

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1015
COMPANY NAME : AMMB HOLDINGS BERHAD
FINANCIAL YEAR : March 31, 2021

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.

Application	: Applied										
Explanation on application of the practice	<p>(1) The Board of Directors (the 'Board') of AmBank Group (the 'Company') is committed to high standards of corporate governance and strives to ensure that it is practised throughout the Group.</p> <p>The Group's core values – <i>p²ace</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0e0e0;">Principled</td> <td>Integrity and professionalism remain the thrust of all we do, and we take accountability for all our actions.</td> </tr> <tr> <td style="background-color: #e0e0e0;">Proactive</td> <td>We approach every challenge positively, initiate change responsibly and always anticipate the needs of all our colleagues, customers and our community.</td> </tr> <tr> <td style="background-color: #e0e0e0;">Appreciative</td> <td>We value and recognise everyone's role and contribution, and always provide support to our customers and colleagues.</td> </tr> <tr> <td style="background-color: #e0e0e0;">Collaborative</td> <td>We collaborate in everything we do. We are part of an organisation that fosters teamwork and open communication.</td> </tr> <tr> <td style="background-color: #e0e0e0;">Experimental</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, details of which are further described in the explanation to the application of Practice 3.1 in this report.</p> <p>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 and other regulatory guidelines and requirements that are in force.</p>	Principled	Integrity and professionalism remain the thrust of all we do, and we take accountability for all our actions.	Proactive	We approach every challenge positively, initiate change responsibly and always anticipate the needs of all our colleagues, customers and our community.	Appreciative	We value and recognise everyone's role and contribution, and always provide support to our customers and colleagues.	Collaborative	We collaborate in everything we do. We are part of an organisation that fosters teamwork and open communication.	Experimental	We strive to seek new and relevant ways of growing ourselves, our customers, our business and our community in a sustainable manner.
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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 Audit and Examination Committee and Group Nomination and Remuneration Committee can be found on the Company's corporate website at ambankgroup.com.

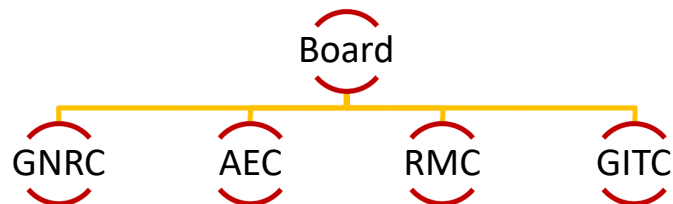
The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. To discharge the Board's stewardship responsibilities, the Board has assumed the following principal roles and responsibilities: -

- 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 in ensuring the appointment of the right leaders.

(2) The Board is collectively responsible in promoting the success of the Group in building a sustainable business, bearing in mind the interest of customers, shareholders and stakeholders whilst achieving returns for the shareholders.

The Group's sustainability strategies are disclosed in the **Sustainability Statement** of the **Integrated Report 2021 of the Company ('IR2021')** which provides more insightful view of the Group's sustainability practices and performance in addressing sustainability risks and opportunities.

(3) The Board is supported by the following Board Committees during the financial year ended 31 March 2022 ('FY2021') :-



Notes :

GNRC – Group Nomination and Remuneration Committee

AEC – Audit and Examination Committee

RMC – Risk Management Committee

GITC – Group Information Technology Committee

	A summary of the key activities of the Board and Board Committees during FY2021 is disclosed in the Corporate Governance Overview Statement ('CGOS') of the Governance and Financial Report 2021 ('GFR2021').	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	: Applied
Explanation on application of the practice	<p>The Chairman of the Board plays an important leadership role within the Group. His roles and responsibilities are detailed in the Board Charter, which is summarised as follows :-</p> <ul style="list-style-type: none"> • <i>Setting values and standards.</i> • <i>Ensure appropriate procedures in place to govern the Board's operation.</i> • <i>Maintain relationship of trust between Executive, Non-Executive and Management.</i> • <i>Ensure decisions taken on a sound and well-informed basis with sufficient time allocation.</i> • <i>Set Board agenda and ensure accurate, timely and clear information to Directors.</i> • <i>Encourage healthy discussion and dissenting views can be freely expressed.</i> • <i>Leading efforts to address the Board's development needs.</i> <p>The Chairman leads the Board by setting the tone at the top, and managing the Board's effectiveness.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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.

Application	: Applied				
Explanation on application of the practice	<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>Chairman of the Board</td><td>: Tan Sri Azman Hashim</td></tr><tr><td>Group CEO</td><td>: Dato' Sulaiman bin Mohd Tahir</td></tr></table> <p>(2) The Chairman is a Non-Executive Director, which is in line with Paragraph 11.3 of Bank Negara Malaysia ('BNM') Policy Document on Corporate Governance ('CG').</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">• <i>Conduit between the Board and Management in ensuring the success of the Group's governance and management functions.</i>• <i>Implementation of policies, strategies & decisions approved by the Board.</i>• <i>Manage the day-to-day operations of the Group's business.</i> <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. AmGeneral Insurance Berhad, 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>	Chairman of the Board	: Tan Sri Azman Hashim	Group CEO	: Dato' Sulaiman bin Mohd Tahir
Chairman of the Board	: Tan Sri Azman Hashim				
Group CEO	: Dato' Sulaiman bin Mohd Tahir				

	(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 18 to 25 of the GFR2021 .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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 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.

Application	: Applied
Explanation on application of the practice	<p>(1) The Board is supported by Ms Koid Phaik Gunn ('Ms Koid'), a Chartered Secretary (MAICSA 7007433) 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 17 of the GFR2021.</p> <p>(2) Ms Koid heads the Group's Company Secretarial Department and she is supported by a team of qualified and competent company secretaries, all of whom are Associate member 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">• <i>Ensure compliance with MMLR of Bursa Securities, BNM and other regulatory requirements.</i>• <i>Guide and advise the Directors on areas of corporate governance, relevant legislations, regulations and policies as well as their roles and responsibilities.</i>• <i>Attend and record all minutes of the Board and Board Committees' meetings, including general meetings.</i>• <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>• <i>Advise the Directors and Senior Management of their duties and responsibilities and obligations to disclose their interest 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>• <i>Brief the Board on the content and timing of sensitive / material announcements to Bursa Securities.</i>• <i>Advise the Board on corporate disclosures and compliance with the relevant changes to the laws, rules and regulations.</i>

	<p>(4) Board Induction programme is facilitated by the Group Company Secretarial department together with the Group Learning & Development Unit ('L&D').</p> <p>On-going internal and/or external trainings are organised to ensure Directors undergo mandatory training. The list of trainings organised for the Board is disclosed under Section B of this Report.</p> <p>(5) Ms Koid keeps herself abreast of the evolving regulatory changes and development in corporate governance practices by attending relevant conferences and training programmes.</p> <p>Trainings attended by Ms Koid during FY2021, aside from internal e-trainings, were as follows :-</p> <table border="1" data-bbox="610 716 1380 888"> <thead> <tr> <th data-bbox="610 716 792 751">Date</th> <th data-bbox="792 716 1380 751">Particulars of Trainings</th> </tr> </thead> <tbody> <tr> <td data-bbox="610 751 792 821">9-10/11/2020</td> <td data-bbox="792 751 1380 821">Governance Symposium 2020 organised by Malaysian Institute of Accountants</td> </tr> <tr> <td data-bbox="610 821 792 888">18-19/2/2021</td> <td data-bbox="792 821 1380 888">Understanding Board Decision-Making Process organised by Asia School of Business</td> </tr> </tbody> </table>	Date	Particulars of Trainings	9-10/11/2020	Governance Symposium 2020 organised by Malaysian Institute of Accountants	18-19/2/2021	Understanding Board Decision-Making Process organised by Asia School of Business
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<p>Explanation for departure</p>	<p>:</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>Measure</p>	<p>:</p>						
<p>Timeframe</p>	<p>:</p>						

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

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.

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none">• Meetings schedule (including Board and Board Committees meetings, strategy meeting and Annual General Meeting) is tabled to the Board and Board Committees in the last quarter of the calendar year.• All materials for the Board and Board Committees' meetings are disseminated digitally through a secured Enterprise File Sharing solution. <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> <ul style="list-style-type: none">• 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>Minutes are confirmed as a correct record of the proceedings at the next meeting of the Board or Board Committees.</p> <ul style="list-style-type: none">• 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.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

<p>Application :</p>	<p>Applied</p>
<p>Explanation on application of the practice :</p>	<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 ambankgroup.com.</p> <div data-bbox="625 1066 1024 1514" data-label="Diagram"> <p style="text-align: center;">BOARD CHARTER</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><u>Role of Senior Independent Director</u></p> <ul style="list-style-type: none"> • <i>A sounding board for the Chairman.</i> • <i>An intermediary for other Directors.</i> • <i>Point of contact for shareholders and other stakeholders.</i> <p><u>Role of Board Committees</u></p> <p>The roles and responsibilities of each Board Committee are disclosed under Section B of this Report as well as in the CGOS of the GFR2021. 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> <ul style="list-style-type: none"> • Corporate Matters • Governance and Policy • Credit and Products • Information Technology and Projects • Remuneration • All Other Matters as Deemed Necessary by the Board • Strategy and Budget • Compliance and Assurance • Accounting and Finance • Board Membership and Other Appointments • Litigation and Arbitration
<p>Explanation for departure :</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>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

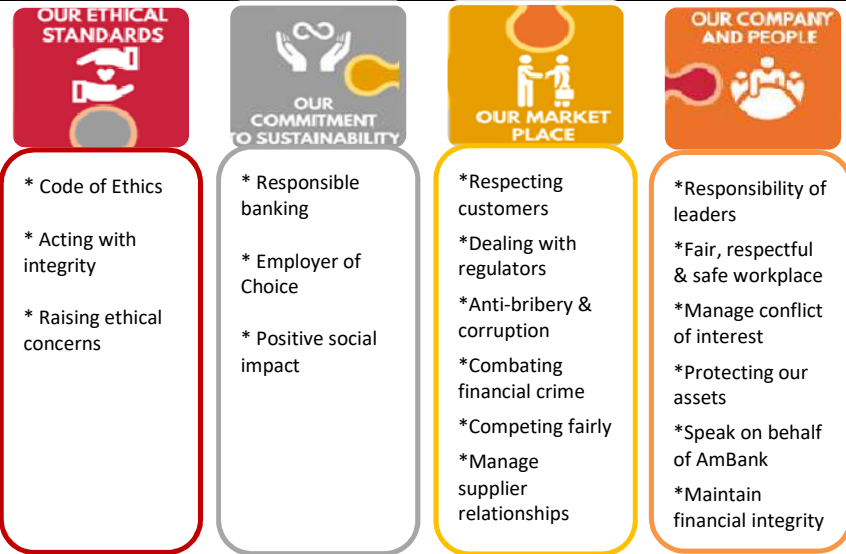
The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

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.

Application	: Applied
Explanation on application of the practice	<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 Code of Conduct in Business practices at all levels ensures the Company 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') which was adopted in December 2017, 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>



(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 principle, proactive, appreciative, connected and evolving.

(3) Both the CoC and CoE have been cascaded to all Directors and employees 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 AmConnected, the Group’s intranet for easy referencing as well as on the Company’s corporate website at 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 :-

	<ul style="list-style-type: none"> • No Gift Policy • Trading in AmBank Shares Policy • Related Party Transaction Policy • Group Procurement Policy • Supplier Code of Conduct • Anti-Bribery and Corruption Practices Policy 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	: Applied																					
Explanation on application of the practice	<ul style="list-style-type: none"> The Whistleblower Protection Policy ('WPP') provides a reliable avenue for all employees and external parties to disclose any improper conduct committed by those in authority, while ensuring protection of their identity. The policy 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 open communication and ensures protection to the whistleblower. <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 Group Code of Conduct and Whistleblower Protection Guidelines.</p> <p>The WPP is reviewed biennially and was last reviewed and approved by the Board on 28 July 2021. The WPP is publicly available on the Company's website at ambankgroup.com.</p> <ul style="list-style-type: none"> The WPP is premised on ten (10) principles, which are :- <table border="1" data-bbox="630 1398 1377 1896"> <tr> <td>Principle 1</td> <td>:</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>Principle 2</td> <td>:</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>Principle 3</td> <td>:</td> <td><i>Confidential information relating to whistleblowing should be safeguarded</i></td> </tr> <tr> <td>Principle 4</td> <td>:</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>Principle 5</td> <td>:</td> <td><i>Remedial actions should be taken on complaint of detrimental actions against the Whistleblower</i></td> </tr> <tr> <td>Principle 6</td> <td>:</td> <td><i>Ombudsperson is to be appointed as the official channel for reporting of concern</i></td> </tr> <tr> <td>Principle 7</td> <td>:</td> <td><i>Whistleblower should provide sufficient and accurate information on best effort basis</i></td> </tr> </table>	Principle 1	:	<i>Whistleblowing shall be managed in a transparent manner by creating awareness on the protection, confidentiality and enforceability</i>	Principle 2	:	<i>Whistleblower should be protected for reporting any actual or suspected improper conduct upon demonstrating sufficient basis for whistleblowing</i>	Principle 3	:	<i>Confidential information relating to whistleblowing should be safeguarded</i>	Principle 4	:	<i>Whistleblower including his/her spouse and related persons who are employees of the Group, shall be protected from detrimental action</i>	Principle 5	:	<i>Remedial actions should be taken on complaint of detrimental actions against the Whistleblower</i>	Principle 6	:	<i>Ombudsperson is to be appointed as the official channel for reporting of concern</i>	Principle 7	:	<i>Whistleblower should provide sufficient and accurate information on best effort basis</i>
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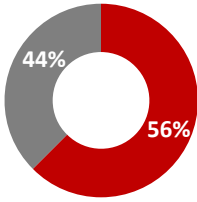
	<p>Principle 8 :</p> <p>Principle 9 :</p> <p>Principle 10 :</p>	<p><i>Reported improper conduct shall be investigated by appointed party and deliberated at an appropriate Committee for decision making</i></p> <p><i>Appropriate communication and record maintenance shall be in place</i></p> <p><i>Violation of Policy may be subjected to disciplinary action</i></p>
<p>Explanation for departure :</p>	<ul style="list-style-type: none"> • The procedures to whistleblow are as follows :- <ul style="list-style-type: none"> • Dedicated Ombudspersons, email address and postal address for reporting suspected incidents of misconduct and wrongdoing • Internal investigations and where applicable external expert and forensic investigators to analyse reports • Recommendations on corrective action • Appropriate communications, reporting and record maintenance. • The Board's Ombudsperson is an Independent Non-Executive Director of the Company, who is also the AEC Chairman of the Company. • The roles and responsibilities of the AEC, under the WPP are as follows :- <ul style="list-style-type: none"> • Reviews and determines appropriate decision and/or actions for the reported concerns. • Ensures reasonably sufficient protections and processes for managing whistle blowing. • 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. 	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

Practice 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board consist of five (5) Independent Directors out of the nine (9) Board members.	
		 <p>Directors</p> <ul style="list-style-type: none"> ■ Independence ■ Non-Independence 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 4.3 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	: Adopted									
Explanation on adoption of the practice	<ul style="list-style-type: none"> The Board Charter states that “the tenure of an independent director shall not exceed a cumulative term of nine (9) years” and no exception will be considered for this provision. This is in line with Paragraph 11.9 of BNM Policy Documents on CG. <p>All five (5) Independent Directors of the Company have not served more than nine (9) years.</p> <table border="1" data-bbox="526 789 1383 961"> <thead> <tr> <th data-bbox="526 789 656 835"><i>(5 years - 9 years)</i></th> <th data-bbox="656 789 948 835"><i>(>2 - <5 years)</i></th> <th data-bbox="948 789 1383 835"><i>(<2 year)</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="526 856 656 886">• <i>Voon Seng Chuan</i></td> <td data-bbox="656 856 948 886">• <i>Farina binti</i></td> <td data-bbox="948 856 1383 886">• <i>Hong Kean Yong</i></td> </tr> <tr> <td data-bbox="526 894 656 924">• <i>Seow Yoo Lin</i></td> <td data-bbox="656 894 948 924">• <i>Farikhullah Khan</i></td> <td data-bbox="948 894 1383 961">• <i>Dato’ Kong Sooi Lin</i></td> </tr> </tbody> </table> <ul style="list-style-type: none"> 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 judgement. <p>The Independent Directors also satisfy the “Fit and Proper” criteria specified in BNM Policy Document on CG.</p>	<i>(5 years - 9 years)</i>	<i>(>2 - <5 years)</i>	<i>(<2 year)</i>	• <i>Voon Seng Chuan</i>	• <i>Farina binti</i>	• <i>Hong Kean Yong</i>	• <i>Seow Yoo Lin</i>	• <i>Farikhullah Khan</i>	• <i>Dato’ Kong Sooi Lin</i>
<i>(5 years - 9 years)</i>	<i>(>2 - <5 years)</i>	<i>(<2 year)</i>								
• <i>Voon Seng Chuan</i>	• <i>Farina binti</i>	• <i>Hong Kean Yong</i>								
• <i>Seow Yoo Lin</i>	• <i>Farikhullah Khan</i>	• <i>Dato’ Kong Sooi Lin</i>								

Intended Outcome

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

Practice 4.4

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.

<p>Application :</p>	<p>Applied</p>																															
<p>Explanation on application of the practice</p>	<p>(1) GNRC regularly reviews the Board’s composition, i.e. size, skills, experience, diversity, etc. and recommend the appointment of Directors to the Board.</p> <p>Candidate for directorship is selected based on the following selection process :-</p> <div data-bbox="532 701 1357 1171" data-label="Diagram"> <pre> graph TD A[Review of Board-wide, skills, knowledge, experience and perspective] --> B[Identification of gaps and additional needs] B --> C[Sourcing suitable candidates by executive search firms and/or recommendation from other Directors] C --> D[Assessment and evaluation by GNRC] D --> E[Appointment by the Board and re-election at Annual General Meeting] </pre> </div> <p>The Group recognises that organisation is best reserved by constantly evolving board, with combination of fresh perspective, diverse experience and knowledge.</p> <div data-bbox="526 1371 1382 1745" data-label="Figure"> <table border="1"> <thead> <tr> <th>Category</th> <th>Sub-category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Gender</td> <td>Male</td> <td>78%</td> </tr> <tr> <td>Female</td> <td>22%</td> </tr> <tr> <td rowspan="3">Ethnicity</td> <td>Malay</td> <td>22%</td> </tr> <tr> <td>Chinese</td> <td>56%</td> </tr> <tr> <td>Australian</td> <td>22%</td> </tr> <tr> <td rowspan="3">Length of Service</td> <td><1 years</td> <td>11%</td> </tr> <tr> <td>1 - 9 years</td> <td>67%</td> </tr> <tr> <td>> 9 years</td> <td>22%</td> </tr> <tr> <td rowspan="4">Age</td> <td>40-49</td> <td>11%</td> </tr> <tr> <td>50-59</td> <td>11%</td> </tr> <tr> <td>60 - 69</td> <td>67%</td> </tr> <tr> <td>70 - 79</td> <td>11%</td> </tr> </tbody> </table> </div>	Category	Sub-category	Percentage	Gender	Male	78%	Female	22%	Ethnicity	Malay	22%	Chinese	56%	Australian	22%	Length of Service	<1 years	11%	1 - 9 years	67%	> 9 years	22%	Age	40-49	11%	50-59	11%	60 - 69	67%	70 - 79	11%
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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:

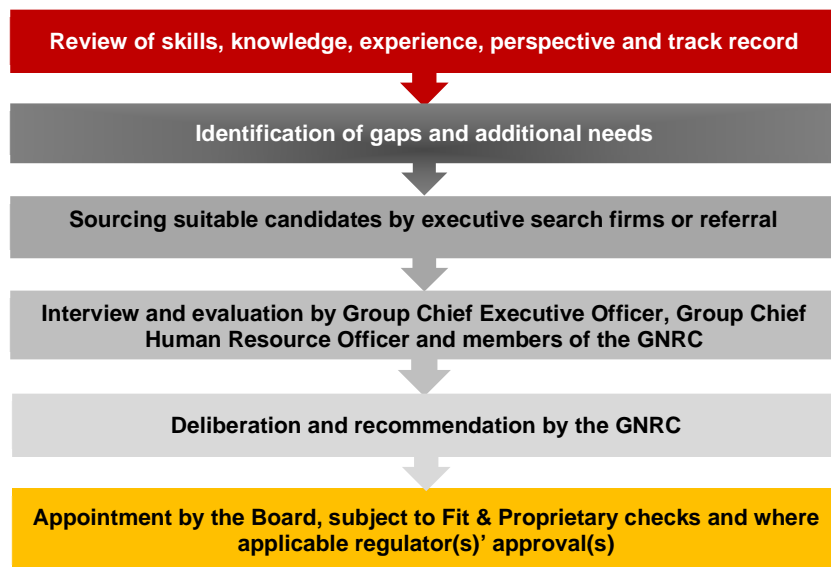
BOARD SKILLS, KNOWLEDGE AND EXPERIENCE

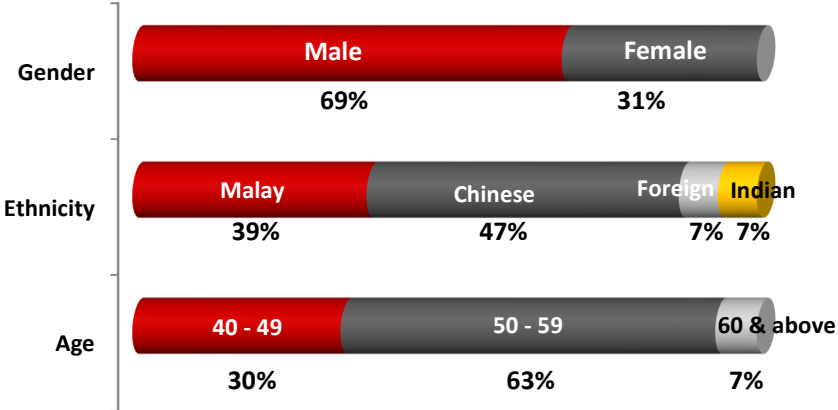


The criteria on the recruitment process and annual assessment of Directors are contained in the Nomination Policy for Non-Executive Directors as well as in the Board Charter. Policy and procedures for appointment are disclosed in the CGOS of the GFR2021.

- (2) All Senior Management appointed had been reviewed by the GNRC before recommending to the Board for appointment. 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 Senior Management is selected based on the following selection process:



	<p>Diversity at 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 is also based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p>  <p>The criteria on the recruitment process and annual assessment of Senior Management are contained in the TOR of GNRC.</p>
<p>Explanation : for departure</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>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	(1) In FY2021, the Board was unable to identify a female candidate to fulfil the requirement of having at least 30% women directors. The GNRC and the Board will continue to search for a suitable female candidate.
		(2) At the Senior Management level, women's participation was at 31%. Appointment of key management personnel was also made with due regards for diversity in skills, experience, background, age, cultural and gender.
		(3) Percentage of women's participation in mid-management, professional/specialist and non-executive level is disclosed on page 172 of the IR2021 .
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The GNRC and Board will continue to search for a suitable female candidate.
Timeframe	:	Within 2 years

Intended Outcome

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

Practice 4.6

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>(1) The Nomination Policy for Non-Executive Directors states that the GNRC may source for candidates to act as Director of the Company via executive search firms and/or recommendation from other directors.</p> <p>(2) It has been the Company's practice to use executive search firms to source for candidates.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>(1) The GNRC is chaired by Puan Farina binti Farikhullah Khan, an Independent Non-Executive Director of the Company.</p> <p>(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 Directors positions.</p> <p>(3) The Group has established programmes to identify employees with potential and nurture them through career development opportunities for senior management positions.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>(1) The annual Board evaluation encompasses the effectiveness of the Board, Board Committees, Chairman, Group CEO and Directors' self and peer evaluation. A robust and comprehensive assessment framework was used, encompassing:</p> <p>Part A: Board and Board Committee Effectiveness</p> <ul style="list-style-type: none">• Board Responsibilities• Board Composition• Board Remuneration• Board Committees• Board Conduct• Board Interaction and Communication• Chairman• Group CEO• Board Administration and Process• Directors' Training• Board Retreat Session <p>Part B: Directors' Self and Peer Evaluation</p> <ul style="list-style-type: none">• Board Dynamics and Participation• Integrity and Objectivity• Technical Competencies• Recognition• Independence
		<p>(2) For five (5) consecutive years since 2015 to 2019, an external facilitator was engaged to conduct the Board evaluation. Hence for FY2020 and FY2021, the Board had decided to conduct the evaluation internally and assigned the Group Company Secretary to undertake the exercise.</p>
		<p>(3) Key strengths and weaknesses are shared with the Board together with action plans drawn up to address those weaknesses.</p>

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

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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<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 Directors ('NEDs') of the Company is disclosed in the CGOS of the GFR2021.</p> <p>The remuneration structure of the NEDs was last reviewed in 2018 by an independent consultant.</p> <p>(3) The remuneration policy of the NEDs is currently under -review. The Total Reward Policy for employees had been reviewed and approved by the Board in September 2020.</p> <p>(4) The remuneration structure of senior management is governed by the GNRC, and the Board approved Total Reward Policy of the Group, where inputs from control functions and Board Risk Committees are solicited.</p> <p>Independent review is conducted periodically to ensure that the Group's Total Reward Policy and practice is 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"> • the Group’s Total Reward philosophy set against our overall strategy, productivity, performance and affordability across the Group • level of responsibility, accountability and complexity of the role • reflect the competitive nature of the industry and role • attract and retain suitably qualified talent for Senior Management • promotes prudent risk taking and long-term sustainability • alignment of our long-term value creation and time horizon of risk with targeted mix ratio <p>Senior management and Material Risk Takers remuneration package are also subject to annual review by the Group Nomination and Remuneration Committee 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 the annual review by the AEC and recommended to the Board for approval. The remuneration of the Group Chief Risk Officer and Group Chief Compliance Officer are subject to similar structure and policy, with their performances being reviewed and recommended by the RMC to the Board for approval.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

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 6.2

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.

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

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 7.1

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.

Application	:	Applied	
Explanation on application of the practice	:	The remuneration received / receivable by each member of the Board is disclosed on page 49 of the GFR2021 as well as in the Notes to the Financial Statements.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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 7.2

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	(1) 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.	
		(2) The Board has opted to disclose the total remuneration of the Group's Senior Management (quantitative basis) in bands of RM50,000. The remuneration table is disclosed in the CGOS of the GFR2021. The remuneration of the Group CEO is also disclosed in the GFR2021.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	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 7.2.	
Timeframe	:	Others	Others

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 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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 8.1

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

Application	:	Applied							
Explanation on application of the practice	:	The Chairman of the AEC is an Independent Non-Executive Director, who is not the Chairman of the Board.							
		<table border="1"> <thead> <tr> <th><i>Chairman</i></th> <th><i>Name</i></th> </tr> </thead> <tbody> <tr> <td><i>Board</i></td> <td><i>: Tan Sri Azman Hashim (Non-Independent Non-Executive Director)</i></td> </tr> <tr> <td><i>AEC</i></td> <td><i>: Mr Seow Yoo Lin (Independent Non-Executive Director)</i></td> </tr> </tbody> </table>		<i>Chairman</i>	<i>Name</i>	<i>Board</i>	<i>: Tan Sri Azman Hashim (Non-Independent Non-Executive Director)</i>	<i>AEC</i>	<i>: Mr Seow Yoo Lin (Independent Non-Executive Director)</i>
<i>Chairman</i>	<i>Name</i>								
<i>Board</i>	<i>: Tan Sri Azman Hashim (Non-Independent Non-Executive Director)</i>								
<i>AEC</i>	<i>: Mr Seow Yoo Lin (Independent Non-Executive Director)</i>								
Explanation for departure	:								
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>									
Measure	:								
Timeframe	:								

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 8.2

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

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

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	: Applied
Explanation on application of the practice	<ul style="list-style-type: none"> • 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. • 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>The AEC will meet with the statutory external auditors at least twice a year without the presence of Management.</p> <ul style="list-style-type: none"> • The AEC is guided by a Group Policy on Non-Audit Services by Group External Audit Firm ('Policy'). <p>The statutory external auditors may not 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. 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>

	<ul style="list-style-type: none"> 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. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All members of AEC are Independent Directors. Chairman : <i>Mr Seow Yoo Lin</i> <i>(Independent Non-Executive Director)</i> Member : <i>Farina binti Farikhullah Khan</i> <i>(Independent Non-Executive Director)</i> Member : <i>Dato' Kong Sooi Lin</i> <i>(Independent Non-Executive Director)</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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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.

Application	:	Applied												
Explanation on application of the practice	:	<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 & Young (formerly known as Ernst & Whinney) and Arthur Anderson & 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 13, 14 and 16 of the GFR2021.</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 during FY2021 were as follows :-</p> <table border="1"><thead><tr><th>Date</th><th>Particulars of Trainings</th></tr></thead><tbody><tr><td>July 2020</td><td>Raising Defences: Section 17A, Malaysian Anti-Corruption Commission Act</td></tr><tr><td>August 2020</td><td>Staying Ahead with Data Analytics</td></tr><tr><td>September 2020</td><td>Anti-Money Laundering FY2019/2020</td></tr><tr><td>October 2020</td><td>Transformation Towards Recovery: Operational Resilience</td></tr><tr><td>November 2020</td><td>Cyber Security Awareness</td></tr></tbody></table>	Date	Particulars of Trainings	July 2020	Raising Defences: Section 17A, Malaysian Anti-Corruption Commission Act	August 2020	Staying Ahead with Data Analytics	September 2020	Anti-Money Laundering FY2019/2020	October 2020	Transformation Towards Recovery: Operational Resilience	November 2020	Cyber Security Awareness
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November 2020	Cyber Security Awareness													

	December 2020	Shariah Governance Policy Document Programme
	February 2021	JC3's second workshop on Climate Change – Series 2
	March 2021	Legal Updates on the Real Estate Industry in United Kingdom and Australia
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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 9.1

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

<p>Application :</p>	<p>Applied</p>
<p>Explanation : on application of the practice</p>	<ul style="list-style-type: none"> • 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. • The Group’s system of internal control is designed to manage the risk of failure to achieve the Company’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. • 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 :- <div data-bbox="625 1050 1307 1669" data-label="Diagram"> </div> <p>All policies and frameworks are approved by the Board and are reviewed at least biennially.</p>

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

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 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none"> • 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. • 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. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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 9.3 - 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.

Application	:	Adopted															
Explanation on adoption of the practice	:	<p>The RMC comprises majority of independent directors. It is chaired by an independent director.</p> <table border="1"><tr><td>Chairman</td><td>:</td><td><i>Dato' Kong Sooi Lin</i> <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Member</td><td>:</td><td><i>Graham Kennedy Hodges</i> <i>(Non-Independent Non-Executive Director)</i></td></tr><tr><td>Member</td><td>:</td><td><i>Robert William Goudswaard</i> <i>(Non-Independent Non-Executive Director)</i></td></tr><tr><td>Member</td><td>:</td><td><i>Voon Seng Chuan</i> <i>(Senior Independent Non-Executive Director)</i></td></tr><tr><td>Member</td><td>:</td><td><i>Hong Kean Yong</i> <i>(Independent Non-Executive Director)</i></td></tr></table>	Chairman	:	<i>Dato' Kong Sooi Lin</i> <i>(Independent Non-Executive Director)</i>	Member	:	<i>Graham Kennedy Hodges</i> <i>(Non-Independent Non-Executive Director)</i>	Member	:	<i>Robert William Goudswaard</i> <i>(Non-Independent Non-Executive Director)</i>	Member	:	<i>Voon Seng Chuan</i> <i>(Senior Independent Non-Executive Director)</i>	Member	:	<i>Hong Kean Yong</i> <i>(Independent Non-Executive Director)</i>
Chairman	:	<i>Dato' Kong Sooi Lin</i> <i>(Independent Non-Executive Director)</i>															
Member	:	<i>Graham Kennedy Hodges</i> <i>(Non-Independent Non-Executive Director)</i>															
Member	:	<i>Robert William Goudswaard</i> <i>(Non-Independent Non-Executive Director)</i>															
Member	:	<i>Voon Seng Chuan</i> <i>(Senior Independent Non-Executive Director)</i>															
Member	:	<i>Hong Kean Yong</i> <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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none"> (1) The AEC has in place measures to assess the competency, performance and effectiveness of the Internal Audit function. (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. (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. (4) The AEC has direct communication channel with the Group Chief Internal Auditor ('GCI') and meets regularly with the GCI without the presence of Management. The GCI reports directly to the AEC. (5) The AEC reviews the adequacy of Group Internal Audit's resources and evaluates the performance of the GCI and the Group Internal Audit. (6) All internal audit reports are tabled to the AEC 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 from the audits conducted, and the status of resolution of key audit issues highlighted.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>(1) Group Internal Audit is independent from the business and operating activities. Please refer to Section on Internal Audit in the CGOS of the GFR2021.</p> <p>(2) The profile of the GCIA, Encik Shamsul Bahrom Mohamed Ibrahim is disclosed on page 23 of the GFR2021.</p> <p>(3) A brief statement on the Internal Audit Function with a summary of its key activities is disclosed in the CGOS of the GFR2021.</p> <p>(4) The availability of resources in the internal audit department is being closely monitored. Group Internal Audit has a budgeted staff strength of 105 staff.</p> <p>(5) Group Internal Audit’s activities conform with the Institute of Internal Auditors (IIA)’s 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>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none">• At the Group, we believe in timely, regular and proactive communications with our shareholders and the wider investment community including investors, fund managers, equity and fixed-income analysts and credit rating agencies.• Communication and engagement with stakeholders and investors are made 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.• Events organised or participated by the Group's Investor Relations are listed on the Group's corporate website at ambankgroup.com/ir.• The Group understand the importance of environment, social and governance ("ESG") issues and practices and holds regular discussions with the investment community on ESG sustainability risk forms an integral part of their investment decision making process.• The Group responds to queries or requests for meetings from Minority Shareholders Watch Group (MSWG), Institutional Investors Council Malaysia (IIC) and major shareholders.• The Group's quarterly financial statements and accompanying media release are published on Bursa Securities' website and the Group'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 enable our investors to gain further insights into the Group's financial results and strategic priorities. The briefing materials are available on the Group's corporate website.• When deemed required, we also hold media briefings to update the media and the general public on significant events.

	<ul style="list-style-type: none"> Stakeholders and investors are encouraged to direct their enquiries via email to the Group's Investor Relations mailbox at ir@ambankgroup.com.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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 11.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>(1) The IR2021 has an objective of integrating the Company’s material financial, economic, social, and environmental and governance issues and to demonstrate more clearly and in a holistic manner how each group of stakeholders contribute to the entire value creation chain.</p> <p>(2) By reading the IR2021 :-</p> <ul style="list-style-type: none"> • Stakeholders will understand the Company’s strategies for sustainable growth; • Customers will appreciate the importance placed by the Company on offering products and services of a consistently high quality; • Business partners and stakeholders will recognise how the Company seeks to foster win-win solutions with them; and • Employees will see how the Company nurtures a stimulating and rewarding work environment. <p>(3) The Company also highlights initiatives undertaken to enhance the well-being of local communities and actions that underline its commitment in providing sound financial assistance.</p> <p>(4) The Company’s integrated report is in line with the International Integrated Reporting Framework of the International Integrated Reporting Council.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>(1) The notice of Annual General Meeting ('AGM') for 2020 was despatched to shareholders on 28 July 2020 (30 clear days' notice).</p> <p>The notice of the forthcoming AGM which will be held on 2 September 2021 will be given to shareholders on 30 July 2021, effectively serving 33 clear days' notice.</p> <p>(2) Details of the resolutions proposed together with explanatory notes and statement are set out in the notice of AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none"> • All Directors attended the Company’s AGM in 2020 virtually via Remote Participation and Voting (‘RPV’) facilities. • The Chairman provided sufficient time and opportunities for the shareholders to participate in the AGM. Questions from the shareholders were addressed by the Chairman, the Group CEO and the Group Chief Financial Officer. An independent moderator was appointed to stream the questions and answers in a fair, objective and impartial manner. Summary of key matters discussed at the last year AGM is available on the Company’s corporate website at ambankgroup.com. • An independent scrutineer was appointed to validate the votes cast at the AGM. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • Given the concerns around the COVID-19 pandemic, the Board had utilised RPV facilities at the 29th AGM of the Company held on 27 August 2020. The RPV facilities had enabled shareholders to participate and vote remotely without attending the meeting physically. • The Board has decided to continue to use RPV facilities provided by its share registrar, Boardroom Share Registrars Sdn Bhd, at the forthcoming 30th AGM which will be held on 2 September 2021.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

- (1) **Tan Sri Azman Hashim**
Non-Independent Non-Executive Chairman
- (2) **Graham Kennedy Hodges**
Non-Independent Non-Executive Director
- (3) **Robert William Goudswaard**
Non-Independent Non-Executive Director
- (4) **Soo Kim Wai**
Non-Independent Non-Executive Director
- (5) **Voon Seng Chuan**
Senior Independent Non-Executive Director
- (6) **Seow Yoo Lin**
Independent Non-Executive Director
- (7) **Farina binti Farikhullah Khan**
Independent Non-Executive Director
- (8) **Hong Kean Yong**
Independent Non-Executive Director
- (9) **Dato' Kong Sooi Lin**
Independent Non-Executive Director

1.1 DIRECTORS' PROFILE

TAN SRI AZMAN HASHIM

Nationality *Malaysian*
Gender/Age *Male/82*
Date of Appointment *15 August 1991*

Qualifications

*Fellow Chartered Banker (FCB)
Fellow, Institute of Chartered Accountants (Australia)
Fellow, Institute of Chartered Secretaries and Administrators*

Directorship(s) in Listed Issuers

None

Experience

Tan Sri Azman Hashim has been in the banking industry since 1960 when he joined Bank Negara Malaysia. He practised as a Chartered Accountant in Azman Wong Salleh and Co. from 1964 to 1971. He was on the board of Malayan Banking Berhad from 1966 to 1980 and was its Executive Director from 1971 until 1980. He was the Executive Chairman of Kwong Yik Bank Berhad, a subsidiary of Malayan Banking Berhad, from 1980 until 1982 when he acquired AmInvestment Bank Berhad.

Tan Sri Azman is the Non-Independent Non-Executive Chairman of AmGeneral Holdings Berhad and AmInvestment Group Berhad, both of which are subsidiaries of AMMB Holdings Berhad ('AMMB'). He is also the Executive Chairman of Amcorp Group Berhad.

Tan Sri Azman is Chairman of the Asian Institute of Chartered Bankers, Asian Banking School Sdn Bhd, Malaysia South-South Corporation Berhad, Financial Industry Collective Outreach ('FINCO'), Universiti Teknologi Malaysia – Azman Hashim International Business School Advisory Council and Chairman Emeritus of Pacific Basin Economic Council ('PBEC').

Tan Sri Azman is the President of Malaysia South-South Association, Malaysia-Japan Economic Association, Malaysian Prison FRIENDS Club and a Member of the East Asia Business Council. He is also the Leader of the ASEAN Japan Business Meeting (Malaysia Committee, Keizai Doyukai). He is the Pro-Chancellor of Open University of Malaysia and University Malaysia Sabah and a Member of the Academic Advisory Council, Universiti Teknologi Petronas. He is also one of the five Vice-Presidents of Kuen Cheng High School.

Tan Sri Azman is also involved in several charitable organisations as Chairman and Trustee of AmGroup Foundation and Perdana Leadership Foundation and Trustee for Yayasan Azman Hashim, Tuanku Najihah Foundation and Yayasan Canselor Open University Malaysia.

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: Being a director and substantial shareholder of Amcorp Group Berhad, which in turn is a substantial shareholder of AMMB, and being a director of Clear Goal Sdn Bhd, his family company which is deemed a substantial shareholder of AMMB by virtue of its interest in Amcorp Group Berhad.

GRAHAM KENNEDY HODGES

Nationality Australian
Gender/Age Male/66
Date of Appointment 30 June 2016

Qualification

Bachelor of Economics (Honours), Monash University, Australia.

Directorship(s) in Listed Issuers

None

Experience

Graham Kennedy Hodges was appointed the Deputy Chief Executive Officer of Australia and New Zealand Banking Group Limited ('ANZ') in May 2009, and had stepped down from the role effective May 2018. Prior to that, he was the Chief Executive Officer and a director of ANZ National Bank Limited responsible for the running of ANZ Group's New Zealand business.

He has held the position of Group Managing Director, Corporate and various other roles in Corporate and Business Banking. He joined ANZ in 1991 and was appointed Chief Economist in 1992, a post he held for three years.

Before ANZ, Mr Hodges spent several years with the International Monetary Fund in Washington DC and nine years in Commonwealth Treasury in Canberra.

He is an Independent Non-Executive Chairman of Regis Healthcare Limited, a healthcare company listed on the Australia Securities Exchange.

He is also a Non-Executive Director of Assemble Communities Pty Ltd, a business focused on development of affordable housing in Australia.

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: He is a board representative of Australia and New Zealand Banking Group Limited, which is deemed a substantial shareholder of AMMB by virtue of its interest in ANZ Funds Pty Ltd, a substantial shareholder of AMMB.

ROBERT WILLIAM GOUDSWAARD

Nationality Australian
Gender/Age Male/61
Date of Appointment 25 March 2021

Qualification

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

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 Credit Union Australia, Australia's largest credit union, before he stepped down in 2019.

He spent 30 years with ANZ, 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, Lawson Grains, Cornerstone Healthcare Management Fund and Centelon.

He is a Non-Executive Director of Cashrewards Limited, a cashback-centred e-commerce ecosystem company listed on the mainboard of the Australian Securities Exchange.

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 Orygen Mental Health Foundation Ltd.

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: He is a board representative of ANZ, which is deemed a substantial shareholder of AMMB by virtue of its interest in ANZ Funds Pty Ltd, a substantial shareholder of AMMB.

SOO KIM WAI

Nationality	Malaysian
Gender/Age	Male/60
Date of Appointment	4 October 2002

Qualifications

*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

*Director, RCE Capital Berhad
Director, Amcorp Properties 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 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 is also a Non-Independent Non-Executive Director of Amcorp Global Ltd, 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: He is the Group Managing Director of Amcorp Group Berhad, which is a substantial shareholder of AMMB.

VOON SENG CHUAN

Nationality	Malaysian
Gender/Age	Male/62
Date of Appointment	18 June 2015

Qualification

Bachelor of Science (Honours) in Mathematics, University of Malaya

Directorship(s) in Listed Issuers

Director, Mesiniaga Berhad

Experience

Voon Seng Chuan has been part of the Information Technology (IT) industry for about three (3) decades. In April 2008, he joined the IBM Quarter Century Club reflecting his 25 years of service in IBM. He retired from IBM in March 2010.

In his 27 years of service with IBM, he held a number of roles delivering all aspects of IT products and services for clients in all industry segments in Malaysia and the Asia Pacific region. His last role in IBM prior to his retirement was Director for Mid-Market Segment in Asia Pacific.

From 2000 to 2006, he was the Managing Director for IBM Malaysia and Brunei. He responded to the Malaysian Government's call to transform the nation into an international shared services and outsourcing hub by leading IBM's investment in seven regional centres/ operations in Malaysia. In doing so, IBM is well positioned to transfer best practices and high-skilled expertise to the country.

In 2013, he was recognised with the 'Outsourcing Leader of the Year' award by Outsourcing Malaysia. He was also a Council Member of PIKOM (National ICT Association of Malaysia) from 1994/1995 and 1999/2000.

He is also an Independent Non-Executive Chairman of AmBank (M) 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.

SEOW YOO LIN

Nationality	Malaysian
Gender/Age	Male/65
Date of Appointment	30 June 2016

Qualifications

Certified Public Accountant

Master of Business Administration, International Management Centre, Buckingham, United Kingdom

Member, Malaysian Institute of Accountants

Member, Malaysian Institute of Certified Public Accountants

Directorships in Listed Issuers

Director, Hume Industries Berhad

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 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 also 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/49*
Date of Appointment *8 August 2017*

Qualifications

*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

*Director, Petronas Gas Berhad
Director, KLCC Property Holdings Berhad
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 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 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 also 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, 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/58*
Date of Appointment *10 October 2019*

Qualifications

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

Directorship(s) in Listed Issuers

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/60*
Date of Appointment *30 October 2019*

Qualifications

*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

Director, Eco World International 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 also an Independent Non-Executive Director of AmInvestment Bank Berhad, a wholly-owned subsidiary of AMMB.

She is a Director of Malaysia Venture Capital Management Berhad.

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

GROUP NOMINATION AND REMUNERATION COMMITTEE ('GNRC')

- **Farina binti Farikhullah Khan (Chairman)**
Independent Non-Executive Director
- **Graham Kennedy Hodges**
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

RISK MANAGEMENT COMMITTEE ('RMC')

- **Dato' Kong Sooi Lin (Chairman)**
Independent Non-Executive Director
- **Graham Kennedy Hodges**
Non-Independent Non-Executive Director
- **Robert William Goudswaard**
Non-Independent Non-Executive Director
- **Voon Seng Chuan**
Senior Independent Non-Executive Director
- **Hong Kean Yong**
Independent Non-Executive Director

GROUP INFORMATION AND TECHNOLOGY COMMITTEE ('GITC')

- **Hong Kean Yong (Chairman)**
Independent Non-Executive Director
- **Robert William Goudswaard**
Non-Independent Non-Executive Director
- **Voon Seng Chuan**
Senior Independent Non-Executive Director

1.3 CHANGES TO THE BOARD DURING THE FINANCIAL YEAR ENDED 31 MARCH 2021 ('FY2021')

Appointment (A) and/or Resignation (R)

A - *Robert William Goudswaard appointed on 25 March 2021*

1.4 TRAININGS PROVIDED TO THE BOARD

<i>Date</i>	<i>Trainings provided to the Board during FY2021</i>
2020	
<i>April</i>	COVID-19 and Current Economic Reality: Implications for Financial Stability COVID-19 Pandemic and Current Economic Reality: Implications for Financial Stability
<i>May</i>	Module 1: Listed Entity Director Essentials Challenging Times: What Role Must the Board Play ? Outthink the Competition: Excelling in a Post COVID-19 Pandemic World
<i>June</i>	Board and Executive Pay During and Post COVID-19 Pandemic
<i>July</i>	Module 2: Board Dynamics Module 3: Board Performance Module 4: Stakeholder Engagement Module 5: Audit Committee Essentials Personal Data Protection Act 2020 FIDE Forum Webinar: "Risks: A Fresh Look from the Board's Perspective" FIDE Forum: Digital Financial Institutions Series: Managing Virtual Banking and Insurance Businesses FIDE Forum Webinar: "Risks: A Fresh Look from the Board's Perspective" Induction: Board of Directors Raising Defences: Section 17A, Malaysian Anti-Corruption Commission Act
<i>August</i>	Digital Financial Institutions Series: Fidor's Experience Managing Political Risks Banking on Governance, Insuring on Sustainability by Certified Practising Accountant Australia Staying Ahead with Data Analytics
<i>September</i>	BNM-FIDE Forum Annual Dialogue with Governor of BNM
<i>October</i>	Anti-Money Laundering FY2019/2020 Islamic Finance for Board Programme The Next Inflection Point PETRONAS Board Excellence Advance 1: Best Practices for Board Excellence Transformation Towards Recovery: Operational Resilience
<i>November</i>	Cyber Security Awareness Malaysia Budget 2021 Budget Highlights 2021 and Proposed Tax Changes FIDE: Climate Action: The Board's Leadership in Greening the Financial Sector Effective Non-Executive Director PETRONAS Board Excellence Series: Malaysian Financial Reporting Standards Updates by Klynveld Peat Marwick Goerdeler
<i>December</i>	Shariah Governance Policy Document Programme Goldman Sachs – Oil and Gas Outlook Singapore Fintech Festival Briefing on Capital Management and Stress Test Coldwell Banker Richard Ellis Training on United Kingdom and Australia Property Markets
2021	
<i>February</i>	JC3's Second Workshop on Climate Change – Series 2
<i>March</i>	International Directors Programme Session 2 Rethinking Our Approach to Cyber Defence In Financial Institutions FIDE Elective Program Nominating and Remuneration Committees: Beyond Box-Ticking and Enhancing Effectiveness BNM Annual Report 2020 Dialogue Rethinking Our Approach to Cyber Defence in Financial Institutions Legal Updates on the Real Estate Industry in United Kingdom and Australia

1.5 NUMBER OF MEETINGS CONVENED

	Total meeting held during FY2021
Board	13
AEC	5
GNRC	8
RMC	7
GITC	8

FUNCTION AND CONDUCT

2.1 ROLES AND RESPONSIBILITIES

BOARD

The Board's pivotal role is to lead and establish the AmBank 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 effective design and implementation of risk management, governance and reporting framework, internal control and management information systems

Promote sound corporate culture that reinforce ethical, prudent and professional behaviour by adhering to 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 stakeholders

Promote sustainability through appropriate environmental, social and governance consideration in 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 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

GROUP NOMINATION AND REMUNERATION COMMITTEE ('GNRC')

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

Regular review of the overall Board's composition (i.e. size, skills, experience, diversity, etc) 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 and annual review of mix skills, experience and competencies of the Board

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

Assess the annual performance of key management personnel against balanced scorecard & recommend the short and long-term incentives and rewards to the Board

Recommend a formal and transparent procedure for developing the remuneration policy for Directors, key management personnel and staff to the Board

RISK MANAGEMENT COMMITTEE ('RMC')

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

Senior Management's activities in managing risk

High-level risk exposures and risk portfolio composition

Cyber Security risk

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

Risk systems and resources

GROUP INFORMATION AND TECHNOLOGY COMMITTEE ('GITC')

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

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

Provide oversight of the Group's long-term IT strategic plans and budgets and implementation

Ensure the establishment of 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 system

Establish key performance indicators & service level agreements in measuring & monitoring the overall performance, efficiency & effectiveness of IT services delivered or received by the Group

Review IT 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 deviations as allowed under BNM guidelines

2.2 MEETING ATTENDANCE DURING FY2021

BOARD

Name of Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<i>Tan Sri Azman Hashim (Non-Independent Non-Executive Chairman)</i>	13	13	100
<i>Graham Kennedy Hodges (Non-Independent Non-Executive Director)</i>	13	13	100
<i>Soo Kim Wai (Non-Independent Non-Executive Director)</i>	13	13	100
<i>Voon Seng Chuan (Senior Independent Non-Executive Director)</i>	13	13	100
<i>Seow Yoo Lin (Independent Non-Executive Director)</i>	13	13	100
<i>Farina binti Farikhullah Khan (Independent Non-Executive Director)</i>	13	13	100
<i>Hong Kean Yong (Independent Non-Executive Director)</i>	13	13	100
<i>Dato' Kong Sooi Lin (Independent Non-Executive Director)</i>	13	13	100
<i>Robert William Goudswaard (Non-Independent Non-Executive Director) Appointed on 25 March 2021</i>	-	-	-

AEC

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

RMC

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<i>Dato' Kong Sooi Lin (Chairman) (Independent Non-Executive Director)</i>	7	7	100
<i>Graham Kennedy Hodges (Non-Independent Non-Executive Director)</i>	7	7	100
<i>Hong Kean Yong (Independent Non-Executive Director)</i>	7	7	100

Note: Following the close of FY2021, Mr Robert William Goudswaard and Mr Voon Seng Chuan were appointed as members of the RMC effective 1 April 2021.

GNRC

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<i>Farina binti Farikhullah Khan (Chairman) (Independent Non-Executive Director)</i>	8	8	100
<i>Graham Kennedy Hodges (Non-Independent Non-Executive Director)</i>	8	8	100
<i>Soo Kim Wai (Non-Independent Non-Executive Director)</i>	8	8	100
<i>Voon Seng Chuan (Senior Independent Non-Executive Director)</i>	8	8	100
<i>Seow Yoo Lin (Independent Non-Executive Director)</i>	8	8	100

GITC

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<i>Hong Kean Yong (Chairman) (Independent Non-Executive Director)</i>	8	8	100
<i>Soo Kim Wai (Non-Independent Non-Executive Director)</i>	8	8	100
<i>Voon Seng Chuan (Senior Independent Non-Executive Director)</i>	8	8	100

Note: On 1 July 2021, Mr Robert William Goudswaard was appointed as a member of GITC and Mr Soo Kim Wai stepped down as a member.

INTERNAL CONTROL FRAMEWORK

3.1 OVERVIEW

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 form the first line of defence; Risk and Compliance (including Shariah Review and Shariah Risk Management for Islamic Banking), 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 businesses of the Group. These committees, namely the Group Management Committee, Group Management Risk Committee, Group Asset and Liability 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, market risk, Shariah risk, compliance risk, regulatory compliance risk, reputational risk, product risk, business and IT project risk and cyber risk.*
- 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 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 business and operations activities’ needs. This includes the empowerment and setting of authority limits for proper segregation of duties.*
- The AEC of the Company and its major subsidiaries assist the Board to evaluate the adequacy and effectiveness of the Group’s internal controls systems. The AEC reviews the Group’s financial statements and reports issued by the 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 and accountable on matters related to Shariah. These include advising the Board and Senior Management on Shariah related 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 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-compliance incidences as well as treatment of Shariah non-compliant income (if any).*

- *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 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's internal control, risk management systems, governance processes as well as the overall compliance of the Islamic Banking's operations, business affairs and activities with Shariah. The AECs review the work of the Group Internal Audit Department, including reviewing its audit plans, progress, reports issued and status of resolution of key audit findings highlighted.*
- *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 and submitted to the Board for approval. Progress of the Group's business plans and performance achievements are rigorously tracked and reviewed against 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 emphasises human resource development and training as it recognises the value of its staff in contributing to its growth. There are proper guidelines within the Group for staff recruitment, promotion and performance appraisals to promote a high-performance culture by rewarding high performers and counseling poor performers. Our Short-Term Incentive (STI) and Long-Term Incentive (LTI) are used primarily to reward and encourage outstanding individuals for their contribution to value creation while protecting the shareholders' interest. Structured talent management and training programmes are developed to ensure staff are adequately trained and competent in discharging their responsibilities and to identify future leaders for succession planning.*
- *A 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 AmBank 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 Code of Conduct, launched in March 2018, represents 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 behavior. The Code of Ethics above is a subset of the Code of Conduct. The Code of Conduct was established by the Board. 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 and Group Human Resource. The Code of Conduct was developed according to a value-based approach which consists of five key areas: Message from our Chairman and Group CEO, Ethical Standards, Company and People, Marketplace and Commitment to Sustainability.*

- *The Group has in place a compliance framework that drives prudent, transparent and inclusive business conduct, compliant to the dictates 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 to manage compliance risks.*

Key Policies and Procedures

The Group's key policies governing internal control include the 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 and Classified Account Management Policy.

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

Policy	Key Highlights/ Changes
AmBank Group Anti-Bribery and Corrupt Practices Policy	New policy issued pursuant to Section 17A of the Malaysia Anti-Corruption Commission Act 2009.
Know Your Customer, Customer Identification and Due Diligence Policy	Revision on on-going due diligence requirements for Individual High Risk and Medium Risk customers.
Foreign Exchange Notices Policy	Updated the overall policy to reflect current regulatory and internal requirements.
Group Energy Policy Version 1.0	New issuance
Environmental Objectives, Targets and Plans Practice Guide Version 1.0	New issuance
Environmental Monitoring and Measurement Practice Guide Version 1.0	New issuance

Environmental Resource Management Practice Guide Version 1.0	New issuance
Environmental Waste Management Practice Guide Version 1.0	New issuance
GHG Accounting and Reporting Practice Guide Version 1.0	New issuance
Payment and Invoice Processing Guideline Version 2.0	Remove of GST related guidelines and added service tax on imported services.
Inter-company (Amount Due To/ Due From) Guideline Version 2.0	Removal of GST related guidelines
Outsourcing for Affiliates Policy Version 1.0	New Policy issued to establish a structure for the Group to maintain appropriate internal governance and outsourcing risk frameworks, to ensure its continued ability to carry out effective supervisory oversight over outsourced activities by their affiliates, following the issuance of the Policy Document for Outsourcing issued by BNM on 28 December 2018 (updated 23 October 2019).
Internal Capital Adequacy Assessment Process Policy	Updated the 'Comprehensive Risk Assessment' on credit concentration risk to be consistent with the Group Risk's methodology.
Capital Contingency & Restoration Plan Framework	<ul style="list-style-type: none"> Revised the existing guideline to framework. Incorporate management actions in preventing capital from falling below the internal capital target.
Fund Transfer Pricing Framework	<ul style="list-style-type: none"> Renaming of the Fund Transfer Pricing Policy document to Fund Transfer Pricing Framework. Removal of sentences related to the delegation of approving authority for the revision and/or update to the FTP framework from Board to GALCO. This is premised on approval for revisions to the document requiring Board approval, which is a function that the Board cannot delegate to a management committee

<p>Contingency Funding Plan</p>	<ul style="list-style-type: none"> • Renamed Risk Management Committee of Directors (“RMCD”) to Risk Management Committee (“RMC). • Updated the representation at the Liquidity Crisis Management Team (“LCMT”) to include CEO of AmInvestment Bank and Head of Transaction Banking and updated the invitee to the LCMT to include the Head of Deposits, Retail Banking, instead of Head of Product Management, Retail Banking. • Removed the strategy on bringing the Retail CASA as measure during liquidity alert situation, given this strategy being an ongoing business-as-usual (BAU) initiative. • Amended the liquidity crisis level (by colour codes) from Level 1,2,3,4 to Level A,B,C,D; each to denote: <ul style="list-style-type: none"> ○ Level A – Disruption ○ Level B – Potential Crisis Initiation Stage ○ Level C – Crisis Evolution Stage ○ Level D – Crisis Persistence Stage ○ Updated the names of officers and contact details of LCMT, Business Continuity Management (“BCM”) and call tree. • Updated the level 2 and level 3 Liquidity Crisis Early Warning Signals (“LCEWS”) for Liquidity Coverage Ratio (“LCR”) to 100% and 90% respectively (previously, 90% and 80% respectively). • Revised the LCEWS for weekly withdrawal of total deposits and top 20 depositors’ run off to incorporate triggers by entity level at AmBank and AmBank Islamic. • Updated the monitoring day of the week and the source providers of data to Investment Banking and Markets Risk (“IBMR”) per the latter’s practice. • Updated the definition of interbank borrowing to be as per Group Risk Appetite Framework (“GRAF”) limit schedule and monitoring. • Updated name of BNM officers and their contact numbers.
<p>Common Reporting Standard (CRS) and Foreign Account Tax Compliance Act (FATCA) Practice Guide Version 1.1</p>	<p>Based on IRBM’s Circular - Amendment to the CRS Rules, Regulations and Guidance Notes dated 22 Sept 2020:</p> <ol style="list-style-type: none"> 1) List of Reportable Jurisdictions will be updated once on 15 January each year, there will be no more updating on 31 May; 2) Removal of securities dormant account under rule 26.10 of the Rules of Bursa Malaysia Depository Sdn. Bhd. from the list of excluded accounts. <p>Legislative amendments:</p> <ol style="list-style-type: none"> 1) Income Tax (Automatic Exchange of Financial Account Information) (Amendment) Rules 2020 – P.U. (A) 267/2020 2) Labuan Business Activity Tax (Automatic Exchange of Financial Account Information) (Amendment) Regulations 2020 – P.U. (A) 266/2020

<p>Capital & Operational Authority Delegation Policy Version 6.0</p>	<p><u>Annual Review</u></p> <p>Clarification on Approval Authority (AA) for personal-to-holder (PTH)</p> <p>4.0 Principles</p> <p>Principle 13 - The authority of an AA holder is subject to the authority delegated in their respective “personal-to-holder” (“PTH”) letter.</p> <p>Principle 14 - Where there is a discrepancy between the AA stated in the COAD Policy and the AA PTH letter, the authority stated in the AA letter shall prevail.</p> <p>Where the terms stipulated in the COAD Policy are revised to be more prudent subsequent to the AA letter, such revised terms in the COAD Policy shall prevail.</p>
<p>Regulatory Reporting Policy Version 3.0</p>	<p><u>Annual Review</u></p> <p>a) Updated department name from ‘Finance Governance’ to ‘Finance Business Operational Control’.</p> <p>b) Removed Section 4.6 – Reporting of non-compliance to regulations into Compliance Monitoring and Reporting (“CMR”) system.</p> <p>c) Removed Section 7.2 (b) – Rules Table and Departmental Checklist.</p>
<p>AmBank Group Corporate Credit Card Practice Guide Version 1.0</p>	<p><u>New Issuance</u></p> <p>AmBank Group Corporate Credit Card Practice Guide applicable all CXOs (cardholder)</p>
<p>FY21 GRAF Board Controls (interim review)</p>	<p>Interim review of GRAF with revision made to section on</p> <p>a. SNL for intragroup with AMMB Holdings Berhad</p> <p>b. Liquidity control on Net Stable Funding Ratio.</p> <p>c. Rephrased several KRI statements to better reflect the risks that are being tracked.</p>
<p>Internal Policy Management Framework</p>	<p>Revision made to the applicability section, policy quality & control process and the policy/ framework removal process.</p>
<p>Non-Retail Credit Policy</p>	<p>Updated to new para on lending activities with environment Value Based Intermediation (VBI) impact; enhancements for clarity on annual review, exemption of review for IA and revised for clarity as recommended by BNM on implicit support country rating cap, country risk limit and investment holding company (IHC).</p>
<p>Connected Party Policy</p>	<p>Revised the delegated authority for Board Credit Committee (BCC).</p>

Credit Approval Delegation (CAD)	Revision to CAD Principles where Product Specialist (PS) can approve the RM managed account with exposures in Wholesale Banking /Business Banking.
Classified Account Management Policy (CAMP)	Updated the approving authority for classification / reclassification accounts for Business Banking; removal of sections; revision of exemptions clause and shifted to another section.
Credit Post-Mortem Policy – Non-Retail	Annual review of the policy with revision made to the frequency of tabling the Post-Mortem report and removal of clause.
Retail Credit Policy	Updated to include revisions to R&R requirements and Significant Increase in Credit Risk (SICR).
Operational Risk Management Framework	<p>a. Included an additional principle - All staff who perform operational duties must be competent and familiar with the operational processes. In attempting unfamiliar transaction, staff must seek clarity on the process before completing the transaction. When in doubt, to have proper escalation process.</p> <p>b. Included a requirement to establish a management of change process during introduction/ establishment, change/ transfer or termination of any products and services, process and functions within the Group.</p>
Business Continuity Management (BCM) Framework and Policy	Updated the overall policy to reflect current regulatory and internal requirements.
Trading Book and Banking Book Policy	To be aligned with the Internal Policy Management Framework's format requirements for policies and guidelines.
Liquidity Risk Management Policy	Updated to reflect the new regulatory requirement and streamlined methodologies section to a separate document.
Market Risk and Liquidity Risk Management Framework	Updated the roles and responsibilities to be aligned with the Liquidity and Funding Framework.
Financial Assets and Commitments & Contingencies Impairment Assessment and Measurement Methodologies Framework	<p>a. Realignment to the Internal Policy Management Framework where only the statement of principles, values and key provisions governing the impairment assessment and measurement shall be included.</p> <p>b. Transfer details of processes, which provides additional guidance or explanatory statements for the execution of the Framework to a Guideline.</p> <p>c. Consequential changes due to:</p> <ul style="list-style-type: none"> • Revision of the behavioural maturity for Credit Card portfolio from 12 years to 4 years • Proxy risk grade for High Net worth from RG15 to RG16 <p>Revision of SICR Threshold (Significant Increase in credit risk (SICR) since inception/origination – Current Risk grade deteriorates to worse risk category according to the risk grade band for individual and non-individual)</p>

MFRS 9 Approval Matrix for Components of Collective and Individual Provisions Policy	Updated for biennial review which involves administrative clean-up and revised function of AEC committees.
Stress Test Policy	Updated to reflect current regulatory and internal requirements.

REMUNERATION

4.1 QUALITATIVE DISCLOSURE

The Group Remuneration Objectives

The Group's remuneration structure is governed by the GNRC and the Board approved 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 the BNM Policy Document on Corporate Governance.

Independent review is conducted periodically to ensure that the Group's 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 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*
 - Instill and drive meritocracy*
 - Ensure linkages between total compensation and annual, medium and long-term strategic objectives*
 - Balance 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*
 - Benchmark total compensation against other peer organisations of similar size and standing in the markets and businesses where the Group operate*
 - Drive pay-for-performance differentiation with differentiated benchmarking quartile for top performing employees*
- iii) Guard against excessive risk-taking*
 - Focus 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*
 - Design variable pay 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 components; fixed pay and variable pay.

Components	What	Why and Linkages to Strategy	How
Fixed Pay	(7) Base Salary (8) Fixed Allowances	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	<ul style="list-style-type: none"> • Adhering to the market value of the job at the individual's competency level, skills, experience and responsibilities • Fixed amount paid monthly • Typically reviewed and revised annually
Variable Pay	(5) Short-Term Incentive ('STI') (Performance Bonus) (6) Long-Term Incentive (AMMB ESS)	Pay for Performance <ul style="list-style-type: none"> • Focus employees on the achievement of objectives which are aligned to value creation for the shareholders • Align payout to time horizon of risk to avoid excessive risk taking and provide for deferral, malus and forfeiture arrangements 	<ul style="list-style-type: none"> • Based on the performance of the Group, line of business or subsidiary and the employee's individual performance • Measured against a balanced scorecard with KPIs and targets agreed at the beginning of each financial year • 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 • Deferral remunerations are paid in AMMB shares

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

The following mechanics are used to derive the Group’s short-term incentive pools and 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"> • <i>Risk adjustments</i> • <i>Distribution of earning between shareholders and employees</i> 	<p><i>Guided by the Board-approved Group STI/ Performance Bonus Framework, based on:</i></p> <ul style="list-style-type: none"> • <i>Comprises financial and non-financial metrics covering employees, customers, shareholders, risks and compliance objectives; and</i> • <i>Reviewed and evaluated by the GNRC and subsequently approved by the Board. The GNRC has the discretion to adjust the pool where required, based on poor performance, capital requirements, economic conditions, competitive landscape and retention needs.</i>
<p><i>Business Units / 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"> • <i>each unit’s actual performance achievement against target, and</i> • <i>the relative performance of each unit</i> <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>Currently only the Chief Internal Auditor is measured independently with the performance outcome being recommended by the AEC.</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) are assessed independently from the business units they support to prevent any conflicts of interests.

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 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 which comprise two elements, namely:

- *Main Award, that vests over a period of three years, contingent on the Group meeting its long-term performance targets.*
- *Retention Award (deferred component of the Short-Term Incentives received), administered through the ESS plan vested in two equal instalments over a period of two years. No further performance condition applies.*

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 is paid in the form of AMMB performance shares with the objective of:

- *Retaining key employees (Retention Award); and*
- *Drive the Group's long-term performance and sustainability (Main ESS Award)*

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

4.2 QUANTITATIVE DISCLOSURE

The total remuneration (including benefits-in-kind) of the Directors and Chief Executive Officer of the Group for FY2021 are as follows :-

		Remuneration received from the Group (RM'000)					
Chief Executive Officer	Fee	Salary	Other Emoluments ¹	Bonus ²	Benefit in kind ³	Total	
Dato' Sulaiman Mohd Tahir	-	2,541	1,571	2,573	37	6,722	
Non-Executive Directors	Salary & Bonus	Fee (RM'000)		Emoluments ⁴ (RM'000)		Benefit in kind ³	Total
		AMMB	Subsi	AMMB	Subsi		
Tan Sri Azman Hashim	-	210	-	1,473	-	19	1,702
Graham Kennedy Hodges	-	200	-	110	-	1	311
Soo Kim Wai	-	200	150	113	105	19	587
Voon Seng Chuan	-	200	160	120	268	1	749
Seow Yoo Lin	-	200	150	125	63	1	539
Farina binti Farikhullah Khan	-	200	150	108	112	2	572
Hong Kean Yong	-	200	-	120	-	1	321
Dato' Kong Sooi Lin	-	200	150	113	65	1	529
Robert William Goudswaard (Appointed on 25 March 2021)	-	4	-	-	-	-	4

Notes:

¹ CEO Other Emoluments comprises of statutory contributions and vested deferred shares for FY2019.

² CEO Bonus paid during FY2021 comprises of bonus for FY2020 and deferred Bonus for FY2018. Bonus awarded in relation to FY2021 is 85% lower than bonus for FY2020.

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

⁴ NED Emoluments comprised Board Committee allowance, meeting allowance and allowance to the Chairman of the Board.

The remuneration of the following directors who sit in other subsidiaries of the Group during FY2021 is disclosed under the subsidiaries column of the above table :-

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

The Non-Executive Directors were not granted any option for FY2021. Options granted and vested to the Group CEO is as follow :-

Group CEO	Number of Scheme Shares pursuant to AMMB ESS				
	Balance as at 1.4.2020	Granted*	Vested [#]	Forfeited [^]	Balance as at 31.3.2021
Dato' Sulaiman Mohd Tahir	1,401,800	1,627,400	(249,100)	-	2,780,100

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.

[#] Vesting of Scheme Shares

[^] 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 FY2021 as shown in table below :-

Total Value of Remuneration Awards	Unrestricted (RM'000)	Deferred (RM'000)
Fixed Remuneration		
a) Cash-based	2,541	-
b) Shares and share-linked instruments	-	-
c) Other	-	-
Variable Remuneration		
a) Cash-based	2,573*	-
b) Shares and share-linked instruments	-	4,719
c) Other	-	-

*Includes payment deferred STI for FY2020 and FY2018.

Remuneration of Senior Management and Material Risk Takers

(A) The breakdown of the total amount of remuneration awards for Senior Management (12) and Material Risk Takers (158) for FY2021 as shown in table below :-

Total Value of Remuneration Awards	Senior Management ¹		Material Risk Takers ²	
	Unrestricted (RM'000)	Deferred (RM'000)	Unrestricted (RM'000)	Deferred (RM'000)
Fixed Remuneration				
a) Cash-based	15,640	-	68,029	-
b) Shares and share-linked instruments	-	-	-	-
c) Other	-	-	-	-
Variable Remuneration				
a) Cash-based	5,490	-	20,407	-
b) Shares and share-linked instruments	-	13,183	-	27,195
c) Other	-	-	-	-

Note¹: 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.

Note²: 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.

(B) Breakdown of deferred remuneration awards :-

Category	Senior Management (RM'000)	Material RiskTakers (RM'000)
Total outstanding deferred remuneration		
Cash	-	-
Shares	26,941	57,054
Total outstanding deferred and retained remuneration of which exposed to ex post explicit and/or implicit adjustment		
Cash	-	-
Shares	26,941	57,054
Total amendment due to ex post explicit adjustments		
Cash	-	-
Shares	26,941	57,054
Total amendment due to ex post implicit adjustments		
Cash	-	-
Shares	-	-
Total deferred remuneration paid out in the financial year		
Cash	931	2,799
Shares	1,865	3,837

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

Category	Senior Management	Material Risk Takers
Number of guaranteed bonuses	-	-
Number of sign-on awards	-	2
Number of severance payments	-	-
Total amount of above payments made (RM'000)	-	310

