank Group Employees' Share Grant Plan (ESGP)/Cash-settled Employees' Share Grant Plan (CESGP) were awarded to 12 MRTs and 14 OMRTs respectively. The number of ESGP/CESGP units to be vested/paid by 2024 would be conditional upon the said employees fulfilling the vesting/payment criteria.

^A total of 184,800 units of ESGP/CESGP granted in December 2019 has vested to 10 MRTs (90,400 units) and 8 OMRTs (94,400 units) in December 2022. ESGP values is based on statutory guidelines for taxable gains calculation and CESGP value is based on volume weighted average market price (VWAMP) for the five (5) market days immediately preceding the CESGP vesting date.

Corporate Governance StatementThe Annual Board Outline Agenda

The Board's Annual Board Outline Agenda aims to highlight to the Board and Board Committees as well as the Management on subject matters other than 'routine' for the year to facilitate better planning and for greater time effectiveness of various parties. It would also give a greater sense of discipline on the part of Management to commit to the said outline as well as allowing the Board to deliberate on and contribute towards achieving a higher level of value-added discussions. In line with technological advancement in the digital space, the Board convenes paperless board meeting where board papers are uploaded onto a secured platform, namely, BoardPAC and are accessible via tablet devices.

Quality and Supply of Information to the Board

The Board has full and unrestricted access to all information pertaining to Maybank IB's businesses and affairs as well as to the advice and services of the senior management of the Maybank IB. In addition to formal Board meetings, the Chairman maintains regular contact with the CEO to discuss specific matters, and the latter assisted by the Company Secretary ensures that frequent and timely communication between the senior management and the Board is maintained at all times as appropriate.

The Board is kept up-to-date on various matters via comprehensive management reports on a regular basis on the business of Maybank IB group of companies as well as several other key areas which include, amongst others, the following:

- Current financial performance of Maybank IB that include current monthly/quarterly and year-to-date figures which are compared against budget, capital adequacy and Maybank IB's balance sheet;
- Business performance of each business division with additional details including identified growth strategies and business outlook;
- Updates on corporate simplification exercises, productivity, strategic initiatives and corporate branding which includes any acquisition/regional expansion activities and value differentiating factors;
- Updates on ongoing legal proceedings which include update on Maybank IB regulatory and compliance status;
- Current performance of Maybank IB's subsidiaries and associate company;
- Enterprise Risk Dashboard which reports the Key Risk Indicators ("KRI") for Maybank IB that covers Capital Risk, Concentration Risk, Liquidity Risk, Credit Risk, Market Risk, Operation Risk and Compliance Risk; and

Corporate Governance Statement

- Issues and updates on Human Capital which include movement of staff, licensing updates, key initiatives undertaken such as management succession planning and talent management and any other HR matter deemed appropriate.

Independent Professional Advice

Independent professional advice can be obtained by any individual Director, at Maybank IB's expense where necessary, in the furtherance of their duties. This is clearly provided under Maybank IB's Policy and Procedure on Access to Independent Professional Advice, Senior Management and Company Secretary by Directors of Maybank IB. The copy of any report, advice and recommendations provided by the independent professional adviser to the relevant Director would be forwarded by the said Director to the Company Secretary, who will, where appropriate, circulate them to other Directors to ensure that they are kept informed of the advice.

Company Secretary

In her function as the Company Secretary, the Company Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board as well as best practices of governance. She is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving Maybank IB, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information. All Directors have access to the advice and services of the Company Secretary and the Board Satisfaction Index acts as an evaluation mechanism on the support and services provided by the Company Secretary to the Board during the financial year.

Board Satisfaction Index

Performed every year, the Board Satisfaction Index ("BSI") demonstrates an important initiative to ensure continuing adequate support is provided by the Company Secretary to the Board to assist Directors in discharging their duties effectively. The BSI exercise was conducted in December 2022 for the financial year ended 31 December 2022.

The areas of assessment cover transactional and operational efficiency, which includes the quality of the minutes of the Board and Board Committees, meeting papers and meeting arrangements, training, knowledge management and claims processing, as well as advisory services on matters concerning Directors' duties, such as disclosure of interests and prohibition against trading. Based on feedback received from Board members, the Board was generally satisfied with the support provided for the year under review.

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Directors' Training

The Board acknowledges the importance of continuing education for its Directors to ensure that they are equipped with the necessary skills and knowledge to perform their duties and meet the challenges facing the Board.

During FY2022, all the Board members attended various training programmes and workshops on issues relevant to the Group, including a key training programme for Directors of financial institutions, particulars of which can be found below. As for 2022, the key areas of focus for the training needs of Directors have been identified based on the Board Effectiveness Evaluation ("BEE") undertaken by the Board.

A comprehensive induction programme had been established to ease new Directors into their new role and to assist them in their understanding of the business strategy and operational matters. New Directors are required to attend the programme as soon as possible after they have been appointed. Typically undertaken within a period of two days, the programme includes intensive one-on-one sessions with the CEO and the EXCO members, wherein new Directors will be briefed and updated on the challenges and issues faced by the Bank.

Trainings programmes, conferences and forums attended by the Directors for the financial year ended 31 December 2022 were as follows:

Internal Seminars/Conferences

- International Women's Day.
- ASEAN Economics - War & Sanctions: The Collateral Damage.
- Special Board Session: Sustainability Update & Climate Risk by Ernst & Young.
- Invest ASEAN 2022.
- Bursa Malaysia-Maybank Sectoral Series: "Why Malaysia?"
- Maybank Annual Board Risk Workshop (ABRW)
- Bursa Malaysia Sectorial Series: Carbon Emissions Trading: Bursa's VCM Exchange Confirmation

External Seminars/Conferences

- A Look Ahead with BlackRock: Investment Stewardship.
- Cybersecurity Awareness Training by Gilbert Chu from LE Global Services Sdn Bhd.
- MIA International Accountants Conference 2022 - Leading ESG, Charting Sustainability.
- International Sustainability Standards Board - Malaysian Accounting Standards Board ("MASB") Outreach Session on IFRS Sustainability Disclosure Exposure Draft.
- SIDC SRI 2022 Conference: Preserving The Climate Through Sustainability Business and Living.
- Legal Talk: Fiduciary Duties Of Board And Investment Panel.

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- Malaysian Accounting Standards Board (“MFRS”) 17 Insurance Contract by KPMG.
- Closed-door Dialogue on Climate Governance: A Standing Item in Board Agendas.
- Elevated DEI Ambitions for Malaysia.
- Data Privacy & Personal Data Protection Act 2010 by Tony Toh, Deputy Group Head of Legal.
- Bank Negara Malaysia’s Requirement on Beneficial Ownership by AMB Group Compliance.
- Guidelines for the Reporting Framework on Beneficial Ownership under Companies Act 2016, by Leong Oi Wah, Associate Trainer from Companies Commission of Malaysia.
- Bursa Malaysia - Launch and Panel Session: Public Listed Companies Transformation Programme

BOARD PROFESSIONALISMDirectorships in Other Companies and Maybank Group

Consistent with the best practices and recommendations of the Green Book issued by the Putrajaya Committee on Government-Linked Companies' High Performance, each member of the Maybank IB Board holds not more than five directorships in public listed companies. This enables the Directors to focus and devote sufficient time in discharging their duties and responsibilities effectively.

The Board values the experience and perspective gained by the Non-Executive Directors from their memberships on the boards of other companies, organisations, and associations. In this regard, the Board Manual provides that the Non-Executive Directors must first consult the Chairman to ensure that their acceptance of such other appointments would not unduly affect their time commitments and responsibilities to the Maybank IB Board and the Group.

Conflict of Interest

Members of the Board are required to make a declaration of interest in the event that they have interests in proposals which are being considered by the Board, including where such interest arises through close family members and related parties, in line with various statutory requirements on the disclosure of Director's interest.

In all situations where the Directors are deemed as interested, they would recuse themselves from all proceedings and deliberations of the Board pertaining to the matters of conflict. The declaration of interest and abstention from voting would be recorded in the minutes of meeting or written resolutions of the Directors.

The Maybank Group had reinforced its commitment in promoting sound principles and standards of good practice in the financial industry by establishing the Policy on Directors' Conflict of Interest ("CI Policy"). The CI Policy, which incorporates the salient rules and regulations issued by BNM and Bursa Malaysia, regulates and manages issues of conflict (both direct and indirect) which a Director may encounter during his tenure as a Director, and set out the processes to address such issues.

Alongside the Code of Ethics, the CI Policy ensures that each member of the Board uphold the highest integrity in discharging their duties and in dealing with stakeholders, customers, fellow employees and regulators.

Corporate Governance StatementInsider Trading

Directors, key management personnel and principal officers of the Maybank IB are prohibited from trading in securities or any kind of property based on price sensitive information and knowledge, which has not become public information, in accordance with the relevant provisions of the Capital Markets & Services (Amendment) Act 2015.

BOARD COMMITTEES

Certain governance responsibilities have been delegated by the Board in favour of its Board Committees, which operate within clearly defined terms of references, primarily to assist the Board in the execution of its duties and responsibilities.

Although the Board has granted such discretionary authority to these Board Committees to deliberate and decide on certain key and operational matters, the ultimate responsibility for final decision on all matters lies with the entire Board.

The Chairman of the Board Committees will table and present a report on the activities of the respective Board Committees at the monthly Board meetings.

The Board Committees of the Maybank IB Board are as follows save for the Nomination and Remuneration Committee (“NRC”), the functions of which are assumed at the Maybank Group level:-

- (i) Audit Committee;
- (ii) Credit and Underwriting Review Committee; and
- (iii) Risk Management Committee.

Presently, the composition of the Audit Committee and the Risk Management Committee in particular, are in compliance with the following provisions of the BNM’s Policy on Corporate Governance:

- (i) At least three members;
- (ii) Majority of Independent Directors;
- (iii) Chaired by Independent Director;
- (iv) The Executive Director is not a member of any of these Board Committees; and
- (v) The Chairman of the Board is not a member of any of these Board Committees.

While certain duties and responsibilities of the Board are delegated to these Board Committees, the Board remains fully accountable for any authority delegated to them. Each Board Committee operates within their own specific terms of references and the Chairman of each Board Committee is responsible

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to table and report on the activities of these Board Committees to the Board at the monthly Board meeting.

The current composition, function, roles and responsibilities of each Board Committee is described in further detail below.

Audit Committee (“ACB”)

The ACB meets once in each quarter with additional meetings convened to attend to urgent matters that require its deliberation.

The Terms of Reference of the ACB requires at least three members from its non-executive directors, majority of whom must be independent. The Chairman and all members of ACB are INEDs.

The members of the ACB are as follows:-

Chairman

Dato’ Abdul Hamid Sh. Mohamed - *Independent Non-Executive Director*

Members

Mr. Hans Johan Patrik Sandin - *Independent Non-Executive Director*

Dato’ Sri Sharifah Sofianny Binti Syed Hussain - *Independent Non-Executive Director*

Ms. Che Zakiah Che Din - *Independent Non-Executive Director*

Secretary

Ms. Edleen Rehanie Ariffin (Company Secretary)

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The ACB's roles and responsibilities, among others, are to review, appraise, recommend (where applicable) and report to the Board of Directors on the following:

- (i) With the External Auditors, the scope of the audit and audit plan of both the internal and External Auditors.
- (ii) With the External Auditors, the adequacy of the established policies, procedures and guidelines on internal control systems.
- (iii) With the External Auditors, the effectiveness of internal controls systems, risk management processes and the internal and/or External Auditors' evaluation of these systems and in particular the External Auditors' management letter and management's response.
- (iv) With the External Auditors, their audit report.
- (v) The nomination or re-appointment of the External Auditors and their fee as well as matters pertaining to resignation, termination or change of the External Auditors.
- (vi) Approve the provision of non-audit services to be provided by the External Auditors and ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgment of the auditors.
- (vii) The scope of the internal audit programme, internal audit findings and to recommend actions to be taken by Management.
- (viii) Evaluate the performance and review the appointment, resignation and removal of the Head of Audit, Investment Banking.
- (ix) The internal audit programme, processes, including the establishment of the Internal Audit Department.
- (x) The quarterly results and year-end financial statements focusing particularly on the changes in accounting policy, significant and unusual events as well as compliance with accounting standard and other legal requirements including prompt publication of the financial accounts.
- (xi) Any related party transaction and conflict of interest situation that may arise within the Bank or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (xii) Review the internal control issues identified by the Auditors and regulatory authorities and to evaluate the adequacy and effectiveness of the internal controls for its Anti Money Laundering and Counter Financing of Terrorism (AML/CFT) measures.
- (xiii) Evaluate, deliberate and decide the closure steps on investigation on whistleblowing cases and to make recommendations, where required.

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Credit and Underwriting Review Committee (“CURC”)

The CURC meets once every month with additional meetings convened to attend to urgent matters that require its decision. The Terms of Reference require a minimum of three members. The majority of CURC members are INEDs.

The members of the CURC are as follows:

Chairman

Mr. Goh Ching Yin	- <i>Independent Non-Executive Director</i>
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Members

Mr. Hans Johan Patrik Sandin	- <i>Independent Non-Executive Director</i>
Dato’ Muzaffar Hisham	- <i>Non-Independent Executive Director</i>
Dato’ Abdul Hamid Sh. Mohamed	- <i>Independent Non-Executive Director</i>
Dato’ Sri Sharifah Sofianny Binti Syed Hussain	- <i>Independent Non-Executive Director</i>

Secretary

Ms. Edleen Rehanie Ariffin (Company Secretary)

The responsibilities of the CURC, among others, are as follows:

- (i) To provide regional oversight and advisory to all Credit and Underwriting Committees within Maybank IB.
- (ii) To support or object to all credit and trading limits or capital market transactions above the levels defined in the Credit and Underwriting Committee terms of references and in the Maybank IB’s Credit Delegations of Authority.
- (iii) To review, reject or recommend modifications to terms of credit facilities or capital market transactions which have been approved by the Credit and Underwriting Committee should the majority of the members be of the opinion that the facilities would expose Maybank IB to undue excessive risk.

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Risk Management Committee (“RMC”)

The RMC has been delegated by the Board to assume responsibility for the Group’s risk oversight and any approved policies and frameworks formulated to ensure that the risk management process was in place. It also functions to identify, measure and monitor organizational risk including but not limited to credit, market, liquidity, operational, legal, cyber/information technology, other emerging risks and business continuity management. The Terms of Reference of the RMC requires a minimum of three members. The Chairman and all the members of RMC are INEDs.

The members of the RMC are as follows:

Chairman

Mr. Hans Johan Patrik Sandin - *Independent Non-Executive Director*

Members

Mr. Goh Ching Yin - *Independent Non-Executive Director*

Dato’ Sri Sharifah Sofianny Binti Syed Hussain - *Independent Non-Executive Director*

Secretary

Ms. Edleen Rehanie Ariffin (Company Secretary)

The RMC meets once in each quarter with additional meetings convened to attend to urgent matters that require its deliberation. The specific responsibilities of the RMC include the following:

- (i) To oversee the formal development of policies within Maybank IB, encompassing all products and businesses, and ensuring the development of policy manuals and procedures.
- (ii) To set the framework and parameters relating to lending and collateral policy.
- (iii) To monitor, assess and advise on the risk portfolio composition of Maybank IB.
- (iv) To periodically review Maybank IB’s capital structure, the impact of risk and stress scenarios and the adequacy of capital vis-à-vis its risk profile.
- (v) To assess the risk-return trade-off.
- (vi) To review reports of the credit review process, asset quality and ensure that corrective action is taken.
- (vii) To review and evaluate the various products engaged by the banking institution to ensure they are conducted within the standards and policies set by the Board.
- (viii) To review and assess the appropriate levels of capital as well as monitor adherence to the targeted capital ratios.

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- (ix) To approve the operating guidelines and trading limits for the money market and trading operations including derivatives.
- (x) To review and assess the adequacy of risk mitigation processes including insurance coverage.
- (xi) To review and recommend strategic actions to be taken arising from Basel II implementation and regulatory rules impacting risk management practices for the Board's approval.
- (xii) To review, recommend and approve corrective measures to address risk concerns as highlighted by various home-host regulatory authorities, where relevant.
- (xiii) To review and approve new products and ensure compliance with the prevailing guidelines issued under the BNM or other relevant regulatory bodies.
- (xiv) To consider and approve the appointment of professional external advisors/consultants in areas falling within the jurisdiction of the Committee subject to a cap of RM5.0 million (regardless of whether budgeted or unbudgeted) and to notify the Board of the same.
- (xv) To promote risk awareness and give advice to the Board on the information, instruction and training requirements of staff.
- (xvi) To ensure implementation of effective business continuity management programme.
- (xvii) To undertake such other responsibilities as may be delegated by the Board from time to time.

Corporate Governance Statement

Maybank Group NRC

Maybank IB has been exempted by BNM from complying with the requirement to establish NRC as the functions of the committee for Maybank IB are assumed by the NRC of the Maybank Group. In view thereof, any decisions involving the above committees will be referred and presented to the NRC of Maybank for deliberation. Nevertheless, the final decisions are made by the Board of Maybank IB.

The members of NRC are as follows:

Chairman

Datuk R. Karunakaran	-	<i>Senior Independent Non-Executive Director</i>
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Members

Bapak Edwin Gerungan	-	<i>Non-Independent Non-Executive Director</i>
Mr. Cheng Kee Check	-	<i>Non-Independent Non-Executive Director</i>
Puan Fauziah Hisham	-	<i>Independent Non-Executive Director</i>
Dato' Zulkiflee Abbas Abdul Hamid	-	<i>Independent Non-Executive Director</i>
Dr. Hasnita Dato' Hashim	-	<i>Independent Non-Executive Director</i>

Secretary

Encik Wan Marzimin Wan Muhammad (Company Secretary of Maybank)

The roles and responsibilities of the NRC are set out in its Terms of Reference published in Maybank Group's corporate website (www.maybank.com).

Corporate Governance Statement**UPHOLDING CORPORATE GOVERNANCE**

The Board acknowledges the importance of developing and maintaining a framework of Corporate Governance that is robust and sound, to promote a culture of integrity and transparency throughout Maybank IB as the context permits.

The Board is also responsible for ensuring that Maybank IB's internal controls, policies and procedures are duly established, maintained and implemented, and are updated from time to time. Matters relating to non-compliance with prudential requirements, weaknesses and deficiencies in the internal controls and systems of Maybank IB are reviewed, evaluated and escalated to the Board of Directors to ensure that corrective action is taken by Maybank IB.

As a Participating Organization of Bursa Malaysia, Maybank IB has the continuous obligation in contributing towards a fair and orderly market, and is therefore required to report activities and status of various areas of concern to Bursa Malaysia on a periodic basis. Potential material breaches of rules and regulations and the appropriate remedial actions taken will be escalated to the relevant regulatory authorities during the reporting period whereby cases of material non-compliance with the Capital Markets and Services Act 2007 and the Securities Industry (Central Depositories) Act 1991 by the Bank and its representatives are escalated to the Securities Commission for further action.

COMPANY WEBSITE

Maybank IB's corporate website (www.maybank-ib.com) provides comprehensive and easy access to the latest information about Maybank IB. Information available on the corporate website includes Maybank IB's corporate profile, individual profiles of Board of Directors and Senior Management, financial results, Maybank IB's Board Charter and corporate news.