CORPORATE GOVERNANCE REPORT

STOCK CODE **:** 1015
COMPANY NAME **:** AMMB HOLDINGS BERHAD
FINANCIAL YEAR **:** March 31, 2018

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.

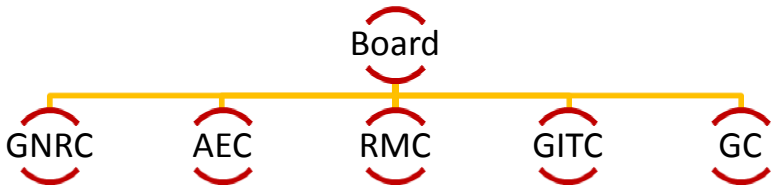
Intended Outcome

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	:	(1) The Board of AmBank Group (the 'Company') [the 'Board'] is committed to high standards of corporate governance and strives to ensure that it is practiced throughout the Group as a fundamental part of discharging their responsibilities to protect and enhance shareholders' value and raise the performance of the Group. 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') and other regulatory guidelines and requirements that are in force. In discharging duties and roles effectively, the Board is also guided by the Board Charter, which sets out the principles and guidelines that are 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 ('AEC') and Group Nomination and Remuneration Committee ('GNRC') can be found on the Company's corporate website. 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; • To review and manage principal risks and adequacy of the Company's internal control systems including systems for compliance with applicable laws, regulations, rules and guidelines;

	• 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; and • To be accountable to its shareholders and stakeholders whom may be affected by the Company's decision such as employees, suppliers, customers, the local community and the state/country where the Company is operating. (2) The Board is collectively responsible in promoting the success of the Group in building a sustainable and profitable business admired by customers and stakeholders whilst achieving strong returns for the shareholders. The Group's sustainability strategies are disclosed in the ***Sustainability Statement*** of the 2018 Annual Report of the Company ('AR2018') which provides more insightful view of the Group's Corporate Responsibility ('CR') initiatives to deliver balanced growth in a responsible and sustainable manner. (3) The Board acknowledges the importance of the following: - • maintaining a sound system of internal control and a robust risk management practice for good corporate governance ('CG') with the objective of safeguarding the shareholder's investment and the Group's assets; and • the need for effective Investor Relations and Communications with shareholders and to provide them with all relevant information affecting the Company, which can be accessed at the Company's corporate website. (4) The Board is supported by the following Board Committees during the financial year ended 31 March 2018 ('FY2018') :-  *Notes :* ***GNRC*** *– Group Nomination and Remuneration Committee* ***AEC*** *– Audit and Examination Committee* ***RMC*** *– Risk Management Committee* ***GITC*** *– Group Information Technology Committee* ***GC*** *– Governance Committee (**dissolved on 25 January 2018**)* A summary of the key activities of the Board and Board Committees during FY2018 is disclosed in the ***CG Overview Statement*** of the AR2018.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
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	:	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 being summarised as follows :- ✓ ***Setting value and standards.*** ✓ ***Ensure appropriate procedures in place to govern the Board's operation.*** ✓ ***Maintain relationship of trust between Executive, Non-Executive and Management.*** ✓ ***Ensure decisions taken on a sound and well-informed basis with sufficient time allocation.*** ✓ ***Set Board agenda and ensure accurate, timely and clear information to Directors.*** ✓ ***Encourage healthy discussion and dissenting views can be freely expressed.*** ✓ ***Leading efforts to address the Board's development needs.*** The Chairman leads the Board by setting the tone at the top, and managing the Board's effectiveness.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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	:	(1) The positions of Chairman and Group 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.

	The Chairman of the Board : ***Tan Sri Azman Hashim*** ***The Group CEO*** : ***Dato' Sulaiman bin Mohd Tahir*** (2) The Chairman is a Non-Executive Director, which is in line with Paragraph 11.3 of BNM Policy Document on CG. (3) 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 :- ✓ ***Conduit between the Board and Management in ensuring the success of the Group's governance and management functions.*** ✓ ***Implementation of policies, strategies & decisions adopted by the Board.*** ✓ ***Manage the day-to-day operations of the Group's business.*** The Group CEO is supported by the CEOs of the 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 the Group Financial Officer, Group Operation Officer, Group Compliance Officer and Group Risk Officer in handling each respective field of job. (4) 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 Executive are disclosed from pages 99 to 105 of the AR2018.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
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	:	(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 in page 98 of the AR2018. (2) The Group's Company Secretarial Department headed by Ms Koid is supported by a team of qualified and competent company secretaries, all of whom are Associate member of MAICSA. (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:- ✓ ***Ensure compliance with MMLR of Bursa Securities, BNM and other regulatory requirements.*** ✓ ***Guide and advise the Directors on areas of corporate governance, relevant legislations, regulations and policies as well as their roles and responsibilities.*** ✓ ***Attend and record all minutes of the Board and Board Committees' meetings, including general meetings.*** ✓ ***Responsible for the accuracy and adequacy of records of the proceedings of the Board and Board Committees' meetings as well as circular resolutions.*** ✓ ***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.*** ✓ ***Brief the Board on the content and timing of sensitive / material announcements to Bursa Securities.*** ✓ ***Advise the Board on corporate disclosures and compliance with the relevant changes to the laws, rules and regulations.*** (4) Board Induction programme is facilitated by the Group Company Secretarial department together with the Group Learning & Development Unit ('L&D') for newly appointed Director detailing the Group's corporate structure, regulatory authorities, Board and Board Committees' members of the Company and its major subsidiaries, Matters Reserved for the Board, Governance Structure, directors' remuneration structure, the Code of Ethics and Code of Conduct, etc. 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.*** (5) Whilst the IR is generally involved in the communication and engagement with stakeholders, Ms Koid also plays an important role in advising the Board on the principles and best practices in CG to meet the Board's needs and stakeholders' expectation as well as the focal point for stakeholders' communication on CG issues.

<table>
<tr><td></td><td>(6) Ms Koid keeps herself abreast of the evolving regulatory changes and development in CG by attending relevant conferences and training programmes.

Trainings attended by Ms Koid during FY2018 were as follows :-

<table><tr><th>Date</th><th>Particulars of Trainings</th></tr><tr><td>17.4.2017</td><td>Companies Act 2016 – Changes and Implication to Company Directors organised by SIDC</td></tr><tr><td>11.7.2017 – 13.7.2017</td><td>International Corporate Governance Network (ICGN) Annual Conference 2017 organised by ICGN, KWAP and MSWG</td></tr><tr><td>31.10.2017</td><td>Effective Board Performance Evaluation for Company Secretaries of Listed Issuers organised by Bursa Securities</td></tr><tr><td>20.12.2017</td><td>Key Highlights of the Latest Amendments to the Listing Requirements organised by Busatra Sdn Bhd</td></tr></table>
(7) Ms Koid also acts as the alternate to the Ombudsperson to receive information from whistleblower.</td></tr>
<tr><td>Explanation for departure :</td><td></td></tr>
<tr><td colspan="2">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td></td></tr>
<tr><td>Timeframe :</td><td></td></tr>
</table>

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 :	(1) Meetings schedule (including Board and Board Committees meetings, meetings for strategy and budget, IT and Annual General Meeting) is prepared and circulated in advance to the Directors before the start of each calendar year. (2) All materials for the Board and Board Committees' meetings are disseminated digitally through a secured Enterprise File Sharing solution. Notices and meeting materials are circulated to the members of the Board and Board Committees no later than seven (7) days (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.

	(3) Deliberation and decisions of the Board and Board Committees are properly documented/recorded in the minutes, including matters where Director(s) abstained from deliberation and voting due to conflict of interest, and dissenting views and decisions. Minutes are circulated to all members of the Board and Board Committees, and confirmed as correct record at the next succeeding meeting. Decisions, recommendations and requests from the Board for appropriate follow up actions to be taken by Management are communicated to Management by the Company Secretary after the Board and/or Board Committees meetings. The Company Secretary also follows up with Management on the status of action items taken with reference to the previous minutes. These action items would remain as matters arising in the minutes until they are resolved.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :	

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

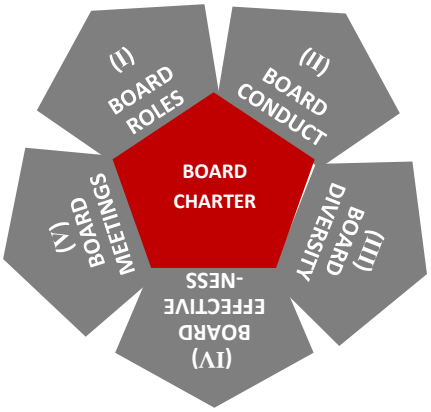
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

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

Application :	Applied
Explanation on application of the practice :	(1) The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as directors. 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. It was last reviewed and approved by the Board on 27 September 2017.

The Board Charter is available on the Company's corporate website at ambankgroup.com.

BOARD CHARTER



(2) The roles and responsibilities of the Board, Chairman, Group CEO and Group Company Secretary are set out in the Board Charter as summarised under ***Practice 1 of Principle A***.

The role of Senior Independent Director and Board Committees are as follows :-

Role of Senior Independent Director

- ✓ *A sounding board for the Chairman.*
- ✓ *An intermediary for other Directors.*
- ✓ *Point of contact for shareholders and other stakeholders.*

Role of Board Committees

The roles and responsibilities of each Board Committee are disclosed under ***Section B of this Report*** as well as the ***CG Overview Statement*** in the AR2018. Details of the roles and responsibilities of the Board Committees are also disclosed in the Board Charter and further defined in its respective TOR.

(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 :-

- **Corporate Matters**
- **Strategy and Budget**
- **Governance and Policy**
- **Compliance and Assurance**
- **Credit and Products**
- **Accounting and Finance**
- **Information Technology and Projects**
- **Board Membership and Other Appointments**
- **Remuneration**
- **Litigation and Arbitration**
- **All other matters as deemed necessary by the Board**

Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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 3.1

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	:	(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. The Code of Ethics ('CoE') which was adopted in December 2017, forms part of the CoC. 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.

The CoC is summarised as follows :-

(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.

(4) 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.

	(5) Other than the CoC and CoE, the Company has put in place the following policies which assist and guide the Board, Management, employees and its stakeholders on good and ethical business practice and conduct :- • No Gift Policy • Trading in AmBank Shares Policy • Related Party Transaction Policy
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
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 :	(1) The Whistleblower Protection Policy ('WPP') provides an 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. WPP serves to promote high standards of ethical conduct and open communication and ensures protection to the whistleblower. The WPP is to be read in conjunction with the Whistleblower Protection Act 2010, Whistleblower Protection Guidelines and any applicable addendums issued. The WPP is publicly available on the Company's website at ambankgroup.com.

	(2) The WPP is premised on ten (10) principles, which are :- **Principle 1** : Whistleblowing shall be managed in a transparent manner by creating awareness on the protection, confidentiality and enforceability **Principle 2** : Whistleblower should be protected for reporting any actual or suspected improper conduct upon demonstrating sufficient basis for whistleblowing **Principle 3** : Confidential information relating to whistleblowing should be safeguarded **Principle 4** : Whistleblower including spouse and related persons who are employees of the Group, shall be protected from detrimental action **Principle 5** : Remedial actions should be taken on compliant of detrimental actions against the Whistleblower **Principle 6** : Ombudsperson is to be appointed as the official channel for reporting of concern **Principle 7** : Whistleblower should provide sufficient and accurate information on best effort basis **Principle 8** : Reported improper conduct shall be investigated by appointed party and deliberated at an appropriate Committee for decision making **Principle 9** : Appropriate communication and record maintenance shall be in place **Principle 10** : Violation of Policy may be subjected to disciplinary action (3) The procedures to whistleblow are as follows :- ➡ Dedicated Ombudspersons, email address and postal address for reporting suspected incidents of misconduct and wrongdoing ➡ Internal investigations and where applicable external expert forensic investigators to analyse reports ➡ Recommendations on corrective action ➡ Appropriate communications, reporting and record maintenance. (4) The Board's Ombudsperson is an Independent Director of the Company.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 4.1

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	:	(1) The Board consist of four (4) Independent Directors out of the seven (7) Board members. (2) To further strengthen the independence of the Board as well as ensuring diversity in its composition, the Company is actively searching and selecting competent candidates for the role of Independent Director.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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.

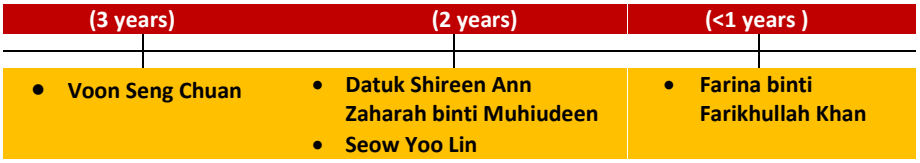
Application	:	Not applicable - Step Up 4.3 adopted
Explanation on application of the practice	:	
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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	:	(1) 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 the best practice stipulated in the MCCG 2017 and Paragraph 11.9 of BNM Policy Documents on CG. All four (4) Independent Directors of the Company have not served more than nine (9) years.  (2) The independence of the Board is reviewed annually and benchmarked against best practice and regulatory provisions. To ensure the integrity, independence and objectivity of the evaluation process, the Board continues with its practice of engaging an external facilitator for the Board Evaluation Effective assessment for FY2018 ('BEE FY2018'). Based on the outcome of the BEE FY2018, all Independent Directors have scored highly and there are no conflicts or potential conflicts of interest that may affect their independent judgment. The Independent Directors also satisfy the "Fit and Proper" criteria specify under the BNM Policy Document on CG.

Intended Outcome

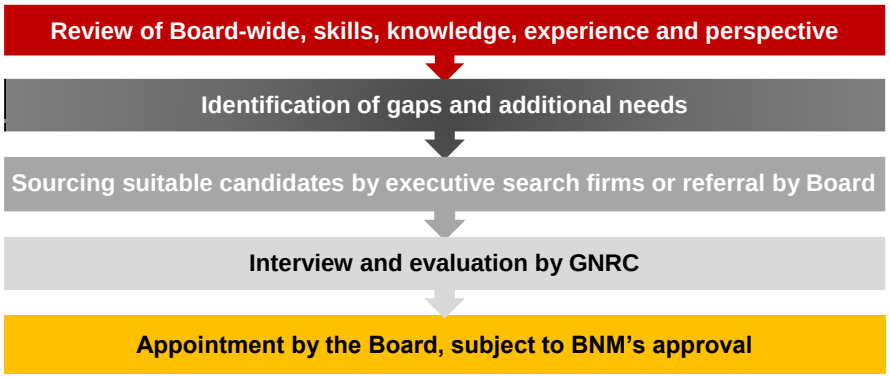
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.4

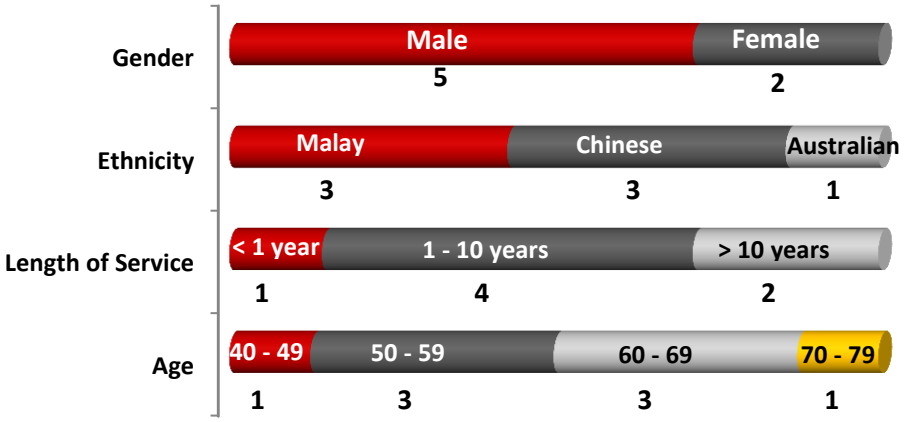
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application	:	Applied
Explanation on application of the practice	:	(1) GNRC regularly reviews the Board's composition, i.e. size, skills, experience, diversity, etc. and recommend the appointment of Directors to the Board.

Candidate for directorship is selected based on the following selection process :-



The Group recognises that organisation is best reserved by constantly evolving board, with combination of fresh perspective, diverse experience and knowledge.



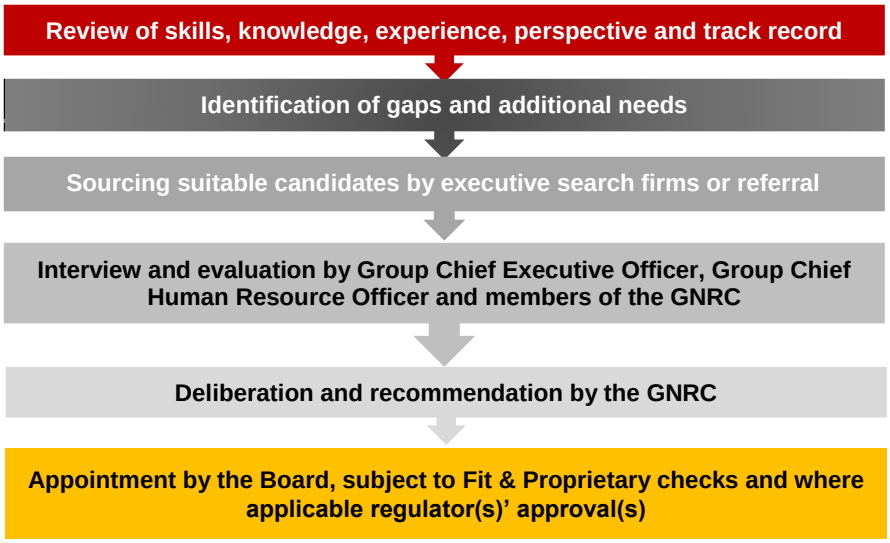
The Board Charter states that "the Board is committed to ensuring diversity in its composition and embraces the proposition that having a diverse Board would have a positive, value-adding impact on the Company. While the Board acknowledges the importance of boardroom diversity, appointments to the Board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

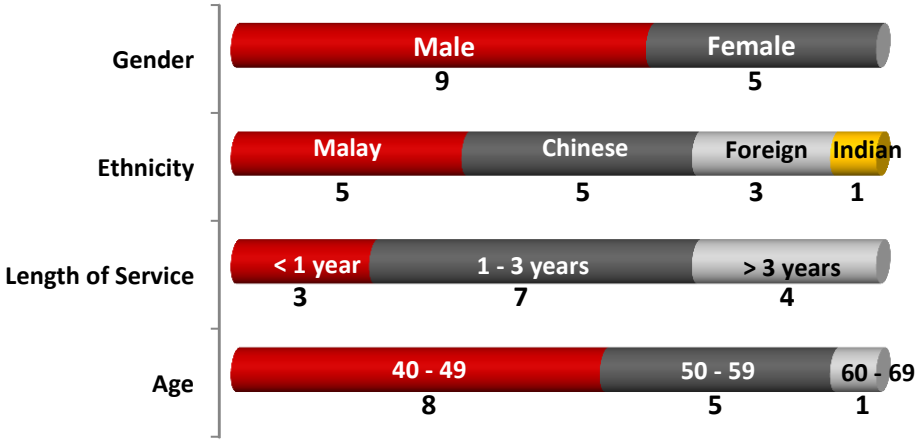
Total No. of Board Members : 7

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 of appointment are disclosed in the ***CG Overview Statement*** of AR2018.

(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 :-



	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.  The criteria on the recruitment process and annual assessment of Senior Management are contained in the TOR of GNRC.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :	

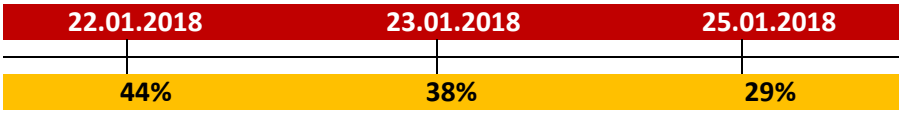
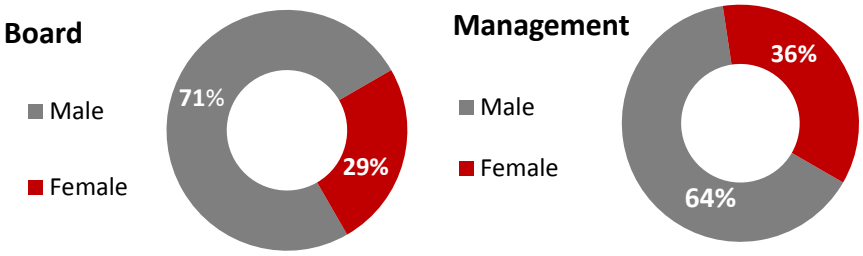
Intended Outcome

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

Practice 4.5

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) The Board Charter states that "The Board shall endeavour to have at least 30% women Directors". In pursuing the Board's gender diversity, the GNRC embarked on an extensive exercise to expand the pool of potential candidates with profiles of women professionals in the country having the combination skills, experience, and strength in qualities which could add value to an experienced Board.

	(2) The percentage of women Directors on Board had dropped from 44% to 29% due to the resignations of Ms Suzette Margaret Corr, a representative of Australian and New Zealand Banking Group Limited ('ANZ') (resigned following her resignation as an employee of ANZ) and Dato' Rohana Binti Tan Sri Mahmood, an Independent Director (resigned due to personal business commitments) in January 2018.  (3) Women's participation is not only for board positions but also include Senior Management.  Appointment of key management personnel was also made with due regards for diversity in skills, experience, background, age, cultural and gender. Senior Management team comprises 36% of women representation. Their profiles are disclosed from page 98 to 105 of the AR2018.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	(1) The Company has engaged established executive search firms to identify suitable female director candidates to fill the gap. The Company is confident of identifying a candidate in the near future. (2) Apart from that, potential candidates are also being sourced from Financial Institution Directors Education (FIDE) Forum, LeadWomen Sdn Bhd, etc.
Timeframe :	By 31 December 2018

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	:	(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. (2) It has been the Company's practice to use executive search firms to source for candidates.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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	:	(1) The GNRC is chaired by Mr Voon Seng Chuan, the Senior Independent Director of the Company. (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. (3) The Group has established programmes to identify employees with potential and nurture them through career development opportunities for Senior Management positions which are managed by the Group Talent Council.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">(1) The annual BEE encompasses the effectiveness of the Board, Board Committees, Chairman, Group CEO/CEO and Directors' self and peer evaluation. A robust and comprehensive assessment framework was used, encompassing:

Part A : Board and Board Committee Effectiveness
>> Board responsibilities
>> Board Remuneration
>> Board Composition
>> Board Administration & Process
>> Board Conduct
>> Board Interaction & Communication
>> Chairman
>> Group CEO / CEO
>> Board Committee

Part B : Directors' Self & Peer Evaluation
>> Board Dynamics & Participation
>> Technical Competencies
>> Independence
>> Integrity & Objective
>> Recognition

(2) For four (4) consecutive years, the Company's BEE exercises were carried out by an external independent facilitator to ensure the integrity, independence and objectivity of the evaluation process. The Group's BEE evaluation processes include questionnaires and interviews with Directors and Senior Management team.

(3) Key strength and weaknesses are shared with the Board together with action plans drawn up to address those weaknesses.</td></tr>
<tr><td>Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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	:	(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. (2) The remuneration structure of Non-Executive Directors (NEDs) of the Company is disclosed in the ***CG Overview Statement*** in the AR2018. In the review of the Directors' Remuneration framework carried out in June 2018, the GNRC and the Board, with the assistance of an independent consultant, -proposed to increase the Board Committees allowances and meeting allowances taking into consideration the following reasons: • Increase level of responsibility and accountability • additional commitment to enable the proper exercise of their duties • compensate appropriately and fairly for time, effort and accountability in the preparation for and contribution at the meetings • reflect the competitive nature of the industry • attract and retain suitably qualified talent for the Board The proposed revision of the Directors' Remuneration framework is subject to the shareholders' approval at the forthcoming Annual General Meeting ('AGM') of the Company in line with the requirement of the Companies Act 2016. (3) The remuneration structure of Senior Management is governed by the GNRC and Board approved Total Reward Policy of the Group, where inputs from control functions and Board Risk Committees are solicited. 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.

	In adopting the appropriate Senior Management remuneration for appointment, renewal and performance appraisal (performance based payouts), the following is taken into consideration: • 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 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. The remuneration of the Group Chief Internal Auditor is subject to the similar structure and policy, with annual review and approvals by the AEC.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
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	:	The Board is supported by the GNRC. Members of the GNRC comprise only Non-Executive Directors and majority being independent, i.e. three (3) out of the total five (5) members are Independent Directors. *The TOR of GNRC is in line with this recommendation and the TOR is available on the Company's corporate website at ambankgroup.com.*
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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 Board member is disclosed in the ***CG Overview Statement*** of the AR2018 as well as the Notes to the Financial Statements.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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 for such disclosure, considering the highly competitive market for talents in the banking industry where poaching of executive is a common practice. (2) As an alternative to Practice 7.2, 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 ***CG Overview Statement*** of the AR2018. The remuneration of the Group CEO is also disclosed in the Financial Report 2018.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	The Board will closely monitor the developments in the market in respect of such disclosure for future consideration.
Timeframe	:	This will be reviewed on annual basis in its effort towards the application of Practice 7.2.

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 Director, who is not the Chairman of the Board. ***The Chairman of the Board*** : ***Tan Sri Azman Hashim (Non-Independent Non-Executive Director)*** ***The Chairman of the AEC*** : ***Mr Seow Yoo Lin (Independent Director)***
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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 is a former key audit partner of the Group's External Auditors.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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	:	(1) Procedures to assess the suitability, independence and performance of external auditors have been established in accordance with BNM Guidelines on External Auditor and based on feedback and comments gathered from Management. (2) On annual basis, the AEC assess the suitably, objectivity, performance and independence of the external auditors. The external auditors also provide a written assurance to the AEC on their independence. The AEC will meet with the statutory external auditor at least twice a year without the presence of Management. (3) The AEC is guided by a Policy on Non-Audit Services by the Group External Audit Firm ('Policy') which was established to ensure independence of the external auditors. Appointment of External Auditors for non-audit services will be evaluated by the AEC, which will ensure that such appointment will not impede the External Auditors' independence. 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 are exempted from the fee threshold applied to non-audit services. 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 auditor may ultimately be required to express an opinion on its own work. During the financial year, the amount incurred by AMMB and the Group in respect of audit fees and non-audit related fees for services rendered by Messrs Ernst & Young ('EY'), the External Auditors of the Group were as follows:-

	<table><tr><th></th><th>Company (RM'000)</th><th>Group (RM'000)</th></tr><tr><td>Audit Services</td><td>110</td><td>4,586</td></tr><tr><td>Regulatory related fees</td><td>29</td><td>1,596</td></tr><tr><td>Non-Audit Services</td><td>-</td><td>2,395</td></tr><tr><td>Total Fees</td><td>139</td><td>8,577</td></tr></table> Regulatory-related fees include :- • Limited review for 6-month period ended 30 September for AMMB • Limited review for 6-month period ended 30 September and 9-month period ended 31 December for banking subsidiaries • Review of BNM submission documents for AMMB and banking subsidiaries • Review of statutory returns and Risk-based Capital reporting forms for insurance subsidiary • Report on agreed-upon procedures in relation to submission to PIDM for commercial banking subsidiaries • Report on agreed-upon procedures in relation to submission to PIDM for insurance subsidiary • Report on agreed-upon procedures in relation to client asset requirements for AmInvestment Bank Berhad and certain subsidiaries • Review of Statement of Risk Management and Internal Control for AMMB • Review of transfer pricing documentation and agreed-upon procedures on inter-company charges. • Report on agreed-upon procedures in relation to window dressing on deposits. Other fees include :- • Assurance on Credit Risk Model Validations • Gap assessment performed for MFRS 17 Insurance Contracts (4) The AEC engages in regular discussion with the senior audit partner of the external auditors and acts as the key representative for overseeing the Group's relationship with the external auditors.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
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. ***Seow Yoo Lin (Independent Director)*** — ***Chairman*** ***Voon Seng Chuan (Senior Independent Director)*** — ***Member*** ***Farina binti Farikhullah Khan (Independent Director)*** — ***Member***

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.

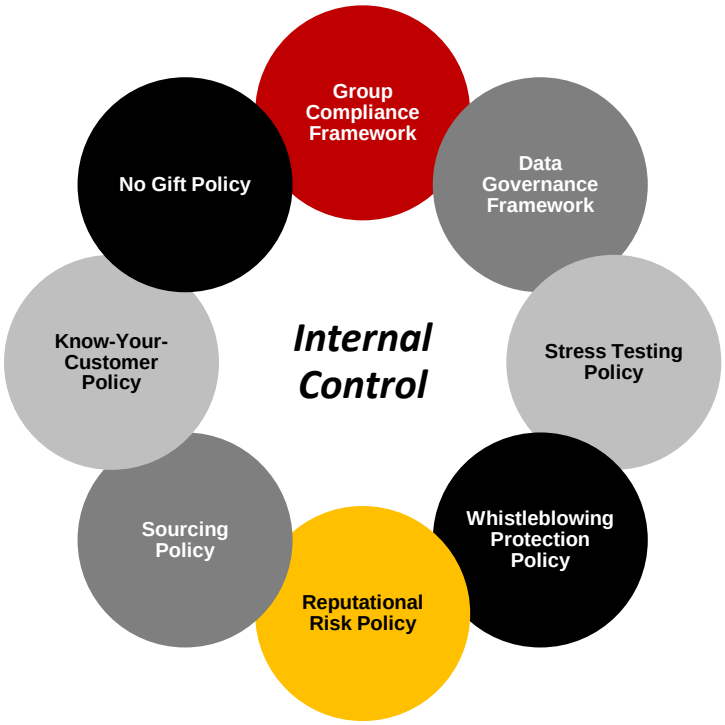
Practice 8.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.
All members of the 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	:	(1) The Chairman of the AEC, Mr Seow Yoo Lin together with another member, Puan Farina binti Farikhullah Khan are both qualified accountants. Mr Seow was a retired Managing Partner of KPMG Malaysia and Puan Farina last held executive position was the Chief Financial Officer of Petronas Chemical Group Berhad. (2) All members of the AEC are financially literate with extensive corporate experience. Their profiles are disclosed on pages 94, 96 and 97 of the AR2018.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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.

Application	:	Applied
Explanation on application of the practice	:	(1) The Board understands that the ultimate responsibility for ensuring a sound internal control system which provides reasonable assurance on the effectiveness and efficiency of the system lies with the Board. (2) 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 risk. (3) The Group has developed a set of comprehensive policies and frameworks to address key risks, promote a risk management culture and set out clear internal controls. Amongst the key policies/frameworks are :-  All policies and frameworks are approved by the Board and are reviewed at least biennially.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

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	:	(1) The RMC reviews all policies and frameworks in relation to risk management and internal controls, risk management strategies, risk tolerance and risk appetite settings before recommending to the Board for approval. (2) Risk tolerance and risk appetite settings are reviewed 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	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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	:	The RMC comprises majority of independent directors and the Chairman is an independent director. ***Datuk Shireen Ann Zaharah binti Muhiudeen (Independent Director)*** — ***Chairman*** ***Voon Seng Chuan (Senior Independent Director)*** — ***Member*** ***Graham Kennedy Hodges (Non-Independent Non-Executive Director)*** — ***Member***

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	:	(1) The AEC established a mechanism to assess the competency, performance and effectiveness of the Internal Audit function. (2) The Group Internal Audit operates under a charter from the AEC that gives unrestricted access to review all activities of the Group. The Group Internal Audit reports directly to the AEC. The AEC approves Group Internal Audit's annual plan, monitors the progress of the completion of the Audit plan, as disclosed in the AEC report. (3) The AEC has direct communication channel with the Group Chief Internal Auditor ('CIA') and meets regularly with the Group CIA without the presence of Management. (4) The AEC reviews the adequacy of Group Internal Audit's resources and evaluates the performance of the Group Chief Internal Auditor. (5) All audit reports are tabled to the AEC and a Group Internal Audit Activity Report is tabled at every AEC meeting, highlighting key issues and concerns arising from the audits conducted. A summary of Group Internal Audit Activity Report will be tabled at every AEC meeting.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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–

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

Application	:	Applied
Explanation on application of the practice	:	(1) The Group Internal Audit is independent from the business and operating activities. Please refer to Section on Internal Audit in the ***CG Overview Statement*** of the AR2018. (2) The profile of the Group CIA, Encik Shamsul Bahrom Mohamed Ibrahim is disclosed on page 104 of the AR2018. (3) A brief statement on Internal Audit Function with a summary of its key activities is disclosed in the ***CG Overview Statement*** of the AR2018. (4) The availability of resources in the internal audit department is being closely monitored. The Group Internal Audit Department has a budgeted staff strength of 105 staff.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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	:	(1) At AmBank Group, we uphold 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. (2) Communication and engagement with shareholders are made through various platforms and channels other than general meeting(s), including investor meetings, media conferences, non-deal roadshows, analyst briefings and via electronic means such as the Group's Investor Relations mailbox and website. (3) Events conducted by the Group's Investor Relations team are listed on the Company's corporate website at ambankgroup.com. (4) The analyst briefings for the Group's quarterly results are held simultaneously with teleconferencing and live webcast facilities to cater for the wide geographical spread of the investment community and our stakeholders. (5) Stakeholders are encouraged to direct their inquiries via email at ir@ambankgroup.com.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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	:	(1) This year, the Company worked in view of proceeding with its journey towards integrated reporting. The Company is cognisant of the efficacies of integrated reporting and premises this year report on the intent to present more comprehensive updates of the Company's objectives, strategies and performance for the year. The Company understands that it has a wide range of stakeholders with different interests in its business and operations. The Report 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.

	(2) By reading the AR2018 :- • Stakeholders will understand the Company's strategies for sustainable growth; • Customers will appreciate the importance the Company place 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. (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. (4) The process of fully integrating the Company's report will undoubtedly improve over time. The Company's intention is to progress every year towards the goal of having a fully integrated report in line with the International Integrated Reporting Council Framework.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
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 :	(1) The notice of AGM for 2017 was despatched to shareholders on 30 June 2017 (30 days of notice). The notice of the forthcoming AGM which will be held on 31 July 2018 will be given to shareholders on 29 June 2018, effectively serving 31 days of notice. (2) Details of the resolutions proposed together with explanatory notes and statement are set out in the notice of AGM.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	

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	:	(1) All Directors attended the Company's AGM in 2017. (2) The Chairman provides sufficient time and opportunities for the shareholders to participate in general meetings. Questions from the shareholders were addressed by the Chairman and members of the Board, the Group CEO and in some circumstances, by the Senior Management Team as directed by the Chairman. (3) Since the Company's AGM in 2016, all resolutions set out in the notice of general meeting(s) were voted by way of poll. An independent scrutineer was appointed to validate the votes cast at the general meeting.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	(1) The Company has been holding AGM at Sime Darby Convention Centre in Kuala Lumpur since 2016. This venue was easily accessible and was familiar to the shareholders of the Company. The venue for the forthcoming 27th AGM will also be held at Sime Darby Convention Centre. (2) Taking cognisance of this practice, the Board will continue to monitor developments in the market in respect of new technologies to facilitate the conduct of meetings remotely and may consider implementing the same in the future if there is a strong need for it. (3) As an alternative to the recommended practice, shareholders who are unable to attend general meetings are allowed to appoint their respective proxies to participate, speak and vote on their behalf at all general meetings the Company.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	The Board will closely monitor the development of this practice in the market for future consideration
Timeframe	:	This will be reviewed on annual basis in its effort towards the application of Practice 12.3.

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.

COMPOSITION

BOARD OF DIRECTORS

1. **Tan Sri Azman Hashim**
   Non-Independent Non-Executive Chairman

2. **Graham Kennedy Hodges**
   Non-Independent Non-Executive Director

3. **Soo Kim Wai**
   Non-Independent Non-Executive Director

4. **Voon Seng Chuan**
   Senior Independent Non-Executive Director

5. **Datuk Shireen Ann Zaharah binti Muhiudeen**
   Independent Non-Executive Director

6. **Seow Yoo Lin**
   Independent Non-Executive Director

7. **Farina binti Farikhullah Khan**
   Independent Non-Executive Director

1.1 DIRECTORS' PROFILE

TAN SRI AZMAN HASHIM

Nationality	***Malaysian***
Gender/Age	***Male/79***
Date of Appointment	***15 August 1991***
Length of Tenure as Director	***27 Years***

Qualifications
Fellow Chartered Banker (FCB)
Chartered Accountant (FCPA)
Fellow, Institute of Chartered Accountants
Fellow, Institute of Chartered Secretaries and Administrators

Directorships

Chairman, Non-Independent Non-Executive Director of the following AmBank Group subsidiaries: AmBank (M) Berhad, AmInvestment Bank Berhad, AmGeneral Holdings Berhad and AmInvestment Group Berhad, and the Executive Chairman of Amcorp Group Berhad.

Relevant Expertise

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 Chairman of the Asian Institute of Finance Berhad, Asian Institute of Chartered Bankers, Asian Banking School Sdn Bhd, Malaysian Investment Banking Association, the Malaysia Productivity Corporation, Malaysia South-South Corporation Berhad and Chairman Emeritus of Pacific Basin Economic Council.

He 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 Japanese Business Meeting (Malaysia Committee, Keizai Doyukai). He is the Pro-Chancellor of Open University of Malaysia and a member of the Governing Body of Asian Productivity Organisation.

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, Malaysian Liver Foundation, Yayasan Tuanku Najihah and Yayasan Canselor Open University Malaysia. Tan Sri Azman is also the Founder and Council Member of Azman Hashim Family (L) Foundation and Azman Hashim Charitable (L) Foundation.

Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company except as follows: Being a director and substantial shareholder of Amcorp Group Berhad, which in turn is a substantial shareholder of AMMB Holdings Berhad ('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/63***
Date of Appointment	***30 June 2016***
Length of Tenure as Director	***2 Years***

Qualification

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

Directorship

Director, Regis Healthcare Limited

Relevant Expertise

Graham Kennedy Hodges was appointed the Deputy Chief Executive Officer of Australia and New Zealand Banking Group Limited ('ANZ') in May 2009, and in April 2018, ANZ announced he 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.

Mr Hodges 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 3 years.

Before ANZ, Mr Hodges spent several years with the International Monetary Fund in Washington DC and 9 years in Commonwealth Treasury in Canberra.

Declaration

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

SOO KIM WAI

Nationality	***Malaysian***
Gender/Age	***Male/57***
Date of Appointment	***4 October 2002***
Length of Tenure as Director	***15 years***

Qualifications

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

Directorships

Director, RCE Capital Berhad
Director, Amcorp Properties Berhad
Director, Amcorp Group Berhad

Relevant Expertise

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 5 years with Deloitte KassimChan from 1980 to 1985.

Mr Soo sits on the board of some private limited companies and foreign companies. He is also a board member of the British Malaysian Chamber of Commerce and serves as Non-Independent Non-Executive Chairman of AmREIT Managers Sdn Bhd (formerly known as Am ARA REIT 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 (formerly known as Am ARA REIT Holdings Sdn Bhd).

Declaration
He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company 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/59***
Date of Appointment	***18 June 2015***
Length of Tenure as Director	***3 Years***

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

Directorships
Director, AmBank (M) Berhad, a subsidiary of the Company
Director, Mesiniaga Berhad

Relevant Expertise
Voon Seng Chuan was appointed as Senior Independent Non-Executive Director of the Company on 25 January 2018.

He has been part of the Information Technology (IT) industry for about 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, Mr Voon was the Managing Director for IBM Malaysia and Brunei. Mr Voon 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 7 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, Mr Voon 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.

Declaration
He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

DATUK SHIREEN ANN ZAHARAH BINTI MUHIUDEEN

Nationality	***Malaysian***
Gender/Age	***Female/55***
Date of Appointment	***30 June 2016***
Length of Tenure as Director	***2 Years***

Qualifications
Bachelor of Science in Business Administration, University of Southern California, United States
Master of Business Administration, Loyola Marymount University, United States.

Directorship
Director, Apollo Food Holdings Berhad (Appointed on 29 January 2018)

Relevant Expertise
Datuk Shireen Ann Zaharah Binti Muhiudeen is the founder of Corston-Smith Asset Management. She set up Corston-Smith after 12 years with the global insurance company AIG. In all, she has more than 29 years of focused fund management expertise. In recognition of her work in the industry, she was named one of the 25 most influential women in the Asia-Pacific region for asset management by Asian Investor, a regional publication, in June 2011 and in March 2014, she was honoured by Forbes Asia as one of the 50 Asia's Power Businesswomen 2014.

Datuk Shireen was a member of IFC's working group for the establishment of the Philippine Stock Exchange's Maharlika Board, a distinct trading board for companies with world-class corporate governance practices. She was an Independent Director and chaired the Governance Committee of a public listed company from 2011 to 2015. She was a director of a foreign bank from December 2013 to February 2016.

Declaration
She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

SEOW YOO LIN

Nationality	***Malaysian***
Gender/Age	***Male/62***
Date of Appointment	***30 June 2016***
Length of Tenure as Director	***2 Years***

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
Member, Malaysian Institute of Management

Directorships
Director, Southern Steel Berhad
Director, Hume Industries Berhad
Director, Dolomite Corporation Berhad

Relevant Expertise
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 1990.

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 2011 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.

Declaration
He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

FARINA BINTI FARIKHULLAH KHAN

Nationality	***Malaysian***
Gender/Age	***Female/46***
Date of Appointment	***8 August 2017***
Length of Tenure as Director	***Less than 1 year***

Qualifications
Bachelor of Commerce in Accounting, University of New South Wales, Australia
Fellow, Institute of Chartered Accountants, Australia
Advanced Management Program, Harvard Business School, United States of America

Directorships
Director, AmBank Islamic Berhad, a subsidiary of the Company
Director, Icon Offshore Berhad
Director, KLCC Property Holdings Berhad

Relevant Expertise
Farina Binti Farikhullah Khan has 23 years working experience, predominantly in oil and gas industry and 10 years of which in the management capacity. She started out her career in 1994 with Coopers & Lybrand, Australia as a Senior Associate for the Business Services unit whereby she provided assistance and advisory services on accounting, audit, tax requirements and business services for 3 years.

In 1997, she returned to Malaysia to join Petroliam Nasional Berhad ('PETRONAS') in the Corporate Planning and Development Division where she started as an executive and in the ensuing years until 2005, she held various positions including Senior Manager (Strategy and Portfolio) in Group Strategic Planning of PETRONAS.

She subsequently assumed the position of Chief Financial Officer of PETRONAS Carigali Sdn. Bhd, one of the largest subsidiaries of PETRONAS with operations in over 23 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 2 years.

Declaration

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

1.2 COMPOSITION OF BOARD COMMITTEE

AUDIT AND EXAMINATION COMMITTEE ('AEC')

1. ***Seow Yoo Lin (Chairman)***
   Independent Non-Executive Director

2. ***Voon Seng Chuan***
   Senior Independent Non-Executive Director

3. ***Farina binti Farikhullah Khan***
   Independent Non-Executive Director

GROUP NOMINATION AND REMUNERATION COMMITTEE ('GNRC')

1. ***Voon Seng Chuan (Chairman)***
   Senior Independent Non-Executive Director

2. ***Graham Kennedy Hodges***
   Non-Independent Non-Executive Director

3. ***Soo Kim Wai***
   Non-Independent Non-Executive Director

4. ***Datuk Shireen Ann Zaharah binti Muhiudeen***
   Independent Non-Executive Director

5. ***Farina binti Farikhullah Khan***
   Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE ('RMC')

1. ***Datuk Shireen Ann Zaharah binti Muhiudeen (Chairman)***
   Independent Non-Executive Director

2. ***Graham Kennedy Hodges***
   Non-Independent Non-Executive Director

3. ***Voon Seng Chuan***
   Senior Independent Non-Executive Director

GROUP INFORMATION AND TECHNOLOGY COMMITTEE ('GITC')

1. ***Voon Seng Chuan (Chairman)***
   Senior Independent Non-Executive Director

2. ***Soo Kim Wai***
   Non-Independent Non-Executive Director

3. ***Seow Yoo Lin***
   Independent Non-Executive Director

1.3 CHANGES TO THE BOARD DURING THE FINANCIAL YEAR ENDED 31 MARCH 2018 ('FY2018')

Appointment (A) and/or Resignation (R)

A - *Farina binti Farikullah Khan appointed on 8 August 2017.*

R - *Dato' Seri Ahmad Johan bin Mohammad Raslan resigned on 9 December 2017 upon the expiry of his tenure approved by BNM.*
- *Suzette Margaret Corr resigned on 23 January 2018 following her resignation as an employee of Australia and New Zealand Banking Group Ltd.*
- *Dato' Rohana Tan Sri Mahmood resigned on 25 January 2018 due to personal commitments.*

1.4 TRAININGS PROVIDED TO THE BOARD

Date	*Trainings provided to the Board during FY2018*
2017	
April	*Induction: Board of Directors – AmBank Islamic Berhad*
	Risk Management in Islamic Banks
May	*Efficient Inefficiency: Making Boards Effectiveness in a changing world by Professor Jeffrey Sampler*
	Workshop on Liquidity Risk Governance
	Compliance Conference 2017
July	*Fintech: Opportunities for the Financial Services Industry in Malaysia*
	Advance Internal Rating Based ('AIRB') Approach Use of Credit Risk Models in Risk Management – Module 1 (Session 1)
	AIRB Approach Use of Credit Risk Models in Risk Management – Module 1 (Session 3)
August	*FIDE Core Programme Module A (Bank)*
	3rd Distinguished Board Leadership Series: Cryptocurrency and Blockchain Technology
	AIRB Approach Use of Credit Risk Models in Risk Management – Module 1 (Session 4)
September	*Credit Risk Model Methodology, Performance & Governance – Module 2 (Session 1)*
	Credit Risk Model Methodology, Performance & Governance – Module 2 (Session 2)
	The IRB Journey and Accreditation Requirements – Module 3 (Session 1)
	Bankruptcy Act Training (Session 1)
	Credit Risk Model Methodology, Performance & Governance – Module 2 (Session 3)
	Effective Internal Audit Function for Audit Committee Workshop
	Cyber Securities Awareness
October	*Companies Act 2016*
	Induction: Board of Directors – AmBank Islamic Berhad (Session 2) and AMMB Holdings Berhad (Session 1)
	AmBank Digital Briefing
	Bankruptcy Act Training (Session 2)
	The IRB Journey and Accreditation Requirements – Module 3 (Session 2)
November	*CG Breakfast Series: Integrating An Innovation Mindset with Effective Governance*
	Credit Risk Model Methodology, Performance & Governance – Module 2 (Session 4)
	2nd SC-FIDE Forum Dialogue: Leveraging Technology for Growth

December	*The IRB Journey and Accreditation Requirements – Module 3 (Session 3)*
	Islamic Banking and Finance: State of Affairs and Moving Forward
2018	
January	*BNM-FIDE Forum Dialogue: Managing Cyber Risk in Financial Institutions with Encik Zainal Abidin Maarif*
March	*FIDE Core Programme Module B (Bank)*

1.5 NUMBER OF MEETINGS CONVENED

	Total meeting held during FY2018
Board	19
AEC	10
GNRC	11
RMC	9
GITC	7
Governance Committee (Dissolved on 25 January 2018)	4

FUNCTION AND CONDUCT

2.1 ROLES AND REPONSIBILITIES

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. In view thereof, 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')

AEC's key responsibilities, among others, include the following functions:

Matters related to financial reporting and internal controls
Matters related to Internal and External Audit
To direct and supervise Special Audits and Investigations
To review and recommend for Board's approval related party transaction and conflict of interests situations that may arise within the Company/Group
Periodic reporting to the Board on significant audit reports and key issues deliberated at AEC meeting

GROUP NOMINATION AND REMUNERATION COMMITTEE ('GNRC')

GNRC's key responsibilities, among others, include the following functions:

Regular review of the overall Board's composition (i.e. size, skills, experience, diversity, etc) and balance Board
Assess performance and effectiveness of individual and collective members of the Board and Board Committees
Recommend a formal & transparent procedure for developing the remuneration policy for Directors, Senior Management & staff to the Board for approval
To direct and supervise Special Audits and Investigations
Oversee the implementation of 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-term & long-term incentives & rewards to the Board
Recommend appointment of Directors to the Board and Board Committees and annual review of mix skills, experience and competencies of the Board

RISK MANAGEMENT COMMITTEE ('RMC')

RMC's key responsibilities, among others, include the following:

Review and evaluate Senior Management's activities in managing risk

Review and evaluate high-level risk exposures and risk portfolio composition

Review and evaluate Cyber Security risk

Review and evaluate the overall effectiveness of the control and risk management infrastructure (together with GIAD) and reporting to the Board

The Company/Group's risk management strategies, policies, frameworks, methodologies and risk tolerance standards

GROUP INFORMATION AND TECHNOLOGY COMMITTEE ('GITC')

GITC's key responsibilities, among others, include the following functions:

Provide strategic direction for IT development within the Group and ensuring that IT, digitalisation and technology-related innovation strategic plans are aligned and 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 and IT risk management and e-banking services to ensure the effectiveness of internal control systems and the reliability of the management information system

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

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

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

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

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

Review and approve deviations as allowed under BNM guidelines

2.2 MEETING ATTENDANCE DURING FY2018

BOARD

Name of Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Tan Sri Azman Hashim (Non-Independent Non-Executive Chairman)	*19*	*19*	*100*
Graham Kennedy Hodges (Non-Independent Non-Executive Director)	*19*	*17*	*89*
Soo Kim Wai (Non-Independent Non-Executive Director)	*19*	*19*	*100*
Voon Seng Chuan (Senior Independent Director)	*19*	*18*	*95*
Datuk Shireen Ann Zaharah binti Muhiudeen (Independent Director)	*19*	*17*	*89*
Seow Yoo Lin (Independent Director)	*19*	*18*	*95*
Farina binti Farikhullah Khan (Independent Director) (Appointed on 8 August 2017)	*13*	*13*	*100*
Dato' Rohana Tan Sri Mahmood (Senior Independent Director) (Resigned on 25 January 2018)	*16*	*14*	*88*
Suzette Margaret Corr (Non-Independent Non-Executive Director) (Resigned on 23 January 2018)	*15*	*14*	*93*
Dato' Seri Ahmad Johan bin Mohammad Raslan (Non-Independent Non-Executive Director) (Resigned on 9 December 2017)	*14*	*12*	*86*

AEC

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Seow Yoo Lin (Chairman) (Independent Non-Executive Director)	*10*	*10*	*100*
Voon Seng Chuan (Senior Independent Non-Executive Director)	*10*	*9*	*90*
Farina binti Farikhullah Khan (Appointed as member on 8 August 2017) (Independent Non-Executive Director)	*5*	*5*	*100*
Soo Kim Wai (Non-Independent Non-Executive Director) (Resigned as member on 1 October 2017)	*6*	*6*	*100*

GNRC

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Voon Seng Chuan (Chairman) *(Senior Independent Director)* *(Redesignated on 25 January 2018)*	*11*	*11*	*100*
Graham Kennedy Hodges *(Appointed as member on 25 January 2018)* *(Non-Independent Non-Executive Director)*	*3*	*3*	*100*
Soo Kim Wai *(Non-Independent Non-Executive Director)*	*11*	*11*	*100*
Datuk Shireen Ann Zaharah binti Muhiudeen *(Independent Director)*	*11*	*10*	*91*
Farina binti Farikhullah Khan *(Appointed as member on 8 August 2017)* *(Independent Director)*	*8*	*8*	*100*
Dato' Rohana Tan Sri Mahmood *(Senior Independent Director)* *(Resigned as member on 25 January 2018)*	*7*	*7*	*100*
Suzette Margaret Corr *(Non-Independent Non-Executive Director)* *(Resigned as member on 23 January 2018)*	*7*	*7*	*100*

RMC

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Datuk Shireen Ann Zaharah binti Muhiudeen *(Chairman)* *(Independent Director)*	*9*	*9*	*100*
Graham Kennedy Hodges *(Non-Independent Non-Executive Director)*	*9*	*9*	*100*
Voon Seng Chuan *(Non-Independent Non-Executive Director)*	*9*	*9*	*100*

GITC

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Voon Seng Chuan (Chairman) (Senior Independent Director)	*7*	*7*	*100*
Seow Yoo Lin (Independent Director)	*7*	*7*	*100*
Soo Kim Wai (Non-Independent Non-Executive Director) (Appointed as member on 9 December 2017)	*2*	*2*	*100*
Dato' Seri Ahmad Johan bin Mohammad Raslan (Non-Independent Non-Executive Director) (Resigned as member on 9 December 2017)	*5*	*4*	*80*

GOVERNANCE COMMITTEE (Dissolved on 25 January 2018)

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Dato' Rohana binti Tan Sri Mahmood (Chairman) (Senior Independent Director)	*4*	*4*	*100*
Graham Kennedy Hodges (Non-Independent Non-Executive Director)	*4*	*3*	*75*
Soo Kim Wai (Non-Independent Non-Executive Director) (Appointed as member on 9 December 2017)	*4*	*4*	*100*
Farina binti Farikhullah Khan (Independent Director) (Appointed on 27 September 2017)	*1*	*1*	*100*
Dato' Seri Ahmad Johan bin Mohammad Raslan (Non-Independent Non-Executive Director) (Resigned as member on 9 December 2017)	*4*	*2*	*50*

INTERNAL CONTROL FRAMEWORK

3.1 OVERVIEW

The Group has adopted a coordinated and formalized approach to risk management and internal control, which is driven through the "Three Lines of Defence" concept. The Business Units form the first line of defence; Risk and Compliance form the second line of defence while Internal Audit forms the third line of defence.

The key risk management and internal control processes are implemented via the following systems:

- *The Board has formed a RMC to assist in the oversight of the overall risk management structure. At Senior Management level, a number of management-level risk 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 and business and IT project 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 changes in the operating environment and/or for continuous improvement in risk management.*

- *The organisation 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 AECs of the Company and its major subsidiaries assist the Board to evaluate the adequacy and effectiveness of the Group's internal controls systems. The AECs review the Group's financial statements, and reports issued by Group Internal Audit, the external auditors and regulatory authorities and follow-up on corrective actions taken to address issues raised in the reports.*

- *The Shariah Committee is responsible and accountable on matters related to Shariah. This includes advising the Board and Management on Shariah matters and endorsing and validating products and services, Shariah policies and the relevant documentation in relation to Islamic Banking operations. The Shariah Committee also provides advice and guidance on management of zakat fund, charity and other social programmes or activities.*

- *The Shariah Committee members also sit in Shariah Oversight Committee, a sub-committee to the Shariah Committee. The Shariah Oversight Committee is established to assist the Shariah Committee in discharging its responsibilities relating to the oversight of the Shariah Review function. In addition, the Shariah Oversight Committee assesses the work carried out by Group Internal Audit relating to the Shariah Audit function and Shariah Risk Management function in order to ensure compliance with Shariah.*

- *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. The AECs review the work of the Group Internal Audit Department, including reviewing its audit plans, progress and reports issued.*

- *The Group's focus is on achieving sustainable and profitable growth within its risk management framework. Annual business plans and budgets are prepared by the Group's business divisions and submitted to the Board for approval. Actual performances are reviewed against the budget with explanation of major variances on a monthly basis, 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. The Group's 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, this 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 provides a clear direction in conducting business, interacting with community, government and business partners as well as general workplace behaviour The Code of Ethics above is 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 the Group Management Committee, 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 (5) key areas: Message from the Chairman and the Group CEO, Ethical Standards, Company and People, Marketplace and Commitment to Sustainability.*

- *The Group has in place compliance framework to promote the safety and soundness of the Group by minimising financial, reputational and operational risks arising from legal and regulatory non-compliance. The Group believes in and embraces a stronger compliance culture to reflect a corporate culture of high ethical standards and integrity where the Board and Senior Management lead by example. The Group continues to exercise and enhance its due diligence governance process and remains vigilant towards emerging risk as well as sensitive towards heightened regulatory surveillance and enforcement.*

- *Training is provided to employees of the Group on relevant legal and regulatory requirements governing its activities and guidance on implementation of internal controls to manage compliance risk.*

Key Policies and Procedures

The Group's key policies governing internal control include the Know Your Customer ('KYC'), Customer Identification and Due Diligence Policy, Reputational Risk Policy, Politically Exposed Persons Policy, No Gift Policy, Group Compliance Framework, Sourcing Policy, Whistleblowing Protection Policy, Data Governance Framework, Stress Testing Policy, Operational Risk Management Policy, Information Security Policy, Business Continuity Framework and Policy, IT 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***
Stress Testing Policy	*Updated to include BNM's revised requirements on stress testing including :-* • ***Board*** *and* ***RMC*** *key roles to review and approve stress scenarios, outcomes and mitigating actions.* • ***Shariah Committee's*** *role in stress testing to review Shariah non-compliance risk methodology and outcomes.* • *Expansion to include* ***reverse stress testing*** *covering both capital adequacy and liquidity risk. Reverse stress tests to be run once a year and point of non-viability to be established.* • ***Liquidity stress*** *scenarios to be run separately and in combination for market-wide and bank-specific cases.* • *The* ***stress testing programme*** *for capital adequacy to feature scenarios with minimum three (3) years horizon.* • ***Key areas*** *stressed expanded to explicitly include :-* *a) interest rate in the banking book;* *b) risk from securitisation activities;* *c) operational risk;* *d) Shariah non-compliance risk; and* *e) financial group risk.*
Politically Exposed Persons ('PEPs') Policy	*This is a new policy that was issued in the financial year that set standards and processes to identify and manage potential risks associated with on-boarding and maintaining PEPs relationships. The policy supplements the Know Your Customer, Customer Identification and Due Diligence Policy once a PEP is identified.* ***It covers :-*** • *Expanded definition to include Politically Exposed Corporations ('PECs') and Relative & Close Associates ('RCAs').*

	• *Adequate information must be obtained to allow for a robust assessment to be made :-* *a) If on-boarding or maintaining the relationship poses reputational risk;* *b) If these risks can be mitigated; and* *c) If establishing the relationship should proceed or if the relationship for an existing PEP should continue.* • *Annual ongoing due diligence requirements (at a minimum).* • *For PECs, beneficial owners with interest of 10% or more must be identified.* • *PECs include 10% or more interest by Government of Malaysia/Khazanah/Ministry of Finance/related vehicles.* • *PEPs approval process and requirements.*
Know Your Customer (KYC), Customer Identification and Due Diligence Policy	*This is a new policy that was issued in the financial year that provides a comprehensive and standardised approach to understanding customers while on-boarding and during ongoing due diligence, by conducting proper identification and risk assessments through the use of reliable information and documentation. The policy provides the standards to operationalise BNM's requirements related to Anti Money Laundering and Counter Financing of Terrorism (AML/CFT). It replaces the previous Risk Based Approach policies.* ***It covers :-*** • *Customer identification: Obtaining mandatory information and documentation to establish the customer's identity. Deferral of information or documentation is not allowed.* • *Sanctions and Name Screening identifies :-* *a) Prohibited and non-target market customers* *b) Higher risk customers* *c) PEPs* • *Customer Due Diligence ('CDD'): Review of the customer's banking activities to ascertain if they are appropriate and in line with the customer profile.* • *Enhanced Due Diligence ('EDD'): Enhanced scrutiny of Higher Risk Customers (e.g. Money service businesses, casinos/ gambling establishments, not for profit organisations, trusts, estates etc.) to assess risks associated with the customer profile.* • *Introduces a 'Medium' AML Risk Classification.*

	• *Details requirements for ongoing due diligence based on Customer AML Risk Ratings.* • *Customer on-boarding approval requirements.*
No Gift Policy	*This is a new policy that was issued in September 2017 with the following objectives:* • *To safeguard the reputation of AmBank Group and ensure practices within AmBank Group is conducted in an ethical and professional manner.* • *To provide guidance to employees in keeping within the acceptable practices.* • *To enable employees to distinguish between acceptable practices and those that are questionable and to be avoided.* • *To avoid any perception that AmBank Group encourages or condones the exchange of favours for personal gains.*
Group Compliance Framework	*This is a revised policy that defines the roles and responsibilities of various stakeholders in managing compliance risk across AmBank Group. This policy was updated as follows:-* • *remove the concept of Business Operational Risk and Compliance Officers with 50%:50% reporting to Group Operational Risk and Group Compliance respectively;* • *embed Group Risk Appetite Framework for Board Controls on regulatory compliance; and* • *alignment of BNM Policy Document on Compliance, providing general principles and requirements on compliance roles and responsibilities for the Board, Senior Management, Group Internal Audit, Group Compliance and Business Units and Group Shared Services.*
Whistleblower Protection Policy	*The write-up on the Whistleblower Protection Policy is disclosed in* ***Practice 3.2 Part A of the Corporate Governance Report****.*
Operational Risk Management Policy	*Updated to incorporate operational risk capital charge methodology as well as breaches, exemptions procedures and approval matrix.*
Business Continuity Framework and Policy	*The framework and policy were updated to incorporate the BCM requirements for Participants of MyClear's Services.* *The Business Continuity Management Policy has also been updated to include the Securities Commission's Guidelines on Management of Cyber Risk.*

Classified Account Management Policy	• *Adopt a common policy for the three (3) lines of business i.e. Wholesale Banking ('WB'), Business Banking ('BB') and Retail Banking ('RB') in reference to the guiding principles and governance for managing classified accounts.* • *Separate Guidelines specific to each line of business will be issued setting out procedures to manage classified accounts within the respective business segment.* • *Elevate the WB Watchlist Forum to a full-fledged management committee with decision-making powers to classify, reclassify and impair accounts.* • *Committee will be known as the Watchlist And Classification Committee ('WACC') with board-level oversight through the RMC.* • *Reconstitute membership of WACC to comprise members who are independent from the business lines it governs (i.e. WB and BB).*

REMUNERATION

4.1 QUALITATIVE DISCLOSURE

The Group Remuneration Objectives

The Group's remuneration practice, which 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.

When formulating and periodically reviewing and refining the remuneration strategy, consideration is given to aligning 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 is the main thrusts of the Group's remuneration strategy:

- *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*
- *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*

- *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 (2) components; fixed pay and variable pay.

Components	***What***	***Why and Linkages to Strategy***	***How***
Fixed Pay	*a) Base Salary* *b) 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*	• *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	• *Short-Term Incentive (Performance Bonus)*
	
	• *Long-Term Incentive (AMMB ESS)*
		Pay for Performance
		
		• *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*
			• *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 organizational responsibilities that have material impact on the Group's performance and risk profile is subject to deferral*
			
			• *Deferral remunerations are paid in AMMB shares with the objective of:*
			  ○ *Retaining key employees (retention bonus), and*
			  ○ *Drive the Group's long-term performance and sustainability (AMMB ESS)*
			
			• *Administration of both deferral remunerations provides for malus and forfeiture arrangements*

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:

Group's Short Term Incentive Pool	*A function of profits benchmarked against peer comparators and calibrated against:* • *Risk adjustments* • *Distribution of earning between shareholders and employees*	*Guided by the Group's performance against the balanced scorecard set in the beginning of the financial year* • *Comprises financial and non-financial metrics covering employees, customers, shareholders, risks and compliance objectives* • *Reviewed and evaluated by the GNRC and subsequently approved by the Board*
Business Units / Subsidiaries Short-Term Incentive Pool Allocation	*The Group pool is reallocated to the business units/ subsidiaries taking into account:* • *each unit's actual performance achievement against target, and* • *the relative performance of each unit* *Measured through each unit's balanced scorecard and evaluated by the Group CEO and the GNRC.*	*Inputs from control functions (Audit, Compliance and Risk) are sought.* *Currently only the Chief Internal Auditor is measured independently with the performance outcome being recommended by the AEC.*

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.

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 of two (2) elements:

- *Main Award, that vests over a period of three (3) years in equal payouts, contingent on the Group meeting long-term performance targets.*
- *Retention Award (deferred component of the Short Term Incentives received), administered through the ESS plan vested in two (2) equal instalments over a period of two (2) 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, AML and CFT 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 Company for FY2018 are as follows :-

	Remuneration received from the Group (RM'000)					
Chief Executive Officer	**Fee**	**Salary**	**Other Emoluments**	**Bonus**	**Benefit in kind[3]**	**Total**
Dato' Sulaiman Mohd Tahir	-	2,202	913	1,798	7	4,920

Non-Executive Directors	**Salary & Bonus**	**Fee (RM'000)**		**Emoluments[1] (RM'000)**		**Benefit in kind[2]**		**Total**
		AMMB	**Subsi**	**AMMB**	**Subsi**	**AMMB**	**Subsi**	
Tan Sri Azman Hashim	-	210	433	1,461	679	35	7	2,825
Graham Kennedy Hodges	-	200	-	74	-	-	-	274
Soo Kim Wai	-	200	-	96	-	-	-	296
Voon Seng Chuan	-	200	150	135	77	-	-	562
Datuk Shireen Ann Zaharah Binti Muhiudeen	-	200	-	85	-	-	-	285

Non-Executive Directors	**Salary & Bonus**	**Fee (RM'000)**		**Emoluments[1] (RM'000)**		**Benefit in kind[2]**		**Total**
		AMMB	**Subsi**	**AMMB**	**Subsi**	**AMMB**	**Subsi**	
Seow Yoo Lin	-	200	-	79	-	-	-	279
Farina binti Farikhullah Khan	-	129	145	61	74	-	-	409
Dato' Rohana binti Tan Sri Mahmood (Resigned on 25 January 2018)	-	164	123	88	48	12	-	435
Suzette Margaret Corr (Resigned on 23 January 2018)	-	163	-	38	-	-	-	201
Dato' Seri Ahmad Johan bin Mohammad Raslan (Resigned on 9 December 2017)	-	138	-	40	-	-	-	178

Notes:

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

[2] Benefits-in-kind comprised provision of a company motor vehicle, driver, petrol allowance and medical claims.

The remuneration of the following directors who sit in other subsidiaries of the Group during FY2018 is disclosed under the subsidiaries column of the above table :-

Tan Sri Azman Hashim	Voon Seng Chuan	Farina binti Farikhullah Khan	Dato' Rohana binti Tan Sri Mahmood
Chairman of AMMB, AmBank (M) Berhad, AmInvestment Bank Berhad and AmGeneral Insurance Berhad (Resigned on 1 January 2018)	Director of AMMB and AmBank (M) Berhad	Director of AMMB (Appointed on 8 August 2017 and AmBank Islamic Berhad (Appointed on 14 April 2017)	Director of AMMB (Resigned on 25 January 2018 and AmInvestment Bank Berhad (Resigned on 25 January 2018)

The Non-Executive Directors were not granted any option for FY2018. Options granted and exercised by the Group CEO is as follow :-

	Number of Options over Ordinary Shares			
Chief Executive Officer	At 1.4.2017	Granted (STI and LTI)	Exercised	At 31.3.2018
Dato' Sulaiman Mohd Tahir	200,400	22,100	22,100	200,400

The breakdown of the total amount of remuneration awards for Group CEO for FY2018 as shown in table below :-

Total Value of Remuneration Awards	Unrestricted RM	Deferred RM
Fixed Remuneration	**3,065,740**	**-**
a) Cash-based	**2,201,500**	**-**
b) Shares and share-linked instruments	**-**	**-**
c) Other	**864,240**	**-**
Variable Remuneration	**1,797,876**	**697,850**
a) Cash-based	**1,796,400**	**642,600**
b) Shares and share-linked instruments	**-**	**55,250**
c) Other	**1,476**	**-**

The breakdown of the total amount of remuneration awards for Senior Management (12) for FY2018 as shown in table below :-

Total Value of Remuneration Awards	Unrestricted RM	Deferred RM
Fixed Remuneration	**11,668,762**	**-**
a) Cash-based	**10,891,528**	-
b) Shares and share-linked instruments	-	-
c) Other	**777,234**	-
Variable Remuneration	**5,168,026**	**1,049,680**
a) Cash-based	**5,145,442**	**648,679**
b) Shares and share-linked instruments	-	**401,001**
c) Other	**22,584**	-

Note: 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.

The breakdown of the total amount of remuneration awards for Material Risk Takers (143) for FY2018 as shown in table below :-

Total Value of Remuneration Awards	Unrestricted RM	Deferred RM
Fixed Remuneration	**60,170,866**	**-**
a) Cash-based	**60,170,866**	-
b) Shares and share-linked instruments	-	-
c) Other	-	-
Variable Remuneration	**19,880,342**	**11,054,758**
a) Cash-based	**19,720,704**	**7,447,520**
b) Shares and share-linked instruments	-	**3,607,238**
c) Other	**159,638**	-

Note: 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.