

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1155
COMPANY NAME : MALAYAN BANKING BERHAD
FINANCIAL YEAR : December 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 PURSUANT TO CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (the "Board") of Malayan Banking Berhad ("Maybank", the "Group" or the "Company") had established and announced to the public in 2010, Maybank's "Vision" to be a regional financial services leader and its' "Mission" to humanise financial services. The Board had also established Maybank's core values of:-</p> <p>T - Teamwork I - Integrity G - Growth E - Excellency and Efficiency R - Relationship Building</p> <p>These core values form the basis of the right work ethics, conduct and behaviour which all employees must adopt in order for the Group to achieve its Vision and Mission. The Board further ensures that these values are propagated and operationalised through the establishment of various internal policies, details of which are further described in the explanation to the application of Practice 3.1 in this report.</p> <p>The Board also considers as paramount, its role in meeting the Maybank²⁰²⁰ strategic objectives which are as follows:-</p> <p>(a) The Top ASEAN Community Bank (b) The Leading ASEAN Wholesale Bank Linking Asia (c) The Leading ASEAN Insurer (d) The Global Leader in Islamic Finance (e) Digital Bank of Choice</p>

In pursuit of these objectives, the Board ensures that the collective strategies employed by each sector within the Group in meeting their respective annual targets and key performance indicators, remains on-course and does not stray from the Group's overarching goals and objectives as set out above.

To emphasise the importance that the Board places on its responsibility in setting the Group's strategic aims, approvals related to the Group's strategies, business plans and budgets ("Group Business Plan and Strategy") are exclusively reserved for the Board's decision, as stipulated in Maybank's Board Charter. The Board demonstrates its leadership in setting the strategic aims of the Group by organising and placing sufficient importance in the areas as described below.

At the beginning of each year, the Board plans the time in which it expects to approve and review the Group Business Plan and Strategy for annual implementation. Pursuant to the Board Outline Agenda (the "BOA"), meetings to deliberate and approve matters related to the Group Business Plan and Strategy (including the review thereof) are scheduled well in advance. This process allows sufficient time for the senior management to organise and plan the development of their proposed strategies and plans and to incorporate the most updated and relevant information on financial and non-financial matters in relation to the Group's current and expected performance including other information that the Board would expect senior management to provide in their proposals/reports.

During the financial year ended 31 December 2018 ("FY2018"), a separate session was held with the senior management team towards the end of the financial year to deliberate on the Group Business Plan and Strategy, for implementation in the forthcoming year. At the said meeting, the Board among others:-

- (a) tested the management's assumptions of their respective forecasts;
- (b) considered the challenges that they may encounter next year as well as the strategies that they intend to employ (and their plan to overcome such challenges);
- (c) considered the economic and market forecasts for the coming years along with the proposed risk posture and appetite to ensure that the strategies that the management intends to employ are sound and within acceptable boundaries; and
- (d) evaluated the proposed capital and operational expenditures of each sector and ensured that the management would have sufficient resources to execute their respective strategies and plans during the year, always with a strong directive against indiscriminate spending;

before approving the Group Business Plan and Strategy for implementation during 2019. Once the Group Business Plan and Strategy has been approved by the Board, the progress and execution of the same will be monitored and supervised by the Group Executive Committee (“Group EXCO”) which is chaired by the Group President and Chief Executive Officer (“Group PCEO”).

The Board will also monitor the progress and development of the Group Business Plan and Strategy to determine whether the management would remain on-course to achieve the Group’s targets by the end of the year. The Board would among others, consider challenges encountered by the management in meeting their targets based on current market conditions, test the integrity of the risk posture adopted by the Group, and assess the availability of resources to determine whether the targets remain achievable, as well as to provide further guidance to the management as necessary.

The Board also ensures that each of its members is well versed on the Group’s diversified and regional operations, to encourage robust debate in meetings relating to the development, progress and implementation of the Group Business Plan and Strategy. In furtherance thereof, all newly appointed Directors are required to attend Maybank’s Board Induction Programme to familiarise themselves with the Group’s operations and to build a strong foundation of knowledge about the Group. Usually held over the course of two days, new Directors will engage in one-on-one briefings with members of the senior management team, so that they may gain a better understanding of the management and operations of key sectors within the Group.

Board off-site meetings are also held annually, typically in locations where the Group has a presence, to gain a deeper understanding of the Group’s operations there. These off-site meetings also offer a good opportunity for the Board to meet with the Group’s senior management and employees located overseas or locations other than the headquarters, to understand the challenges that they are encountering, and to offer support as appropriate.

During FY2018, the Board also held a separate strategy session with the senior management to discuss the progress of the Group’s overall strategy and developments in the global economy (the “Board Strategy Session”). In this regard, the Board was of the view that it needed to have a more focused discussion on strategy with senior management without being constrained by other matters that requires their time and attention during the usual board meetings. Conducted as a separate session outside of the ordinary board meeting format, the Board Strategy Session had enabled Board members to more freely debate and exchange their views and opinions about the current state of the Group and its future direction, based on economic and global markets data and information provided by independent experts in the field, who were also invited to attend

	<p>the event. Held over the course of an entire day, the collective views of the Board were then collated and shared with the management for their reference in the development of the Group’s business plan and strategy. In view of its effectiveness, the Board has agreed to hold the Board Strategy Session annually.</p> <p>The Board further ensures that all its Directors attend training and workshops to continuously build upon their industry and market knowledge, including training on the latest laws, rules and regulations impacting the Group and its operations. The list of trainings attended by individual Directors during FY2018 is disclosed in Section B of this report.</p> <p>The Board delegates and entrusts its review function to the various Board Committees established by the Board, details of which are set out in Section B of this report. To ensure a more holistic review and oversight of the Group Business Plan and Strategy, the Chairman of each Board Committee provides monthly reports to the Board on issues and matters raised at their respective meetings that may impact the Group Business Plan and Strategy (with salient recommendations) for the Board’s further consideration. In turn, the Board may also issue relevant instructions or request to such committees to conduct reviews concerning such matters or on any other matters which concern them, in accordance with their respective terms of reference.</p> <p>In addition to the above, some members of the Board are also appointed as Chairman or as members of the board of some of Maybank’s major subsidiaries (“Subsidiary Boards”). This practice provides a bridge between the Board and Subsidiary Boards, from which the overall goals and objectives of the Group Business Plan and Strategy could be conveyed to the Subsidiary Boards, for better alignment and execution of the Group Business Plan and Strategy, bearing in mind the general principle that the board of these subsidiaries should also be able to discharge their own legal and governance responsibilities as a separate entity.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman leads the Board and is also responsible for the effective performance of the Board. She ensures orderly conduct and proceedings of the Board, where healthy debate on issues being deliberated is encouraged to reflect an appropriate level of scepticism and independence.</p> <p>Datuk Mohaiyani Shamsudin, a Non-Independent Non-Executive Director ("NINED"), has been the Chairman of Maybank since 1 April 2017. Although the Chairman is a NINED, her influence on the Board is balanced by the majority of Independent Non-Executive Directors ("INED") on the Board.</p> <p>The Chairman ensures that Board decisions are reached by consensus (and failing this, reflect the will of the majority), and any concern or dissenting view expressed by any Director on any matter deliberated at meetings of the Board will accordingly be addressed and duly recorded in the relevant minutes of the meetings. She continuously works together with the rest of the Board members in ensuring that the Group's aspirations and objectives are aligned with the business activities driven by senior management and thereafter, monitors its implementation.</p> <p>In addition, the Chairman cultivates a healthy working relationship with the Group PCEO and provides the necessary support and advice as appropriate. She continues to demonstrate the highest standards of corporate governance practices and ensures that these practices are regularly communicated to all the stakeholders.</p> <p>The Chairman's profile can be found in Section B of this report.</p>
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	:	<p>The roles and responsibilities of the Chairman (as outlined in the explanation to Practice 1.2 in this report) and the Group PCEO are separated with a clear division of responsibilities and is defined, documented and approved by the Board, in line with best practices so as to ensure appropriate supervision of the management. This distinction allows for a better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency and expedites decision-making.</p> <p>Datuk Abdul Farid Alias has been the Group PCEO since 2 August 2013 and is the only Executive Director on the Board. The Group PCEO, by virtue of his position as a Board member, functions as the intermediary between the Board and senior management. He has been delegated certain responsibilities by the Board in his capacity as Group PCEO and is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group's business.</p> <p>The Group PCEO's responsibilities include the following-</p> <ol style="list-style-type: none">1) Maps the Group's medium to long term plans for the Board's approval and is accountable for implementing the policies and decisions of the Board;2) Coordinates the development and implementation of business and corporate strategies by making sure that they are carried through to achieve the desired outcomes, especially in the institution of remedial measures to address identified shortcomings;3) Develops and translates the Group's strategies into a set of manageable goals and priorities and setting the overall strategic policy and direction of the business operations, investment and other activities based on effective risk management controls;4) Ensures that financial management practice is performed at the highest level of integrity and transparency for the benefit of the shareholders and that the business and affairs of the Group are carried out in an ethical manner and in full compliance with the relevant laws and regulations;

	<p>5) Develops and maintains strong communication programmes and dialogues with the shareholders, investors, analysts as well as employees, and providing effective leadership to the Group organisation; and</p> <p>6) Ensures high management competency as well as the emplacement of an effective management succession plan to sustain continuity of operations.</p> <p>The Group PCEO's profile can be found in Section B of this report.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The function of Company Secretary is undertaken by the Group General Counsel and Company Secretary of Maybank, and he is assisted by a joint company secretary. Both are legally qualified and have valid licenses issued by the Companies Commission of Malaysia (CCM).</p> <p>The Company Secretary's responsibilities include the following-</p> <ol style="list-style-type: none">1) Provides support to the Board in discharging their fiduciary obligations as directors and advises them on issues relating to the relevant laws, rules, policies, and regulations, as well as corporate governance best practices. During FY2018, the Company Secretary had advised the Board on the need to adopt the new Constitution of the Company in place of the Memorandum and Articles of Association. The Constitution of the Company was subsequently approved by the shareholders of the Company during the 58th Annual General Meeting (AGM) held on 12 April 2018.2) Manages the logistics of all Board and Board Committee meetings, including Board offsite and strategy sessions. The Company Secretary attends all meetings and ensures all discussions/deliberations during meetings are accurately recorded and properly maintained. The Company Secretary also facilitates proper communications and ensures the effective flow of information between the Board, Board Committees and the senior management by ensuring that action items identified and highlighted during meetings are acted upon by the senior management in a timely manner. The Company Secretary further ensures that outstanding action items are properly tracked and monitored until such items are finally addressed by the senior management and reported to the Board accordingly.3) Serves as a focal point for stakeholders' communication and engagement on corporate governance issues as well as communications between regulators and the Board and senior management. He ensures that regulators' requests and

	<p>instructions are conveyed to the Board and the senior management in a timely manner, with appropriate advice.</p> <p>4) Organises Maybank’s Board Induction Programme for new Directors and ensures that it is undertaken in a structured manner. The Company Secretary participates in the said programme and provides briefing on Maybank’s corporate governance framework to new Directors.</p> <p>5) Addresses the training needs of Directors during the year, by procuring relevant training programs that the Board had identified pursuant to the annual Board Effectiveness Evaluation (<i>refer to the explanation on the application of Practice 5.1 in this report</i>) or any other relevant training programmes that a Director may be interested to attend. The Company Secretary also keeps proper record of trainings attended by each Director during the year for reporting purposes.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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	:	<p>The Chairman of the Board takes responsibility for ensuring that the members of the Board receive relevant, accurate, and clear information on a timely basis in respect of the Group's financial and operational performance to enable the Board to make sound decision and provide necessary advice. In this respect, the Company Secretary will assist the Chairman of the Board to ensure that the process of disseminating the information is effective and reliable. Furthermore, in order to provide for adequate and thorough discussion of the respective matters within a reasonable and sufficient time, the Chairman decides on the agenda and accordingly structure and prioritise the respective matters based on their relevancy and importance.</p> <p>Prior to each Board meeting, each Director will be provided with the draft minutes of the previous meeting and the agenda together with the respective reports/papers and other board meeting reference materials for each item to be discussed in order for them to be apprised of the topics and to be prepared accordingly. These materials are disseminated in a paperless manner via the 'BoardPAC', an iPad-based solution which stores meeting documents digitally in a secured manner.</p> <p>A standard format of meeting papers has been prescribed which includes the following:-</p> <ul style="list-style-type: none">a) Action required for Board's consideration – whether to approve, to provide input or merely to note;b) The background, summary or rationale – the reason or the need for the paper to be submitted to the Board;c) The proposal and way forward – which includes key milestones and targeted completion date, where applicable;d) Conclusion and recommendation for the Board's consideration – the conclusion on what is required from the Board; and

	<p>e) Name of the parties who prepared and reviewed the report/paper.</p> <p>If the papers are not prepared in accordance with the format above or are incomplete, the Corporate Secretarial team will assist to liaise with the originator to ensure adherence to the same.</p> <p>The Chairman with the assistance of the Company Secretary ensures that clear and accurate minutes of board meetings which include the key deliberations, rationale for each decision made, and any significant concerns or dissenting views are maintained. The Company Secretary also ensures that the approved minutes of meetings are circulated to the Board members in a timely manner. The Company Secretary also ensures that the minutes of meetings as seen and commented by the Chairman are disseminated to the senior management in a timely manner so that necessary actions can be taken.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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	:	<p>Maybank has established a Board Charter which provides among others, an outline of the following:-</p> <p>(a) the respective roles, responsibilities and authorities of the Board (both individual and collectively) such as-</p> <ul style="list-style-type: none"> i. reviewing and approving the overall strategies, business, organisation and significant policies of the Group; ii. setting the Group's core values and adopting proper standards to ensure that the Group operates with integrity and complies with the relevant rules and regulations. <p>(b) issues and matters reserved for the Board's decisions which among others include the following-</p> <ul style="list-style-type: none"> i. the strategies, business plans and annual budget for the Group; ii. the conduct and the performance of the Group's businesses; iii. principal risks affecting the Group's business; iv. the Group's internal control systems; and v. the succession plan and talent management plans for the Group <p>A copy of the Board Charter is available on Maybank Group's corporate website (www.maybank.com).</p>
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	:	<p>Maybank has a Code of Ethics and Conduct (the "Code of Ethics") that sets out the sound principles and standards of good practice in the financial services industry, which are observed by its employees. The Code of Ethics covers a wide area of good practices including the following subject matters:</p> <ol style="list-style-type: none">1) Conflict of Interest;2) Misuse of position;3) Misuse of information and insider trading;4) Fair and equitable treatment; and5) Money Laundering and Terrorism Financing. <p>Pursuant to the Code of Ethics, the Group's employees are required to uphold the highest standard of integrity in discharging their duties and in dealing with the stakeholders, customers, fellow employees and regulators. This is in line with the Group's Core Values which give emphasis on behavioural ethics when dealing with third party and fellow employees. A copy of the Code of Ethics is available on Maybank Group's corporate website (www.maybank.com).</p> <p>The Board reinforces its commitment in promoting sound principles and standards of good practice in the financial industry by establishing the Policy on Directors Conflict of Interest (the "CI Policy"). The CI Policy, which incorporates the salient rules and regulations issued by Bank Negara Malaysia and Bursa Malaysia, regulates and manages issues of conflict (both direct and indirect) which a Director may encounter during his tenure as a Director, and set out the processes to address such issues. Alongside the Code of Ethics, the CI Policy ensures that each member of the Board uphold the highest integrity in discharging their duties and in dealing with stakeholders, customers, fellow employees and regulators.</p>

	<p>The Board is assisted by the Compliance Committee of the Board (“CCB”) in navigating the complexity of current rules and regulations. Generally, the CCB monitors and addresses with the management, issues of non-compliance as highlighted by the Group Compliance team. The scope of the CCB mainly encompasses employees’ adherence to various rules and regulations affecting the Group’s operations, including but not limited to:-</p> <ol style="list-style-type: none"> 1) Anti Money Laundering/Counter Financing Terrorism; 2) Sanctions; 3) Anti-Bribery & Corruption; and 4) Whistleblowing. <p>The establishment of the CCB and the introduction of the policies mentioned above reinforces the Board’s commitment to instill Maybank’s T.I.G.E.R. values and the right work culture and ethics for all employees within the Group as they endeavour to deliver value to the Group’s stakeholders.</p> <p>In addition to the above, the Group has also provided its Corporate Integrity Pledge (CIP) since 2011, which has since been reviewed by the Malaysian Anti-Corruption Commission (MACC) in 2013 and 2016. The Group has also adopted a whistle blowing policy, providing an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Group’s policies and regulations in a safe and confidential manner. Furthermore, upon the recommendation of the CCB, the Board had in February, 2018 adopted the Anti-Bribery & Corruption Policy for implementation across the Group.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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	:	<p>Maybank's Whistleblowing Policy encompasses the Group and provides an avenue for all the employees to report in good faith, belief and without malicious intent, any suspected misconduct or actual wrongdoing by another employee or any person who has dealings with the Group. In line with this policy, an Integrity Hotline has also been established to address complaints and grievances of such nature. The hotline is regularly monitored by our Group Compliance department and subsequently reported to the chair of the Audit Committee of the Board ("ACB"), Encik Nor Hizam Bin Hashim, an INED who has been designated with the responsibility of ensuring the effective implementation of the said policy ("Director in Charge").</p> <p>Details of our Integrity Hotline are as follows:-</p> <ul style="list-style-type: none">▪ Toll-Free Message Recording Line at 1-800-38-8833 or for Overseas at 603-20268112▪ Protected Email Address at integrity@maybank.com.my▪ Secured P.O. Box Mail Address at P.O. Box 11635, 50752 Kuala Lumpur, Malaysia <p>Several complaints channelled through the Integrity Hotline during the year have been considered, addressed and were dealt with in the strictest confidence by the Group Compliance team in consultation with the Director in Charge.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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	<p>As at 31 December 2018, the Board consists of eleven (11) Directors, comprising a majority of independent directors:-</p> <ul style="list-style-type: none">(a) one (1) Executive Director (“ED”);(b) two (2) Non-Independent Non-Executive Directors (“NINED”); and(c) eight (8) Independent Non-Executive Directors (“INED”). <p>This is in line with the Board’s holistic approach in determining its size, composition, and level of independence. The Board as far as possible, also takes into account of the following principles in determining its composition and ideal size:-</p> <ul style="list-style-type: none">(a) to have only one ED as a member of the Board;(b) to appoint a Chairman of the Board who is a Non-Executive Director (“NED”);(c) to ensure that the role of the Chairman of the Board is separate from the Group PCEO;(d) to ensure that the Chairman of the Board does not chair any of the Board Committees;(e) to ensure that Board Committees comprise a majority of INEDs;(f) to ensure that the Chairman of all Board Committees are INEDs;(g) to appoint a Senior Independent Director from among the INEDs; and(h) to appoint one NED whom shall take charge of the Group’s Whistleblowing Policy. <p>Based on the principles mentioned above, the Board has determined that its ideal size should be between ten (10) to twelve (12) members. Furthermore, the Board has also consistently maintained a majority of INEDs as its members. As at 31 December 2018, 8 out of 11 of its members were INEDs. Besides complying with existing rules and regulations on the Board’s composition (including independence), the Board also believes that such a size would promote effective deliberation, encourage the active participation of all its Directors and allows the work of its various Board Committees to be discharged without giving rise to an over-extension of time and commitment of each Director who may be required to serve on multiple Board Committees.</p>

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

Intended Outcome

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

Practice 4.2

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

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

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

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group's Policy on Tenure of Directorship adopts the step-up practice as set out in the Code. The said policy stipulates that any INED of Maybank who has reached the maximum of nine (9) years, may, subject to the approval of the Board (taking into account of the recommendation of the Group's Nomination and Remuneration Committee) and Bank Negara Malaysia's approval, continue his tenure on the Board provided that he is re-designated as an NINED.</p> <p>The Board has also taken this into account in its succession planning and will continue to ensure that INEDs on the Board comprise a majority of its members.</p>

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 :	<p>The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations and the Group embraces the proposition that having a diverse Board would have a positive, value-relevant impact on the Group. In this regard, the Board considers diversity from a number of different aspects, including diversity in skills, experience, age, cultural background and gender.</p> <p>The diversity of the Board's collective skills and experience have been measured through the Board Effectiveness Evaluation (<i>refer to the explanation on the application of Practice 5.1 in this Report</i>) conducted during the year, some details of which are as per the following:-</p> <div data-bbox="451 1048 1414 1473" style="border: 1px solid black; padding: 10px; text-align: center;"> <p>Board Skills and Experience</p> <table border="1" style="margin: auto;"> <thead> <tr> <th>Skill/Experience</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Corporate governance</td> <td>7</td> </tr> <tr> <td>Banking/ capital markets</td> <td>7</td> </tr> <tr> <td>Strategic planning and business strategy</td> <td>6</td> </tr> <tr> <td>International posting</td> <td>5</td> </tr> <tr> <td>Private enterprise</td> <td>5</td> </tr> <tr> <td>Communication</td> <td>3</td> </tr> <tr> <td>Entrepreneurship</td> <td>3</td> </tr> <tr> <td>Total No. of Directors</td> <td>11</td> </tr> </tbody> </table> </div> <p>The Board has also taken measured steps to appoint members that are foreign based and with regional banking experience, particularly in countries where Maybank's presence is large and significant. Currently, there are two (2) foreign nationals on the Board, namely Mr Edwin Gerungan, an Indonesian and Mr Anthony Brent Elam, an American (based in Indonesia). Both are ex-bankers with international experience.</p> <p>The percentage of women directors on the Board as at 31 December 2017 (FY2017) was 27% and subsequently in FY2018, the percentage has further increased to 36% with the appointment of Ms Che Zakiah Che Din and Puan Fauziah Hisham as INEDs in March, 2018 and May, 2018, respectively.</p> <p>For a more detailed description of the diverse background and experience of the Board, kindly refer to the profile of each member of the Board as set out in Section B of this report.</p>	Skill/Experience	Count	Corporate governance	7	Banking/ capital markets	7	Strategic planning and business strategy	6	International posting	5	Private enterprise	5	Communication	3	Entrepreneurship	3	Total No. of Directors	11
Skill/Experience	Count																		
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Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.5

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	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Policy on Gender Diversity and has embraced the recommendations of the Code of having at least 30% women representation on the Board. The percentage of women Directors on the Board for FY2017 was 27% and this includes the Group's first ever woman Chairman who was appointed in April, 2017. The percentage has further increased to 36% in FY2018 with the appointment of Ms Che Zakiah Che Din and Puan Fauziah Hisham as INEDs in March, 2018 and May, 2018 respectively.</p> <p>Nevertheless, the Board maintains its belief that appointments on the Board must always be based on merit, with due regard to the candidate's background, skill set and experience, and whether such appointment would further complement or enhance the existing mix of skill and experience of the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates to the Nomination and Remuneration Committee (“NRC”) the responsibility to establish a formal and transparent procedure for the nomination and appointment of new Directors to the Board. Such responsibilities include screening, conducting initial selection of internal and external candidates, performing requisite evaluation and assessment on the candidates’ ability to discharge their duties effectively and efficiently, prior to making recommendations to the Board for its approval. The NRC also ensures candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge his or her role as a director.</p> <p>The NRC determines the ability of the Independent Non-Executive Directors (“INED”) to continue bringing independent and objective judgment to board deliberations as well as to consider if there is any ground or reason that has come to the attention of the NRC that may affect the independence status of INEDs. To assist the NRC in evaluating the independence of directors, the Board has established a Directors’ Independence Policy (“Independence Policy”) which sets out Maybank’s approach in determining directors’ independence. The Independence Policy provides a guideline for the Board and its subsidiaries in the assessment of independence of each INED. Consistent with the Independence Policy and the recommendations of the Code, the Board via the NRC assesses the independence of INEDs prior to their appointment and re-appointment as part of the annual Fit and Proper Assessment exercise. Pursuant to the recommendation of the NRC based on the assessment undertaken for FY2018, the Board is satisfied that all the INEDs of the Board have met the independence criteria set out under the Listing Requirements, the Bank Negara Malaysia Corporate Governance Policy, as well as the Independence Policy.</p> <p>In addition to the above, the Board continues to build a database of potential candidates collated from various independent sources, including the Financial Institution Directors for Education (FIDE) Forum, talent resourcing and other recruitment consultants (the “Talent Pool”). From the Talent Pool, the Board will go through a selection process to identify suitably qualified candidates. The</p>

	<p>development of the Talent Pool is tied to the Board’s succession plan which is reviewed by the NRC and the Board periodically. This is to ensure that the membership of the Board is refreshed from time to time with new appointees whilst still ensuring continuity in meeting the Group’s long term goals and objectives. In this regard, the Group’s Policy on the Tenure of Directorships (“Directors Tenure Policy”) facilitates succession planning by providing the Board with the opportunity to consider and reassess its membership periodically, not only to ensure continuity in meeting its long term goals and objectives but also to affirm that the knowledge, experience and skill set of its members would be well suited to meet the demands of the ever changing landscape of the financial industry.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>Datuk R. Karunakaran, an Independent Non-Executive Director, is the Chairman of the Group's Nomination and Remuneration Committee ("NRC"). As the Chairman, he leads the succession planning and appointment of Board members for the Group. His responsibilities include the following:-</p> <ul style="list-style-type: none">(a) ensures that the management provides the NRC with salient updates on the size and composition of the Board and of its key subsidiaries and that they are in line with the expectations of the relevant regulators;(b) leads interviews with potential candidates that may be appointed on the Board and its key subsidiaries (together with other members of the NRC and the Chairman of the Board) in accordance with Maybank's Policy on the Nomination Process for Appointment of Chairman, Director and Chief Executive Officer of Licensed Institutions in Maybank;(c) consults the Chairman of the Board on the prospects of new candidates being appointed on the Board; and(d) leads the succession planning for the Board and its key subsidiaries, taking into account the tenure of existing members, the mix of skills and experience required, and the pool of talent available. <p>Datuk R. Karunakaran is also Maybank's Senior Independent Director ("SID"). His role as the SID of the Board includes the following:-</p> <ul style="list-style-type: none">(a) addressing concerns of shareholders and stakeholders;(b) presiding at all meetings of the Board at which the Chairman or Vice-Chairman (if the SID is not the Vice-Chairman) is not present;(c) serving as a liaison between the Chairman and the Independent Directors; and(d) having the authority to call meetings of the Independent Directors. <p>Datuk R. Karunakaran's profile can be found in Section B of this report.</p>

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

Intended Outcome

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

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has agreed that independent experts would be appointed periodically to conduct the Board Effectiveness Evaluation (“BEE”), comprising an evaluation of the Board, its Board Committees and its individual directors. Since the BEE for FY2017 was conducted with the assistance of an independent expert, the BEE for FY2018 was conducted internally, with the assistance of the Corporate Secretarial team. The Board will upon Nomination and Remuneration Committee’s advice, decide whether the assistance of external experts may be required in the future to undertake this exercise.</p> <p>The scope of the assessment comprised the following:-</p> <p>(a) BEE covering the following aspects:-</p> <ul style="list-style-type: none">(i) Board Processes (including how the board deliberates on strategy, succession, risk review and other key responsibilities);(ii) For Board Committees, to include the interface between the Board Committees and the Board, as a whole;(iii) Board composition and remuneration; and(iv) Board interaction and communication with the management; <p>and</p> <p>(b) Individual Director Evaluation which covered the following areas:-</p> <ul style="list-style-type: none">(i) The strengths and contributions of each individual Director; and(ii) The specific areas in which each director may further enhance his/her performance and contribution. <p>The overall result of the evaluation was tabled to the Board and the</p>

	<p>NRC and the individual results/feedback were provided to each director for their information and records.</p> <p>Pursuant to the BEE, all Board members had provided feedback not only on the areas of assessment but also on areas that the Board could improve on moving forward. These areas have been incorporated into the Board’s Actionable Improvement Plan (“AIP”) to be addressed throughout 2019. The Board’s AIP for 2019 are as follows:-</p> <ul style="list-style-type: none"> (a) To develop and enhance Environmental, Social and Governance (ESG) Framework and Sustainability Plan for the Group; and (b) To hold more engagement sessions with key business and operations team across the Group. 	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

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

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied																				
Explanation on application of the practice	:	<p>The Board via the NRC is in charge of developing and implementing formal and transparent procedures for the development of Maybank's remuneration policy for its directors and senior managements. The NRC has demonstrated its commitment to set a fair and comprehensive remuneration package that is:-</p> <p>(i) commensurate with the expertise, skills, and responsibilities associated with being a Director and/or senior management of a financial institution; and</p> <p>(ii) benchmarked against the Group's peers both locally and regionally, taking into account the revenue/size of the Group against its regional peers.</p> <p>The NRC has established a remuneration framework for the Non-Executive Directors ("NED") (the "NED Remuneration Framework") which is subject to periodic review. Details of the NED Remuneration Framework for FY2018 are illustrated below:-</p> <table border="1" data-bbox="655 1570 1278 1973"> <thead> <tr> <th colspan="4">NED Remuneration Framework</th> </tr> <tr> <th colspan="4">per annum (RM)</th> </tr> <tr> <th>Fee Component</th> <th>Chairman</th> <th>Vice Chairman</th> <th>Member</th> </tr> </thead> <tbody> <tr> <td>Board Fee</td> <td>610,000</td> <td>440,000</td> <td>295,000</td> </tr> <tr> <td>Board Committee Fee</td> <td>75,000</td> <td>-</td> <td>45,000</td> </tr> </tbody> </table>	NED Remuneration Framework				per annum (RM)				Fee Component	Chairman	Vice Chairman	Member	Board Fee	610,000	440,000	295,000	Board Committee Fee	75,000	-	45,000
NED Remuneration Framework																						
per annum (RM)																						
Fee Component	Chairman	Vice Chairman	Member																			
Board Fee	610,000	440,000	295,000																			
Board Committee Fee	75,000	-	45,000																			

	<p>Based on the framework set out above, details of the total remuneration of the Directors (distinguished between Executive Directors and NEDs) in aggregate with categorisation into appropriate components for FY2018 can be found in the explanation on the application of Practice 7.1 in this report.</p> <p>Maybank's remuneration framework for its senior management has also been reviewed by the NRC and the Board, particulars of which are elaborated in Section B of this report.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a combined Nomination and Remuneration Committee ("NRC"), with the delegated authority to develop and implement formal and transparent procedures for:-</p> <ul style="list-style-type: none">(a) the appointment of Directors and senior management as well as assessment of effectiveness of individual Directors, the Board as a whole and the performance of the senior management; and(b) the development of Maybank's remuneration policy for directors, Group PCEO and senior officers of Maybank and ensuring that compensation is competitive and consistent with the Group's culture, objectives and strategy. <p>The NRC comprises members who are all Non-Executive Directors ("NEDs"), a majority of whom are Independent Non-Executive Directors</p> <p>The composition of the NRC, the profile of each member and details of meetings attended can be found in Section B of this report. The roles and responsibilities of the NRC are set out in its Terms of Reference which is available on Maybank Group's corporate website (www.maybank.com).</p> <p>Among the key activities of the NRC during FY2018 in relation to remuneration review, were as follows:-</p> <ul style="list-style-type: none">(a) Deliberated on the findings of the NEDs remuneration review and recommended a revised remuneration framework for NEDs to the Board for consideration;(b) Reviewed and recommended the total rewards (variable bonus and salary increment) for the Group; and(c) Established a NED Talent Pool for the Group.

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

Intended Outcome

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

Practice 7.1

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

Application	Applied							
Explanation on application of the practice	The remuneration breakdown of individual directors which includes fees, salary, bonus, benefits in-kind and other emoluments for FY2018 is set out as follows:-							
	Executive Director	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments* (RM)	Benefits-In-Kind (RM)	Employees' Share Scheme (RM)	Total (RM)
	Datuk Abdul Farid Alias	2,640,000	3,300,000	-	1,243,980*	39,045	2,376,268^	9,599,293
	Non-Executive Directors							
	Datuk Mohaiyani Shamsudin			610,000	611,500	43,935 [#]		1,265,435
	Datuk R. Karunakaran			507,500	131,500	8,735 [#]		647,735
	Mr. Cheng Kee Check			523,750	235,500	5,000 [#]		764,250
	Mr. Edwin Gerungan			467,500	175,500	6,636 [#]		649,636
	Encik Nor Hizam Hashim			403,750	143,500	4,348 [#]		551,598
	Dr Hasnita Dato' Hashim			418,750	166,500	8,735 [#]		593,985

Mr Anthony Brent Elam			445,000	215,500	5,000 [#]		665,500
Ms. Che Zakiah Che Din ¹			350,798	180,500	-		531,298
Puan Fauziah Hisham ²			253,976	116,000	5,000 [#]		374,976
Encik Shariffuddin Khalid ³			235,306	132,000	6,839 [#]		374,145
Mr. Renato Tinio De Guzman ⁴			32,083	-	-		32,083
Dato' Johan Ariffin ⁵			101,583	10,500	44,235 [#]		156,318
Datin Paduka Jam'iah Abdul Hamid ⁶			451,236	164,500	5,000 [#]		620,736
TOTAL (for Non-Executive Directors)	-	-	4,801,232	2,283,000	143,463	-	7,227,695
GRAND TOTAL	2,640,000	3,300,000	4,801,232	3,526,980	182,508	2,376,268	16,826,988

* Executive Director's Other Emoluments include pension costs, allowances and reimbursements.

Benefits in-kind for Non-Executive Directors include golf club membership, annual gift and farewell gift. In addition to this, benefits in-kind for the Chairman also include driver, car and fuel allowance.

^ During FY2018, the Executive Director had exercised a total of 1,901,000 options under the Employees' Share Option Scheme and a total of 177,871 Restricted Share Unit had need vested and awarded to him (value of both equivalent to RM2,376,268 based on the statutory guidelines for taxable gains calculation).

Notes:

¹ Appointed as an Independent Non-Executive Director of Maybank on 1 March 2018

² Appointed as an Independent Non-Executive Director of Maybank on 15 May 2018

³ Appointed as an Independent Non-Executive Director of Maybank on 14 June 2018

⁴ Resigned as an Independent Non-Executive Director of Maybank on 5 March 2018

⁵ Retired as an Independent Non-Executive Director of Maybank on 12 April 2018

⁶ Deceased on 19 November 2018

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

Intended Outcome

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

Practice 7.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board is of the opinion that such disclosure would be disadvantageous to the Group's business interests, given the highly competitive conditions in the banking industry where poaching of executives is commonplace.
	:	As an alternative to the recommended practice, the Board has opted to disclose a qualitative and quantitative disclosure of Maybank's remuneration framework for senior management and other employees of the Group as disclosed in Section B of this report.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will closely monitor developments in the market in respect of such disclosure for future consideration.
Timeframe	:	Others

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is not a member of any of the Board Committees of Maybank. The Audit Committee of the Board ("ACB") is chaired by Encik Nor Hizam bin Hashim, an INED. His profile can be found in Section B of this report.</p> <p>The ACB comprises a majority of INEDs. The composition of the ACB, the profile of each member and details of their meeting attendance can be found in Section B of this report.</p> <p>For further reference on the roles and responsibilities of the ACB, kindly refer to the Terms of Reference of the ACB which is available on Maybank Group's corporate website (www.maybank.com).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Terms of Reference of the ACB stipulates that should a former key audit partner be considered as a member of the ACB, the said candidate is required to observe a cooling-off period of at least two (2) years from the date he ceases to be a partner of the firm which has been the external auditor of the Group, before being appointed as a member of the ACB.</p> <p>None of the current members of the Board or the ACB had been associated with nor have they held any senior leadership position with the Group's appointed external auditors in the past two years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The Board has delegated the responsibility to assess the suitability, objectivity and independence of the Group's appointed external auditors to the Audit Committee of the Board ("ACB"). This responsibility is enshrined in the ACB's Terms of Reference, while the procedures and processes for the conduct of such assessment is guided by the Group's Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-Audit Services (the "Framework").</p> <p>Guided by the Framework, the ACB from time to time reviews and assesses the objectivity and independence of external auditors in the following areas:-</p> <ul style="list-style-type: none">(a) The audit fee and the appointment, termination and resignation of external statutory auditors, and thereafter make the appropriate recommendations to the Board, as the ACB deems fit;(b) The scope of external audit and the audit plan covering both local and overseas operations;(c) The performance of external statutory auditors and its qualification, expertise, and effectiveness;(d) The evaluation of the adequacy and effectiveness of internal controls system;(e) The Memorandum of Recommendations i.e. major audit findings raised by external statutory auditors and the management's responses, including the status of previous audit recommendations;(f) The assistance given by the management to the external statutory auditors and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information; and(g) The approval of non-audit services provided by the external

	<p>statutory auditors.</p> <p>As a financial institution, Maybank is also bound by banking regulations to ensure that external auditors appointed by the Group meets the quantitative and qualitative criteria set out in Bank Negara Malaysia's guidelines and shall continue to meet the criteria throughout the audit engagement, which among others require the Board and the ACB to obtain, review and independently verify through reasonable means all relevant information necessary to support its assessment of the external statutory auditor's compliance with said criteria.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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	:	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 8.5

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

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

Application :	Applied
Explanation on application of the practice :	<p>The Audit Committee of the Board ("ACB") consists of a majority of Independent Non-Executive Directors. The composition of the ACB can be found in Section B of this report.</p> <p>The ACB is chaired by Encik Nor Hizam bin Hashim who is a qualified accountant. The academic and professional background of the rest of the ACB members varies and they are equipped with knowledge and skills from various industries such as legal, accountancy, economics and finance. Coupled with their vast working experience, they are not only able to understand matters under the purview of ACB, additionally, they are also able to provide sound advice to the Board in areas of financial reporting, internal and external audit reports and the state of the Group's risk and internal control environment.</p> <p>All ACB members are aware of the need to continuously develop and increase their knowledge in the area of accounting and auditing standards, given the changes and development in this area from time to time. During FY2018, members of the ACB had attended briefing on accounting standards and key issues in financial reporting.</p> <p>During FY2018, the ACB had met twice to review the progress and execution of the MFRS 9 financial reporting standard which came into effect on 1 January 2018. In addition to the above, the ACB had also closely monitored and was apprised by the management on the preparations made by them ahead of the implementation of another financial reporting standard, MFRS 16 which came into effect on 1 January 2019.</p>
Explanation for departure :	

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

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board takes cognisance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness.</p> <p>In this respect, the Board has established a governance structure to ensure effective oversight of risks and controls in the Group. It is assisted by the Risk Management Committee ("RMC") and ACB to oversee all matters with regard to risks and controls. Recognising the importance in ensuring compliance with strict regulatory requirements, the Board has also established the CCB in 2017 to ensure effective oversight of the compliance risk across the Group.</p> <p>Further details on the state of the Group's risk and internal controls during FY2018 can be found in the Statement on Risk Management and Internal Controls in Maybank's Annual Report 2018.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board has disclosed the key features of its risk management and internal control system as well as its adequacy and effectiveness in the Statement on Risk Management and Internal Control in Maybank Annual Report 2018.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Risk Management Committee ("RMC") of Maybank comprised wholly of INEDs and is chaired by Mr Edwin Gerungan. The RMC assists the Board in ensuring that the risk exposures and outcomes affecting the Group is effectively managed and addressed by the Board. More specifically, the RMC is responsible for formulating policies and frameworks to identify, monitor, manage and control material risks impacting the Group.</p> <p>The composition of the RMC, the profile of each member, its roles and responsibilities and details of meeting attendance can be found in Section B of this report.</p>

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	:	<p>The Internal Audit (“IA”) function is established by the Board to undertake independent review and assessment on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by management. The IA function of Maybank Group is organised in-house and is independent of the activities or operations of other operating units in the Group. To maintain its impartiality, proficiency and due professional care as outlined in the Audit Charter (as approved by the Audit Committee of the Board (“ACB”) and noted by the Board), the IA function reports functionally to the ACB and administratively to the GPCEO.</p> <p>The principal responsibility of IA is to evaluate the effectiveness of the governance, risk management and internal control framework and to assess whether the risks which may hinder the Group from achieving its objectives, are adequately evaluated, managed and controlled. It provides risk-based and objective assurance, advice and insight to stakeholders with the aim of enhancing and protecting organisational values and supporting the Group to achieve its goals.</p> <p>To ensure effective management and independence of the Group’s IA function, the ACB is empowered by its Terms of Reference to:-</p> <ul style="list-style-type: none">(a) Appraise and approve the appointment and termination of the Group Chief Audit Executive;(b) Review and assess the performance of senior internal audit staff, including their remuneration and annual increment;(c) Take cognisance of the resignation of internal audit staff and the reasons for their resignation; and(d) Review and approve the scope of internal audit and the audit plan of the internal audit, covering both local and overseas operations, the adequacy of the scope, functions, and resources of the internal audit functions and whether it has the necessary authority to carry out its work.
Explanation for departure	:	

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

Intended Outcome

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

Practice 10.2

The board should disclose–

- 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	:	<p>The Board has through the Audit Committee of the Board (“ACB”) disclosed with sufficient explanation and detail in the Audit Committee Report in Maybank’s Annual Report 2018, the following information:-</p> <p>(a) Independence of Internal Audit (“IA”) Personnel</p> <p>The IA function of Maybank Group is organised in-house and is independent of the activities or operations of other operating units in the Group. To maintain its impartiality, proficiency and due professional care as outlined in the Audit Charter (as approved by the ACB and noted by the Board), the IA function reports functionally to the ACB and administratively to the GPCEO.</p> <p>(b) Internal Audit Resources</p> <p>As of 31 December 2018, Group Audit has a staff strength of 319 individuals from diverse backgrounds and qualifications.</p> <p>(c) Group Chief Audit Executive</p> <p>The IA function is currently headed by Puan Nazlee Abdul Hamid, the Group Chief Audit Executive. She has over 30 years audit experience in the financial industry as well as with Bank Negara Malaysia. She has a Master of Business Administration in Management and Organisational Leadership and holds a Diploma in Accountancy. She is an active member of the Chief Internal Auditors Networking Group (CIANG) and also a member of the Information Systems Audit and Control Association (ISACA), an independent, non-profit, global association that engages in the development, adoption and use of globally accepted, industry-leading knowledge and practices for information systems.</p>

	<p>(d) Internal Audit Framework</p> <p>The IA processes and activities are governed by the relevant regulatory guidelines as well as the Group’s Code of Ethics and The Institute of Internal Auditor’s (IIA) mandatory guidance established under the International Professional Practices Framework (IPPF).</p> <p>The IA scope of work for the year (as defined in the Annual Audit Plan) is identified using the Maybank Risk Based Audit Approach (MRBA). Under the approach, all the auditable units are risk-ranked into High, Medium or Low whilst the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and Control Objectives for Information and Related Technologies (COBIT) (for IT) frameworks are used to assess the adequacy and effectiveness of internal controls.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Investor Relations ("IR") is an essential part of Maybank's corporate governance framework which ensures that all stakeholders, including the domestic and international investment community, receive relevant, timely and comprehensive information about the Group.</p> <p>Maybank's dedicated IR unit is committed to providing effective and open two-way communication to improve disclosure and transparency. Contact details of key IR spokespersons of Maybank are as follows:</p> <p>Dato' Amirul Feisal Wan Zahir Group Chief Financial Officer Contact: (6)03 2074 7703 Email: feisal.zahir@maybank.com</p> <p>Jeeva Arulampalam Head, Group Investor Relations Contact: (6)03 2074 8017 Email: jeeva.a@maybank.com</p> <p>The Board recognises the importance of timely and accurate information to the shareholders and investors for them to make informed investment decisions about Maybank. Hence, the Board has adopted the Group's Corporate Disclosure Policies and Procedures ("Group Corporate Disclosure Policy") to enhance transparency, accountability as well as to facilitate disclosure of material information in a timely and accurate manner. A copy of the Group Corporate Disclosure Policy can be found on Maybank Group's corporate website (www.maybank.com). The policy details out Maybank Group's communication channels with its stakeholder groups and types of investor engagements undertaken by the Group. More details on the investor engagement for 2018 can be found on Maybank Group's corporate website.</p>

Group Corporate Website

Maybank Group's corporate website (www.maybank.com) provides comprehensive and easy access to the latest information about the Group. Information available on the corporate website includes Maybank's corporate profile, individual profiles of Directors and senior management, share and dividend information including the dividend reinvestment plan, investor presentations, financial results, annual reports, credit ratings, corporate news and Maybank's global operations and subsidiaries. Additionally, information on the Group's corporate governance structure and framework is also published in Maybank Group's corporate website (www.maybank.com).

Visitors can also receive the latest Maybank updates via email or RSS feed through Maybank Group's corporate website (www.maybank.com). In addition, stakeholders can also obtain regulatory announcements made by Maybank to Bursa Malaysia on Maybank Group's corporate website (www.maybank.com).

General Meetings

The Annual General Meeting ("AGM") and Extraordinary General Meetings ("EGM") represent the primary platforms for direct two-way interaction between the shareholders, Board and management of the Group. In deference to shareholder democracy and the transparency policy adopted by the Group, shareholder's approval is required on all material issues including, but not limited to, major mergers, acquisitions and divestments exercises, dividend payments, increase of Directors' fees, election/re-election and appointment/re-appointment of Directors as well as the appointment of auditors. The attendance of shareholders at the Group's general meetings has always been high as evidenced by the presence of more than 5,000 shareholders at the 58th AGM held on 12 April 2018. Active participation by the shareholders is encouraged during the AGM, in which an open platform is made available to the shareholders to raise questions relevant to the AGM agenda and appropriate response and clarification are promptly provided by the Board to the shareholders. In line with the recommendations of the Code, the Notice of the 59th AGM of the Company was issued to the shareholders of the Company 28 days prior to the date of the said meeting.

Maybank continues the practice of encouraging shareholders to submit written questions in advance prior to the commencement of meeting, in the forms provided during registration. This additional channel for the shareholders to raise their questions would allow Maybank to prepare the answers in advance and to group together similar questions from different shareholders to answer comprehensively as one. This provides greater efficiency in meeting proceedings and enables Maybank to address even more questions from the floor and is not intended to curtail the shareholders' right to speak in the meeting as the shareholders can still raise questions or make observations after the written question and answer session has been completed.

	<p>Additionally, the queries by the Minority Shareholders Watch Group (MSWG) on Maybank’s business or other pertinent governance issues raised prior to the meeting as well as Maybank’s feedback are shared with all shareholders during the meeting. The results of voting of each resolution are also immediately announced to the shareholders in the meeting after the voting process. Minutes of the AGM/EGM including significant matters discussed at the meetings are also disclosed on Maybank Group’s corporate website (www.maybank.com). Recognising the significance of the AGM as being the primary forum for the Group’s shareholders to engage with all members of the Board on a face-to-face basis, all members of the Board are committed to attend the same. The Chair of all Board Committees also comes prepared to address any issues that shareholders may raise within the scope of the Board Committees in which they lead.</p> <p>In accordance with the relevant provisions of Constitution, shareholders who are eligible to vote at general meetings but are unable to attend the AGM in person, may appoint proxies to vote on their behalf. Maybank has also introduced electronic voting (“e-voting”) facilities at the 58th AGM held last year, and will continue to make available such facilities in future meetings, to ensure that the mandatory poll voting process at all general meetings are carried out efficiently.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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	:	The Board has in January, 2018 evaluated the management's recommendations for Maybank to adopt integrated reporting as part of the Group's corporate communications strategy with the Group's stakeholders and has approved the transition of Maybank's Annual Report to an integrated reporting format in stages.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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	:	In line with the recommendations of the Code, the Notice of the 59 th Annual General Meeting (“AGM”) of the Company dated 13 March 2019 was issued to the shareholders 28 days prior to the AGM which will be held on 11 April 2019.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors attend Annual General Meeting (“AGM”) which are scheduled and approved in advance by the Board at the beginning of the year. Once meeting dates have been fixed, Directors would commit themselves to attending the meetings as scheduled, save for unforeseeable reasons that are beyond their control. In the past, all Directors have attended all AGMs except due to health reasons.</p> <p>The Chairman and Chair of all Board Committees are involved in the preparations of AGM and are regularly updated by the management on potential issues which may be raised during the AGM. They are also fully aware of their respective scope of responsibilities and come prepared to address any issues that the shareholders may raise within the scope of responsibilities of the Board Committees that they lead.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

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

- (f) including voting in absentia; and
- (g) remote shareholders' participation at General Meetings.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	At the Annual General Meeting held last year, the shareholders had approved the amendments to the Articles of the Company's Constitution to allow shareholders to attend general meetings remotely in line with the expectations of the Code. Moving forward, the Board will monitor the developments in the market in respect of new technologies to facilitate the conduct of such meetings, and may consider implementing the same in the future if there is a strong case to do so.
	:	In the meantime, shareholders who are unable to attend general meetings may in accordance with the relevant provisions of the Company's Constitution, appoint their respective proxies to vote on their behalf at all general meetings of Maybank.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will monitor the development of this practice in the market for future consideration.
Timeframe	:	Others

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO 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.

BOARD OF DIRECTORS

Profile of Directors

DATUK MOHAIYANI BINTI SHAMSUDIN

Non-Independent Non-Executive Director (Chairman)

70 years of age

Malaysian

APPOINTMENT

22 August 2011 (Appointed as Chairman on 1 April 2017)

QUALIFICATION

- Master of Business Administration (Finance), Cornell University, Ithaca, New York, USA
- Bachelor of Arts in Economics, Knox College, Galesburg, Illinois, USA

WORKING EXPERIENCE AND DIRECTORSHIPS

Present:

Within Maybank Group

- Chairman of Maybank
- Chairman of Maybank Investment Bank Berhad
- Chairman of Maybank Kim Eng Holdings Ltd
- Chairman of Maybank Foundation

Other Companies/Bodies

- Director of Universiti Teknologi MARA (UiTM)
- Director of Capital Market Development Fund, Securities Commission
- Member / Trustee of Perdana Leadership Foundation
- Member / Trustee of IJN Foundation
- Member / Trustee of National Council of Women's Organisations Malaysia

Past:

- Chairman of Maybank Asset Management Group Berhad and Maybank Asset Management Sdn Bhd from August 2012 to December 2016
- Member of several high level national working groups such as National Economic Action Council, National Economic Consultative Council II, National Information Technology Council, Ministry of Finance High Level Finance Committee for Corporate Governance, National Advisory Council for Women, Ministry of Women, Family and Community Development
- Chairman of Association of Stockbroking Companies Malaysia
- Deputy Chairman of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Berhad) from 1999 to 2004
- Owner and Managing Director of Mohaiyani Securities Sdn Bhd from 1985 to 2004
- Dealer at Seagroatt & Campbell Securities Sdn Bhd from 1982 to 1984
- Deputy Chief Executive Officer, Amanah Chase Merchant Bank Berhad from 1976 to 1981

Shareholdings in Maybank

Nil

DATUK ABDUL FARID BIN ALIAS

Non-Independent Executive Director
(Group President & Chief Executive Officer)
51 years of age
Malaysian

APPOINTMENT

2 August 2013

QUALIFICATION

- Master of Business Administration (Finance), University of Denver, USA
- Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA
- Advanced Management Programme, Harvard Business School
- Chartered Banker of Asian Institute of Chartered Bankers

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Group President & Chief Executive Officer / Executive Director of Maybank
- President Commissioner of PT Bank Maybank Indonesia Tbk
- Director of Maybank Singapore Limited

Other Companies/Bodies

- Chairman of The Association of Banks in Malaysia
- Vice Chairman of Asian Institute of Chartered Bankers
- Director of Cagamas Holdings Berhad
- Member of the ASEAN Banking Council
- Member of the Asian Bankers Association Policy Advocacy Committee
- Member of Visa Asia Pacific Senior Client Council
- Investment Panel of Kumpulan Wang Persaraan (Diperbadankan)
- Member of the Emerging Markets Advisory Council of The Institute of International Finance, Washington DC
- Director of Asian Banking School Sdn Bhd
- Director of STF Resources Sdn Bhd
- Director of Payments Network Malaysia Sdn Bhd
- Panel of Kumpulan Wang Amanah Negara

Past:

- Director of Etiqa International Holdings Sdn Bhd from April 2015 to August 2018
- Chairman of Malaysian Electronic Payment System Sdn Bhd from November 2013 to August 2017
- Director of Maybank Ageas Holdings Berhad from November 2013 to September 2017
- Director of Maybank Investment Bank Berhad from June 2011 to August 2017
- Deputy President & Head, Global Banking of Maybank from July 2010 to August 2013
- Head, International of Maybank from 2009 to 2010

- Khazanah Nasional Berhad from 2005 to 2008
- J.P. Morgan from 1997 to 2005
- Malaysian International Merchant Bankers Berhad from 1996 to 1997
- Schroders from 1994 to 1995
- Aseambankers Malaysia Berhad from 1992 to 1994

Membership of Board Committees in Maybank:

- Credit Review Committee (Member)

Shareholdings in Maybank

663,406 ordinary shares

DATUK R. KARUNAKARAN

Senior Independent Non-Executive Director
68 years of age
Malaysian

APPOINTMENT

16 July 2014

QUALIFICATION

- Post Graduate Course on Industrial Project Planning, University of Bradford, UK
- Bachelor of Economics (Accounting) (Hons), University of Malaya, Malaysia

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Chairman of Maybank Singapore Limited
- Chairman of Maybank Ageas Holdings Berhad
- Chairman of Etiqa International Holdings Sdn Bhd

Other Companies/Bodies

- Director of Bursa Malaysia Berhad
- Director of IOI Corporation Berhad
- Chairman of Integrated Logistics Berhad

Past:

- Chairman of Etiqa Life Insurance Berhad from 1 January 2018 to 31 December 2018
- Director of Etiqa General Insurance Berhad from November 2010 and re-designated as Chairman from March 2016 to December 2018
- Chairman of Etiqa Family Takaful Berhad from March 2016 to December 2017
- Director of Sime Darby Motors Sdn Bhd from December 2010 to November 2017
- Director of Maybank (Cambodia) Plc from October 2012 to October 2017
- Chairman / Director of Maybank Private Equity Sdn Bhd from May 2013 to December 2016
- Director of Maybank Asset Management Group Berhad from August 2012 to December 2016
- Director of Maybank Asset Management Sdn Bhd from November 2010 to January 2017
- Director of Chemical Company of Malaysia from January 2011 to December 2014
- Director of Maybank Investment Bank Berhad from February 2009 to November 2014
- Director of Maybank Agro Fund Sdn Bhd from May 2012 to March 2016
- Member of the Cabinet Committee on Investment for High Impact Projects and PEMUDAH

Membership of Board Committees in Maybank:

- Nomination and Remuneration Committee (Chairman)
- Employees' Share Grant Plan Committee (Chairman)
- Risk Management Committee (Member)

Shareholdings in Maybank
Nil

CHENG KEE CHECK

Non-Independent Non-Executive Director
54 years of age
Malaysian

APPOINTMENT

19 November 2014

QUALIFICATION

LL.B. (Hons), National University of Singapore, Singapore

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Chairman of Maybank Trustees Berhad

Other Companies/Bodies

- Corporate lawyer and partner at Messrs Skrine

Past:

- Director of PNB Development Sdn. Berhad from March 2009 to August 2017
- Director of Seriemas Development Sdn. Berhad from July 2009 to August 2017
- Member of the Investment Committee of Amanah Saham Wawasan 2020 from 15 October 2012 to 1 January 2018

Membership of Board Committees in Maybank:

- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)
- Credit Review Committee (Member)
- Compliance Committee (Member)
- Employees' Share Grant Plan Committee (Member)

Shareholdings in Maybank

Nil

EDWIN GERUNGAN

Independent Non-Executive Director
70 years of age
Indonesian

APPOINTMENT

24 August 2015

QUALIFICATION

Bachelor of Arts in Philosophy, Principia College, Elsah, Illinois, USA

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Commissioner of PT Bank Maybank Indonesia Tbk

Past:

- Independent Commissioner of PT Indonesia Infrastructure Finance from December 2014 to February 2018
- President Director of PT BHP Billiton Indonesia from 2007 to 2013
- President Commissioner of Bank Mandiri from 2005 to 2014
- Independent Commissioner of Bank Danamon from 2003 to 2005
- Independent Commissioner of Bank Central Asia from 2002 to 2003
- Chief Executive Officer of Indonesian Banking Restructuring Agency from 2000 to 2001
- Executive Vice President, Treasury and International, Bank Mandiri from 1999 to 2000
- Senior Advisor at Atlantic Richfield from 1997 to 1999
- Vice President, Head of Treasury, Citibank N.A. from 1972 to 1997

Membership of Board Committees in Maybank:

- Risk Management Committee (Chairman)
- Nomination and Remuneration Committee (Member)
- Employees' Share Grant Plan Committee (Member)

Shareholdings in Maybank

Nil

NOR HIZAM BIN HASHIM

Independent Non-Executive Director
70 years of age
Malaysian

APPOINTMENT

13 June 2016

QUALIFICATION

- Bachelor Degree in Commerce (Finance, Accounting and Economics), University of Western Australia, Australia
- Bachelor Degree in Jurisprudence (Hons), University of Malaya, Malaysia
- Member of the Malaysian Institute of Accountants (MIA)

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Director of Maybank Islamic Berhad

Other Companies/Bodies

- Director of MCB Bank Limited
- Director of Minority Shareholders Watch Group (Badan Pengawas Pemegang Saham Minoriti Berhad)

Past:

- Expert Officer to the Public Private Partnership Unit, Economic Planning Unit in the Prime Minister's Department from 2007 to 2011
- Chief Executive Officer of TM International Corporation from 2000 to 2003
- Director of all foreign subsidiaries of Telekom Malaysia and its local subsidiaries includes Telekom Smart School Sdn Bhd, University Telekom Sdn Bhd, Telekom Consultancy Sdn Bhd and Menara Kuala Lumpur Sdn Bhd, from 2000 to 2003
- Chief Financial Officer/Executive Director of Telkom SA Ltd. (South Africa) from 1997 to 1999
- Chief Operating Officer of Telekom Malaysia Berhad from 1995 to 1996
- Senior General Manager of Corporate Finance, Telekom Malaysia Berhad from 1992 to 1994
- General Manager of Corporate Finance, Telekom Malaysia Berhad from 1988 to 1991
- Financial Controller of Mamor Sdn Bhd (a subsidiary of the Unilever Group) from 1982 to 1985
- Accountant and Financial Analyst of ESSO Malaysia Berhad from 1975 to 1981

Membership of Board Committees in Maybank:

- Audit Committee (Chairman)
- Credit Review Committee (Member)

Shareholdings in Maybank

Nil

DR HASNITA BINTI DATO' HASHIM

Independent Non-Executive Director
57 years of age
Malaysian

APPOINTMENT

1 July 2016

QUALIFICATION

- PhD in Nuclear Physics, Oxford University, UK
- Bachelor of Science in Physics, Surrey University, UK
- Associate of the Institute of Actuaries, Staple Inn, London, UK
- Investment Advisors License from the Securities Commission Malaysia

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Chairman of Maybank Asset Management Group Berhad
- Chairman of Maybank Asset Management Sdn Bhd
- Chairman of Maybank Islamic Asset Management Sdn Bhd

Other Companies/Bodies

- Director, Guidance Atel Investments Ltd
- Director, Guidance Investments (Labuan) Ltd
- Director, Redachem Malaysia Sdn Bhd
- Director, Guidance ATEL GCC Investments Ltd
- Chairman of Majlis Amanah Rakyat (MARA)
- Member of National Economic Action Council

Past:

- Director of Guidance SEARE Advisors GP Limited from April 2014 to May 2018
- Director and Chief Executive Officer of Guidance Investments Sdn Bhd from May 2012 to December 2016
- Head, Institutional Business, Guidance Financial Group from 2002 to 2011
- Chief Executive Officer of IslamiQ from 1998 to 2001
- Chief Executive Officer of Commerce MGI Sdn Bhd from 1994 to 1998
- Fund Manager with Rashid Hussain Asset Management from 1992 to 1994
- Actuary with Coopers and Lybrand Deloitte, London, UK from 1988 to 1992

Membership of Board Committees in Maybank:

- Risk Management Committee (Member)
- Credit Review Committee (Member)
- Compliance Committee (Member)

Shareholdings in Maybank
Nil

ANTHONY BRENT ELAM

Independent Non-Executive Director
60 years of age
American

APPOINTMENT

15 November 2016

QUALIFICATION

- Master in Business Administration (Finance and International Business), New York University, USA
- Bachelor of Science in Foreign Service, Georgetown University, USA

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Director of Maybank (Cambodia) Plc
- Director of Maybank Singapore Limited

Other Companies/Bodies

- Commissioner of PT Lombok Saka
- Independent Director of PT Sarana Menara Nusantara Tbk

Past:

- Chief Risk Officer / Director of PT Bank Central Asia Tbk from May 2002 to April 2016
- Advisor at PT Bahana Pembinaan Usaha Indonesia from November 1996 to December 2001
- Vice President at Dieng Djaya from February 1994 to November 1996
- Vice President at Citibank from 1986 to 1994

Membership of Board Committees in Maybank:

- Credit Review Committee (Chairman)
- Risk Management Committee (Member)
- Compliance Committee (Member)

Shareholdings in Maybank

Nil

CHE ZAKIAH BINTI CHE DIN

Independent Non-Executive Director
59 years of age
Malaysian

APPOINTMENT

1 March 2018

QUALIFICATION

Bachelor of Economics (Hons), University of Malaya, Malaysia

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Director of Maybank Investment Bank Berhad

Other Companies/Bodies

- Member of Investment Panel, Lembaga Tabung Angkatan Tentera (LTAT)
- Public Interest Director, Federation of Investment Managers Malaysia
- External Expert, International Monetary Fund

Past:

- Director, Financial Conglomerates Supervision Department, Bank Negara Malaysia from 2004 to 2017
- Director, Development Financial Institutions Regulations Department, Bank Negara Malaysia from 2002 to 2004
- Deputy Director, Bank Regulations Department, Bank Negara Malaysia from 1998 to 2002
- Bank Supervision Departments, Bank Negara Malaysia from 1984 to 1998
- Economics Department, Bank Negara Malaysia from 1982 to 1984

Membership of Board Committees in Maybank:

- Compliance Committee (Chairman)
- Audit Committee (Member)
- Credit Review Committee (Member)

Shareholdings in Maybank

Nil

FAUZIAH BINTI HISHAM

Independent Non-Executive Director
63 years of age
Malaysian

APPOINTMENT

15 May 2018

QUALIFICATION

Associate Member of The Institute of Chartered Secretaries & Administrators, United Kingdom

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Director of Maybank Philippines Inc.

Other Companies/Bodies

- Director of Hengyuan Refining Company Berhad
- Director of Agensi Kaunseling dan Pengurusan Kredit
- Member of Small Debt Resolution Committee, Bank Negara Malaysia
- Director of HBOC Technologies (M) Sdn Bhd

Past:

- Independent Non-Executive Chairman, J.P. Morgan Chase Bank Berhad from January 2015 to March 2018
- Independent Non-Executive Director, J.P. Morgan Chase Bank Berhad from October 2014 to March 2018
- Executive Director and Country Representative, Australia & New Zealand Banking Group Ltd, Malaysia Office from May 2008 to July 2014
- Managing Director, Strategic Client Coverage Group, Standard Chartered Bank Malaysia Berhad from March 2006 to April 2008
- Chief Executive Officer, J.P. Morgan Chase Bank Berhad from February 2002 to February 2006

Membership of Board Committees in Maybank:

- Risk Management Committee (Member)
- Nomination and Remuneration Committee (Member)
- Credit Review Committee (Member)
- Employees' Share Grant Plan Committee (Member)

Shareholdings in Maybank

14,483 ordinary shares

SHARIFFUDDIN BIN KHALID

Independent Non-Executive Director
53 years of age
Malaysian

APPOINTMENT

14 June 2018

QUALIFICATION

Fellow Member of The Chartered Institute of Management Accountants, UK

WORKING EXPERIENCE AND DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank

Other Companies/Bodies

- Director of Marine & General Berhad
- Director of M&G Marine Logistics Holdings Sdn. Bhd. (formerly known as Red Centennial Sdn Bhd)
- Director of M&G Tankers Sdn. Bhd.
- Director of Jasa Merin (Labuan) Plc
- Director of M&G Ship Management (L) Pte Ltd

Past:

- Director, Strategic Communications, Bank Negara Malaysia from 2008 to 2017
- Director, Malaysia International Islamic Finance Centre, Bank Negara Malaysia from 2008 to 2017
- Non-Executive Board Member, Agensi Kaunseling dan Pengurusan Kredit from 2006 to 2012
- General Manager, Communications and Human Resource, Pengurusan Danaharta Nasional Berhad from 1998 to 2005
- Deputy General Manager, Business Development, Amanah Merchant Bank Berhad from 1994 to 1998

Membership of Board Committees in Maybank:

- Audit Committee (Member)
- Credit Review Committee (Member)
- Compliance Committee (Member)

Shareholdings in Maybank

Nil

Changes of Board of Directors during the Financial Year

- (i) Mr Renato Tinio De Guzman resigned as an Independent Non-Executive Director of Maybank on 5 March 2018.
- (ii) Ms Che Zakiah Che Din was appointed as an Independent Non-Executive Director of Maybank on 1 March 2018.
- (iii) Dato' Johan Ariffin retired as an Independent Non-Executive Director of Maybank on 12 April 2018.
- (iv) Puan Fauziah Hisham was appointed as an Independent Non-Executive Director of Maybank on 15 May 2018.
- (v) Encik Shariffuddin Khalid was appointed as an Independent Non-Executive Director of Maybank on 14 June 2018.
- (vi) Datin Paduka Jam'iah Abdul Hamid deceased on 19 November 2018.

Roles and Responsibilities of the Board

The Board has the responsibility to approve and periodically review the overall business strategies and significant policies of the Group, premised on sustainability and promoting ethical conduct in business dealings, understanding the major risks faced by the Group, setting acceptable levels of risk taking and ensuring that the senior management takes the necessary steps to identify, measure, monitor and control these risks. The Board also approves the organisational structure and ensures that senior management is monitoring the effectiveness of the internal control system. Among the primary obligations of the Board are as follows:-

- (a) Approving group strategy, business plans and the annual budget and its half yearly review;
- (b) Approving the recruitment, appointment, promotion, confirmation and termination of service, as well as the remuneration package, compensation and benefits policies and the terms and conditions, including the job grade of executives in key management positions;
- (c) Establishing and approving policies with Group wide applicability, which include Human Capital, Information Technology, Property, Procurement, Communications, Reporting, Funding, Capital Allocation/Raising, Risk Management, Anti-Money Laundering, etc.;
- (d) Establishing and approving policies on compliance for the Group;
- (e) Approving changes to the corporate organisation structure of the Group;
- (f) Determining the general composition of the Board (size, skill and balance between executive directors and non-executive directors) in order to ensure that the Board consists of the requisite diversity of skills, experience, gender qualification, and other core competencies required;
- (g) Approving a framework of remuneration for directors, covering fees, allowances, and benefits-in-kind (directors of all boards and committees);
- (h) Approving policies pertaining to corporate image, brand management, community relations, investor relations and shareholder communications programs;
- (i) Ensuring that the Group has a beneficial influence on the economic well-being of the communities within which it operates, especially via its oversight of the Maybank Foundation, and endorsement of the initiatives and programmes carried out via the same;
- (j) Approving a Leadership Development framework for the Group, further to identifying and ensuring succession planning within the Group;
- (k) Ensuring that the Board is supported by a suitably qualified and competent Company Secretary;

- (l) Ensuring that the Board members have access to appropriate education and training programmes to keep abreast of the latest developments in the industry, and as may be prescribed by the regulatory authorities from time to time; and
- (m) Approving the Group's financial statements (and ensuring the reliability of the same) as well as the interim dividend and recommend the final dividend to shareholders and the application of Dividend Reinvestment Plan thereto.

BOARD COMMITTEES

Audit Committee of the Board ("ACB")

Members:-

- (i) Encik Nor Hizam Hashim (Chairman) - Independent Non-Executive Director
- (ii) Mr Cheng Kee Check - Non-Independent Non-Executive Director
- (iii) Ms Che Zakiah Che Din - Independent Non-Executive Director
- (iv) Encik Shariffuddin Khalid - Independent Non-Executive Director

The ACB was established by the Board to assist in the execution of its governance and oversight responsibilities. The responsibilities include the assessment of the adequacy of the Group's internal control system through the internal audit function.

The responsibilities of the ACB are set out in the Terms of Reference of the ACB which is published on Maybank Group's corporate website (www.maybank.com).

Nomination and Remuneration Committee ("NRC")

Members:-

- (i) Datuk R. Karunakaran (Chairman) - Senior Independent Non- Executive Director
- (ii) Mr Cheng Kee Check - Non-Independent Non-Executive Director
- (iii) Mr Edwin Gerungan - Independent Non-Executive Director
- (iv) Puan Fauziah Hisham - Independent Non-Executive Director

The NRC was established by the Board to implement its policies and procedures in respect of the Board's composition and appointment of Directors to the Board and Boards' evaluation as well as to review and recommend matters relating to the remuneration of the Board and the senior management of the Group.

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

Risk Management Committee (“RMC”)

Members:-

- (i) Mr Edwin Gerungan (Chairman) - Independent Non-Executive Director
- (ii) Datuk R. Karunakaran - Senior Independent Non-Executive Director
- (iii) Dr. Hasnita Dato' Hashim - Independent Non-Executive Director
- (iv) Mr Anthony Brent Elam - Independent Non-Executive Director
- (v) Puan Fauziah Hisham - Independent Non-Executive Director

The RMC assumes the responsibility for the Group's risk oversight and any approved policies and frameworks formulated to identify measure and monitor various risk components amongst others, credit risk, market risk, liquidity risk and operational risk would be reviewed and recommended by the RMC.

The responsibilities of the Risk Management Committee include, amongst others, the following:

- (i) To ensure that the risk exposures and risk outcomes of the overall remuneration system for Maybank are adequately considered;
- (ii) To review and approve risk management strategies, risk frameworks, risk policies, risk tolerance and risk appetite limits;
- (iii) To review and assess adequacy of risk management policies and frameworks in identifying, measuring, monitoring and controlling risks and the extent to which they operate effectively;
- (iv) To ensure infrastructure, resources and systems are in place for risk management, i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of Maybank's risk taking activities; and
- (v) To review management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

Credit Review Committee (“CRC”)

Members:-

- (i) Mr Anthony Brent Elam (Chairman) - Independent Non-Executive Director
- (ii) Datuk Abdul Farid Alias - Non-Independent Executive Director and Group President and Chief Executive Officer
- (iii) Mr Cheng Kee Check - Non-Independent Non-Executive Director
- (iv) Encik Nor Hizam Hashim - Independent Non-Executive Director
- (v) Dr. Hasnita Dato' Hashim - Independent Non-Executive Director
- (vi) Ms Che Zakiah Che Din - Independent Non-Executive Director
- (vii) Puan Fauziah Hisham - Independent Non-Executive Director
- (viii) Encik Shariffuddin Khalid - Independent Non-Executive Director

The CRC is tasked by the Board to review all loan applications of a certain sum approved by the Group Management Credit Committee (“GMCC”) of the senior management.

In relation to the proposals which would need final approval by the Board, these proposals would be reviewed by the CRC, prior to being recommended to the Board. The CRC is also entrusted to review any director and staff-related loans as well as policy loans.

The responsibilities of the CRC include, amongst others, the following:-

- (i) To review/veto loans exceeding the discretionary power;
- (ii) To review/veto, with power to object or support, all proposals recommended by the GMCC to the Board for approval/affirmation;
- (iii) To review/veto, with power to object or support, all global limits (and any increase thereto), recommended by the GMCC to the Board for approval. To also affirm annually existing global limits approved by the Board and recommended by the GMCC for renewal; and
- (iv) To provide oversight of the entire credit management function covering but not limited to portfolio, end-to-end process, infrastructure, resources and governance.

Compliance Committee of the Board (“CCB”)

Members:-

- (i) Ms Che Zakiah Che Din (Chairman)* - Independent Non-Executive Director
- (ii) Mr Cheng Kee Check - Non-Independent Non-Executive Director
- (iii) Dr. Hasnita Dato' Hashim - Independent Non-Executive Director
- (iv) Mr Anthony Brent Elam - Independent Non-Executive Director
- (v) Encik Shariffuddin Khalid - Independent Non-Executive Director

** Appointed as Chairman of the CCB on 29 November 2018 in place of the late Datin Paduka Jam'iah Abdul Hamid who passed away on 19 November 2018.*

The main objective of the establishment of the CCB is to ensure the Group's compliance risk management is given the needed attention at the highest level and to ensure regulatory compliance risk is effectively managed to support the Group's business growth in line with the Group's aspiration and risk appetite.

The responsibilities of the CCB include, amongst others, the following:

- (i) Formulate policies and framework to identify, assess, monitor and manage regulatory compliance risk for the Maybank Group;
- (ii) Review, recommend and oversee the implementation of policies on compliance for the Group including but not limited to the relevant policies for the prevention of money laundering, terrorism financing, bribery and corruption;
- (iii) Review and assess the adequacy of infrastructure, resources and systems to manage compliance risk and recommend improvement to ensure effectiveness;
- (iv) At least annually, evaluate the effectiveness of the group's overall management of compliance risk, having regard to the assessments of senior management and internal audit, as well as the Group Compliance team and recommend improvement needed to the Board;
- (v) Review, assess and recommend to the Board corrective measures to address compliance risk concerns as highlighted by the Group Compliance team and various home-host regulatory authorities, where relevant;
- (vi) Review the Compliance Report prior to submission to the Board; and
- (vii) Review and assess the performance of the Group Chief Compliance Officer and the senior team of Group Compliance including their remuneration and annual increment and recommend to the Board.

Employees' Share Scheme Committee ("ESS Committee")

Members:-

- (i) Datuk R. Karunakaran (Chairman) – Senior Independent Non-Executive Director
- (ii) Mr Cheng Kee Check - Non-Independent Non-Executive Director
- (iii) Mr Edwin Gerungan - Independent Non-Executive Director

The ESS was established to serve as a long-term incentive plan as well as to align the interests of employees with the objectives of the Maybank Group to create sustainable value enhancement for the organisation and the shareholders.

The Board has delegated to the ESS Committee the responsibility for determining all questions of policy and expediency arising from the administration of the ESS and to generally undertake the necessary actions to promote Maybank's best interest.

The responsibilities of the ESS Committee as outlined in its Terms of Reference include to administer the ESS and to recommend the financial and performance targets/criteria to the Board for approval prior to implementation and such other conditions as it may deem fit.

Following the expiry of the ESS on 23 June 2018, the ESS Committee was dissolved with effect from 31 July 2018.

Employees' Share Grant Plan Committee ("ESGP Committee")

Members:-

- (i) Datuk R. Karunakaran (Chairman) - Senior Independent Non-Executive Director
- (ii) Mr Cheng Kee Check - Non-Independent Non-Executive Director
- (iii) Mr Edwin Gerungan - Independent Non-Executive Director
- (iv) Puan Fauziah Hisham - Independent Non-Executive Director

The ESGP Committee was established by the Board to administer the employees' share grant plan for the award of shares to eligible Executive Director(s) and employees of the Group who fulfils the criteria for eligibility as stipulated in the by-laws.

The responsibilities of the ESGP Committee as outlined in its Terms of Reference include to administer the ESGP and to recommend the financial and performance targets/criteria to the Board for approval prior to implementation and such other conditions as it may deem fit.

Board and Board Committee Meetings and Directors Attendance

Name of Directors	Board Number of Meetings			CRC Number of Meetings			ACB Number of Meetings		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Datuk Mohaiyani Shamsudin	13	13	100	-	-	-	-	-	-
Datuk Abdul Farid Alias	13	12	92	13	11	85	-	-	-
Datuk R. Karunakaran	13	13	100	-	-	-	-	-	-
Mr Cheng Kee Check	13	13	100	13	13	100	14	14	100
Mr Edwin Gerungan	13	13	100	-	-	-	-	-	-
Encik Nor Hizam Hashim	13	13	100	13	12	92	14	14	100
Dr Hasnita Dato' Hashim	13	12	92	13	12	92	-	-	-
Mr Anthony Brent Elam	13	13	100	13	13	100	-	-	-
Ms Che Zakiah Che Din ¹	11	11	100	11	11	100	11	11	100
Puan Fauziah Hisham ²	9	8	89	8	8	100	-	-	-
Encik Shariffuddin Khalid ³	8	8	100	8	8	100	7	7	100
Mr Renato Tinio De Guzman ⁴	2	-	-	2	-	-	3	-	-
Dato' Johan Ariffin ⁵	3	3	100	3	2	67	4	4	100
Datin Paduka Jam'iah Abdul Hamid ⁶	11	11	100	-	-	-	13	13	100

Name of Directors	RMC Number of Meetings			NRC Number of Meetings			CCB Number of Meetings		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Datuk R. Karunakaran	9	8	89	10	10	100	-	-	-
Mr Cheng Kee Check	-	-	-	10	10	100	12	12	100
Mr Edwin Gerungan	9	9	100	10	10	100	-	-	-
Encik Nor Hizam Hashim	-	-	-	-	-	-	-	-	-
Dr Hasnita Dato' Hashim	9	8	89	-	-	-	12	11	92
Mr Anthony Brent Elam	9	9	100	-	-	-	12	12	100
Ms Che Zakiah Che Din ¹	-	-	-	-	-	-	10	10	100
Puan Fauziah Hisham ²	5	5	100	5	5	100	-	-	-
Encik Shariffuddin Khalid ³	-	-	-	-	-	-	7	7	100
Mr. Renato Tinio De Guzman ⁴	1	-	-	-	-	-	-	-	-
Datin Paduka Jam'iah Abdul Hamid ⁶	-	-	-	10	9	90	11	11	100

Name of Directors	ESGP Committee Number of Meetings			ESS Committee Number of Meetings		
	Held	Attended	%	Held	Attended	%
Datuk R. Karunakaran	3	3	100	2	2	100
Mr Edwin Gerungan	3	3	100	2	2	100
Mr Cheng Kee Check	3	3	100	2	2	100
Puan Fauziah Hisham ²	1	1	100	-	-	-
Datin Paduka Jam'iah Abdul Hamid ⁶	3	2	67	2	2	100

Notes:-

- ¹ Appointed as a member of the Credit Review Committee of the Board with effect from 28 March 2018, Compliance Committee and Audit Committee of the Board with effect from 26 March 2018 and 29 March 2018 respectively. She was subsequently appointed as the Chairman of Compliance Committee of the Board with effect from 29 November 2018.
- ² Appointed as a member of the Credit Review Committee of the Board with effect from 27 June 2018, Nomination and Remuneration Committee and Employees Share Grant Plan Committee of the Board with effect from 19 July 2018. She was subsequently appointed as a member of the Risk Management Committee of the Board on 23 July 2018.
- ³ Appointed as a member of the Credit Review Committee, Audit Committee and Compliance Committee with effect from 14 June 2018.
- ⁴ Resigned as an Independent Non-Executive Director of Maybank with effect from 5 March 2018.
- ⁵ Retired as an Independent Non-Executive Director of Maybank on 12 April 2018.
- ⁶ Deceased on 19 November 2018.

TRAINING AND EDUCATION ATTENDED BY THE BOARD DURING THE FINANCIAL YEAR

Director(s)	Trainings attended by Directors
Datuk Mohaiyani Shamsudin	<ol style="list-style-type: none"> 1. Invest Malaysia 2018: Connecting Strengths. Advancing Performance 2. 5th World Capital Markets Symposium Renaissance of Capitalism Markets for Growth 3. Lunch & PNB CEO Roundtable 2018 4. Cyber Security for Financial Services Industry ~ What the C-Suite and Board of Directors Should Know 5. Invest ASEAN 2018 6. Understanding the Foundations of Islamic Worldview 7. Invest ASIA 2018 London 8. Companies Legislation in Singapore and focus on directors' duties 9. Cybersecurity threats and disruptions and disruptive technology 10. Maybank 2018 Annual Risk Workshop 11. Shariah, Islamic Banking & Finance 12. Khazanah Nasional Megatrends Forum 13. Malaysia: A New Dawn Conference 14. "An In Depth Exploration of ECDG's Business" 15. Compliance Training Programme 16. (Shariah Centre) 3rd Leaders Insight Series
Datuk Abdul Farid Alias	<ol style="list-style-type: none"> 1. Invest Malaysia 2018: Connecting Strengths. Advancing Performance 2. 5th World Capital Markets Symposium Renaissance of Capitalism Markets for Growth 3. Artificial Intelligence & Technology Development Leadership Programme 4. Invest Asia 2018 – Asia Asean Frontier Markets 5. 22nd Malaysian Banking Summit 6. Maybank 2018 Annual Risk Workshop 7. International Social Security conference (ISSC) 2018 8. Workshop – Embedding Financial Crime Risk Management 9. Singapore Summit 2018 10. Malaysia: A New Dawn Conference 11. 2018 IIF Annual Membership Meeting & EMAC Advisory Council Meeting 12. BNM Financial Stability Conference on Re-envisioning Financial Stability – The Path Forward 13. 10th International Conference on Financial Crime & Terrorism Financing 14. Visa Asia Pacific Senior Client Council Meeting 15. Compliance Training Programme 16. FINCO Membership Dialogue Day

Director(s)	Trainings attended by Directors
Datuk R. Karunakaran	<ol style="list-style-type: none"> 1. Invest Malaysia 2018: Connecting Strengths. Advancing Performance 2. CG Breakfast Session: MCCG Reporting and CG Guide 3. 29th Annual Palm & Lauric Oils Conference 4. Etiqa Compliance Conference : Transforming Compliance 5. Board Perspective on Cyber Resilience 6. 1st PIDM-FIDE FORUM:- <ol style="list-style-type: none"> (i) Is the financial system any safer, simpler or fairer than before Dialogue (ii) Greek lesson to banking world 7. Maybank 2018 Annual Risk Workshop 8. Artificial Intelligence & Technology Development Leadership Programme 9. Understanding Fintech and Its Implications for Insurance Companies 10. Malaysia: A New Dawn Conference 11. Preparedness Training on Crisis Management & Cyber Security 12. Global Environmental Social and Governance Trends 13. Maybank Compliance Training Programme
Mr. Cheng Kee Check	<ol style="list-style-type: none"> 1. Invest Malaysia 2018: Connecting Strengths. Advancing Performance 2. 5th World Capital Markets Symposium Renaissance of Capitalism: Markets for Growth 3. PNB CEO Roundtable 2018: Research On Purposeful Leadership 4. Maybank 2018 Annual Risk Workshop 5. Artificial Intelligence & Technology Development Leadership Programme 6. International Malaysia Law Conference 2018 7. Malaysia: A New Dawn Conference 8. YTI Memorial Lecture: Redefining Financial Integrity 9. Compliance Training Programme
Mr. Edwin Gerungan	<ol style="list-style-type: none"> 1. FIDE Core Module B – Banks 2. 5th World Capital Markets Symposium Renaissance of Capitalism Markets for Growth 3. Artificial Intelligence & Technology Development Leadership Programme 4. Maybank 2018 Annual Risk Workshop 5. Malaysia: A New Dawn Conference 6. Compliance Training Programme

Director(s)	Trainings attended by Directors
En. Nor Hizam Hashim	<ol style="list-style-type: none"> 1. FIDE Core Module B – Banks 2. Artificial Intelligence & Technology Development Leadership Programme 3. Maybank 2018 Annual Risk Workshop 4. Malaysia: A New Dawn Conference 5. Islamic Finance for Board Programme 6. Compliance Training Programme
Dr. Hasnita Dato' Hashim	<ol style="list-style-type: none"> 1. FIDE Core Module B – Banks 2. Artificial Intelligence & Technology Development Leadership Programme 3. Maybank 2018 Annual Risk Workshop 4. Malaysia: A New Dawn Conference 5. Compliance Training Programme
Mr Anthony Brent Elam	<ol style="list-style-type: none"> 1. Maybank 2018 Annual Risk Workshop 2. Compliance Training Programme
Datin Paduka Jam'iah Abdul Hamid (deceased on 19 November 2018)	<ol style="list-style-type: none"> 1. Audit Committee Institute Breakfast Roundtable 2018 2. 2018 Annual Risk Workshop 3. Artificial Intelligence & Technology Development Leadership Programme 4. Malaysia: A New Dawn Conference
Ms Che Zakiah Che Din	<ol style="list-style-type: none"> 1. Artificial Intelligence & Technology Development Leadership Programme 2. Mandatory Accreditation Programme 3. FIDE Core Programme Module A – Banks 4. FIDE Core Programme Module B – Banks 5. Maybank 2018 Annual Risk Workshop 6. Malaysia: A New Dawn Conference 7. The Guru Series: Future Proofing Your Team to Lead in a Digital Complex 8. Compliance Training Programme
Puan Fauziah Hisham	<ol style="list-style-type: none"> 1. Artificial Intelligence & Technology Development Leadership Programme 2. Half Day Seminar on Corporate Liability Provision 2018 3. Maybank 2018 Annual Risk Workshop 4. Dinner Talk: "The Director as Coach": An Exclusive Dialogue with Dr Marshall Goldsmith and Launch of FIDE FORUM's "DNA of a Board Leader" 5. Compliance Training Programme 6. PowerTalk - Would A Business Judgment Rule Help Directors Sleep Better At Night?

Director(s)	Trainings attended by Directors
Encik Shariffuddin Khalid	<ol style="list-style-type: none"> 1. Mandatory Accreditation Programme 2. World Capital Markets Symposium 2018 3. FIDE Core Programme Module A – Banks 4. FIDE Core Programme Module B – Banks 5. Maybank 2018 Annual Risk Workshop 6. Artificial Intelligence & Technology Development Leadership Programme 7. Case Study Workshop for Independent Directors: Rethinking – Independent Directors: Board Best Practices 8. ASEAN Board of Directors: Future-Proof Your Boardroom! 9. Malaysia : A New Dawn Conference 10. Khazanah Megatrends Forum 2018 – On Balance Recalibrating Markets, Firms, Society and People 11. Compliance Training Programme

INTERNAL CONTROL FRAMEWORK

The Internal Control Framework is set out in the Statement on Risk Management and Internal Control in the Annual Report 2018.

REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

Directors

Board Remuneration Framework

The NRC is authorised to develop and implement formal and transparent procedures for the development of Maybank's remuneration policy for its directors, Chief Executive Officer and senior officers of Maybank by ensuring that compensation is competitive and consistent with industry's standard. The NRC has established a remuneration framework for its Non-Executive Directors ("NED") ("NED Remuneration Framework") which is subject to periodic review (as set out in the Board Charter). Details of the NED Remuneration Framework for the financial year ended 31 December 2018 ("FY2018") are illustrated below:-

Fee Component	Chairman	Vice Chairman	Member	Shareholders Approval
Board Fee (per annum)	RM610,000	RM440,000	RM295,000	Obtained at the 55 th Annual General Meeting ("AGM") held on 7 April 2015
Board Committee Fee (per annum)	RM75,000	-	RM45,000	Obtained at the 58 th AGM held on 12 April 2018

Based on the framework set out above, details of the total remuneration of the Directors, as distinguished between the Executive Director and NEDs, in aggregate with categorisation into appropriate components for FY2018 is set out as follows:-

Executive Director	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits-In-Kind (RM)	Employees' Share Scheme (RM)	Total (RM)
Datuk Abdul Farid Alias	2,640,000	3,300,000	-	1,243,980*	39,045	2,376,268^	9,599,293
Non-Executive Directors	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits-In-Kind (RM)	Employees' Share Scheme (RM)	Total (RM)
Datuk Mohaiyani Shamsudin			610,000	611,500	43,935 [#]		1,265,435
Datuk R. Karunakaran			507,500	131,500	8,735 [#]		647,735
Mr. Cheng Kee Check			523,750	235,500	5,000 [#]		764,250
Mr. Edwin Gerungan			467,500	175,500	6,636 [#]		649,636
Encik Nor Hizam Hashim			403,750	143,500	4,348 [#]		551,598
Dr Hasnita Dato' Hashim			418,750	166,500	8,735 [#]		593,985
Mr Anthony Brent Elam			445,000	215,500	5,000 [#]		665,500

Non-Executive Directors	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits-In-Kind (RM)	Employees' Share Scheme (RM)	Total (RM)
Ms Che Zakiah Che Din ¹			350,798	180,500	-		531,298
Puan Fauziah Hisham ²			253,976	116,000	5,000 [#]		374,976
Encik Shariffuddin Khalid ³			235,306	132,000	6,839 [#]		374,145
Mr Renato Tinio De Guzman ⁴			32,083	-	-		32,083
Dato' Johan Ariffin ⁵			101,583	10,500	44,235 [#]		156,318
Datin Paduka Jam'iah Abdul Hamid ⁶			451,236	164,500	5,000 [#]		620,736
TOTAL (for Non-Executive Directors)	-	-	4,801,232	2,283,000	143,463	-	7,227,695
GRAND TOTAL	2,640,000	3,300,000	4,801,232	3,526,980	182,508	2,376,268	16,826,988

* Executive Director's Other Emoluments include pension costs, allowances and reimbursements.

Benefits-in-kind for Non-Executive Directors include golf club membership, annual gift and farewell gift. In addition to this, benefits-in-kind for the Chairman also include driver, car and fuel allowance.

^ During FY2018, the Executive Director had exercised a total of 1,901,000 options under the Employees' Share Option Scheme and a total of 177,871 Restricted Share Unit had been vested and awarded to him (value of both equivalent to RM2,376,268 based on the statutory guidelines for taxable gains calculation).

Notes:-

- ¹ Appointed as an Independent Non-Executive Director of Maybank on 1 March 2018
- ² Appointed as an Independent Non-Executive Director of Maybank on 15 May 2018
- ³ Appointed as an Independent Non-Executive Director of Maybank on 14 June 2018
- ⁴ Resigned as an Independent Non-Executive Director of Maybank on 5 March 2018
- ⁵ Retired as an Independent Non-Executive Director of Maybank on 12 April 2018
- ⁶ Deceased on 19 November 2018

Senior Officers and Other Material Risk Takers

At Maybank, our total rewards philosophy goes beyond tangible rewards. We embrace an integrated rewards strategy that focuses on the right remuneration, benefits and career development as well as progression opportunities at the right time for our employees' personal and professional aspirations. It involves a holistic integration of total rewards' key elements that are aligned to the Maybank Group strategy, Maybank Group Human Capital strategy, culture and T.I.G.E.R. values, all critical to sustain employee engagement levels, productivity and business growth.

Our remuneration policy is approved by the Board and is monitored and reviewed periodically. It reinforces a high performance culture to attract, motivate and retain talent through market competitiveness and differentiated pay.

Maybank Group rewards' principles are delivered holistically via the Group's Total Rewards Framework which includes base pay, other fixed cash, performance-based variable cash, long-term incentive awards, benefits and development.

Key elements	Purpose
Fixed Pay	Attract and retain talent by providing competitive pay that is externally benchmarked against relevant peers and location, and internally aligned with consideration of differences in individual performance and achievements, skillsets, job scope as well as competency level.
Variable Pay	Variable Bonus <ul style="list-style-type: none">▪ Reinforce a pay-for-performance culture and adherence to Maybank Group's T.I.G.E.R. Core Values▪ Variable cash award design that is aligned with the long-term performance goals of the Group through our deferral and claw-back policies▪ Based on overall Group Performance, Business/Corporate Function and individual performance▪ Performance is measured via the Balanced Scorecard approach▪ Deferral Policy: Any Variable Bonus Awards in excess of certain thresholds will be deferred over a period of time

	<p>Long-term Incentive Award</p> <ul style="list-style-type: none"> ▪ The Long-term Incentive Award is offered within the suite of Total Rewards for eligible Talents and senior management who have a direct line of sight in driving, leading and executing the Maybank Group's business strategies and objectives. <p>Clawback Provision</p> <p>The Maybank Board, based on risk management issues, financial misstatement, fraud and gross negligence or wilful misconduct, has the discretion to make potential adjustment or clawback on Variable Bonus and Long-term Incentive Awards.</p>
Benefits	<ul style="list-style-type: none"> ▪ Provides employees with financial protection, access to health care, paid time-off, staff loans at preferential rates, programmes to support work/life balance, etc. for our diverse workforce. The benefits programmes which blend all elements including cost optimisation and employee/job needs, are reviewed regularly with proactive actions taken to remain competitive in the increasingly dynamic business landscape and continuously enrich our employees, as part of our total rewards strategy.
Development and Career Opportunities	<ul style="list-style-type: none"> ▪ Continue to invest in the personal and professional growth of our employees. Opportunities provided to employees to chart their careers across different businesses and geographies.

Total Compensation ensures that employees are paid equitably to the market, delivered via cash and shares/share-linked instruments, where applicable. The mix of cash and shares/share-linked instruments is aligned to our long-term value creation and time horizon of risks with targeted mix ratio.

The target positioning of Base Pay is mid-market while target positioning for Total Compensation for a performer is to be within the Upper Range of market. Target positioning for benefits is mid-market. In certain markets/geographies, there may be exceptions for selected benefits with above mid-market positioning for strategic purposes. As Maybank Group operates globally, it is essential that local legislation and practices are observed. Should any clause of any policy conflict with local legislation, local legislations shall take precedence.

Key Features of our Remuneration Framework that Promotes Alignment between Risk and Rewards

Our Total Compensation, a mixture of Fixed and Variable (i.e. Variable Bonus and Long-term Incentive Plan) is designed to align with the long-term performance goals and objectives of the organisation. The compensation framework provides a balanced approach between fixed and variable components that change according to individual performance, business/corporate function performance, group performance outcome as well as individual's level and accountability.

The Bank has strong internal governance on performance and remuneration of control functions which are measured and assessed independently from the business units they support to avoid any conflict of interests. The remuneration of staff in control functions are predominantly fixed to reflect the nature of their responsibilities. Annual reviews of their compensation are benchmarked against the market rate and internally to ensure that it is set at an appropriate level.

Performance Management principles ensure KPIs continue to focus on outcomes delivered that are aligned to our business plans. Each of the Senior Officers and Other Material Risk Takers (OMRT) carry Risk, Governance & Compliance goals in their individual scorecard and are cascaded accordingly. Being a responsible organisation, the right KPI setting continues to shape the organisational culture, actively drive risk and compliance agendas effectively where inputs from control functions and Board Committees are incorporated into the Sector and individual performance results.

Long-term Incentive Award

▪ Employees' Share Grant Plan

The Bank in December 2018, rolled out a new scheme under our Long-Term Incentive Award i.e. Employees' Share Grant Plan (ESGP) replacing the previous scheme that expired in June 2018. The ESGP has a validity period of seven years and it serves as a long-term incentive award for eligible senior management with the following objectives:

- To align to the Group's long-term strategic objectives to maximise shareholders' value through a high performance culture
- To continue to attract, motivate and retain key talents in senior management level
- To align our total rewards to the long-term value creation and time horizon of risk
- To drive performance that is tied to long-term outcomes and business growth
- To participate in the Group's business strategies for future growth of the Group

Eligibility of ESGP is subject to fulfilment of the ESGP vesting conditions as well as upon meeting the performance criteria at an individual level and at the Maybank Group level over the three year period. The first ESGP award which was granted in December 2018 will be vested by 2021 subject to meeting the vesting conditions.

Corporate Governance – Remuneration Practices

As part of the overall corporate governance framework, the Bank ensures its remuneration policies and structure are in line with the requirements of governance regulations. From a risk management perspective, the remuneration policy is supported by strong governance and is sensitive to risk outcomes.

Staff rewards are reviewed on an annual basis and consistent with business performance and prudent risk management. Appropriately, involvement by the relevant control functions are sufficiently embedded to provide an independent and objective assessment of the remuneration principles and practices which are prerequisites for executing a sound remuneration policy.

Remuneration of Senior Officers and Other Material Risk Takers

The remuneration package for Senior Officers and OMRTs are reviewed on an annual basis and submitted to the Nomination and Remuneration Committee for recommendation to the Board for approval.

Summary of FY2018 compensation outcome for those identified as Senior Officers and OMRTs of Maybank Group:

Total value of remuneration awards for the financial year	RM'000			
	Senior Officers		OMRT	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration				
- Cash-based	28,182 (18 headcount)	-	62,715 (107 headcount)	-
- Shares and share-linked instruments	-	-	-	-
- Other	-	-	-	-
Variable remuneration				
- Cash-based	24,940 (17 headcount)	1,183 (3 headcount)	41,618 (102 headcount)	4,197 (6 headcount)
- Shares and share-linked instruments^	13,573 (14 headcount)	-	11,445 (69 headcount)	-
- Other	-	-	-	-

Definition	Senior Officers of the Group are defined as Group President & CEO, Members of the Group Executive Committee (EXCO); Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Compliance Officer; Group Chief Audit Executive and Group General Counsel and Company Secretary.	OMRTs are defined as employees who can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile or those among the most highly remunerated officers.
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Notes:

^ Share value is based on statutory guidelines for taxable gains calculation.

The figures above exclude the Long-Term Incentive Award (combination of cash and shares) awarded in 2018 as the amount, conditional upon fulfilment of payment/vesting criteria, have not taken effect.