

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1013  
**COMPANY NAME** : AMMB HOLDINGS BERHAD  
**FINANCIAL YEAR** : March 31, 2023

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

|   |  |                   |   |                  |  |                     |  |                      |  |                     |  |
|---|--|-------------------|---|------------------|--|---------------------|--|----------------------|--|---------------------|--|
| <b>Application</b>                                | : Applied  |                   |   |                  |  |                     |  |                      |  |                     |  |
| <b>Explanation on application of the practice</b> | <p>(1) The Board of Directors (the Board) of AMMB Holdings Berhad (AMMB or the Company) is committed to high standards of corporate governance and strives to ensure that it is practised throughout AMMB and its subsidiaries (the Group).</p> <p>The Board would meet on a biannual basis to set and review the Group's strategic direction and management performance. The initiatives and resources are also considered in setting the Group's strategic direction and targets.</p> <p>(2) The Group's core values – <i>p<sup>2</sup>ace</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Principled</b></td> <td>Integrity and professionalism remain the thrust of all we do, and we take accountabilities for all our actions.</td> </tr> <tr> <td><b>Proactive</b></td> <td>We approach every challenge positively, initiate change responsibly and always anticipates the needs of all our colleagues, customers and our community.</td> </tr> <tr> <td><b>Appreciative</b></td> <td>We value and recognise everyone's role and contribution, and always provide support to our customers and colleagues.</td> </tr> <tr> <td><b>Collaborative</b></td> <td>We collaborate in everything we do. We are part of an organisation that fosters teamwork and open communication.</td> </tr> <tr> <td><b>Experimental</b></td> <td>We strive to seek new and relevant ways of growing ourselves, our customers, our business and our community in a sustainable manner.</td> </tr> </table> <p>These core values form the basis of the right work ethics, conduct and behaviour which all employees must adopt in order for the Group to achieve its Vision and Mission. The Board further ensures that these values are propagated and operationalised through the establishment of various internal policies, the details of which are further described in the explanation to the application of Practice 3.1 in this report.</p> | <b>Principled</b> | Integrity and professionalism remain the thrust of all we do, and we take accountabilities for all our actions. | <b>Proactive</b> | We approach every challenge positively, initiate change responsibly and always anticipates the needs of all our colleagues, customers and our community. | <b>Appreciative</b> | We value and recognise everyone's role and contribution, and always provide support to our customers and colleagues. | <b>Collaborative</b> | We collaborate in everything we do. We are part of an organisation that fosters teamwork and open communication. | <b>Experimental</b> | We strive to seek new and relevant ways of growing ourselves, our customers, our business and our community in a sustainable manner. |
| <b>Principled</b>                                 | Integrity and professionalism remain the thrust of all we do, and we take accountabilities for all our actions.  |                   |   |                  |  |                     |  |                      |  |                     |  |
| <b>Proactive</b>                                  | We approach every challenge positively, initiate change responsibly and always anticipates the needs of all our colleagues, customers and our community.   |                   |   |                  |  |                     |  |                      |  |                     |  |
| <b>Appreciative</b>                               | We value and recognise everyone's role and contribution, and always provide support to our customers and colleagues.   |                   |   |                  |  |                     |  |                      |  |                     |  |
| <b>Collaborative</b>                              | We collaborate in everything we do. We are part of an organisation that fosters teamwork and open communication.   |                   |   |                  |  |                     |  |                      |  |                     |  |
| <b>Experimental</b>                               | We strive to seek new and relevant ways of growing ourselves, our customers, our business and our community in a sustainable manner.   |                   |   |                  |  |                     |  |                      |  |                     |  |

The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016, Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities), Bank Negara Malaysia (BNM) and other regulatory guidelines and requirements that are in force.

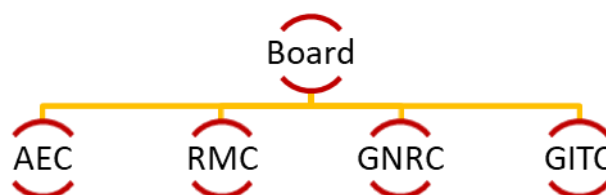
The Board is also guided by the Board Charter, which sets out the principles and guidelines to be applied by the Board, whilst the Board committees are guided by its respective Terms of Reference (ToR). The Board Charter and the ToR of the Audit and Examination Committee and the Group Nomination and Remuneration Committee can be found on the Company's corporate website at [ambankgroup.com](http://ambankgroup.com).

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. To discharge the Board's stewardship responsibilities, the Board has assumed the following principal roles and responsibilities: -

- To review, approve and monitor the strategic business plans, goals and key policies proposed by Management to ensure sustainability and optimisation of long-term returns;
  - To ensure that appropriate policies are in place, adopted effectively and are reviewed periodically;
  - To review and approve financial statements; and
  - To ensure that there is an appropriate succession plan for members of the Board and the senior management team.
- (3) The Board is collectively responsible in promoting the success of the Group in building a sustainable business, which takes cognisance of the interest of customers, shareholders and stakeholders whilst achieving returns for the shareholders.

The Group's sustainability strategies are disclosed in the **Sustainability Report 2023** which provides more insightful view of the Group's sustainability practices and performance in addressing sustainability risks and opportunities.

- (4) The Board is supported by the following Board Committees during financial year ended 31 March 2023 (FY2023) :-



|   |   |  |
|---|---|--|
|   | <p><u>Notes :</u><br/> <b>AEC</b> – Audit and Examination Committee<br/> <b>RMC</b> – Risk Management Committee<br/> <b>GNRC</b> – Group Nomination and Remuneration Committee<br/> <b>GITC</b> – Group Information Technology Committee</p> <p>A summary of the key activities of the Board and Board Committees during FY2023 is disclosed in the <b>Corporate Governance Overview Statement (CGOS)</b> of the <b>Integrated Annual Report 2023 of the Company (IAR2023)</b>.</p> |  |
| <b>Explanation :</b><br><b>for</b><br><b>departure</b>  |   |  |
|   |   |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |
| <b>Measure :</b>  |   |  |
| <b>Timeframe :</b>  |   |  |

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

|   |   |  |
|---|---|--|
| <b>Application</b>  | : | Applied  |
| <b>Explanation on application of the practice</b>   | : | <p>The Chairman of the Board plays an important leadership role within the Company. His roles and responsibilities are detailed in the Board Charter, which is summarised as follows :-</p> <div style="border: 1px solid black; border-radius: 20px; background-color: #cccccc; padding: 10px; margin: 10px 0;"> <ul style="list-style-type: none"> <li>• <i>Settings value and standards</i></li> <li>• <i>Ensures appropriate procedures in place to govern the Board's operation</i></li> <li>• <i>Maintains relationship of trust between Executive, Non-Executive and Management</i></li> <li>• <i>Ensures decisions taken on a sound and well-informed basis with sufficient time allocation</i></li> <li>• <i>Sets Board agenda and ensures accurate, timely and clear information to Directors</i></li> <li>• <i>Encourages healthy discussion and dissenting views can be freely expressed</i></li> <li>• <i>Leading efforts to address the Board's development needs</i></li> </ul> </div> <p>The Chairman leads the Board by setting the tone at the top and managing the Board's effectiveness.</p> |
| <b>Explanation for departure</b>  | : |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |
| <b>Measure</b>  | : |  |
| <b>Timeframe</b>  | : |  |

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

|   |  |                              |                                      |                  |  |
|---|--|------------------------------|--------------------------------------|------------------|--|
| <b>Application</b>                                | : Applied  |                              |                                      |                  |  |
| <b>Explanation on application of the practice</b> | <p>(1) The positions of Chairman and Group Chief Executive Officer (CEO) are held by different individuals who are not related to each other. The separation of duties of the Chairman and the Group CEO are clearly defined in the Board Charter.</p> <table border="1"><tr><td><i>Chairman of the Board</i></td><td>: <i>Tan Sri Md Nor bin Md Yusof</i></td></tr><tr><td><i>Group CEO</i></td><td>: <i>Dato' Sulaiman bin Mohd Tahir</i></td></tr></table> <p>(2) The Chairman is a Non-Executive Director, which is in line with Paragraph 11.3 of BNM Policy Document on Corporate Governance.</p> <p>(3) The Group CEO is not a member of the Board.</p> <p>(4) The Board delegates the authority and responsibility for managing the everyday affairs of the Group to the Group CEO, and through him, subject to his oversight, to other senior management. The roles and responsibilities of the Group CEO, among others, are as follows:-</p> <ul style="list-style-type: none"><li>• <i>Conduit between the Board and Management in ensuring the success of the Group's governance and management functions</i></li><li>• <i>Implementation of policies, strategies and decisions adopted by the Board</i></li><li>• <i>Manage the day-to-day operations of the Group's business</i></li></ul> <p>The Group CEO is supported by the CEOs of its banking entities (i.e. AmInvestment Bank Berhad and AmBank Islamic Berhad) and insurance entities (i.e. AmMetLife Insurance Berhad and AmMetLife Takaful Berhad) as well as the Managing Directors of the business units (i.e. Retail Banking, Business Banking and Wholesale Banking). He is also supported by other support function Chief Officers and Group Company Secretary in handling their respective field of job.</p> <p>(5) The Board monitors the performance of the Group CEO on behalf of the shareholders. Profiles of the Group CEO, CEOs of the subsidiaries, Managing Directors of business units and other support function Chief Officers are disclosed from pages 108 to 116 of the IAR2023.</p> | <i>Chairman of the Board</i> | : <i>Tan Sri Md Nor bin Md Yusof</i> | <i>Group CEO</i> | : <i>Dato' Sulaiman bin Mohd Tahir</i> |
| <i>Chairman of the Board</i>                      | : <i>Tan Sri Md Nor bin Md Yusof</i>   |                              |                                      |                  |  |
| <i>Group CEO</i>                                  | : <i>Dato' Sulaiman bin Mohd Tahir</i>   |                              |                                      |                  |  |

|  |  |  |
|--|--|--|
| <b>Explanation for departure</b> :   |  |  |
|  |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |  |
| <b>Measure</b> :   |  |  |
| <b>Timeframe</b> :   |  |  |

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

|  |   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
|--|---|------------------------------|--------------------------------------|----------------------------|-----------------------|-------------------------------|------------------------------|--------------------------------|--|-----------------------------|-------------------------|
| <p><i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i></p> |   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <b>Application</b> :   | Applied   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <b>Explanation on application of the practice</b> :  | <p>(1) The positions of the Chairman of the Board and the Chairperson of the Board Committees are held by different individuals, which is also in line with Paragraph 12.4 of BNM Policy Document on Corporate Governance.</p> <table border="1" style="background-color: #e0e0e0; width: 100%;"> <tr> <td><i>Chairman of the Board</i></td> <td>: <b>Tan Sri Md Nor bin Md Yusof</b></td> </tr> <tr> <td><i>Chairman of the AEC</i></td> <td>: <b>Seow Yoo Lin</b></td> </tr> <tr> <td><i>Chairperson of the RMC</i></td> <td>: <b>Dato' Kong Sooi Lin</b></td> </tr> <tr> <td><i>Chairperson of the GNRC</i></td> <td>: <b>Farina binti Farikhullah Khan</b></td> </tr> <tr> <td><i>Chairman of the GITC</i></td> <td>: <b>Hong Kean Yong</b></td> </tr> </table> <p>(2) The Chairman of the Board is not a member of any Board Committees.</p> | <i>Chairman of the Board</i> | : <b>Tan Sri Md Nor bin Md Yusof</b> | <i>Chairman of the AEC</i> | : <b>Seow Yoo Lin</b> | <i>Chairperson of the RMC</i> | : <b>Dato' Kong Sooi Lin</b> | <i>Chairperson of the GNRC</i> | : <b>Farina binti Farikhullah Khan</b> | <i>Chairman of the GITC</i> | : <b>Hong Kean Yong</b> |
| <i>Chairman of the Board</i>   | : <b>Tan Sri Md Nor bin Md Yusof</b>  |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <i>Chairman of the AEC</i>   | : <b>Seow Yoo Lin</b>   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <i>Chairperson of the RMC</i>  | : <b>Dato' Kong Sooi Lin</b>  |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <i>Chairperson of the GNRC</i>   | : <b>Farina binti Farikhullah Khan</b>  |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <i>Chairman of the GITC</i>  | : <b>Hong Kean Yong</b>   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <b>Explanation for departure</b> :   |   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>  |   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <b>Measure</b> :   |   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |
| <b>Timeframe</b> :   |   |                              |                                      |                            |                       |                               |                              |                                |  |                             |                         |



## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

## Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

|   |   |
|---|---|
| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>(1) The Board is supported by Koid Phaik Gunn (Ms Koid), a Chartered Secretary (MAICSA 7007433/ SSM Practicing Certificate No. 202008003140) and Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She also holds a Bachelor of Law (Honours) degree from University of London, United Kingdom. Her profile is disclosed on page 107 of the IAR2023.</p> <p>(2) Ms Koid heads the Group Company Secretarial department, and she is supported by a team of qualified and competent company secretaries, all of whom are Associate members of MAICSA.</p> <p>(3) The role of Ms Koid as the Group Company Secretary is defined in the Board Charter. Her role and responsibilities, among others, are as follows:-</p> <ul style="list-style-type: none"><li>• <i>Ensures compliance with MMLR of Bursa Securities, BNM and other regulatory requirements</i></li><li>• <i>Guides and advises the Directors on areas of corporate governance, relevant legislations, regulations and policies as well as their roles and responsibilities</i></li><li>• <i>Attends and records all minutes of the Board and Board Committees' meetings, including general meetings</i></li><li>• <i>Responsible for the accuracy and adequacy of records of the proceedings of the Board and Board Committees' meetings as well as circular resolutions</i></li><li>• <i>Advises Directors and senior management of their duties and responsibilities and obligations to disclose their interests in securities, prohibition on dealing of securities during closed period, restriction on disclosure of price sensitive information and disclosure of any conflict of interest</i></li><li>• <i>Briefs the Board on the content and timing of sensitive / material announcements to Bursa Securities</i></li></ul> |

|  | <ul style="list-style-type: none"> <li>• <i>Advises the Board on corporate disclosures and compliance with the relevant changes to the laws, rules and regulations.</i></li> </ul> <p>(4) Board Induction programme is facilitated by the Group Company Secretarial department together with the Group Learning &amp; Development unit (L&amp;D).</p> <p>On-going internal and/or external trainings are organised to ensure Directors are kept abreast with industry trends and more in-depth knowledge of current areas of interest, such as cyber security and climate related issues. The list of trainings organised for the Board is disclosed under <b>Section B of this Report</b>.</p> <p>(5) Ms Koid keeps herself abreast of the evolving regulatory changes and development in corporate governance by attending relevant conferences and training programmes.</p> <p>Trainings attended by Ms Koid during FY2023, aside from internal e-trainings, were as follows :-</p> <table border="1" data-bbox="580 907 1407 1093"> <thead> <tr> <th style="background-color: #ff0000; color: white;">Date</th> <th style="background-color: #cccccc;">Course Title</th> </tr> </thead> <tbody> <tr> <td>5/7/2022</td> <td>Sustainability Awareness Program</td> </tr> <tr> <td>5/1/2023</td> <td>Corporate Directors Training Program</td> </tr> <tr> <td>12/1/2023</td> <td>Companies Act 2016, Dealing with Common Issues</td> </tr> <tr> <td>7/3/2023</td> <td>Keeping the Board Out of Trouble</td> </tr> </tbody> </table> | Date | Course Title | 5/7/2022 | Sustainability Awareness Program | 5/1/2023 | Corporate Directors Training Program | 12/1/2023 | Companies Act 2016, Dealing with Common Issues | 7/3/2023 | Keeping the Board Out of Trouble |
|--|--|------|--------------|----------|----------------------------------|----------|--------------------------------------|-----------|--|----------|----------------------------------|
| Date   | Course Title   |      |              |          |                                  |          |                                      |           |  |          |                                  |
| 5/7/2022   | Sustainability Awareness Program   |      |              |          |                                  |          |                                      |           |  |          |                                  |
| 5/1/2023   | Corporate Directors Training Program   |      |              |          |                                  |          |                                      |           |  |          |                                  |
| 12/1/2023  | Companies Act 2016, Dealing with Common Issues   |      |              |          |                                  |          |                                      |           |  |          |                                  |
| 7/3/2023   | Keeping the Board Out of Trouble   |      |              |          |                                  |          |                                      |           |  |          |                                  |
| <b>Explanation for departure</b> :   |  |      |              |          |                                  |          |                                      |           |  |          |                                  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |      |              |          |                                  |          |                                      |           |  |          |                                  |
| <b>Measure</b> :   |  |      |              |          |                                  |          |                                      |           |  |          |                                  |
| <b>Timeframe</b> :   |  |      |              |          |                                  |          |                                      |           |  |          |                                  |

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

|   |   |   |
|---|---|---|
| <b>Application</b>  | : | Applied   |
| <b>Explanation on application of the practice</b>   | : | <p>(1) The schedule of meetings (including Board and Board Committees meetings, meetings for strategy and Annual General Meeting) for the following year is tabled to the Board and Board Committees in the last quarter of the calendar year.</p> <p>(2) All meeting materials for the Board and Board Committees are disseminated digitally through a collaborative software platform.</p> <p>Notices and meeting materials are circulated to the members of the Board and Board Committees no later than seven (7) calendar days preceding each meeting to allow Directors to have sufficient time to review and peruse the meeting materials from Management for effective deliberation and informed decision-making.</p> <p>(3) Deliberation and decisions of the Board and Board Committees are properly documented / recorded in the minutes, including matters where Director(s) abstained from deliberation and voting due to conflict of interest, and dissenting views and decisions.</p> <p>Minutes are confirmed as correct record of the proceedings at the next meeting of the Board and Board Committees.</p> <p>(4) Decisions, recommendations and requests from the Board for appropriate follow up actions will be communicated by the Company Secretary to Management. These action items would remain as matters arising in the minutes until they are resolved.</p> |
| <b>Explanation for departure</b>  | : |   |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |   |
| <b>Measure</b>  | : |   |
| <b>Timeframe</b>  | : |   |

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

|   |   |
|---|---|
| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>(1) The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as Directors.</p> <p>The Board Charter is reviewed periodically to ensure its relevance with the latest statutory and regulatory requirements, as well as the Group’s operational and business direction.</p> <p>The Board Charter is available on the Company’s corporate website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</p> <div style="text-align: center;"> <p><b>BOARD CHARTER</b></p> </div> <p>(2) The roles and responsibilities of the Board, Chairman, Group CEO and Group Company Secretary are set out in the Board Charter.</p> <p>The role of Senior Independent Director and Board Committees are as follows:-</p> <p><b>Role of Senior Independent Director</b></p> <div style="border: 1px dashed black; padding: 5px; background-color: #cccccc;"> <ul style="list-style-type: none"> <li>• <i>A sounding board for the Chairman</i></li> <li>• <i>An intermediary for other Directors</i></li> <li>• <i>Point of contact for shareholders and other stakeholders</i></li> </ul> </div> |

|   |   |  |
|---|---|--|
|   | <p>The roles and responsibilities of each Board Committee are disclosed under <b>Section B of this Report</b> as well as in the CGOS of the IAR2023. Details of the roles and responsibilities of the Board Committees are also disclosed in the Board Charter and further defined in its respective ToR.</p> <p>(3) The Company has a formal Scheduled of Matters Reserved for the Board which sets out decision-making powers reserved for the Board on the following areas:-</p> <div style="background-color: #cccccc; padding: 5px; border: 1px solid black;"> <ul style="list-style-type: none"> <li>➤ Corporate Matters</li> <li>➤ Governance and Policy</li> <li>➤ Credit and Products</li> <li>➤ Information Technology and Projects</li> <li>➤ Remuneration</li> <li>➤ All Other Matters as Deemed Necessary by the Board</li> <li>➤ Strategy and Budget</li> <li>➤ Compliance and Assurance</li> <li>➤ Accounting and Finance</li> <li>➤ Board Membership and Other Appointments</li> <li>➤ Litigation and Arbitration</li> </ul> </div> |  |
| <p><b>Explanation for departure</b> :</p>   |   |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |
| <p><b>Measure</b> :</p>   |   |  |
| <p><b>Timeframe</b> :</p>   |   |  |

**Intended Outcome**





The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

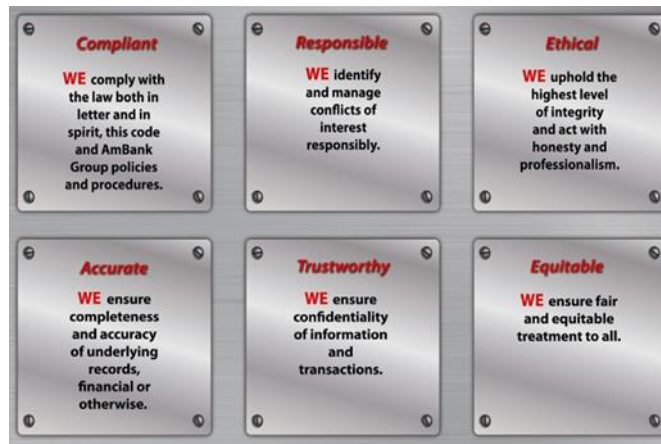
**Practice 3.1**

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company’s website.

|  |  |
|--|--|
| <p><b>Application</b></p>                                | <p>: Applied</p>   |
| <p><b>Explanation on application of the practice</b></p> | <p>(1) The Code of Conduct (CoC) defines and sets out the foundation of ethical behaviour and drives the philosophy of “Doing the right thing” for the Group and stakeholders. The implementation of the CoC in business practices at all levels ensures the Group operates with the highest level of professionalism and integrity. This is the building block to ensure business sustainability.</p> <p>The Code of Ethics (CoE) forms part of the CoC.</p> <p>Professional and ethical conduct is the responsibility of every Director and employee of the Group. Leaders of the Group have an added responsibility to inspire others within the Group to follow the CoC and to conduct business according to the highest standards of ethics and professional behaviour. The Chairman of the Board continuously stress to the Board and senior management the importance of “tone at the top” and living the attributes of the CoC in day-to-day business conduct.</p> <p>The CoC is summarised as follows :-</p> <div style="display: flex; justify-content: space-around; text-align: center;"> <div data-bbox="603 1518 786 2000"> <p><b>OUR ETHICAL STANDARDS</b></p>  <ul style="list-style-type: none"> <li>* Code of Ethics</li> <li>* Acting with integrity</li> <li>* Raising ethical concerns</li> </ul> </div> <div data-bbox="802 1518 986 2000"> <p><b>OUR COMMITMENT TO SUSTAINABILITY</b></p>  <ul style="list-style-type: none"> <li>* Responsible banking</li> <li>* Employer of Choice</li> <li>* Positive social impact</li> </ul> </div> <div data-bbox="1002 1518 1185 2000"> <p><b>OUR COMPANY AND PEOPLE</b></p>  <ul style="list-style-type: none"> <li>*Responsibility of leaders</li> <li>*Fair, respectful &amp; safe workplace</li> <li>*Manage conflict of interest</li> <li>*Protecting our assets</li> <li>*Speak on behalf of AmBank</li> <li>*Maintain financial integrity</li> </ul> </div> <div data-bbox="1201 1518 1385 2000"> <p><b>OUR MARKET PLACE</b></p>  <ul style="list-style-type: none"> <li>*Respecting customers</li> <li>*Dealing with regulators</li> <li>*Anti-bribery &amp; corruption</li> <li>*Combating financial crime</li> <li>*Competing fairly</li> <li>*Manage supplier relationships</li> </ul> </div> </div> |

(2) The CoE is based on six (6) principles i.e. C.R.E.A.T.E.



The CoE provides the framework for decision-making and guides business conduct. It also includes guidance on disclosure of conflict of interests, maintaining confidentiality and disclosure of information, good practices, internal controls and the duty to report any breach of the CoE. High expectations of work ethics are embodied in the Group's core values of principled, proactive, appreciative, collaborative and experimental.

(3) Both the CoC and CoE have been cascaded to all Directors and employees of the Group through various methods and medium, i.e. eLearning modules and physical workshops conducted by Management to their respective team to ensure full understanding of the CoC and CoE as well as proper embedding into the work culture across all businesses within the Group.

The CoC and CoE are also available at Connected, the Group's intranet for easy referencing as well as on the Company's corporate website at [ambankgroup.com](http://ambankgroup.com).

(4) Other than the CoC and CoE, the Company has put in place the following policies and guidelines to assist and guide the Board, Management, employees and its stakeholders on good and ethical business practice and conduct :-

- No Gift Policy
- Related Party Transaction Policy
- Supplier Code of Conduct
- Group Procurement Policy
- Trading in AmBank Shares Policy
- Anti-Bribery and Corrupt Practices Policy

**Explanation for departure** :

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

|                    |  |  |
|--------------------|--|--|
| <b>Measure</b> :   |  |  |
| <b>Timeframe</b> : |  |  |



## Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

## Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

|   |   |  |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |
|---|---|--|----------|--|--------------------|----------|--|--------------------|----------|--|--------------------|----------|--|--------------------|----------|---|--------------------|----------|---|--------------------|----------|--|
| <b>Application</b>                                | : Applied   |  |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |
| <b>Explanation on application of the practice</b> | <p>(1) The Whistleblower Protection Policy (WPP) provides the framework, guidance and channel for all employees and external parties to disclose any improper conduct committed by those in authority, while ensuring protection of their identities. WPP sets the standards for acting on the reports received, protection of the whistleblower, conduct of investigations and escalation. The WPP serves to promote high standards of ethical conduct and ensures protection to the whistleblower encouraging communication without fear of retaliation or discrimination.</p> <p>The WPP is to be read in conjunction with the Whistleblower Protection Act 2010, Section 17A of the Malaysia Anti-Corruption Commission Act 2009, and all related internal policies and guidelines including but not limited to the CoC and the Whistleblower Protection Guidelines of the Group.</p> <p>The WPP is reviewed biennially and was last reviewed and approved by the Board on 6 December 2021. The WPP is publicly available on the Company's website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</p> <p>(2) The WPP is premised on ten (10) principles, which are :-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><i>Principle 1</i></td> <td style="width: 5%;"><i>:</i></td> <td><i>Whistleblowing shall be managed in a transparent manner by creating awareness on the protection, confidentiality and enforceability</i></td> </tr> <tr> <td><i>Principle 2</i></td> <td><i>:</i></td> <td><i>Whistleblower should be protected for reporting any actual or suspected improper conduct upon demonstrating sufficient basis for whistleblowing</i></td> </tr> <tr> <td><i>Principle 3</i></td> <td><i>:</i></td> <td><i>Confidential information relating to whistleblowing should be safeguarded</i></td> </tr> <tr> <td><i>Principle 4</i></td> <td><i>:</i></td> <td><i>Whistleblower including his/her spouse and related persons who are employees of the Group, shall be protected from detrimental action</i></td> </tr> <tr> <td><i>Principle 5</i></td> <td><i>:</i></td> <td><i>Remedial actions should be taken on complaint of detrimental actions against the Whistleblower</i></td> </tr> <tr> <td><i>Principle 6</i></td> <td><i>:</i></td> <td><i>Ombudsperson is to be appointed as the official channel for reporting of concern</i></td> </tr> <tr> <td><i>Principle 7</i></td> <td><i>:</i></td> <td><i>Whistleblower should provide sufficient and accurate information on best effort basis</i></td> </tr> </table> | <i>Principle 1</i>   | <i>:</i> | <i>Whistleblowing shall be managed in a transparent manner by creating awareness on the protection, confidentiality and enforceability</i> | <i>Principle 2</i> | <i>:</i> | <i>Whistleblower should be protected for reporting any actual or suspected improper conduct upon demonstrating sufficient basis for whistleblowing</i> | <i>Principle 3</i> | <i>:</i> | <i>Confidential information relating to whistleblowing should be safeguarded</i> | <i>Principle 4</i> | <i>:</i> | <i>Whistleblower including his/her spouse and related persons who are employees of the Group, shall be protected from detrimental action</i> | <i>Principle 5</i> | <i>:</i> | <i>Remedial actions should be taken on complaint of detrimental actions against the Whistleblower</i> | <i>Principle 6</i> | <i>:</i> | <i>Ombudsperson is to be appointed as the official channel for reporting of concern</i> | <i>Principle 7</i> | <i>:</i> | <i>Whistleblower should provide sufficient and accurate information on best effort basis</i> |
| <i>Principle 1</i>                                | <i>:</i>  | <i>Whistleblowing shall be managed in a transparent manner by creating awareness on the protection, confidentiality and enforceability</i>             |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |
| <i>Principle 2</i>                                | <i>:</i>  | <i>Whistleblower should be protected for reporting any actual or suspected improper conduct upon demonstrating sufficient basis for whistleblowing</i> |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |
| <i>Principle 3</i>                                | <i>:</i>  | <i>Confidential information relating to whistleblowing should be safeguarded</i>   |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |
| <i>Principle 4</i>                                | <i>:</i>  | <i>Whistleblower including his/her spouse and related persons who are employees of the Group, shall be protected from detrimental action</i>           |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |
| <i>Principle 5</i>                                | <i>:</i>  | <i>Remedial actions should be taken on complaint of detrimental actions against the Whistleblower</i>  |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |
| <i>Principle 6</i>                                | <i>:</i>  | <i>Ombudsperson is to be appointed as the official channel for reporting of concern</i>  |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |
| <i>Principle 7</i>                                | <i>:</i>  | <i>Whistleblower should provide sufficient and accurate information on best effort basis</i>   |          |  |                    |          |  |                    |          |  |                    |          |  |                    |          |   |                    |          |   |                    |          |  |

|  |   |   |   |   |                    |   |   |                     |   |  |
|--|---|---|---|---|--------------------|---|---|---------------------|---|--|
|  | <table border="1"> <tr> <td><b>Principle 8</b></td> <td>:</td> <td><i>Reported improper conduct shall be investigated by appointed party and deliberated at an appropriate Committee for decision making</i></td> </tr> <tr> <td><b>Principle 9</b></td> <td>:</td> <td><i>Appropriate communication and record maintenance shall be in place</i></td> </tr> <tr> <td><b>Principle 10</b></td> <td>:</td> <td><i>Violation of Policy may be subjected to disciplinary action</i></td> </tr> </table>  | <b>Principle 8</b>  | : | <i>Reported improper conduct shall be investigated by appointed party and deliberated at an appropriate Committee for decision making</i> | <b>Principle 9</b> | : | <i>Appropriate communication and record maintenance shall be in place</i> | <b>Principle 10</b> | : | <i>Violation of Policy may be subjected to disciplinary action</i> |
| <b>Principle 8</b>   | :   | <i>Reported improper conduct shall be investigated by appointed party and deliberated at an appropriate Committee for decision making</i> |   |   |                    |   |   |                     |   |  |
| <b>Principle 9</b>   | :   | <i>Appropriate communication and record maintenance shall be in place</i>   |   |   |                    |   |   |                     |   |  |
| <b>Principle 10</b>  | :   | <i>Violation of Policy may be subjected to disciplinary action</i>  |   |   |                    |   |   |                     |   |  |
|  | <p>(3) The procedures to whistleblow are as follows :-</p> <ul style="list-style-type: none"> <li>➤ Dedicated Ombudspersons, email address and postal address for reporting suspected incidents of misconduct and wrongdoing</li> <li>➤ Internal investigations and where applicable external expert and forensic investigators to analyse reports</li> <li>➤ Recommendations on corrective action</li> <li>➤ Appropriate communications, reporting and record maintenance.</li> </ul> <p>(4) The Board’s Ombudsperson is an Independent Non-Executive Director of the Company, who is also the AEC Chairman of the Company.</p> <p>(5) The roles and responsibilities of the AEC, under the WPP are as follows :-</p> <ul style="list-style-type: none"> <li>➤ Reviews and determines appropriate decision and/or actions for the reported concerns.</li> <li>➤ Ensures reasonably sufficient protections and processes for managing whistle blowing.</li> <li>➤ Ensures Ombudspersons and Investigator have performed their due diligence in carrying out their responsibilities e.g. prima facie has been conducted appropriately by the Ombudspersons and Investigator has carried out a thorough investigation.</li> </ul> |   |   |   |                    |   |   |                     |   |  |
| <b>Explanation for departure</b>   | :   |   |   |   |                    |   |   |                     |   |  |
|  |   |   |   |   |                    |   |   |                     |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |   |   |                    |   |   |                     |   |  |
| <b>Measure</b>   | :   |   |   |   |                    |   |   |                     |   |  |
| <b>Timeframe</b>   | :   |   |   |   |                    |   |   |                     |   |  |

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

|   |   |  |
|---|---|--|
| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The Board has the overall accountability and responsibility for the Group's sustainability agenda and embeds sustainability in the formulation of group-wide strategy, including oversight and decision making. The Board is also responsible to consider the strategy to build capacity in relation to sustainability.</p> <p>Through the Group's governance structure, clear functions have been established, with specific roles and responsibilities to address our sustainability risks and opportunities.</p> <p>Based on the Directors' profile, one of the Board members have sustainability-related experience.</p> <p>Sustainability is not just an extension of the Group's business activities and portfolio, it is an essential component of the Group's Focus 8 Strategy (FY2021-FY2024), which specifies "Integrating Environmental, Social and Governance (ESG) Considerations into Our Business" as a key focus area.</p> <p>In FY2023, the Board had approved the Group's Sustainability Report. In addition, on a periodic basis, the Board was updated on the Group's sustainability agenda and progress.</p> <p>Pursuant to BNM Policy Document on Climate Risk Management and Scenario Analysis, the governance structure would be reviewed for purposes of implementing the Group's sustainability strategy, as well as for climate-related risks and opportunities. It would also detail out the responsibilities of the various departments, committees or teams involved in achieving our sustainability aspirations.</p> |
| <b>Explanation for departure</b>                  | : |  |

|  |   |  |
|--|---|--|
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

|   |  |
|---|--|
| <b>Application</b>                                | : Applied  |
| <b>Explanation on application of the practice</b> | <p>The Group communicates its sustainability strategies, priorities and targets as well as performance against these targets to internal and external stakeholders as follows:</p> <p><b><u>Internal Stakeholders</u></b></p> <ul style="list-style-type: none"><li>• The scorecards of the Group CEO and all C-Suites include sustainability-related key performance indicators (KPIs). These sustainability-related KPIs are tracked by the Group Sustainability Council. The achievement of these KPIs directly contributes to the remuneration of the respective senior management. Selected sustainability-related KPIs are also cascaded down to the other levels of management.</li><li>• Periodic sustainability updates on the Group Sustainability agenda, initiatives and progress are provided to Group Management and Board Committees as well as the Board.</li><li>• Staff are also updated on the sustainability initiatives and progress through periodic e-blasts and/or sustainability microsite.</li></ul> <p><b><u>External Stakeholders</u></b></p> <ul style="list-style-type: none"><li>• Sustainability Report which discloses the Group's sustainability strategies, practices and performance in addressing sustainability risks and opportunities.</li><li>• Sustainability Microsite on the Company's corporate website which discloses the Group's sustainability framework, key achievements, recognition and initiatives.</li><li>• The Group's events (eg. Sustainability Talk Series with International Islamic University Malaysia (IIUM) students, Sustainability for small and medium enterprises (SMEs) and Collaboration with Capital Markets Malaysia, etc).</li></ul> |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• Investor briefing.</li> <li>• Press releases as and when there are any significant sustainability-related developments and events.</li> </ul> |
| <b>Explanation for departure</b> :   |  |
|  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |
| <b>Measure</b> :   |  |
| <b>Timeframe</b> :   |  |

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

|  |   |  |  |
|--|---|--|--|
| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | <p>(1) In FY2023, the Board had attended various training programmes, which included topics on :-</p> <ul style="list-style-type: none"> <li>• Sustainability Awareness</li> <li>• Emerging Trends, Threats and Risk to the Financial Services Industry</li> <li>• Strengthening Governance to accelerate ESG journey</li> <li>• Enhanced Sustainability Reporting Framework with Climate Change Reporting</li> <li>• Global Baseline of Sustainability Disclosure Standards</li> <li>• Cyber Security</li> <li>• Climate Risk Management</li> </ul> <p>(2) The Board is regularly updated by senior management on the latest key regulatory sustainability requirement (i.e. BNM Policy Document on Climate Risk Management and Scenario Analysis).</p> |  |
| <b>Explanation for departure</b>   | : |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

|   |   |  |
|---|---|--|
| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p><b><u>At the Board level</u></b></p> <p>The Board is the highest governance body to oversee the Group's sustainability strategy, material ESG risks and opportunities. The Board sets the strategic directions of the Group's sustainability agenda and reviews periodically the progress of its sustainability agenda.</p> <p>The Board Effectiveness Evaluation exercise (BEE) for FY2023 included assessment on how the Board oversees the development and implementation of sustainability strategies in the organisation, and ensuring ESG aspects are appropriately balanced with interests of various stakeholders.</p> <p>The results of the BEE FY2023 indicated that the Board would benefit from continuous capacity building and greater strategic focus on the ESG agenda.</p> <p><b><u>At Senior Management level</u></b></p> <p>Performance evaluation of senior management is determined through a balanced scorecard.</p> <p>Since FY2021, the Group embeds sustainability-related KPIs into the scorecards of all C-Suites, including the Group CEO. Key sustainability-related KPIs include measurements pertaining to customer satisfaction score, targets of loan/ financing disbursements with Low ESG risk grade, launch of new ESG funds, loans/ financing to SMEs, energy saving targets, supporting local suppliers, community related projects, employee well-being, data security and digital transformation, and compliance.</p> <p>Progress of these KPIs is monitored by the Group Sustainability Council.</p> |
| <b>Explanation for departure</b>                  | : |  |
|   |   |  |



*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

|                    |  |  |
|--------------------|--|--|
| <b>Measure</b> :   |  |  |
| <b>Timeframe</b> : |  |  |

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

|  |   |  |
|--|---|--|
| <b>Application</b>                             | : | Adopted  |
| <b>Explanation on adoption of the practice</b> | : | <p>The Board has designated Datin Zameema Banu binti Mohamad Ariff, the Head of Group Sustainability Department, to manage the Group’s sustainability governance and embed sustainability considerations in its business operations.</p> <p>Eqhwan Mokhzanee bin Muhammad, the CEO of AmBank Islamic Berhad, being the Group Sustainability Champion, is responsible to oversee the Group Sustainability Department.</p> |

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

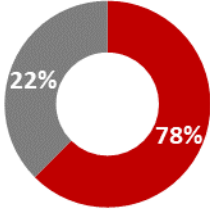
|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | (1) One-third or more of the Directors for the time being or, if the number is not three (3) or a multiple of three (3), then the number nearest to one-third will retire from the office and eligible for re-election at every annual general meeting as stipulated in Clause 94 of the Company's Constitution.<br><br>(2) Hong Kean Yong, Dato' Kong Sooi Lin, Tan Sri Md Nor bin Md Yusof and Felicity Ann Youl who were subject to re-election were re-appointed to the Board at the 31 <sup>st</sup> Annual General Meeting (AGM).<br><br>(3) Directors are also subject to re-appointment upon the expiry of their tenure as approved by BNM. Soo Kim Wai, Seow Yoo Lin, Hong Kean Yong and Dato' Kong Sooi Lin were re-appointed during FY2023. |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.2**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

|   |   |   |  |
|---|---|---|--|
| <b>Application</b>  | : | Applied   |  |
| <b>Explanation on application of the practice</b>   | : | <p>During the period under review, the Board consist of seven (7) Independent Non-Executive Directors out of the nine (9) Board members.</p>  <p><b>Directors</b></p> <ul style="list-style-type: none"> <li>■ Independent</li> <li>■ Non-Independent</li> </ul> |  |
| <b>Explanation for departure</b>  | : |   |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |   |  |
| <b>Measure</b>  | : |   |  |
| <b>Timeframe</b>  | : |   |  |

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.3**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

|  |   |                                      |  |
|--|---|--------------------------------------|--|
| <b>Application</b>   | : | Not applicable - Step Up 5.4 adopted |  |
| <b>Explanation on application of the practice</b>  | : |                                      |  |
| <b>Explanation for departure</b>   | : |                                      |  |
|  |   |                                      |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |                                      |  |
| <b>Measure</b>   | : |                                      |  |
| <b>Timeframe</b>   | : |                                      |  |

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

| <i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i> |  |                   |   |                   |   |             |   |                 |   |
|--|--|-------------------|---|-------------------|---|-------------|---|-----------------|---|
| <b>Application</b>   | : Adopted  |                   |   |                   |   |             |   |                 |   |
| <b>Explanation on adoption of the practice</b>   | :<br><p>(1) The Non-Executive Director Nomination and Remuneration Policy states that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years, except under exceptional circumstances or as part of transitional arrangements towards full implementation of the succession plans of the Group. This is in line with Paragraph 11.9 of BNM Policy Documents on Corporate Governance.</p> <p>All seven (7) Independent Non-Executive Directors of the Company have not served more than nine (9) years.</p> <table border="1"><thead><tr><th>Tenure of Service</th><th>Number of Independent Non-Executive Directors</th></tr></thead><tbody><tr><td>Less than 3 years</td><td>2</td></tr><tr><td>3 - 6 years</td><td>3</td></tr><tr><td>&gt; 6 - &lt; 9 years</td><td>2</td></tr></tbody></table> <p>(2) The independence of the Board is reviewed annually and benchmarked against best practice and regulatory provisions. Based on the annual review, all Independent Directors have scored highly and there was no conflict or potential conflict of interest which affected their independent judgments.</p> <p>The Independent Directors also satisfy the "Fit and Proper" criteria specified under the BNM Policy Document on Fit and Proper Criteria.</p> | Tenure of Service | Number of Independent Non-Executive Directors | Less than 3 years | 2 | 3 - 6 years | 3 | > 6 - < 9 years | 2 |
| Tenure of Service  | Number of Independent Non-Executive Directors  |                   |   |                   |   |             |   |                 |   |
| Less than 3 years  | 2  |                   |   |                   |   |             |   |                 |   |
| 3 - 6 years  | 3  |                   |   |                   |   |             |   |                 |   |
| > 6 - < 9 years  | 2  |                   |   |                   |   |             |   |                 |   |

**Intended Outcome**

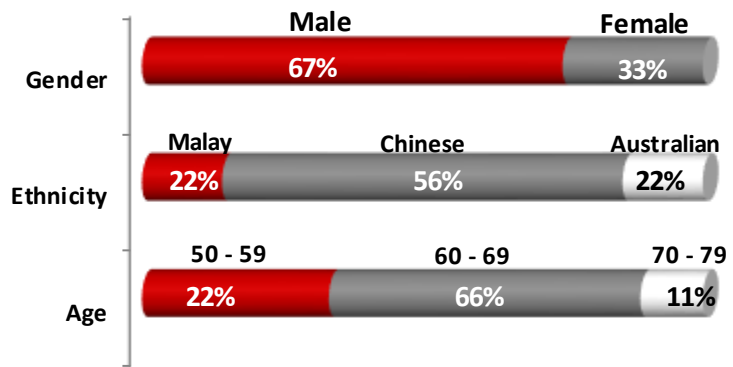
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.5**

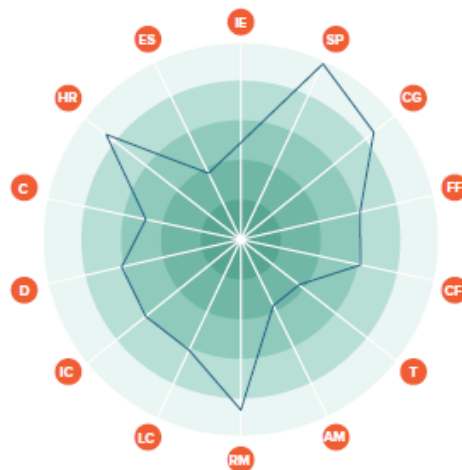
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

|  |   |
|--|---|
| <p><b>Application</b></p>                                | <p>: Applied</p>  |
| <p><b>Explanation on application of the practice</b></p> | <p>(1) GNRC regularly reviews the Board’s composition, i.e. size, skills, experience, diversity, etc. and recommend the appointment of director(s) to the Board.</p> <p>Director candidate(s) is selected based on the following selection process:-</p> <div style="text-align: center;"> <pre> graph TD     A[Review of Board-wide, skills, knowledge, experience, diversity and perspective] --&gt; B[Identification of gaps and additional needs]     B --&gt; C[Sourcing suitable candidates by executive search firms and/or via recommendation from other Directors]     C --&gt; D[Assessment and evaluation by the GNRC]     D --&gt; E[Appointment by the Board, subject to BNM’s approval and re-election at Annual General Meeting]             </pre> </div> <p>The demographics of the Board in terms of gender, ethnicity and age were as follows:</p> |



The Board Charter states that “the Board is committed to ensuring diversity in its composition and embraces the proposition that having a diverse Board would have a positive, value-adding impact on the Company. While the Board acknowledges the importance of boardroom diversity, appointments to the Board shall always be based on merit”. The current Board has the following mix of skills, knowledge and experience:



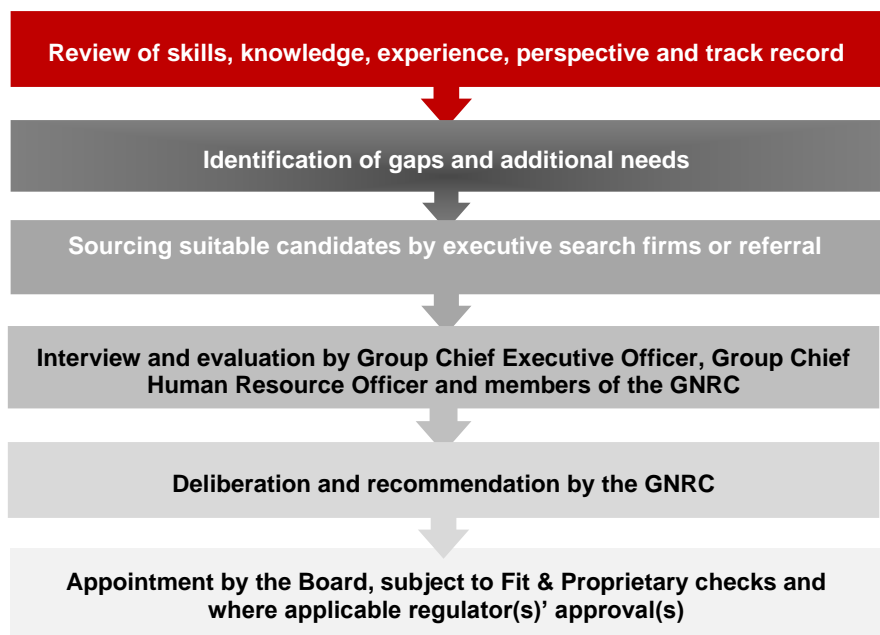
- IE Industry experience
- SP Strategic planning and/or global expertise
- CG Corporate governance
- FF Accounting and finance
- CF Corporate finance
- T Taxation
- AM Asset management
- RM Risk management
- LC Legal and compliance
- IC Information and communication technology
- D Digital, technology and innovation
- C Cybersecurity
- HR Human resource management / people and culture
- ES Environment and social



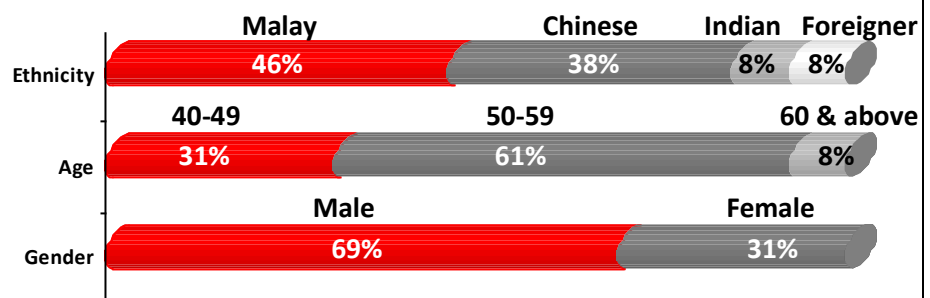
The criteria on the recruitment process and annual assessment of Directors are contained in the Non-Executive Director Nomination and Remuneration Policy as well as in the Board Charter. Policy and procedures for appointment are disclosed in the CGOS of the IAR2023.

- (2) Appointments of selected key senior management (including Group CEO, C-Suites and Company Secretary) are reviewed by the GNRC before recommending to the Board for approval. Best suited candidates are shortlisted for appointment based on their skills, experience and track record, in addition to being assessed through a broad range of interview questions.

Candidate for key senior management is selected based on the following selection process :-



Diversity at key senior management is valued to allow for constructive debates, which lead to better decisions and enables the discussion of the same ideas in differing ways. The appointments of senior management are also based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.



|  |  |  |
|--|--|--|
|  | The criteria on the recruitment process and annual assessment of key senior management are contained in the ToR of GNRC. |  |
| <b>Explanation for departure</b> :   |  |  |
|  |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |  |
| <b>Measure</b> :   |  |  |
| <b>Timeframe</b> :   |  |  |

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.6**

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | The Non-Executive Director Nomination and Remuneration Policy states that the GNRC may source for candidates to act as Director of the Company via executive search firms and/or via recommendation from other Directors. |  |
| <b>Explanation for departure</b>   | : |   |  |
|  |   |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | Statements by the Board supporting the re-election of the below mentioned Directors to the Board of the Company in 2023 were disclosed in the Explanatory Notes to the Notice of 32 <sup>nd</sup> AGM. Their direct / indirect interests, if any, were disclosed in their respective profiles: <ul style="list-style-type: none"><li>• Robert William Goudswaard;</li><li>• Voon Seng Chuan; and</li><li>• Farina binti Farikhullah Khan.</li></ul> |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | (1) The GNRC is chaired by Farina binti Farikhullah Khan, an Independent Non-Executive Director of the Company.<br><br>(2) The Board has also entrusted the GNRC with the responsibility of reviewing the Board's succession plans for Directors, including recommending candidates for Non-Executive Director positions.<br><br>(3) The Group has established programmes to identify employees with potential and nurture them through career development opportunities for senior management positions. |  |
| <b>Explanation for departure</b>   | : |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | (1) The Board currently comprises three (3) women Directors, reflecting a 33% female representation among the Directors on the Board.<br><br>(2) Women’s participation at key senior management was at 31%. |  |
| <b>Explanation for departure</b>   | : |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | <p>The Company’s Board Charter states that “the Board shall endeavour to have at least 30% women Directors”. The Board believes that a truly diverse Board that leverages on differences in thought, perspective, knowledge, regional and industry experience, age, ethnicity and gender will ensure effectiveness stewardship of management and will steer the Company to retain its competitive advantage.</p> <p>Appointment of key management personnel was also made with due regards for diversity in skills, experience, background, age, cultural and gender.</p> |  |
| <b>Explanation for departure</b>   | : |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

|  |   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
|--|---|--|--|-----|------------------------|-----|-------------------|-----|--------------------|-----|--|-----|---------------|-----|-------------------------------------|-----|----------|-----|-------------------------------|-----|----------------------------------|------|---|------|-----------------------|--|--|-----|----------------------------------|-----|---------------------------|-----|------------------------|-----|-------------|-----|--------------|
| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> |   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| <b>Application</b>   | : Applied   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| <b>Explanation on application of the practice</b>  | : <ol style="list-style-type: none"> <li>(1) The annual Board evaluation encompasses the effectiveness of the Board, Board Committees, Chairman, Group CEO/CEO and Directors' self and peer evaluation. A robust and comprehensive assessment framework was used, encompassing:             <table border="1" style="margin-left: 20px;"> <tr> <td colspan="2"><b>Part A: Board and Board Committee Effectiveness</b></td> </tr> <tr> <td style="width: 20px;">(1)</td> <td>Board responsibilities</td> </tr> <tr> <td>(2)</td> <td>Board composition</td> </tr> <tr> <td>(3)</td> <td>Board remuneration</td> </tr> <tr> <td>(4)</td> <td>Board Committees' evaluation and self-evaluation</td> </tr> <tr> <td>(5)</td> <td>Board conduct</td> </tr> <tr> <td>(6)</td> <td>Board interaction and communication</td> </tr> <tr> <td>(7)</td> <td>Chairman</td> </tr> <tr> <td>(8)</td> <td>Group Chief Executive Officer</td> </tr> <tr> <td>(9)</td> <td>Board administration and process</td> </tr> <tr> <td>(10)</td> <td>Directors' training – current year and forthcoming year</td> </tr> <tr> <td>(11)</td> <td>Board retreat session</td> </tr> <tr> <td colspan="2"><b>Part B: Directors' Self and Peer Assessment</b></td> </tr> <tr> <td>(1)</td> <td>Board dynamics and participation</td> </tr> <tr> <td>(2)</td> <td>Integrity and objectivity</td> </tr> <tr> <td>(3)</td> <td>Technical competencies</td> </tr> <tr> <td>(4)</td> <td>Recognition</td> </tr> <tr> <td>(5)</td> <td>Independence</td> </tr> </table> </li> <li>(2) The Board engaged an external independent consultant to conduct the Board evaluation to facilitate an objective, candid and independent board evaluation for FY2022. For FY2023, the Board decided to carry out the Board evaluation internally.</li> </ol> | <b>Part A: Board and Board Committee Effectiveness</b> |  | (1) | Board responsibilities | (2) | Board composition | (3) | Board remuneration | (4) | Board Committees' evaluation and self-evaluation | (5) | Board conduct | (6) | Board interaction and communication | (7) | Chairman | (8) | Group Chief Executive Officer | (9) | Board administration and process | (10) | Directors' training – current year and forthcoming year | (11) | Board retreat session | <b>Part B: Directors' Self and Peer Assessment</b> |  | (1) | Board dynamics and participation | (2) | Integrity and objectivity | (3) | Technical competencies | (4) | Recognition | (5) | Independence |
| <b>Part A: Board and Board Committee Effectiveness</b>   |   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (1)  | Board responsibilities  |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (2)  | Board composition   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (3)  | Board remuneration  |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (4)  | Board Committees' evaluation and self-evaluation  |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (5)  | Board conduct   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (6)  | Board interaction and communication   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (7)  | Chairman  |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (8)  | Group Chief Executive Officer   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (9)  | Board administration and process  |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (10)   | Directors' training – current year and forthcoming year   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (11)   | Board retreat session   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| <b>Part B: Directors' Self and Peer Assessment</b>   |   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (1)  | Board dynamics and participation  |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (2)  | Integrity and objectivity   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (3)  | Technical competencies  |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (4)  | Recognition   |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |
| (5)  | Independence  |  |  |     |                        |     |                   |     |                    |     |  |     |               |     |                                     |     |          |     |                               |     |                                  |      |   |      |                       |  |  |     |                                  |     |                           |     |                        |     |             |     |              |



|   |   |
|---|---|
|   | <p>(3) The overall results of BEE conducted for FY2023 were positive, a testament of the high performing board culture and dynamics. Some of the key positive highlights from the assessment were as follows: -</p> <ul style="list-style-type: none"> <li>• Board comprises highly skilled and experienced individuals</li> <li>• Boardroom dynamics is characterised by professionalism and mutual trust</li> <li>• Board members “respect each others’ views and welcome a healthy debate”</li> </ul> <p>There were also areas which could be further improved and these amongst others include the following :-</p> <ul style="list-style-type: none"> <li>• More focus on cybersecurity, and measures taken to address evolving cyber threats</li> <li>• Oversight on ESG risks and opportunities in an integrated and strategic manner</li> <li>• Information flow and boardroom administration which include the need for more concise Board papers and focused presentations to the Board</li> </ul> <p>The Board and senior management had taken the feedback into consideration in implementing the required action plan.</p> |
| <p><b>Explanation for departure</b> :</p>   |   |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |
| <p><b>Measure</b> :</p>   |   |
| <p><b>Timeframe</b> :</p>   |   |

## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

|   |   |  |
|---|---|--|
| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>(1) The Board believes in a competitive and transparent remuneration framework that supports senior management and Directors' responsibilities and fiduciary duties to achieve the Group's long-term objectives and enhance stakeholders' value.</p> <p>(2) The remuneration structure of Non-Executive Director of the Company is disclosed in the CGOS of the IAR2023.</p> <p>The Non-Executive Director Nomination and Remuneration Policy of the Group is available on the Company's website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</p> <p>(3) The Total Reward Policy for employees had been reviewed and approved by the Board in December 2022.</p> <p>(4) The remuneration structure of senior management is governed by the GNRC, and the Board approved Total Reward Policy of the Group.</p> <p>Independent review is conducted periodically to ensure that the Total Reward Policy of the Group and remuneration practices are in line with the industry practice and continues to support the Group's Total Reward Philosophy. The reward elements reviewed and benchmarked against similar organisations which the Group operates in, includes base salary, short-term incentives, long-term incentives, benefits and perquisites.</p> <p>In adopting the appropriate senior management remuneration for appointment, renewal and performance appraisal (performance-based payouts), the following is taken into consideration:</p> |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• the Group’s Total Reward Philosophy set against our overall strategy, productivity, performance and affordability across the Group</li> <li>• level of responsibility, accountability and complexity of the role</li> <li>• reflect the competitive nature of the industry and role</li> <li>• attract and retain suitably qualified talent for senior management</li> <li>• promotes prudent risk taking and long-term sustainability</li> <li>• alignment of our long-term value creation and time horizon of risk with targeted mix ratio</li> </ul> <p>Senior management and Material Risk Takers’ remuneration package are also subject to annual review by the GNRC for recommendation to the Board for approval. Material Risk Takers are defined as employees whose responsibilities have a material impact on the Group's performance and risk profile, and employees whose responsibilities require them to take on material risk exposures on behalf of the Group.</p> <p>The remuneration of the Group Chief Internal Auditor is subject to similar structure and policy, with annual review performed by the AEC and recommended to the Board for approval.</p> <p>The remuneration of the Group Chief Risk Officer and Group Chief Compliance Officer are also subject to similar structure and policy, with their performances being reviewed and recommended by the RMC to the Board for approval.</p> |
| <b>Explanation for departure</b> :   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b> :   |   |
| <b>Timeframe</b> :   |   |

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | The Board is supported by the GNRC. Members of the GNRC comprised only Non-Executive Directors with a majority being independent, i.e. three (3) out of total five (5) members are Independent Directors.<br><br><i>The ToR is available on the Company's corporate website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</i> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

|   |   |   |
|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | The remuneration received / receivable by each member of the Board is disclosed on page 140 of the IAR2023 as well as in the Notes to the Financial Statements. |

| No | Name   | Directorate                            | Company ('000)  |                 |                 |                 |                  |                  |                 | Group ('000)    |                 |                 |                 |                  |                  |                 |
|----|--|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
|    |  |  | Fee             | Allowance       | Salary          | Bonus           | Benefits-in-kind | Other emoluments | Total           | Fee             | Allowance       | Salary          | Bonus           | Benefits-in-kind | Other emoluments | Total           |
| 1  | Tan Sri Md Nor bin Md Yusof (Appointed on 30 April 2022) | Independent Director                   | 193             | Input info here | Input info here | Input info here | 7                | 303              | 503             | 193             | Input info here | Input info here | Input info here | 7                | 303              | 503             |
| 2  | Robert William Goudswaard                                | Non-Executive Non-Independent Director | 200             | Input info here | Input info here | Input info here | 1                | 138              | 339             | 200             | Input info here | Input info here | Input info here | 1                | 138              | 339             |
| 3  | Soo Kim Wai  | Non-Executive Non-Independent Director | 200             | Input info here | Input info here | Input info here | -                | 70               | 270             | 350             | Input info here | Input info here | Input info here | 20               | 190              | 560             |
| 4  | Voon Seng Chuan  | Independent Director                   | 200             | Input info here | Input info here | Input info here | -                | 105              | 305             | 360             | Input info here | Input info here | Input info here | 2                | 375              | 737             |
| 5  | Seow Yoo Lin   | Independent Director                   | 200             | Input info here | Input info here | Input info here | -                | 123              | 323             | 350             | Input info here | Input info here | Input info here | 2                | 193              | 545             |
| 6  | Farina binti Farikhullah Khan                            | Independent Director                   | 200             | Input info here | Input info here | Input info here | -                | 103              | 303             | 350             | Input info here | Input info here | Input info here | 5                | 193              | 548             |
| 7  | Hong Kean Yong   | Independent Director                   | 200             | Input info here | Input info here | Input info here | 2                | 110              | 312             | 200             | Input info here | Input info here | Input info here | 2                | 110              | 312             |
| 8  | Dato' Kong Sooi Lin                                      | Independent Director                   | 200             | Input info here | Input info here | Input info here | -                | 105              | 305             | 350             | Input info here | Input info here | Input info here | 1                | 165              | 516             |
| 9  | Felicity Ann Youl (Appointed on 15 April 2022)           | Independent Director                   | 192             | Input info here | Input info here | Input info here | 1                | 64               | 257             | 192             | Input info here | Input info here | Input info here | 1                | 64               | 257             |
| 10 | Tan Sri Azman Hashim (Retired on 29 April 2022)          | Non-Executive Non-Independent Director | 17              | Input info here | Input info here | Input info here | 2                | 123              | 142             | 17              | Input info here | Input info here | Input info here | 2                | 123              | 142             |
| 11 | Input info here  | Choose an item.                        | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here  | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here  | Input info here |

|    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 12 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 13 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 14 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 15 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Departure   |  |
| <b>Explanation on application of the practice</b>  | : |   |  |
| <b>Explanation for departure</b>   | : | The Board is of the opinion that it is not to the Company's advantage or best business interest to disclose the remuneration of its top senior management on named basis, considering the highly competitive market for talent in the banking industry where poaching of executives is a common practice. |  |
|  |   | The Board has opted to disclose the total remuneration of the Group's senior management (on quantitative basis) in bands of RM50,000. The remuneration table is disclosed in the CGOS of the IAR2023. The remuneration of the Group CEO is also disclosed in the Notes to the Financial Statements.       |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : | The Board will closely monitor the developments in the market in respect of such disclosure for future consideration. This will be reviewed on annual basis in its effort towards the application of Practice 8.2   |  |
| <b>Timeframe</b>   | : | Others  |  |



| No | Name            | Position        | Company         |                 |                 |                 |                  |                 |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
|    |                 |                 | Salary          | Allowance       | Bonus           | Benefits        | Other emoluments | Total           |
| 1  | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item.  | Choose an item. |
| 2  | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item.  | Choose an item. |
| 3  | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item.  | Choose an item. |
| 4  | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item.  | Choose an item. |
| 5  | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item.  | Choose an item. |

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

|  |   |             |
|--|---|-------------|
| <b>Application</b>                             | : | Not Adopted |
| <b>Explanation on adoption of the practice</b> | : |             |

| No | Name            | Position        | Company ('000)  |                 |                 |                 |                  |                 |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
|    |                 |                 | Salary          | Allowance       | Bonus           | Benefits        | Other emoluments | Total           |
| 1  | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here |
| 2  | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here |
| 3  | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here |
| 4  | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here |
| 5  | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here  | Input info here |

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

|  |   |  |  |
|--|---|--|--|
| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | The Chairman of the AEC is an Independent Non-Executive Director, who is not the Chairman of the Board. The Chairman of the AEC is Seow Yoo Lin. |  |
| <b>Explanation for departure</b>   | : |  |  |
|  |   |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

|  |   |  |  |
|--|---|--|--|
| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | None of the AEC members of the Company are former audit partners of the Group's external auditors. |  |
| <b>Explanation for departure</b>   | : |  |  |
|  |   |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

|   |   |  |
|---|---|--|
| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>(1) Procedures to assess the suitability, independence and performance of external auditors have been established in accordance with BNM Guidelines on External Auditor and based on feedback and comments gathered from Management.</p> <p>(2) On annual basis, the AEC assesses the suitability, objectivity, performance and independence of the external auditors. The external auditors also provide a written assurance to the AEC on their independence.</p> <p>The AEC will meet with the statutory external auditors at least twice a year without the presence of Management.</p> <p>(3) The AEC is guided by a Group Policy on Non-Audit Services by Group External Audit Firm (Policy).</p> <p>The statutory external auditors are restricted to provide services that are perceived to be in conflict with its role. These include assisting in the preparation of the financial statements and sub-contracting of operational activities normally undertaken by Management, and engagements where the external auditors may ultimately be required to express an opinion on its own work.</p> <p>Appointment of external auditors for non-audit services will be evaluated by the AEC, to ensure that such appointment will not impede the external auditors' independence.</p> <p>The aggregate fees for non-audit services at the Group level should not exceed 50% of total fees (i.e. sum total of audit and non-audit services fees) incurred by the Group in any given financial year. Audit engagements and audit related services which represent expanded audit scope are exempted from the fee threshold applied to non-audit services.</p> |

|  |   |  |
|--|---|--|
|  | (4) The AEC engages in regular discussion with the senior audit partner of the external auditors and acts as the key representative for overseeing the Group's relationship with the external auditors. |  |
| <b>Explanation for departure</b>   | :   |  |
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | :   |  |
| <b>Timeframe</b>   | :   |  |

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

|  |   |  |
|--|---|--|
| <b>Application</b>                             | : | Adopted  |
| <b>Explanation on adoption of the practice</b> | : | All members of AEC are Independent Non-Executive Directors.<br><br><i>Chairman</i> : <i>Seow Yoo Lin</i><br><i>Member</i> : <i>Farina binti Farikhullah Khan</i><br><i>Dato' Kong Sooi Lin</i> |



## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

| <b>Application</b>                                | :  | Applied  |       |                          |          |   |               |  |
|---|--|--|-------|--------------------------|----------|---|---------------|--|
| <b>Explanation on application of the practice</b> | :  | <p>(1) All members of AEC are accountants by profession. Mr Seow was the Managing Partner of KPMG Malaysia who retired from the firm in 2011, Puan Farina last held executive position was as Chief Financial Officer of Petronas Chemical Group Berhad in 2015 and Dato' Kong began her career with Ernst &amp; Young (formerly known as Ernst &amp; Whinney) and Arthur Anderson &amp; Co before she joined CIMB Investment Bank Berhad. She was the Chief Executive Officer of CIMB Investment Bank.</p> <p>(2) All members of the AEC are financially literate with extensive corporate experience. Their profiles are disclosed on pages 102, 103 and 105 of the IAR2023.</p> <p>(3) The AEC members keeps themselves abreast of the evolving regulatory changes and development in accounting and auditing standards, practices and rules by attending relevant conferences and training programmes.</p> <p>Trainings attended by the AEC members in FY2023 to keep them abreast of relevant developments in accounting and auditing standards, practices and rules, amongst others, were as follows:</p> <table border="1"><thead><tr><th>Month</th><th>Particulars of Trainings</th></tr></thead><tbody><tr><td>May 2022</td><td>2022 Board and Audit Committee Priorities</td></tr><tr><td>November 2022</td><td>Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committee</td></tr></tbody></table> | Month | Particulars of Trainings | May 2022 | 2022 Board and Audit Committee Priorities | November 2022 | Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committee |
| Month   | Particulars of Trainings   |  |       |                          |          |   |               |  |
| May 2022  | 2022 Board and Audit Committee Priorities  |  |       |                          |          |   |               |  |
| November 2022                                     | Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committee |  |       |                          |          |   |               |  |
| <b>Explanation for departure</b>                  | :  |  |       |                          |          |   |               |  |

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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

## Practice 10.1

The board should establish an effective risk management and internal control framework.

|   |   |   |
|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <p>(1) The Board understands that the ultimate responsibility for ensuring a sound internal control system which provides reasonable assurance on the effectiveness and efficiency of the system lies with the Board.</p> <p>(2) The Group's system of internal control is designed to manage the risk of failure to achieve the Group's corporate objectives, as well as safeguard the shareholders' investments and the Group's assets but not absolute assurance from the non-concurrence of risk.</p> <p>(3) The Group has developed a set of comprehensive policies and frameworks to address key risks, promote a risk management culture and set out clear internal controls. Amongst others, the key policies/frameworks are :-</p> <ul style="list-style-type: none"><li>• Anti-Bribery &amp; Corrupt Practices Policy</li><li>• Group Compliance Framework</li><li>• Data Management Policy</li><li>• Data Governance Framework</li><li>• Stress Testing Policy</li><li>• Whistleblower Protection Policy</li><li>• Operational Risk Management Framework</li><li>• Group Procurement Policy</li><li>• Know-Your-Customer, Customer Identification and Due Diligence Policy</li><li>• No Gift Policy</li><li>• Technology Risk Management Framework</li><li>• Market Risk and Liquidity Risk Management Framework</li><li>• Group Sustainability Framework</li></ul> <p>All policies and frameworks are approved by the Board and are reviewed at least biennially.</p> |
| <b>Explanation for departure</b>                  | : |   |

|  |   |  |
|--|---|--|
|  |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

**Practice 10.2**

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | <p>(1) The RMC reviews all policies and frameworks in relation to risk management and internal controls, risk management strategies, risk tolerance and risk appetite settings before recommending to the Board for approval.</p> <p>(2) Risk tolerance and risk appetite settings are reviewed bi-annually while policies and frameworks are reviewed at least biennially. All reviews take into account imminent risks and changes in the regulatory and operating environment and observations from the period under review.</p> |  |
| <b>Explanation for departure</b>   | : |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

|  |   |  |                    |   |   |               |   |  |
|--|---|--|--------------------|---|---|---------------|---|--|
| <b>Application</b>                             | : | Adopted  |                    |   |   |               |   |  |
| <b>Explanation on adoption of the practice</b> | : | <p>The RMC comprises majority of Independent Non-Executive Directors. It is chaired by an Independent Non-Executive Director.</p> <table border="1"><tr><td><b>Chairperson</b></td><td>:</td><td><b>Dato' Kong Sooi Lin</b><br/><i>Independent Non-Executive Director</i></td></tr><tr><td><b>Member</b></td><td>:</td><td><b>Hong Kean Yong</b><br/><i>Independent Non-Executive Director</i><br/><b>Robert William Goudswaard</b><br/><i>Non-Independent Non-Executive Director</i><br/><b>Felicity Ann Youl</b><br/><i>Independent Non-Executive Director</i></td></tr></table> | <b>Chairperson</b> | : | <b>Dato' Kong Sooi Lin</b><br><i>Independent Non-Executive Director</i> | <b>Member</b> | : | <b>Hong Kean Yong</b><br><i>Independent Non-Executive Director</i><br><b>Robert William Goudswaard</b><br><i>Non-Independent Non-Executive Director</i><br><b>Felicity Ann Youl</b><br><i>Independent Non-Executive Director</i> |
| <b>Chairperson</b>                             | : | <b>Dato' Kong Sooi Lin</b><br><i>Independent Non-Executive Director</i>  |                    |   |   |               |   |  |
| <b>Member</b>                                  | : | <b>Hong Kean Yong</b><br><i>Independent Non-Executive Director</i><br><b>Robert William Goudswaard</b><br><i>Non-Independent Non-Executive Director</i><br><b>Felicity Ann Youl</b><br><i>Independent Non-Executive Director</i>   |                    |   |   |               |   |  |

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

|   |   |  |
|---|---|--|
| <b>Application</b>  | : | Applied  |
| <b>Explanation on application of the practice</b>   | : | <p>(1) The AEC has in place measures to assess the competency, performance and effectiveness of the Internal Audit function.</p> <p>(2) The Group Internal Audit function operates under an audit charter mandated by the AEC which gives it unrestricted access to review all activities of the Group.</p> <p>(3) The AEC approves Group Internal Audit's Annual Planning Methodology and the Annual Audit Plan, and monitors the progress of the completion of the Annual Audit Plan, as disclosed in the AEC report.</p> <p>(4) The AEC has direct communication channel with the Group Chief Internal Auditor (CIA) and meets regularly with the Group CIA without the presence of Management. The Group CIA reports directly to the AEC.</p> <p>(5) The AEC reviews the adequacy of Group Internal Audit's resources and evaluates the performance of the Group CIA and Group Internal Audit.</p> <p>(6) All internal audit reports are tabled to the relevant entity AECs together with a Group Internal Audit Activity Report which provides a summary of audits / reviews conducted by Group Internal Audit, highlights of key issues and concerns arising the audits conducted, and the status of resolution of key audit issues highlighted. Key internal audit reviews and areas of concern are also presented to the AEC of the Company.</p> |
| <b>Explanation for departure</b>  | : |  |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |  |
| <b>Measure</b>  | : |  |
| <b>Timeframe</b>  | : |  |

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

|  |   |  |
|--|---|--|
| <b>Application</b>   | : | Applied  |
| <b>Explanation on application of the practice</b>  | : | <p>(1) Group Internal Audit is independent from the business and operating activities. Please refer to the section on Internal Audit in the CGOS of the IAR2023.</p> <p>(2) The profile of the Group CIA, Encik Shamsul Bahrom Mohamed Ibrahim is disclosed on page 115 of the IAR2023.</p> <p>(3) A brief statement on Internal Audit Function with a summary of its key activities is disclosed in the CGOS of the IAR2023.</p> <p>(4) The availability of resources in the internal audit department is being closely monitored. The Group Internal Audit has a budgeted staff strength of 101 staff.</p> <p>(5) Group Internal Audit’s activities conform with the Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing as well as standards and requirements set out by the relevant regulators on the internal audit function.</p> |
| <b>Explanation for departure</b>   | : |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |
| <b>Measure</b>   | : |  |
| <b>Timeframe</b>   | : |  |



### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

|   |   |   |
|---|---|---|
| <b>Application</b>                                | : | Applied   |
| <b>Explanation on application of the practice</b> | : | <ol style="list-style-type: none"><li>(1) As a Group, we believe in timely, regular and proactive communication with our shareholders and the wider investment community including investors, fund managers, equity and fixed-income analysts and credit rating agencies.</li><li>(2) Communication and engagement with stakeholders and investors are done through various platforms and channels other than general meeting(s), including virtual meetings, non-deal roadshows, investor conferences and other electronic means such as emails and website.</li><li>(3) Events organised or participated by the Group's Investor Relations are listed on the Group's corporate website at <a href="http://ambankgroup.com/ir">ambankgroup.com/ir</a>.</li><li>(4) The Group understands the importance of ESG issues and practices accordingly and holds regular discussions with the investment community on ESG sustainability risk which forms an integral part of their investment decision making process.</li><li>(5) The Group engages with the Minority Shareholders Watch Group (MSWG), Institutional Investors Council Malaysia and major shareholders as regularly as required.</li><li>(6) The Group's quarterly financial statements and accompanying media releases are published on Bursa Securities' website and the Company's corporate website. The quarterly analyst briefings and investor presentations are conducted via video conferencing to cater for the wide geographical spread of the investment community and our shareholders. These briefings aim to assist this group of audience to gain a deeper understanding of the Group's financial results and strategic priorities through a dedicated presentation and Question-and-Answer (Q&amp;A) session with senior management. The related briefing materials are made available on the Group's corporate website in a timely manner.</li></ol> |

|  |  |  |
|--|--|--|
|  | <p>(7) When deemed required, the Group also hold media briefings to update the media and the general public on the Group's financial performance and significant events.</p> <p>(8) Stakeholders and investors are encouraged to direct their enquiries via email to the Group's Investor Relations at <a href="mailto:ir@ambankgroup.com">ir@ambankgroup.com</a>.</p> |  |
| <b>Explanation for departure</b>   | :  |  |
|  |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |  |
| <b>Measure</b>   | :  |  |
| <b>Timeframe</b>   | :  |  |

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

|   |   |   |
|---|---|---|
| <b>Application</b>  | : | Applied   |
| <b>Explanation on application of the practice</b>   | : | <p>(1) The IAR2023 took into consideration both material financial and non-financial information, in view of determining and narrating the way we create value over time.</p> <p>(2) Inside this IAR2023 :-</p> <ul style="list-style-type: none"> <li>• Stakeholders will understand the Group's businesses, financial performance and strategies for sustainable growth;</li> <li>• Stakeholder will see how the organisation embeds ESG considerations into its strategy and operations in view of creating future value;</li> <li>• Customers will appreciate the importance placed by the Group on the offering of high-quality products and services consistently;</li> <li>• Business partners and stakeholders will recognise how the Group seeks to foster win-win solutions with all; and</li> <li>• Employees will see how the Group nurtures a stimulating and rewarding work environment.</li> </ul> <p>(3) The Group also highlights initiatives undertaken to enhance the well-being of local communities and actions that underline its commitment in providing effective financial assistance.</p> <p>(4) The IAR2023 is in line with the Value Reporting Foundation's International Integrated Reporting Council's Framework.</p> |
| <b>Explanation for departure</b>  | : |   |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> |   |   |
| <b>Measure</b>  | : |   |
| <b>Timeframe</b>  | : |   |

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

|  |   |   |  |
|--|---|---|--|
| <b>Application</b>   | : | Applied   |  |
| <b>Explanation on application of the practice</b>  | : | <p>(1) The notice of the forthcoming AGM to be held on 23 August 2023 will be given to shareholders on 21 July 2023, effectively serving 32 clear days' of notice.</p> <p>(2) Details of the resolutions proposed together with explanatory notes and statement are set out in the notice of AGM.</p> |  |
| <b>Explanation for departure</b>   | : |   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |  |
| <b>Measure</b>   | : |   |  |
| <b>Timeframe</b>   | : |   |  |

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

|  |   |  |  |
|--|---|--|--|
| <b>Application</b>   | : | Applied  |  |
| <b>Explanation on application of the practice</b>  | : | All Directors attended the 31 <sup>st</sup> AGM of the Company virtually via Remote Participation and Voting (RPV) facilities and the chairpersons of the Board Committees were there to respond to the questions and concerns raised by the shareholders. |  |
| <b>Explanation for departure</b>   | : |  |  |
|  |   |  |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |  |  |
| <b>Measure</b>   | : |  |  |
| <b>Timeframe</b>   | : |  |  |

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | (1) Given the concerns around the COVID-19 pandemic, the Board had utilised RPV facilities at the 31 <sup>st</sup> AGM of the Company held on 18 August 2022. The RPV facilities had enabled shareholders to participate and vote remotely without attending the meeting physically.<br><br>(2) The Board has decided to continue to use RPV facilities provided by its share registrar, Boardroom Share Registrars Sdn Bhd, at the forthcoming 32 <sup>nd</sup> AGM to be held on 23 August 2023.<br><br>(3) An independent scrutineer was appointed to validate the votes cast at the 31 <sup>st</sup> AGM. |
| <b>Explanation for departure</b>   | : |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |   |
| <b>Measure</b>   | : |   |
| <b>Timeframe</b>   | : |   |

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

## Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

|  |   |
|--|---|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> |   |
| <b>Application</b> :   | Applied   |
| <b>Explanation on application of the practice</b> :  | <p>(1) The Chairman provided sufficient time and opportunities for the shareholders to participate in AGM where questions posed by the shareholders during the AGM were answered by the Chairman and the Group CEO. Summary of key matters discussed at the last year AGM is available on the Company's corporate website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</p> <p>(2) The Group CEO of the Company presented the moving forward strategy of the Company, i.e. Focus 8, to the shareholders together with the financial performance of the Company for FY2022.</p> <p>(3) Shareholders can continue to share their feedback and questions via email to the Group's Investor Relations mailbox at <a href="mailto:ir@ambankgroup.com">ir@ambankgroup.com</a> after the AGM.</p> |
| <b>Explanation for departure</b> :   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |   |
| <b>Measure</b> :   |   |
| <b>Timeframe</b> :   |   |

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

|  |   |
|--|---|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i> |   |
| <b>Application</b> :   | Applied   |
| <b>Explanation on application of the practice</b> :  | (1) The internet bandwidth of the Company is sufficient to support the virtual AGM to ensure a smooth proceeding of the AGM.<br>(2) An independent moderator was engaged to stream questions posed by the shareholders.<br>(3) Questions from the shareholders which were streamed by the Independent Moderator were published during the AGM and answered by the Chairman and the Group CEO in a fair, objective and impartial manner. |
| <b>Explanation for departure</b> :   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |   |
| <b>Measure</b> :   |   |
| <b>Timeframe</b> :   |   |



**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

|  |   |
|--|---|
| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>         |   |
| <b>Application</b>   | : Applied   |
| <b>Explanation on application of the practice</b>  | : The minutes of 31 <sup>st</sup> AGM including questions raised by shareholders and the responses given by the Company was uploaded to the Company's website on 30 September 2022, i.e. 30 business days from the day of the 31 <sup>st</sup> AGM. |
| <b>Explanation for departure</b>   | :<br><br>   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b>   | :<br><br>   |
| <b>Timeframe</b>   | :<br><br>   |

## SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

### COMPOSITION

#### BOARD OF DIRECTORS

**Tan Sri Md Nor bin Md Yusof**

Independent Non-Executive Chairman

**Robert William Goudswaard**

Non-Independent Non-Executive Director

**Soo Kim Wai**

Non-Independent Non-Executive Director

**Voon Seng Chuan**

Senior Independent Non-Executive Director

**Seow Yoo Lin**

Independent Non-Executive Director

**Farina binti Farikhullah Khan**

Independent Non-Executive Director

**Hong Kean Yong**

Independent Non-Executive Director

**Dato' Kong Sooi Lin**

Independent Non-Executive Director

**Felicity Ann Youl**

Independent Non-Executive Director

## 1.1 DIRECTORS' PROFILE

### TAN SRI MD NOR BIN MD YUSOF

|                            |                      |
|----------------------------|----------------------|
| <b>Nationality</b>         | <b>Malaysian</b>     |
| <b>Gender/Age</b>          | <b>Male/76</b>       |
| <b>Date of Appointment</b> | <b>30 April 2022</b> |

#### Qualification(s)

- *Advance Management Programme, Wharton School, United States of America*
- *Development Banking, Harvard University, United States of America*
- *Chartered Accountancy, New Zealand Society of Accountants, New Zealand*
- *Bachelor Degree in Commerce, University of Otago, New Zealand*

#### Directorship(s) in Listed Issuers in Malaysia

- *None*

#### Experience

- *Tan Sri Md Nor bin Md Yusof has had an illustrious career with over 40 years of senior management and board level experience including extensive expertise in the financial services sector.*
- *He helmed Bank of Commerce Group as Chief Executive Officer and Chairman from 1983 - 2000.*
- *He has held the role of Executive Chairman of the Securities Commission, Chairman of CIMB Group and Chairman of Malaysia Airlines Berhad.*
- *He was also Director and Chairman of Khazanah Nasional Berhad's Executive Committee, as well as Chairman of Lembaga Tabung Haji and CIMB Foundation.*
- *He continues to hold the role of Chairman of Yayasan Hasanah.*
- *He enjoys wildlife photography and is committed to community service and conservation of the country's natural endowment.*

#### Declaration

*He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.*

## ROBERT WILLIAM GOUDSWAARD

**Nationality** Australian  
**Gender/Age** Male/63  
**Date of Appointment** 25 March 2021

### Qualification(s)

- Bachelor of Economics, La Trobe University
- Graduate Diploma of Corporate Finance, RMIT University
- Fellow, Australian Institute of Company Directors
- Fellow, Financial Services Institute of Australia
- Fellow, Leadership Victoria
- INSEAD International Directors Programme

### Directorship(s) in Listed Issuers in Malaysia

- None

### Experience

- Robert William Goudswaard has over 40 years of experience in financial services, both internationally and within Australia.
- He was the Chief Executive Officer of Great Southern Bank (formerly known as Credit Union Australia), Australia's largest credit union, before he stepped down in 2019.
- He spent 30 years with Australia and New Zealand Banking Group, holding senior roles including Chief Risk Officer and Managing Director of various areas such as Small and Medium Business, Regional and Small Business, Pacific and Personal Banking Asia.
- He has extensive experience as a Non-Executive Director on boards such as Rural Finance, Places Victoria, CUA Health, Cuscal and Lawson Grains Pty Ltd.
- He is an Independent Non-Executive Chairman of Revolut Payments Australia Pty Ltd and Cornerstone Healthcare Funds Management Pty Ltd and Non-Executive Director of Centelon Pte Ltd, ANZ Lenders Mortgage Insurance Pty Ltd, Quiescent Pty Ltd and Singularity Automation Pty Ltd.
- He has been and is involved with charitable organisations such as Non-Executive Director at World Vision Australia, Business Council of Co-Operatives and Mutuals, Young Farmers Finance Council, Orygen and the Non-Executive Chairman of Orygen Youth Mental Health Foundation Ltd.
- He runs a cattle and sheep farm and has planted 50,000 eucalypt trees and has a few bee hives. He is interested in cricket and Australian rules football. He is also involved with a mental health not for profit organisation and a member on the building committee for his local church. For the finer things in life, he enjoys a wee dram.

### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB except as follows:

- Board representative of ANZ Group Holdings Limited, which is deemed a substantial shareholder of AMMB by virtue of its indirect shareholding in ANZ Funds Pty Limited, a wholly-owned subsidiary of ANZ Group Holdings Limited.

## SOO KIM WAI

|                            |                       |
|----------------------------|-----------------------|
| <b>Nationality</b>         | <b>Malaysian</b>      |
| <b>Gender/Age</b>          | <b>Male/62</b>        |
| <b>Date of Appointment</b> | <b>4 October 2002</b> |

### Qualification(s)

- Member, Malaysia Institute of Accountants
- Member, Malaysian Institute of Certified Public Accountants
- Fellow, Certified Practising Accountant, Australia
- Fellow, Association of Chartered Certified Accountants, United Kingdom

### Directorship(s) in Listed Issuers in Malaysia

- Non-Independent Non-Executive Director, RCE Capital Berhad

### Experience

- Soo Kim Wai is currently the Group Managing Director of Amcorp Group Berhad. He joined Amcorp Group Berhad in 1989 as Senior Manager, Finance, and has since held various positions before he was promoted to his current appointment. Prior to that, he was with Plantation Agencies Sdn Bhd from 1985 to 1989, and in the accounting profession for five (5) years with Deloitte KassimChan from 1980 to 1985.
- He sits on the board of some private limited companies and foreign companies. He also serves as Non-Independent Non-Executive Chairman of AmREIT Managers Sdn Bhd, the Manager of AmFirst Real Estate Investment Trust. He is also the Non-Independent Non-Executive Chairman of AmREIT Holdings Sdn Bhd.
- He is a Non-Independent Non-Executive Director of AmBank (M) Berhad, a wholly-owned subsidiary of AMMB.
- He also sits on the Board of Amcorp Properties Berhad.
- He is also a Non-Independent Non-Executive Chairman of Amcorp Global Limited, a subsidiary of Amcorp Group Berhad, listed on the mainboard of the Singapore Stock Exchange.

### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB except as follows:

- Group Managing Director of Amcorp Group Berhad, which is a substantial shareholder of AMMB.



## SEOW YOO LIN

**Nationality** *Malaysian*  
**Gender/Age** *Male/67*  
**Date of Appointment** *30 June 2016*

### Qualification(s)

- *Master of Business Administration, International Management Centre, Buckingham, United Kingdom*
- *Member, Malaysian Institute of Accountants*
- *Member, Malaysian Institute of Certified Public Accountants*

### Directorship(s) in Listed Issuers

- *None*

### Experience

- *Seow Yoo Lin joined KPMG Malaysia in 1977 and qualified as a Certified Public Accountant in 1980. In 1983, he was seconded to KPMG United States to gain overseas experience, specialising in banking assignments. He returned in 1985 and was admitted as Partner in 1991.*
- *He has been the audit partner on a wide range of companies including public listed companies and multinationals in banking and finance, manufacturing, trading and services. In addition, he held various leadership roles including those of Human Resources Partner, Partner in charge of Financial Services and was a member of the KPMG Asia Pacific Board.*
- *He was a member of Executive Committee of the Malaysian Institute of Certified Public Accountants from 2009 to 2010 and a Council member of the Malaysian Institute of Accountants from 2007 to 2011. He was the Managing Partner of KPMG Malaysia from 2007 to 2010. He retired from the firm in 2011.*
- *He is an Independent Non-Executive Director of AmInvestment Bank Berhad, a wholly-owned subsidiary of AMMB.*

### Declaration

*He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.*

## FARINA BINTI FARIKHULLAH KHAN

**Nationality** *Malaysian*  
**Gender/Age** *Female/51*  
**Date of Appointment** *8 August 2017*

### Qualification(s)

- *Bachelor of Commerce in Accounting, University of New South Wales, Australia*
- *Fellow, Chartered Accountants Australia and New Zealand*
- *Advanced Management Program, Harvard Business School, United States of America*

#### Directorship(s) in Listed Issuers in Malaysia

- *Senior Independent Non-Executive Director, Petronas Gas Berhad*
- *Independent Non-Executive Director, KLCC Property Holdings Berhad*
- *Independent Non-Executive Director, Icon Offshore Berhad*

#### Experience

- *Farina binti Farikhullah Khan has over 25 years of working experience, predominantly in oil and gas industry.*
- *She started out her career in 1994 with Coopers & Lybrand, Australia in the Business Services unit for three (3) years.*
- *In 1997, she returned to Malaysia to join Petroliam Nasional Berhad (PETRONAS) in the Corporate Planning and Development Division where she started as an executive and in the ensuing years until 2005, she held various positions including Senior Manager (Strategy and Portfolio) in Group Strategic Planning of PETRONAS.*
- *She subsequently assumed the position of Chief Financial Officer of PETRONAS Carigali Sdn. Bhd, one of the largest subsidiaries of PETRONAS with operations in over 20 countries, from 2006 to 2010. She then served as the Chief Financial Officer at PETRONAS Exploration and Production Business, the largest arm of PETRONAS Business, from mid-2010 until 2013, where the business included both PETRONAS Carigali Group of Companies as well as the Petroleum Management Unit of PETRONAS.*
- *Prior to leaving PETRONAS Group at the end of 2015 to pursue her other interests, she was the Chief Financial Officer of PETRONAS Chemical Group Berhad, the largest listed entity of PETRONAS, for two (2) years.*
- *She had also previously served on the Board of various PETRONAS entities, such as Progress Energy Canada Ltd as well as a number of PETRONAS joint venture entities with foreign partners.*
- *She is an Independent Non-Executive Director of AmBank Islamic Berhad, a wholly-owned subsidiary of AMMB.*
- *She is an Independent Non-Executive Director of KLCC REIT Management Sdn Bhd, the Manager of KLCC Real Estate Investment Trust and also a Non-Executive Director of EnQuest PLC, a company listed on London Stock Exchange.*

#### Declaration

*She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.*



## HONG KEAN YONG

**Nationality** *Malaysian*  
**Gender/Age** *Male/60*  
**Date of Appointment** *10 October 2019*

### Qualification(s)

- *Bachelor of Engineering (Honours) in Electrical and Electronics Engineering, University of Malaya*

### Directorship(s) in Listed Issuers

- *Non-Independent Non-Executive Director, TIME dotCom Berhad*

### Experience

- *Hong Kean Yong was the Senior Vice President of Strategic Planning and Technology Advisor at Taylors Education Group from April 2011 until June 2018, where his primary responsibility was to advise the Group Chief Executive Officer on adoption of information technology in the various operating divisions and provide oversight of Chief Information Officer of Higher Education Division.*
- *Prior to that, he was the Group Chief Information Officer for Hong Leong Financial Group Berhad from April 2008 to March 2011. He was responsible for the Group IT Strategy and IT Oversight of all subsidiary companies. He played an important role in setting the IT Vision and Mission and the synergies in the application of technology to enable business, including the IT architecture, design and development across the financial services group.*

### Declaration

*He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.*

## DATO' KONG SOOI LIN

**Nationality** *Malaysian*  
**Gender/Age** *Female/62*  
**Date of Appointment** *30 October 2019*

### Qualification(s)

- *Bachelor of Commerce (Honours), University of New South Wales, Australia*
- *Fellow, Certified Practising Accountant, Australia*
- *Chartered Banker, Asian Institute of Chartered Bankers*
- *Chartered Accountant, Malaysian Institute of Accountants*

### Directorship(s) in Listed Issuers in Malaysia

- *Independent Non-Executive Director, Eco World International Berhad*
- *Independent Non-Executive Director, IOI Corporation Berhad*

### Experience

- *Dato' Kong Sooi Lin has over 30 years of investment banking experience and has extensive equity and debt transaction expertise, having advised on numerous highly profiled and industry-shaping corporate exercises in Malaysia and Asia Pacific.*
- *She began her career with Ernst & Whinney (now known as Ernst & Young PLT) and Arthur Anderson & Co. and then joined Bumiputra Merchant Bankers Berhad under Corporate Banking in 1989.*
- *In 1994, she joined CIMB Investment Bank Berhad (CIMB Investment Bank) and has been with CIMB Group Holdings Berhad (CIMB Group) for 25 years until her retirement from CIMB Investment Bank as its Chief Executive Officer in March 2019. Throughout her tenure with CIMB Group, Dato' Kong has contributed significantly to entrenching CIMB as one of the top investment banking houses domestically and across ASEAN.*
- *She has held various capacities within CIMB Group. Her roles include Group Head of Investment Banking Division for the Asia Pacific region, Group Head of Private Banking, Head of Senior Bankers Group, Chairperson of CIMB Private Limited Sri Lanka and Commissioner on the Board Commissioners of CIMB Securities Indonesia.*
- *She is an Independent Non-Executive Director of AmInvestment Bank Berhad, a wholly-owned subsidiary of AMMB.*
- *She keeps herself fit and healthy by practising pilates, yoga and hiking. She continues to harness her passion in business by regularly following business and financial news. She enjoys socialising with friends and family and being involved in church activities as a way to give back to the community.*

### Declaration

*She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.*

### **FELICITY ANN YOUL**

|                            |                      |
|----------------------------|----------------------|
| <b>Nationality</b>         | <b>Australian</b>    |
| <b>Gender/Age</b>          | <b>Female/58</b>     |
| <b>Date of Appointment</b> | <b>15 April 2022</b> |

### Qualification(s)

- *Bachelor of Economics, University of Sydney, Australia*
- *Bachelor of Laws, University of Sydney, Australia*
- *Graduate Diploma in Legal Practice, University of Technology, Australia*
- *Graduate Diploma in Applied Finance and Investment, Securities Institute of Australia*
- *Graduate of INSEAD (Singapore) Certificate in Corporate Governance*
- *Graduate of the Australian Institute of Company Directors Course*
- *Graduate of the Leading Sustainable Corporations Programme, Said Business School, Oxford University*

**Directorship(s) in Listed Issuers in Malaysia**

- None

**Experience**

- *Felicity Ann Youl is a leading expert in compliance, operational risk, corporate social responsibility (CSR) and legal matters impacting financial services in the Asia Pacific region.*
- *She has 30 years' experience in compliance, operational risk, CSR, legal and board and leadership roles, working in diverse cultural environments of Asia Pacific and Europe, based in Hong Kong, London and Sydney.*
- *She established Citigroup and BNP Paribas' Regional Compliance, Financial Security (Anti-Money Laundering and Sanctions) and regulatory Compliance Infrastructures for Asia Pacific.*
- *She also established BNP Paribas' Operational Risk framework for Asia Pacific (2009 -2015), and CSR governance and related operations (2013 -2016).*
- *She enjoys studying permaculture, in connection with permaculture farm which she has been developing over the past three (3) years with her husband and three (3) children in Australia. She also enjoys breeding Araucana chickens, Sebastopol geese and Boer goats, and caring for other animals on their farm including peacocks and guineafowl.*

**Declaration**

*She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.*

**1.2 COMPOSITION OF BOARD COMMITTEE**

**AUDIT AND EXAMINATION COMMITTEE (AEC)**

***Seow Yoo Lin (Chairman)***

*Independent Non-Executive Director*

***Farina binti Farikhullah Khan***

*Independent Non-Executive Director*

***Dato' Kong Sooi Lin***

*Independent Non-Executive Director*

#### RISK MANAGEMENT COMMITTEE (RMC)

**Dato' Kong Sooi Lin (Chairperson)**

*Independent Non-Executive Director*

**Hong Kean Yong**

*Independent Non-Executive Director*

**Robert William Goudswaard**

*Non-Independent Non-Executive Director*

**Felicity Ann Youl**

*Independent Non-Executive Director*

#### GROUP NOMINATION AND REMUNERATION COMMITTEE (GNRC)

**Farina binti Farikhullah Khan (Chairperson)**

*Independent Non-Executive Director*

**Soo Kim Wai**

*Non-Independent Non-Executive Director*

**Voon Seng Chuan**

*Senior Independent Non-Executive Director*

**Seow Yoo Lin**

*Independent Non-Executive Director*

**Robert William Goudswaard**

*Non-Independent Non-Executive Director*

#### GROUP INFORMATION AND TECHNOLOGY COMMITTEE (GITC)

**Hong Kean Yong (Chairman)**

*Independent Non-Executive Director*

**Voon Seng Chuan**

*Senior Independent Non-Executive Director*

**Robert William Goudswaard**

*Non-Independent Non-Executive Director*

### 1.3 CHANGES TO THE BOARD DURING THE FINANCIAL YEAR ENDED 31 MARCH 2023 (FY2023)

#### Appointment (A) and/or Resignation/ Retirement (R)

|   |   |  |
|---|---|--|
| A | - | Tan Sri Md Nor bin Md Yusof (Appointed on 30 April 2022) |
|   | - | Felicity Ann Youl (Appointed on 15 April 2022)           |
| R | - | Tan Sri Azman Hashim (Retired on 29 April 2022)          |

### 1.4 TRAININGS PROVIDED TO THE BOARD

| Date  | Trainings provided to the Board during FY2023   |
|---|---|
| <b>2022</b>   |   |
| <b>April</b>  | FIDE Forum Joint Event on Steward Leadership for Sustainability   |
| <b>May</b>  | Board Induction   |
|   | PERE Asia Summit Singapore 2022   |
|   | Metafinance – The Next Frontier of the Global Economy   |
|   | 2022 Board and Audit Committee Priorities   |
|   | PwC & Australian Institute of Company Directors (AICD) - A Decarbonised Future. What Net Zero Actually Means for Your Board.                        |
|   | Hong Kong 30% Club Luncheon and Board Training – ESG Case Study   |
| <b>June</b>   | Ernst & Young and INSEAD Corporate Governance Centre – How Can Boards Strengthen Governance to Accelerate Their ESG Journeys?                       |
|   | SGX: Securities Market Open Event   |
|   | Leading from the Chair INSEAD Fontainebleau   |
|   | Wealth Management APAC Second Half Market Outlook seminar   |
|   | Assessing Your Organisation Culture   |
|   | FIDE Core Programme - Module A  |
| <b>July</b>   | INSEAD Singapore – Living in an Exponentially Changing World  |
|   | Freshfields – “Hope for a New Paradigm: Progress Towards a Global Baseline of Sustainability Disclosure Standards”                                  |
|   | Sustainability Awareness Program  |
|   | Recovery and Resolution Planning project  |
|   | Ikhlas Capital Third Annual Conference  |
|   | ESG Essentials  |
|   | Leadership Perspectives Forum on Board Effectiveness  |
|   | Leadership Perspectives Forum on Board Effectiveness in conjunction with Board Effectiveness Evaluation Launch                                      |
|   | Sustainability & Its Impact on Organisations: What Directors and Senior Management Need To Know   |
|   | Securities Commission Guidelines on the Conduct of Directors of Listed Corporations and Their Subsidiaries-Implications to the Board and Management |
|   | Islamic Finance for Board of Directors Programme  |
|   | Duties & Responsibilities of Company Directors – Demystifying the Stewardship and Fiduciary Roles of Directors                                      |
|   | Mandatory Accreditation Programme – Institute of Corporate Director Malaysia  |
| ASEAN Climate Governance Network (ACGN) and Sustainable Finance Institute Asia (SFIA) “Conversations on Climate Governance” (Session 1) |   |
| Values as a Source of Competitive Advantage by Dr Aamir Abdul Rehman  |   |
| <b>August</b>   | Digital Academy Launch  |
|   | Bloomberg Asia Wealth Summit  |
|   | FIDE Forum: PIDM Industry Forum 2022  |
|   | AICD – Climate Governance Forum   |
|   | ACGN and SFIA – Conversations on Climate Governance (Session 2)   |
|   | FIDE Core Programme - Module B  |

| <i>Date</i>      | <i>Trainings provided to the Board during FY2023</i>  |
|------------------|---|
| <b>2022</b>      |   |
| <i>September</i> | Anti-Money Laundering (AML) Session for Directors and Executives 2021/2022  |
|                  | Recovery and Resilience: Spotlight on ASEAN Business  |
|                  | Recovery and Resolution Planning Sharing Session  |
|                  | AML Session for Directors and Executives 2021/2022  |
|                  | AICD – Connecting Climate Change and Strategy   |
| <i>October</i>   | Climate Governance Initiative & AICD – Sustainability or ESG Committees: How to Structure Your Board                            |
| <i>November</i>  | Cyber Security Awareness Program: Cybersecurity: Emerging Trends and What You Need To Know As A Decision Maker                  |
|                  | ISRA: Islamic Finance for Board of Directors programme  |
|                  | The Emerging Trends, Threats and Risks to the Financial Services Industry – Managing Global Risk, Investment and Payment System |
|                  | Securities Commission Malaysia: Audit Oversight Board Conversation with Audit Committee Members                                 |
| <i>December</i>  | KPMG – Lets Insights Accelerate Your Climate Action   |
| <b>2023</b>      |   |
| <i>January</i>   | BNM Climate Risk Management and Scenario Analysis Policy Document   |
|                  | Securities Commission Malaysia: Audit Oversight Board Conversation with Audit Committee Members                                 |
|                  | Can America Stop China’s Rise? Will ASEAN Be Damaged?   |
|                  | Credit Transaction Exposure to Connected Party System Training  |
| <i>February</i>  | Sustainability Awareness Program  |
|                  | Fireside Chat Series – ESG  |
|                  | PERE Asia Summit 2023   |
|                  | AICD – Why the Uluru Statement is a National Governance Issue   |
|                  | AICD – Preparing for New Climate Reporting and Disclosure Standards   |
| <i>March</i>     | BNM – Engagement Session with CEOs/ Chairmen of Banking Institutions  |
|                  | Bursa Malaysia Securities Berhad’s Enhanced Sustainability Reporting Framework with Climate Change Reporting                    |
|                  | National Budget 2023 Review and Updates   |
|                  | Engagement Session for BNM Annual Report 2022   |
|                  | Risk Management Committee – Banking Sector by Asian School of Business  |
|                  | AICD – Annual Conference and Training   |
|                  | AICD – Greater Expectations of Board Agendas  |
|                  | Role of Islamic Banks in Supporting Sustainable Development   |

### 1.5 NUMBER OF MEETINGS CONVENED

|              | <b>Total meeting held during FY2023</b> |
|--------------|---|
| <i>Board</i> | 12                                      |
| <i>AEC</i>   | 5                                       |
| <i>RMC</i>   | 6                                       |
| <i>GNRC</i>  | 8                                       |
| <i>GITC</i>  | 6                                       |

## FUNCTION AND CONDUCT

### 2.1 ROLES AND RESPONSIBILITIES

#### BOARD

*The Board's pivotal role is to lead and establish the Group's vision, strategic direction, key policies and framework, including the management of the succession planning process of the Group, and the appointment of key senior management. The Board's roles and responsibilities include but not limited to the following:*

***Review, approve and monitor strategic business plans of the Group as a whole and that of the individual operating units***

***Oversee the conduct of the business to ascertain its proper management including setting clear objectives and policies***

***Oversee the effective design and implementation of risk management, governance and reporting framework, internal controls and management information systems***

***Promote sound corporate culture that reinforce ethical, prudent and professional behaviour by adopting the Code of Conduct and Code of Ethics***

***Oversee appointment, performance, remuneration and succession planning of the Board, Group Chief Executive Officer, senior management and the Company Secretary***

***Oversee and approve recovery and business continuity plans***

***Ensure the development and implementation of communications policy to enable effective communications with shareholders, regulators and other stakeholders***

***Promote sustainability through appropriate environmental, social and governance consideration in the Company's business strategies***

#### AUDIT AND EXAMINATION COMMITTEE (AEC)

*The Committee's main functions and duties shall include, but are not limited to the following :*

***Oversight of matters related to financial reporting and internal controls***

***Oversight of matters related to internal and external audit***

***Directing and supervising special audits and investigations***

***Reviewing and recommending for the Board's approval related party transaction and conflict of interest situations that may arise within the Company/Group***

***Reporting to the Board on audit reports and key issues deliberated at AEC meetings***

***Advising the Board on any major audit and/or tax related issues***

***Oversight of whistleblowing cases of the Company/ Group, via the investigation report***

## **RISK MANAGEMENT COMMITTEE (RMC)**

*The key responsibilities of the Committee include the review and evaluation of:*

***Senior management's activities in managing risk and compliance issues***

***Emerging risk, high-level risk exposures and risk portfolio composition***

***Review and assess the Group's sustainability strategies, policies and standards in relation to ESG matters***

***Performance of Group Chief Risk Officer and Group Chief Compliance Officer***

***The overall effectiveness of the controls and risk management infrastructure of the Group, together with Group Internal Audit***

***The Group's risk management strategies, policies, frameworks, methodologies and risk tolerance standards, as well as compliance annual plan and strategy, policies and frameworks***

***Risk systems and resources***

## **GROUP NOMINATION AND REMUNERATION COMMITTEE (GNRC)**

*The key responsibilities of the Committee include, amongst others, include the following :*

***Review regularly the overall Board's composition (i.e. size, skills, experience, qualification and diversity) and Board balance***

***Assess the performance and effectiveness of members of the Board and Board Committees, individually and collectively***

***Recommend the appointment of Directors to the Board and Board Committees***

***Oversee the implementation of AMMB Executives' Share Scheme (ESS) in accordance with the By-Laws of the ESS***

***Assess the annual performance of senior management against balanced scorecard and recommends the short and long-term incentives and rewards to the Board***

***Recommend a formal and transparent procedure for developing the remuneration policy for Directors, Shariah Committee members, senior management and employees to the Board***

***Oversee the succession planning for Board Chairman, Directors, Shariah Committee members, senior management and expatriate-filled positions of the Group***



## GROUP INFORMATION AND TECHNOLOGY COMMITTEE (GITC)

The key responsibilities of the Committee include, amongst others, the following functions:

*Provide strategic oversight for IT, digital and cybersecurity development within the Group & ensuring that IT, cybersecurity and digitalisation and technology-related innovation strategic plans are aligned to & integrated with the Group's business objectives and strategy*

*Review and approve the Group's long-term IT, digital & cybersecurity strategic plans, budgets and implementation*

*Review and recommend the Group-wide IT policies, procedures & frameworks including IT security & IT risk management & e-banking services to ensure the effectiveness of internal control systems & the reliability of the management information systems*

*Ensure regular updates by senior management of both key performance indicators & forward-looking risk indicators together with sufficient information on key technology risks and critical technology operations*

*Review IT, digital & cybersecurity planning & strategy, including the financial, tactical & strategic benefits of proposed significant information technology-related projects & initiatives*

*Oversee the adequacy & utilisation of the Group's IT resources including computer hardware, software, personnel who are involved in the development, modification and maintenance of computer program and related standard procedures*

*Responsible for overall oversight function on IT matters including ex-ante risk assessments on e-banking services*

*Advise the Board on matters within the scope of GITC, as well as any major IT related issues that merit the attention of the Board*

*Review and recommend any deviation from BNM technology-related policies and guidelines after having carefully considered a robust assessment of related risks*

## 2.2 MEETING ATTENDANCE DURING FY2023

### BOARD

| Name of Members   | Number of Meetings           |          |     |
|---|------------------------------|----------|-----|
|   | Held During Tenure in Office | Attended | %   |
| Tan Sri Md Nor Md Yusof<br>(Independent Non-Executive Chairman)<br>(Appointed on 30 April 2022) | 11                           | 11       | 100 |
| Robert William Goudswaard<br>(Non-Independent Non-Executive Director)                           | 12                           | 11       | 92  |
| Soo Kim Wai<br>(Non-Independent Non-Executive Director)   | 12                           | 12       | 100 |
| Voon Seng Chuan<br>(Senior Independent Non-Executive Director)                                  | 12                           | 12       | 100 |
| Seow Yoo Lin<br>(Independent Non-Executive Director)  | 12                           | 12       | 100 |

| <b>Name of Members</b>  | <b>Number of Meetings</b>           |                 |          |
|---|-------------------------------------|-----------------|----------|
|   | <b>Held During Tenure in Office</b> | <b>Attended</b> | <b>%</b> |
| <i>Farina binti Farikhullah Khan<br/>(Independent Non-Executive Director)</i>                           | 12                                  | 10              | 83       |
| <i>Hong Kean Yong<br/>(Independent Non-Executive Director)</i>  | 12                                  | 12              | 100      |
| <i>Dato' Kong Sooi Lin<br/>(Independent Non-Executive Director)</i>                                     | 12                                  | 11              | 92       |
| <i>Felicity Ann Youl<br/>(Independent Non-Executive Director)<br/>(Appointed on 15 April 2022)</i>      | 12                                  | 12              | 100      |
| <i>Tan Sri Azman Hashim<br/>(Non-Independent Non-Executive Chairman)<br/>(Retired on 29 April 2022)</i> | 1                                   | 1               | 100      |

#### AEC

| <b>Name of Committee Members</b>  | <b>Number of Meetings</b>           |                 |          |
|---|-------------------------------------|-----------------|----------|
|   | <b>Held During Tenure in Office</b> | <b>Attended</b> | <b>%</b> |
| <i>Seow Yoo Lin (Chairman)<br/>(Independent Non-Executive Director)</i>       | 5                                   | 5               | 100      |
| <i>Farina binti Farikhullah Khan<br/>(Independent Non-Executive Director)</i> | 5                                   | 4               | 80       |
| <i>Dato' Kong Sooi Lin<br/>(Independent Non-Executive Director)</i>           | 5                                   | 5               | 100      |

#### RMC

| <b>Name of Committee Members</b>   | <b>Number of Meetings</b>           |                 |          |
|--|-------------------------------------|-----------------|----------|
|  | <b>Held During Tenure in Office</b> | <b>Attended</b> | <b>%</b> |
| <i>Dato' Kong Sooi Lin (Chairperson)<br/>(Independent Non-Executive Director)</i>                            | 6                                   | 6               | 100      |
| <i>Hong Kean Yong<br/>(Independent Non-Executive Director)</i>   | 6                                   | 6               | 100      |
| <i>Robert William Goudswaard<br/>(Non-Independent Non-Executive Director)</i>                                | 6                                   | 6               | 100      |
| <i>Felicity Ann Youl<br/>(Independent Non-Executive Director)<br/>(Appointed as member on 15 April 2022)</i> | 6                                   | 6               | 100      |

**GNRC**

| <b>Name of Committee Members</b>   | <b>Number of Meetings</b>           |                 |          |
|--|-------------------------------------|-----------------|----------|
|  | <b>Held During Tenure in Office</b> | <b>Attended</b> | <b>%</b> |
| <i>Farina binti Farikhullah Khan (Chairman)<br/>(Independent Non-Executive Director)</i> | 8                                   | 7               | 88       |
| <i>Soo Kim Wai<br/>(Non-Independent Non-Executive Director)</i>                          | 8                                   | 8               | 100      |
| <i>Voon Seng Chuan<br/>(Senior Independent Non-Executive Director)</i>                   | 8                                   | 8               | 100      |
| <i>Seow Yoo Lin<br/>(Independent Non-Executive Director)</i>                             | 8                                   | 8               | 100      |
| <i>Robert William Goudswaard<br/>(Non-Independent Non-Executive Director)</i>            | 8                                   | 8               | 100      |

**GITC**

| <b>Name of Committee Members</b>  | <b>Number of Meetings</b>           |                 |          |
|---|-------------------------------------|-----------------|----------|
|   | <b>Held During Tenure in Office</b> | <b>Attended</b> | <b>%</b> |
| <i>Hong Kean Yong (Chairman)<br/>(Independent Non-Executive Director)</i>     | 6                                   | 6               | 100      |
| <i>Voon Seng Chuan<br/>(Senior Independent Non-Executive Director)</i>        | 6                                   | 6               | 100      |
| <i>Robert William Goudswaard<br/>(Non-Independent Non-Executive Director)</i> | 6                                   | 6               | 100      |

**INTERNAL CONTROL FRAMEWORK****3.1 OVERVIEW**

*The Group's focus is on achieving sustainable and profitable growth within its risk management framework by ensuring sound risk practices and business outcomes are achieved and aligned through a set of limits and controls and policies and procedures to safeguard the Group's sustainable risk-taking and sufficient returns. The Group's annual strategic business plans and budgets are prepared by the Group's business divisions, which are reviewed and recommended by Group CEO for submission to the Board for approval. Progress of the Group's business plans and performance achievements are rigorously tracked and reviewed against the budget in monthly review meetings and specific taskforce set up for the purposes of monitoring our key focus areas allowing for timely responses and corrective actions to be taken to mitigate risks.*

*The Group has adopted a coordinated and formalised approach to risk management and internal control, which is operationalised through the “Three Lines of Defence” concept. The Business Units (including Shariah Management Department) form the first line of defence, Risk and Compliance (including Shariah Review and Shariah Risk Management for Islamic Banking) form the second line of defence, while Internal Audit (including Shariah audit for Islamic Banking) forms the third line of defence. The key risk management and internal control processes are implemented via the following:*

- The RMC of the Group and its major subsidiaries assist the Board in the oversight of the overall risk management structure. At senior management level, a number of management-level committees have been established to assist the Board to holistically manage the risks and business of the Group. These committees, namely the Group Management Committee, Group Management Risk Committee, Group Assets and Liabilities Committee, Group Management Governance and Compliance Committee, Credit and Commitments Committee and Watchlist and Classification Committee, address all classes of risk within Board delegated mandates: balance sheet risk, credit risk, legal risk, operational risk, technology risk, market risk, liquidity risk, Shariah non-compliance risk, compliance risk, reputational risk, product risk and business, IT project risk and ESG risk.*
- The organisational structure is designed to clearly define the accountability, reporting lines and approving authorities to build an appropriate system of checks and balances, corresponding to the needs of the business and operations activities. This includes the empowerment and setting of authority limits for proper segregation of duties.*
- Risk management principles, policies, practices, methodologies and procedures are made available to appropriate staff in the Group. These are regularly updated to ensure they remain relevant and in compliance with regulatory requirements. The policies, methodologies and procedures are enhanced whenever required to meet the changes in operating environment and/or for continuous improvement in risk management.*
- The AEC of the Company and its major subsidiaries assist the Board to evaluate the adequacy and effectiveness of the Group’s system of internal controls. The AEC reviews the Group’s financial statements and reports issued by Group Internal Audit and the external auditors including monitoring the corrective actions taken to address issues highlighted in the reports.*
- The Shariah Committee is responsible on matters related to Shariah. This includes advising the Board and senior management on Shariah matters as well as endorsing and validating products and services, Shariah policies and the relevant documentation in relation to Islamic Banking business and operations. The Shariah Committee also provides advice and guidance on management of the Zakat fund, charity and other social programmes or activities.*
- The Shariah Oversight Committee, which is a sub-committee to the Shariah Committee, performs an oversight function via the Shariah Control Functions (i.e. Shariah Review, Shariah Risk Management, and Shariah Audit). The Shariah Oversight Committee provides guidance and advice on matters pertaining to Shariah non-compliant incidents as well as treatment of any Shariah non-compliant income.*

- *Group Internal Audit conducts independent risk-based audits and provides assurance that the design and operation of the risk and control framework across the Group is effective. There is also a dedicated team within Group Internal Audit that performs Shariah audit, which is responsible to conduct independent assessment on the quality and effectiveness of the Islamic Banking Business' internal control, risk management systems, governance processes as well as the overall compliance of the Islamic Banking Business' operations, business affairs and activities with Shariah requirements. The AECs review the work of Group Internal Audit, including reviewing its audit plans, progress, reports issued and status of resolution of key audit findings highlighted.*

- *The Group places a strong emphasis in the effectiveness of our human resource management. The structure and the ability to meet business needs through managing the most valuable resources, our employees are supported by the necessary tools for staff success, growth opportunities and knowledge development to attract and retain talent while remaining competitive.*

*Guidelines and internal controls within the Group are in place for staff recruitment, promotion, performance appraisals and rewards as well as matters relating to discipline, termination and dismissal. Annual appraisal system is implemented for the employees at all levels within the Group, enforcing dialogue between managers and subordinates for continuous improvement of the employees' performance. Training needs analysis is performed to identify the required training for employees to address the areas of improvement and upskilling.*

*Short-Term Incentive (STI) and Long-Term Incentive (LTI) are used primarily to reward and encourage outstanding individuals for their contribution while protecting the shareholders' interest. Structured and technical training programmes, and extensive orientation training are developed to ensure staff are adequately trained and competent in discharging their responsibilities. Employees are enrolled for various role-based training programmes and certifications in core competency areas to strengthen their proficiency in their areas of specialisation. Identified high-potential employees participate in leadership and talent development programmes as part of building the pipeline of future leaders to support the Group. The Group has also embarked on a Digital Academy programme to equip its employees to support the Group's digital transformation journey.*

- *The Code of Conduct is the testament of the Group's commitment to uphold, maintain and demonstrate a high level of integrity, professionalism and ethical conduct. The Code of Conduct provides a clear direction in conducting business, interacting with community, government and business partners as well as general workplace behaviour. The Board takes a leadership role in shaping and driving the governance of, and compliance with, policies and practices via key management committees, Group Risk, Group Legal, Group Compliance, Group Internal Audit, Group Information Services, Group Finance, Group Human Resource and Group Sustainability Council. The Code of Conduct was developed according to a value-based approach which consists of five (5) key areas: Message from our Group CEO, Ethical Standards, Company and People, Marketplace and Commitment to Sustainability.*

- *The Code of Ethics is a subset of the Code of Conduct which was established by the Board. The Code of Ethics has been formulated to protect and enhance the Group's reputation for honesty and integrity. The Code of Ethics is based on the following principles: compliance with the law both in letter and in spirit, with the Code and the Group's policies and procedures; upholding the highest level of integrity and acting with honesty and professionalism; identifying and managing conflicts of interest responsibly; ensuring completeness and accuracy of underlying records, financial or otherwise; ensuring fair and equitable treatment to all; and, ensuring confidentiality of information and transactions.*
- *The Group's Anti-Bribery and Corrupt Practices (ABCP) framework is aligned to the requirements and obligations imposed under the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009) and Guidelines on Adequate Procedures issued pursuant to subsection (5) of Section 17A of MACC Act 2009. The ABCP policy is approved by the Board and is formulated to ensure that business is conducted in conformance with the highest level of integrity and ethics. The Group adopts a zero-tolerance approach to bribery and corruption in any form, and the ABCP policy serves to protect the institution from financial and reputational loss as a result of regulatory and/or enforcement censure and action. All employees are required to comply with the relevant laws and regulations on anti-bribery and corruption.*
- *The Group has in place a compliance framework that drives prudent, transparent and inclusive business conduct, compliant to the requirements of the Malaysian regulatory and supervisory framework. The framework provides the methodology and approach for risk identification, prevention and mitigation. The Compliance function promotes the safety and soundness of the Group's practices and conduct by minimising financial, reputational and operational risks arising from regulatory non-compliance.*
- *The Group believes in and embraces a culture of complete adherence to regulatory rules and regulations; demanding the highest ethical standards and integrity, where the Board and senior management lead by example. The Group continues to exercise and enhance its due diligence and governance processes and remains vigilant to emerging risks as well as sensitive towards heightened regulatory surveillance and enforcement.*
- *Training is provided to employees of the Group on relevant legal and regulatory requirements, and guidance on implementation of internal controls and processes to manage compliance risks.*

#### **Key Policies and Procedures**

*The Group's key policies governing internal control include the AmBank Group Anti-Money Laundering and Counter Financing of Terrorism Policy, Know Your Customer (KYC), Customer Identification and Due Diligence Policy, AmBank Group Anti-Bribery and Corrupt Practices Policy, Operational Risk Management Framework, Politically Exposed Persons Policy, No Gift Policy, Group Compliance Framework, Group Procurement Policy, Whistleblower Protection Policy, Data Governance Framework, Stress Testing Policy, Information Security Policy, Business Continuity Framework and Policy, Technology Risk Management Framework, Retail Credit Policy, Non-Retail Credit Policy and the Market Risk and Liquidity Risk Management Framework.*

*Of the above, the following were approved/reviewed with material enhancements during the financial year:*

| <b>Policy</b>  | <b>Key Highlights/ Changes</b>  |
|--|---|
| Retail Credit Policy & Non-Retail Credit Policy                      | Enhancements to ensure compliance with Shariah requirements with regard to the Restructuring & Rescheduling of accounts.  |
| Capital & Operational Authority Delegation ('COAD') Policy           | <ol style="list-style-type: none"> <li>1) Updated to align to the latest version of the related policies and guidelines of the Group: <ul style="list-style-type: none"> <li>• added Group Outsourcing Policy as part of the existing policies approved by the Board under Section 2.0 - Applicability of the COAD Policy;</li> <li>• revised Appendix 1C: Approval Authority Matrix for Business and IT projects;</li> <li>• revised Appendix 1D: Approval Authority Matrix for Outsourcing;</li> <li>• other notes or sentences referencing to the related policies and guidelines of the Group.</li> </ul> </li> <li>2) Added Authorised Signatories Matrix for Investment Banking based on the current business operating structure.</li> <li>3) Removed AmGeneral Insurance Berhad ('AmGeneral') in COAD Policy following the sale of AmGeneral to Liberty Insurance Berhad by the Group.</li> <li>4) Other changes/refinement on: <ul style="list-style-type: none"> <li>• abbreviation and descriptions correspond to the current department/Business Unit name;</li> <li>• certain notes and sentences for better clarity; and</li> <li>• referencing to Appendices.</li> </ul> </li> </ol> |
| AmBank Group Electronic Know-Your-Customer (e-KYC) Framework         | Framework issued pursuant to BNM Policy Document e-KYC.   |
| Foreign Exchange Notices Policy                                      | Updated the policy to reflect current regulatory and internal requirements.   |
| Know Your Customer, Customer Identification and Due Diligence Policy | Updated to include e-KYC requirements.  |
| Base Rate Policy   | Updated the Base Rate Policy to be aligned to BNM's revised requirements in the Reference Rate Framework issued on 11 August 2021.  |

| <b>Policy</b>                                       | <b>Key Highlights/ Changes</b>  |
|---|---|
| Funds Transfer Pricing Framework                    | 1) Updated the section on Roles and Responsibilities to include computing the spread adjustment as part of Capital Balance Sheet and Management's scope.<br><br>2) Updated the section on Approaches to include Standardised Base Rate as one of the variable / administered rates. |
| Internal Capital Adequacy Assessment Process Policy | Updated the Comprehensive Risk Assessment to be consistent with the Group Risk newly introduced risk assessment process.  |
| Group Outsourcing Policy                            | New   |

## **REMUNERATION**

### **4.1 QUALITATIVE DISCLOSURE**

#### **The Group Remuneration Objectives**

*The Group's remuneration structure is governed by the GNRC and the Total Rewards Policy of the Group, where inputs from control functions and Risk Management Committee of the Board are solicited. This policy is applicable to all divisions and subsidiaries within the Group, seeks to ensure that we are able to attract, motivate and retain employees to deliver long-term shareholder returns taking into consideration risk management principles and standards set out by BNM Policy Document on Corporate Governance.*

*An independent review is conducted periodically to ensure that the Total Reward Policy and practice is in line with the industry practice and continues to support the Group's Total Reward philosophy. When formulating and refining the remuneration strategy, consideration is also given to align our remuneration approach with the Group's medium to long-term strategic objective, culture and values in order to drive desired behaviours and achieve objectives set out in the balanced scorecard.*

*The following are the main thrusts of the Group's remuneration strategy:*

- i) Pay for performance measured against the balanced scorecard*
  - Instills and drives meritocracy*
  - Ensures linkages between total compensation and annual, medium and long-term strategic objectives*
  - Balances employees' actual fixed and variable pay mix to drive sustainable performance and alignment to the Group's culture and value of assessing both behavioural and quantitative Key Performance Indicators (KPIs) achievements*
- ii) Provide market competitive pay*
  - Benchmarks total compensation against other peer organisations of similar size and standing in the markets and businesses where we operate*
  - Drives pay-for-performance differentiation with differentiated benchmarking quartile for top performing employees*



iii) *Guard against excessive risk-taking*

- *Focuses on achieving risk-adjusted returns that are consistent with the Group’s prudent risk and capital management, as well as emphasis on long-term sustainable outcomes*
- *Designs variable payout structure with long-term performance through deferral and allowance for clawback arrangements*

**The Group’s Approach to Remuneration**

*The Group’s remuneration is made up of two (2) components; fixed pay and variable pay.*

|                     | <b>What</b>  | <b>Why</b>   | <b>How</b>   |
|---------------------|--|--|--|
|                     |  | <b>Why and Linkages to Strategy</b>  |  |
| <i>Fixed Pay</i>    | <ul style="list-style-type: none"> <li>• <i>Base Salary</i></li> <li>• <i>Fixed Allowances</i></li> </ul>  | <p><i>Pay for Position (or market value of the job) to attract and retain by ensuring the fixed pay is competitive vis-à-vis comparable organisations</i></p>  | <ul style="list-style-type: none"> <li>• <i>Adhering to the market value of the job at the individual’s competency level, skills, experience and responsibilities</i></li> <li>• <i>Fixed amount paid monthly</i></li> <li>• <i>Typically reviewed and revised annually</i></li> </ul>   |
| <i>Variable Pay</i> | <ul style="list-style-type: none"> <li>• <i>Short-Term Incentive (Performance Bonus)</i></li> <li>• <i>Long-Term Incentive (AMMB ESS)</i></li> </ul> | <p><i>Pay for Performance</i></p> <ul style="list-style-type: none"> <li>• <i>Focus employees on the achievement of objectives which are aligned to value creation for the shareholders</i></li> <li>• <i>Align payout to time horizon of risk to avoid excessive risk taking and provide for deferral, malus and forfeiture arrangements</i></li> </ul> | <ul style="list-style-type: none"> <li>• <i>Based on the performance of the Group, line of business or subsidiary and the employee’s individual performance</i></li> <li>• <i>Measured against a balanced scorecard with KPIs and targets agreed at the beginning of each financial year</i></li> <li>• <i>Awards for individuals in senior management positions and/or positions with significant organisational responsibilities that have material impact on the Group’s performance and risk profile is subject to deferral</i></li> <li>• <i>Deferred remunerations are paid in cash</i></li> </ul> |

**Determination of Short-Term Incentive (Performance Bonus) Pool and Individual Award**

The following mechanisms are used to derive the Group’s short-term incentive pool and incentive pools for business units and/or subsidiaries:

|   |   |   |
|---|---|---|
| <p><i>Group’s Short-Term Incentive Pool</i></p>                                 | <p><i>A function of profits benchmarked against peer comparators and calibrated against:</i></p> <ul style="list-style-type: none"> <li>• <i>Risk adjustments</i></li> <li>• <i>Distribution of earning between shareholders and employees</i></li> </ul>   | <p><i>Guided by the Group Short-Term Incentive / Performance Bonus Framework, based on:</i></p> <ul style="list-style-type: none"> <li>• <i>financial and non-financial metrics covering employees, customers, shareholders, risks and compliance objectives; and</i></li> <li>• <i>review and evaluation by the GNRC and subsequently approved by the Board. The GNRC has the discretion to adjust the pool where required, based on the Group’s performance, capital requirements, economic conditions, competitive landscape and retention needs.</i></li> </ul> |
| <p><i>Business Unit / Subsidiaries Short-Term Incentive Pool Allocation</i></p> | <p><i>The Group pool is reallocated to the business units/ subsidiaries taking into account:</i></p> <ul style="list-style-type: none"> <li>• <i>each unit’s actual performance achievement against target, and</i></li> <li>• <i>the relative performance of each unit</i></li> </ul> <p><i>measured through each unit’s balanced scorecard and evaluated by the Group CEO and the GNRC.</i></p> | <p><i>Inputs from control functions (Audit, Compliance and Risk) are sought.</i></p> <p><i>The Chief Internal Auditor is measured independently with the performance outcome being recommended by the AEC, while the Chief Risk Officer and the Chief Compliance Officer are measured independently with the performance outcome being recommended by the RMC.</i></p>  |

*Individual award is based on the employee’s performance, measured through a balanced scorecard that takes into account qualitative and quantitative objectives as set out in the individual’s KPIs. The performance of control functions (Audit, Compliance and Risk) is assessed independently from the business units they support to prevent any conflicts of interests.*

*Retention Award (deferred component of the Short-Term Incentives received), are paid in cash in two (2) equal instalments over a period of two (2) years. No further performance condition applies.*

*Sales employees are incentivised via respective sales incentive plans to promote the development of mutually beneficial long-term relationships with their customers, rather than short-term gains. As such, non-financial metrics such as customer satisfaction and fair dealing principles are incorporated into their KPIs and with compliance as payout triggers.*

### **Long-Term Incentive (AMMB ESS)**

The AMMB ESS forms the Group's long-term compensation component that is forward looking with rewards based on the Group's future performance. The ESS allows for the following objectives to be met:

- Align long-term interest of senior management with those of shareholders;
- Retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- Attract potential employees with the relevant skills to contribute to the Group and to create value for shareholders; and
- Deliver compensation in a manner that drives the long-term performance of the Group.

The ESS is delivered in the form of performance shares, namely Long-Term Incentive, that vests over a period of three (3) years, contingent on the Group meeting its long-term performance targets:

### **Variable Pay Deferrals**

Variable pay for individuals in senior management positions and/or positions with significant organisational responsibilities that have material impact on the Group's performance and risk profile is subject to deferral.

The deferral award consists of two (2) components with the objective of:

- i) Retaining key employees (Deferred Short-Term Incentive); and
- ii) Driving the Group's long-term performance and sustainability (Long-Term Incentive Award)

Malus of unvested/ unpaid awards will be triggered by material violation, negligent, willful misconduct and fraud and breach of compliance as well as Anti-Money Laundering and Counter Financing Terrorism as outlined in the ESS By-Laws scheme rules.

## **4.2 QUANTITATIVE DISCLOSURE**

The total remuneration (including benefits-in-kind) of the Directors and the Chief Executive Officer of the Company for FY2023 were as follows :-

|   | <b>Remuneration received and/or receivable from the Group (RM'000)</b> |               |                                     |                          |                                    |              |
|---|--|---------------|-------------------------------------|--------------------------|------------------------------------|--------------|
| <b>Chief Executive Officer</b>            | <b>Fee</b>   | <b>Salary</b> | <b>Other Emoluments<sup>1</sup></b> | <b>Bonus<sup>2</sup></b> | <b>Benefit in kind<sup>3</sup></b> | <b>Total</b> |
| Dato' Sulaiman Mohd Tahir                 |  |               |                                     |                          |                                    |              |
| - Non-deferred payment received in FY2023 | -  | 2,668         | 2,123                               | 2,216                    | 39                                 | 7,046        |
| - Deferred STI payment received in FY2023 | -  | -             | 2,111                               | 2,631                    | -                                  | 4,742        |

| Non-Executive Directors                                     | Salary & Bonus | Fee (RM'000) |            | Emoluments <sup>4</sup> (RM'000) |            | Benefit in kind <sup>3</sup> | Total |
|---|----------------|--------------|------------|----------------------------------|------------|------------------------------|-------|
|   |                | AMMB         | Subsidiary | AMMB                             | Subsidiary |                              |       |
| Tan Sri Md Nor bin Md Yusof<br>(Appointed on 30 April 2022) | -              | 193          | -          | 303                              | -          | 7                            | 503   |
| Robert William Goudswaard                                   | -              | 200          | -          | 138                              | -          | 1                            | 339   |
| Soo Kim Wai   | -              | 200          | 150        | 70                               | 120        | 20                           | 560   |
| Voon Seng Chuan   | -              | 200          | 160        | 105                              | 270        | 2                            | 737   |
| Seow Yoo Lin  | -              | 200          | 150        | 123                              | 70         | 2                            | 545   |
| Farina binti Farikhullah Khan                               | -              | 200          | 150        | 103                              | 90         | 5                            | 548   |
| Hong Kean Yong  | -              | 200          | -          | 110                              | -          | 2                            | 312   |
| Dato' Kong Sooi Lin   | -              | 200          | 150        | 105                              | 60         | 1                            | 516   |
| Felicity Ann Youl<br>(Appointed on 15 April 2022)           | -              | 192          | -          | 64                               | -          | 1                            | 257   |
| Tan Sri Azman Hashim<br>(Retired on 29 April 2022)          | -              | 17           | -          | 123                              | -          | 2                            | 142   |

**Notes:**

<sup>1</sup> CEO Other Emoluments comprises of statutory contributions and vested deferred shares for LTI FY2019 and STI FY2020.

<sup>2</sup> CEO Bonus paid during FY2023 comprises of bonus, deferred STI and payments due to conversion from permanent to contract employment.

<sup>3</sup> Benefits-in-kind comprised provision of medical claims and any expenses incurred by the CEO and Directors in performing their duties.

<sup>4</sup> Non-Executive Director Emoluments comprised Board Committee allowance, meeting allowance and allowance to the Chairman of the Board.

The remuneration of the following directors of the Company who sit in other subsidiaries of the Group during FY2023 is disclosed under the subsidiaries column of the above table :-

|                                      |  |
|--------------------------------------|--|
| <b>Soo Kim Wai</b>                   | Director of AMMB and AmBank (M) Berhad             |
| <b>Voon Seng Chuan</b>               | Director of AMMB and Chairman of AmBank (M) Berhad |
| <b>Seow Yoo Lin</b>                  | Director of AMMB and AmInvestment Bank Berhad      |
| <b>Farina binti Farikhullah Khan</b> | Director of AMMB and AmBank Islamic Berhad         |
| <b>Dato' Kong Sooi Lin</b>           | Director of AMMB and AmInvestment Bank Berhad      |

The Non-Executive Directors were not granted any option for FY2023. Options granted and vested to the Group CEO is as follow :-

| Group CEO                 | Number of Scheme Shares pursuant to AMMB ESS |           |                     |                        |                         |
|---------------------------|--|-----------|---------------------|------------------------|-------------------------|
|                           | Balance as at 1.4.2022                       | Granted*  | Vested <sup>#</sup> | Forfeited <sup>^</sup> | Balance as at 31.3.2023 |
| Dato' Sulaiman Mohd Tahir | 1,635,550                                    | 1,077,800 | (793,150)           | (141,300)              | 1,778,900               |

**Notes:**

\* Granted pursuant to the new Executives' Share Scheme of AMMB, the Company's ultimate holding company. The vesting of the Scheme Shares are conditional upon the satisfaction of the service condition and the performance targets of AMMB Group, and all other conditions as set out in the By-Laws of AMMB Executives' Share Scheme.

<sup>#</sup> Vesting of Scheme Shares

<sup>^</sup> Forfeited due to non-vesting of Short-Term/Long-Term Incentive Award pursuant to the By-Laws of AMMB Executives' Share Scheme.

The breakdown of the total amount of remuneration awards for Group CEO for FY2023 as shown in table below :-

| Total Value of Remuneration Awards     | Unrestricted (RM'000) <sup>1</sup> | Deferred (RM'000)  |
|--|------------------------------------|--------------------|
| <b>Fixed Remuneration</b>              |                                    |                    |
| a) Cash-based                          | 2,668                              | -                  |
| b) Shares and share-linked instruments | -                                  | -                  |
| c) Other                               | -                                  | -                  |
| <b>Variable Remuneration</b>           |                                    |                    |
| a) Cash - Non-deferred                 | 2,216                              | -                  |
| Cash - Deferred STI paid in FY2023     | 2,631 <sup>2</sup>                 | -                  |
| b) Shares and share-linked instruments | 2,970                              | 2,033 <sup>3</sup> |
| c) Other                               | -                                  | -                  |

<sup>1</sup>computed based on actual remuneration received in FY2023, excluding statutory contribution, shares dividend and Benefits-In-Kind amounting to RM1,303,443.

<sup>2</sup> deferred STI bonus and payments received due to conversion from permanent to contract employment.

<sup>3</sup> Long Term Incentive of performance shares unit at grant.

#### Remuneration of Senior Management and Material Risk Takers

(A) The breakdown of the total amount of remuneration awards for senior management (11) and Material Risk Takers (212) for FY2023 as shown in table below :-

| Total Value of Remuneration <sup>3</sup> Awards | Senior Management <sup>1</sup> |                   | Material Risk Takers <sup>2</sup> |                   |
|---|--------------------------------|-------------------|-----------------------------------|-------------------|
|   | Unrestricted (RM'000)          | Deferred (RM'000) | Unrestricted (RM'000)             | Deferred (RM'000) |
| <b>Fixed Remuneration</b>                       |                                |                   |                                   |                   |
| a) Cash-based                                   | 16,058                         | -                 | 95,379                            | -                 |
| b) Shares and share-linked instruments          | -                              | -                 | -                                 | -                 |
| c) Other  | -                              | -                 | -                                 | -                 |
| <b>Variable Remuneration</b>                    |                                |                   |                                   |                   |
| a) Cash-based                                   | 6,366                          | 6,366             | 39,056                            | 9,731             |
| b) Shares and share-linked instruments          | -                              | 7,454             | -                                 | 18,608            |
| c) Other  | -                              | -                 | -                                 | -                 |

Note<sup>1</sup>: Senior management are C-Suite positions, which reports directly to Group CEO. The appointments, performance evaluations and remuneration decisions of these positions are approved by Board with the exception of the Group Chief Internal Auditor which is approved by the AEC.

Note<sup>2</sup>: Material Risk Takers are defined as employees whose responsibilities have a material impact on the Group's performance and risk profile, and employees whose responsibilities require them to take on material risk exposures on behalf of the Group. Deferred variable remuneration is applicable to these individuals in the event it exceeds the threshold amount.

Note<sup>3</sup>: Remuneration based on payout received in FY2023.

(B) Breakdown of deferred remuneration awards :-

| Category  | Senior Management<br>(RM'000) | Material RiskTakers<br>(RM'000) |
|---|-------------------------------|---------------------------------|
| <b>Total outstanding deferred remuneration</b>  |                               |                                 |
| Cash  | 8,167                         | 10,977                          |
| Shares  | 27,042                        | 63,199                          |
| <b>Total outstanding deferred and retained remuneration of which exposed to ex post explicit and/or implicit adjustment</b> |                               |                                 |
| Cash  | 8,167                         | 10,977                          |
| Shares  | 27,042                        | 63,199                          |
| <b>Total amendment due to ex post explicit adjustments</b>  |                               |                                 |
| Cash  | -                             | -                               |
| Shares  | 3,972                         | 5,702                           |
| <b>Total amendment due to ex post implicit adjustments</b>  |                               |                                 |
| Cash  | -                             | -                               |
| Shares  | -                             | -                               |
| <b>Total deferred remuneration paid out in the financial year</b>   |                               |                                 |
| Cash  | 4,984                         | 6,111                           |
| Shares  | 6,136                         | 12,928                          |

(C) Guaranteed bonuses, sign-on bonuses and severance payments :-

| Category                                     | Senior Management | Material Risk Takers |
|--|-------------------|----------------------|
| Number of guaranteed bonuses                 | -                 | -                    |
| Number of sign-on awards                     | 1                 |                      |
| Number of severance payments                 | -                 | -                    |
| Total amount of above payments made (RM'000) | 206               |                      |

Note: Based on payment received in FY2023. Total recipient and payment are in aggregate due to confidentiality.

