

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1155  
**COMPANY NAME** : MALAYAN BANKING BERHAD  
**FINANCIAL YEAR** : December 31, 2020

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To ensure that the Board's obligation to its shareholders and other stakeholders (employees, customers, regulators, etc.) remains paramount, the following aspirations and core values are propagated throughout the Maybank Group:-</p> <p>Maybank Vision Advancing Asia's Ambitions With You</p> <p>Maybank Mission Humanising Financial Services</p> <p>Maybank Core Values T - Teamwork I - Integrity G - Growth E - Excellence 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.</p> <p>In pursuit of the above, 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.</p> <p>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</p>

	<p>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.</p> <p>The Group Business Plan and Strategy which is developed annually in consultation with the senior management outlines the strategies, business plans and budget that would be implemented to achieve the Group's strategic aims for the year. 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").</p> <p>To ensure that the Group remains on-course to achieve its strategic aims for the year, the Board assumes the following roles and responsibilities:-</p> <ol style="list-style-type: none"> <li>1) Monitors the progress and development of the Group Business Plan and Strategy through:- <ul style="list-style-type: none"> <li>➤ Regular testing of the senior management's assumptions of their respective forecasts;</li> <li>➤ Understanding the challenges faced by senior management and the strategies or plans senior management intends to employ to address the challenges;</li> <li>➤ Reviewing the integrity of the risk posture adopted by the Group to ensure the strategies that senior management intends to employ are sound and within acceptable boundaries; and</li> <li>➤ Evaluating proposed capital and operational expenditure plans to ensure that senior management would have the necessary resources to execute their respective plans.</li> </ul> </li> <li>2) Ensures that each of its members is well versed with the Group's diversified and regional operations, to encourage robust debates in meetings relating to the development, progress and implementation of the Group Business Plan and Strategy;</li> <li>3) 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; and</li> <li>4) Delegates and entrusts its review functions to various Board Committees established by the Board to ensure a more holistic review and oversight of the Group Business Plan and Strategy.</li> </ol> <p>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</p>
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	<p>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 offsite meetings are held annually, typically in locations where the Group has a presence, to gain a deeper understanding of the Group's operations there. These offsite meetings also offer a good opportunity for the Board to meet with the Group's senior management and employees located in those locations, to understand the challenges that they are encountering, and to offer support as appropriate. Due to the COVID-19 pandemic, the Board's annual off-site meeting during FY2020 was held virtually, whereby the Board received a presentation from Maybank Cambodia on their business and/or strategy plan. The virtual event also allowed the Board to engage with the management team to learn more about developments, progress and challenges encountered by the Group's Cambodian subsidiary.</p> <p>The Board also holds separate strategy sessions with the senior management to discuss the progress of the Group's overall strategy and developments in the global economy. Conducted as a separate session outside of the ordinary board meeting format, these sessions enable Board members to debate and exchange their views in an informal setting. The strategy session during FY2020 had focused on the new 5-year business plan for the Group i.e. M25 Plan, which is premised on the following strategic priorities:-</p> <ul style="list-style-type: none"> <li>(a) Pervasively digital;</li> <li>(b) New value drivers; and</li> <li>(c) Sustainability.</li> </ul> <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 ("TOR").</p> <p>In addition to the above, some members of the Board are also appointed as Chairman or as members of the board 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>
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<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

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

### **Practice 1.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Dato' Sri Zamzamzairani Mohd Isa ("Tan Sri Zamzamzairani") has been appointed as a Non-Independent Non-Executive Director ("NINED") and the Chairman of Maybank on 2 November 2020. His appointment was in line with the Board's succession plan, which stressed on the need to strengthen the Board's skill set in the area of technology and innovation. Tan Sri Zamzamzairani brings with him a wealth of knowledge and experience in the corporate sector and the technology space. His profile can be found in Section B of this report.</p> <p>Although the Chairman is a NINED, his influence on the Board is balanced by a majority of Independent Non-Executive Directors ("INED") on the Board.</p> <p>As the Chairman, Tan Sri Zamzamzairani is expected to:-</p> <ol style="list-style-type: none"><li>1) Advocate integrity and honesty by ensuring that the Board's decisions are reached by consensus and reflect the will of the majority, and allows any concern or dissenting view expressed by any Director on any matter deliberated at meetings of the Board to be addressed and duly recorded in the relevant minutes of the meetings;</li><li>2) Build confidence by demonstrating and adopting the highest standards of corporate governance practices and ensuring strict compliance to all relevant laws and regulations;</li><li>3) Promote a healthy working relationship with the Group PCEO by providing the necessary support and advice and also plays a role in encouraging a close working relationship between the Board and senior management;</li><li>4) Communicate clearly and works well with the rest of the members of the Board to ensure that the Group's aspirations and objectives are aligned with the business activities carried out by senior management; and</li><li>5) Act as the spokesperson for the Board and if necessary, engages with the public or stakeholders.</li></ol>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

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

### **Practice 1.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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 senior 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 ("ED") 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 the 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 as Chairman of the Group EXCO carries out the following roles and responsibilities:-</p> <ol style="list-style-type: none"><li>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;</li><li>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;</li><li>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;</li><li>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;</li></ol>

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

## **Intended Outcome**

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

### **Practice 1.4**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Encik Wan Marzimin Wan Muhammad has been the Group Company Secretary of Maybank since 1 September 2015 and also serves as the Group General Counsel. He holds a LLB (Honours) from the University of Kent at Canterbury, UK and was called to the Bar of England &amp; Wales (Barrister of Gray's Inn) and the Malaysian Bar.</p> <p>He is assisted by Encik Fariz Abdul Aziz who has been the Joint Company Secretary of Maybank since 29 September 2017. He holds a LLB (Honours) from Manchester Metropolitan University, a Certificate in Legal Practice issued by the Legal Profession Qualifying Board, Malaysia and was called to the Malaysian Bar.</p> <p>Both are licensed by the Companies Commission of Malaysia (SSM) to act as the Company Secretaries of Maybank.</p> <p>The Company Secretaries' responsibilities include:-</p> <p>Corporate Governance Advisory</p> <ol style="list-style-type: none"><li>1) Provide support to the Board in discharging their fiduciary obligations as directors and advise them on issues relating to the relevant laws, rules, policies, and regulations, as well as corporate governance best practices;</li><li>2) Keep abreast of all requirements and changes with respect to corporate governance practices affecting Maybank and advise the Board on corporate governance obligations;</li><li>3) Advise the Board on corporate disclosures to ensure compliance with the Bursa Malaysia Main Market Listing Requirements ("MMLR") and other relevant laws and regulations;</li><li>4) Organise Maybank Board Induction Programme for new Directors and ensure that it is undertaken in a structured manner. The Company Secretaries participate in the said programme and provide briefing on Maybank's corporate governance framework to new Directors; and</li><li>5) Address the training needs of Directors during the year, by procuring relevant training programs relating to certain areas identified by the Board pursuant to the annual Board Effectiveness</li></ol>

	<p>Evaluation (“BEE”) or any other relevant training programmes that a Director may be interested to attend.</p> <p>Information flows and meetings</p> <ul style="list-style-type: none"> <li>6) Manage the logistics of all Board and Board Committee meetings, including annual general meetings (“AGM”), Board offsite and strategy sessions;</li> <li>7) Attend all meetings and ensure all discussions/deliberations during meetings are accurately recorded and properly maintained;</li> <li>8) Facilitate proper communications and ensure the effective flow of information between the Board, the 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; and</li> <li>9) Ensure 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.</li> </ul> <p>Stakeholder communication</p> <ul style="list-style-type: none"> <li>10) Serve as a focal point for communication and engagement on corporate governance issues with the regulators, the Board, the senior management and the stakeholders; and</li> <li>11) Ensure that the regulators’ requests and instructions are conveyed to the Board and the senior management in a timely manner, with appropriate advice.</li> </ul> <p>The appointment and change in Company Secretaries are matters which are subject to the Board’s approval. This is to ensure that only qualified and suitable individuals are appointed as the Company Secretaries. The Board assesses the performance of the Company Secretaries via the Board Satisfaction Index. Based on the evaluation conducted for FY2020, the Board was satisfied with the performance and support given by the Company Secretaries.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<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 decisions and provide necessary advice. In this respect, the Company Secretary will assist the Chairman of the Board to ensure that the process of disseminating such information is effective and reliable. Furthermore, in order to provide 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.</p> <p>Meeting materials are circulated to the Board members within a week from the meeting date and 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> <ol style="list-style-type: none"><li>1) Objective of the paper and action required from the Board – whether to approve, to provide input or merely to note;</li><li>2) The background, summary or rationale – the reason or the need for the paper to be submitted to the Board;</li><li>3) The proposal and way forward – includes key milestones and targeted completion date, where applicable;</li><li>4) Conclusion and recommendation for the Board's consideration; and</li><li>5) Name of the parties who prepared and reviewed the report/paper.</li></ol>

	<p>The Group Corporate Secretarial team will provide the necessary support and advice to the Management with respect to the standard format required for the meeting papers.</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 ensures that the minutes of meetings as reviewed by the Chairman are circulated to the Board members in a timely manner. The Company Secretary also ensures that these minutes of meetings are disseminated to the senior management in a timely manner so that necessary actions can be taken.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

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

### **Practice 2.1**

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board recognises the Board Charter as an important governance tool that provides for best practices in board leadership, roles and responsibilities and authority. The Maybank Board Charter was first established in FY2016 and is periodically reviewed to reflect any changes in regulatory requirements placed on Maybank and the Directors (both individually and collectively), business landscape and increased demand for greater accountability and transparency in the way the business is managed.</p> <p>Maybank has established a Board Charter which among others, outlines the following:-</p> <ol style="list-style-type: none"><li>1) The respective roles, responsibilities and authorities of the Board (both individual and collectively) such as:-<ol style="list-style-type: none"><li>(i) Reviewing and approving the overall strategies, business, organisation and significant policies of the Group; and</li><li>(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.</li></ol></li><li>2) Issues and matters reserved for the Board's decisions which among others include the following:-<ol style="list-style-type: none"><li>(i) The strategies, business plans and annual budget for the Group;</li><li>(ii) The conduct and the performance of the Group's businesses;</li><li>(iii) Principal risks affecting the Group's business;</li><li>(iv) The Group's internal control systems; and</li><li>(v) The succession plan and talent management plans for the Group.</li></ol></li></ol>

	<p>3) The respective roles and responsibilities of the Board Committees established by the Board to assist them in the execution of their duties and responsibilities.</p> <p>During FY2020, the Board Charter has been amended to reflect that the Board should comprise at least two-thirds of independent directors.</p> <p>A copy of the Board Charter is available on Maybank Group's corporate website (<a href="http://www.maybank.com">www.maybank.com</a>).</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's Core Values, TIGER (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building) are the essential guiding principles to drive behavioural ethics while fulfilling our collective responsibility to serve our mission of Humanising Financial Services. It is further complemented by the Group's Code of Ethics and Conduct (the "Code of Ethics and Conduct") that sets out sound principles and standards of good practices to be observed by all employees.</p> <p>The management and employees of Maybank Group adhere to the Group's Code of Ethics and Conduct which is reviewed on a periodic basis. It covers a wide area, including the following:-</p> <ol style="list-style-type: none"><li>1) Conflict of Interest;</li><li>2) Misuse of position;</li><li>3) Misuse of information and insider trading;</li><li>4) Fair and equitable treatment; and</li><li>5) Money Laundering and Terrorism Financing.</li></ol> <p>Pursuant to the Code of Ethics and Conduct, Maybank Group's management and employees are required to uphold the highest standard of integrity in discharging their duties and in dealing with all stakeholders. A copy of Maybank Group's Code of Ethics and conduct is published on Maybank Group's corporate website (<a href="http://www.maybank.com">www.maybank.com</a>).</p> <p>The Board also 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 ("BNM") and Bursa Malaysia, regulates and manages issues of conflict (both direct and indirect) which a Director may encounter during his tenure as a Director, and sets out</p>

	<p>the processes to address such issues. The CI Policy ensures that each member of the Board uphold the highest integrity in discharging their duties.</p> <p>The Board is assisted by the Compliance Committee of the Board (“CCB”) in the oversight of compliance risk. The overall objective of the CCB is to ensure that compliance risk management is given the needed attention at the highest level to ensure regulatory compliance risk is effectively managed to support business growth in line with the Group’s aspirations and risk appetite. The role of the CCB, amongst others, is to review and assess the adequacy of infrastructure, resources and systems to manage compliance risk across the Group and recommend improvement to ensure effectiveness of the compliance framework.</p> <p>The Group adopts a zero-tolerance approach towards any form of bribery or corrupt practices. In 2011, Maybank became the first financial institution in Malaysia to sign the Corporate Integrity Pledge (“CIP”). The CIP reaffirms Maybank’s commitment to be free from any corrupt practice. To enhance and better instil the integrity value within Maybank Group, all Directors, management and employees are required to make an individual commitment to adhere to and comply with the Maybank Group Anti-Bribery &amp; Corruption Policy (“AB&amp;C Policy”) which sets out the key guiding principles and procedures to address Bribery and Corruption risks within and outside of the Group. The AB&amp;C Policy was formalised and adopted across the Group in February 2018. The AB&amp;C Policy has recently been updated taking into consideration the new corporate liability provision under Section 17(A) of the Malaysian Anti-Corruption Commission Act 2009 which came into effect on 1 June 2020.</p> <p>In addition, the Group has also adopted a whistleblowing 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.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

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

### **Practice 3.2**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Maybank Group Whistleblowing Policy (the “Whistleblowing Policy”) encapsulates the governance and standards required to promote an ethical, responsible and secure whistleblowing practice in Maybank. This is in line with the requirements of BNM’s Corporate Governance Policy (“BNM CG Policy”) and the principles as prescribed in the Whistleblower Protection Act 2010. The Whistleblowing Policy provides a proper and secured avenue for employees and members of the public to report any knowledge of improper conduct without fearing any adverse consequences.</p> <p>Access to whistleblowing information is governed with the strictest confidentiality under the oversight of an Independent Non-Executive Director (“INED”).</p> <p>Details of Maybank Group’s whistleblowing channels are as follows:-</p> <ol style="list-style-type: none"><li>1) 24 hours toll free number 1-800-38-8833 or 603-20268112 for overseas with secured voice recording</li><li>2) Email at <a href="mailto:whistleblowing@maybank.com.my">whistleblowing@maybank.com.my</a></li><li>3) Secured P.O. Box Mail Address at P.O. Box 11635, 50752 Kuala Lumpur, Malaysia</li></ol> <p>A total of 240 whistleblowing complaints were received through various whistleblowing channels (149 cases received in Maybank Malaysia and 91 cases received in other overseas units) between January and December 2020. The increase in the number of complaints in 2020 is mainly attributed to the increase in awareness and accessibility to the whistleblowing channels.</p>
<b>Explanation for departure</b>	:

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

## **Intended Outcome**

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.

<b>Application</b>	Applied														
<b>Explanation on application of the practice</b>	As of 31 December 2020, the Board consisted of 12 members, out of which 75% of them were Independent Non-Executive Directors (“INED”). The Board composition was as follows:-  <table border="1"><thead><tr><th>Designation</th><th>Number of Directors</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Executive Director (“ED”)</td><td>1</td><td>8%</td></tr><tr><td>Non-Independent Non-Executive Director (“NINED”)</td><td>2</td><td>17%</td></tr><tr><td>Independent Non-Executive Director</td><td>9</td><td>75%</td></tr></tbody></table>			Designation	Number of Directors	Percentage (%)	Executive Director (“ED”)	1	8%	Non-Independent Non-Executive Director (“NINED”)	2	17%	Independent Non-Executive Director	9	75%
Designation	Number of Directors	Percentage (%)													
Executive Director (“ED”)	1	8%													
Non-Independent Non-Executive Director (“NINED”)	2	17%													
Independent Non-Executive Director	9	75%													
	To ensure that INEDs are always able to exercise independent judgement in the best interest of the Company and are free from any conflict of interest situations, each INED is required to do the following:-  <ol style="list-style-type: none"><li>1) Satisfy an annual independence assessment based on the independence criteria prescribed under the Bursa Malaysia MMLR;</li><li>2) Provide an annual independence self-declaration for the Group’s Nomination and Remuneration Committee (“NRC”’s assessment; and</li><li>3) Undertake the annual Board Effectiveness Evaluation.</li></ol> Based on the latest results of the assessments/evaluation undertaken, the Board is satisfied that all INEDs have met the independence criteria and are able to act in an independent and objective manner.														
	During FY2020, the Board decided to reinforce its commitment towards independence by adopting a higher standard of independence than what has been prescribed under the Bursa Malaysia MMLR and BNM CG Policy in its Board Charter, by prescribing that its members shall comprise at least two-thirds of INEDs.														
	There are no limitations set out in the Constitution of Maybank on the number of Directors sitting on the Board. Subject to the relevant rules and regulations, the Board shall have the power to determine its size and may increase or reduce its numbers as it deems fit. Besides having 75% of INEDs as members, the Board adopts a holistic approach in														

	<p>determining its size, composition, and level of independence. In this regard, the following principles will be taken into account in determining the Board composition and ideal size:-</p> <ul style="list-style-type: none"> <li>1) To have only one (1) ED as a member of the Board;</li> <li>2) To ensure that the role of the Chairman of the Board is separate from the Group PCEO;</li> <li>3) To ensure that the Chairman does not chair any of the Board Committees;</li> <li>4) To ensure that the Board Committees comprise a majority of INEDs and only an INED is appointed as a Board Committee Chairman;</li> <li>5) To appoint a Senior Independent Director from among the INEDs; and</li> <li>6) To rotate the directors across the Board Committees.</li> </ul> <p>Based on the principles mentioned above, the Board has determined that its ideal size should be between 10 and 12 members. 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>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

### **Practice 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.

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

## **Intended Outcome**

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

### **Practice 4.3 - Step Up**

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

<b>Application</b>	: Adopted								
<b>Explanation on adoption of the practice</b>	<p>The Group's Policy on Tenure of Directorships 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 tenure of nine (9) years, may, subject to the approval of the Board (taking into account of the recommendation of the NRC) and BNM, continue to remain as a member of the Board provided that the INED be re-designated as a NINED instead.</p> <p>The Board has taken this into consideration in its succession planning and will continue to monitor the Board composition to ensure that no INEDs exceed the nine (9) years tenure.</p> <p>The tenure of INEDs are as follows:-</p> <table border="1"><thead><tr><th>Years of Service</th><th>Number of INEDs</th></tr></thead><tbody><tr><td>Less than 3 years</td><td>5</td></tr><tr><td>3 years to 6 years</td><td>3</td></tr><tr><td>6 years to 9 years</td><td>1</td></tr></tbody></table> <p>As at 31 December 2020, none of the INEDs had exceeded the nine (9) years tenure.</p>	Years of Service	Number of INEDs	Less than 3 years	5	3 years to 6 years	3	6 years to 9 years	1
Years of Service	Number of INEDs								
Less than 3 years	5								
3 years to 6 years	3								
6 years to 9 years	1								

## **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.

<b>Application</b>	:	Applied																																																						
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges diversity as a critical factor in its composition and deliberations and embraces the proposition that having a diverse Board would have a positive and value-relevant impact on the Group. Diversity promotes healthy and stimulating debates by looking at the same matter but in differing views ultimately leading to a better decision making process. The Board Effectiveness Evaluation is the primary tool used to assess the Board's diversity with respect to skills and experience. The table below shows the results of the evaluation conducted during the year based on knowledge and experience in the areas set out below:-</p> <table border="1"> <thead> <tr> <th>No.</th><th>Skills and Experience</th><th>Number of Directors</th><th>Percentage</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Banking</td><td>9</td><td>75%</td></tr> <tr> <td>2.</td><td>Insurance/Takaful</td><td>3</td><td>25%</td></tr> <tr> <td>3.</td><td>Asset Management</td><td>4</td><td>33%</td></tr> <tr> <td>4.</td><td>Strategic Planning &amp; Business Strategy</td><td>9</td><td>75%</td></tr> <tr> <td>5.</td><td>Risk Management</td><td>6</td><td>50%</td></tr> <tr> <td>6.</td><td>Regional Experience</td><td>5</td><td>42%</td></tr> <tr> <td>7.</td><td>Corporate Governance</td><td>10</td><td>83%</td></tr> <tr> <td>8.</td><td>Legal and Compliance</td><td>3</td><td>25%</td></tr> <tr> <td>9.</td><td>Public Policy &amp; Regulatory</td><td>7</td><td>58%</td></tr> <tr> <td>10.</td><td>Accounting &amp; Finance</td><td>5</td><td>42%</td></tr> <tr> <td>11.</td><td>Human Resources</td><td>6</td><td>50%</td></tr> <tr> <td>12.</td><td>Technology &amp; Innovation</td><td>2</td><td>17%</td></tr> </tbody> </table>			No.	Skills and Experience	Number of Directors	Percentage	1.	Banking	9	75%	2.	Insurance/Takaful	3	25%	3.	Asset Management	4	33%	4.	Strategic Planning & Business Strategy	9	75%	5.	Risk Management	6	50%	6.	Regional Experience	5	42%	7.	Corporate Governance	10	83%	8.	Legal and Compliance	3	25%	9.	Public Policy & Regulatory	7	58%	10.	Accounting & Finance	5	42%	11.	Human Resources	6	50%	12.	Technology & Innovation	2	17%
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12.	Technology & Innovation	2	17%																																																					
<p>The demographics of the Board as at 31 December 2020 in terms of nationality, age and gender were as follows:-</p> <p>A. Nationality</p> <table border="1"> <thead> <tr> <th>Nationality</th><th>Number of Directors</th></tr> </thead> <tbody> <tr> <td>Malaysian</td><td>10</td></tr> <tr> <td>Indonesian</td><td>1</td></tr> <tr> <td>American</td><td>1</td></tr> </tbody> </table>					Nationality	Number of Directors	Malaysian	10	Indonesian	1	American	1																																												
Nationality	Number of Directors																																																							
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**B. Age**

Age	Number of Directors
50 years to 55 years	2
56 years to 60 years	3
61 years to 65 years	5
Above 65 years	2

**C. Gender**

Gender	Number of Directors
Male	9
Female	3

Since the Group embarked on our transformation journey in 2009, tangible developments have been achieved with regard to diversity and inclusion. We have been ensuring rigorous monthly tracking of diversity and gender representation through our Human Capital Dashboard to keep a fact-based pulse check and enable crafting of data-based actions to address imbalances. Through the Group Inclusiveness and Diversity (GIDA) Framework introduced in 2014, our efforts have been accelerated and outcomes monitored through measures reflected on the Group EXCO scorecard.

Due regard for diversity in age, gender and nationality were also taken into account in the appointment of Senior Management. The demographics of the Senior Management as at 31 December 2020 were as follows:-

**A. Nationality**

Nationality	Number of Senior Management
Malaysian	13
Indonesian	1
Canadian	1
Singaporean	1

**B. Age**

Age	Number of Senior Management
Up to 50 years	1
51 years to 55 years	10
56 years to 60 years	4
Above 60 years	1

**C. Gender**

Gender	Number of Senior Management
Male	14
Female	2

	<sup>1</sup> Senior Management refers to the members of the Group EXCO, Group Chief Compliance Officer; Group Chief Audit Executive and Group General Counsel and Company Secretary
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

### **Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board has established a Policy on Gender Diversity and has embraced the recommendations of the Malaysian Code on Corporate Governance of having at least 30% women representation on the Board. Datuk Mohaiyani Shamsudin was the Chairman for most of FY2020 until she stepped down in November 2020. The Board acknowledges that her departure has slightly reduced the proportion of women representation on the Board, and has taken this into consideration in their succession planning. While sufficient emphasis has been placed to recruit women directors in the future, appointments on the Board will first and foremost be based on the merits and credentials of each candidate under evaluation.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

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

### **Practice 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board delegates to the 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. The NRC also ensures candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge their role as directors and are able to meet the demands of the ever changing landscape of the financial industry.</p> <p>The following internal policies have been established to assist the NRC in carrying out these functions:-</p> <ol style="list-style-type: none"><li>1) "Fit and Proper" Criteria for an Appointment/Re-Appointment of Key Responsible Persons of Licensed Institutions in Maybank Group;</li><li>2) Policy on Director Independence;</li><li>3) Policy on Appointment of Maybank Senior Executives as Directors of Maybank Group of Companies;</li><li>4) Policy on Board Gender Diversity;</li><li>5) Policy on Tenure of Directorship; and</li><li>6) Policy on Nomination Process for Appointment of Chairman, Director and Chief Executive Officer of Licensed Institutions in Maybank Group.</li></ol> <p>Furthermore, 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 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.</p>

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

## **Intended Outcome**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Datuk R. Karunakaran, an INED, is the Chairman of the Group's NRC. As the Chairman, he leads the succession planning and appointment of Board members for the Group. His responsibilities include the following:-</p> <ol style="list-style-type: none"><li>1) 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;</li><li>2) Consults the Chairman of the Board on the prospects of new candidates being appointed on the Board; and</li><li>3) 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.</li></ol> <p>Datuk R. Karunakaran is also Maybank's Senior Independent Director ("SID"). His role as the SID of the Board includes the following:-</p> <ol style="list-style-type: none"><li>1) Addressing concerns of shareholders and other relevant stakeholders;</li><li>2) Presiding at all meetings of the Board at which the Chairman is not present;</li><li>3) Serving as a liaison between the Chairman and the Independent Directors; and</li><li>4) Having the authority to call meetings of the Independent Directors.</li></ol> <p>Datuk R. Karunakaran's profile can be found in Section B of this report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

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

### **Practice 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>In 2017, the Board agreed to appoint independent experts to conduct the Board Effectiveness Evaluation (“BEE”) once every three (3) years. The BEE for FY2018 and FY2019 had been carried out internally by the NRC, with the assistance of the Group Corporate Secretarial team. Given that the last independent evaluation exercise was undertaken in 2017, the NRC had in September 2020, appointed an independent firm of consultants namely, PwC Consulting Services (M) Sdn Bhd (“PwC”) to assist them in conducting the said exercise. PwC has no other connection or conflict of interest with Maybank and its group of companies or any individual director.</p> <p>The BEE FY2020 is aimed at assisting the Board to further enhance its overall performance moving forward, by focusing on the following:</p> <ul style="list-style-type: none"><li>(i) Discharging the Board's principal roles and responsibilities effectively;</li><li>(ii) Improving Board infrastructure and supporting processes;</li><li>(iii) Examining Board dynamics and relationships;</li><li>(iv) Identifying key areas for improvement; and</li><li>(v) Continuing to build upon strengths.</li></ul> <p>To achieve the abovementioned objective, the effectiveness of the Board and Board Committees for FY2020 were assessed through one-on-one sessions with individual directors in the following key areas:-</p>

- (i) Overall Board effectiveness;
- (ii) Key priorities and areas of focus of the Board;
- (iii) Board responsibilities;
- (iv) Board Composition;
- (v) Board Committees;
- (vi) Board Conduct;
- (vii) Board Interaction and Communication;
- (viii) Board Chair; and
- (ix) Board Administration and Process.

For Individual Director Evaluation, a questionnaire was specifically designed to evaluate the effectiveness of performance, personality and quality aspects of individual directors in the following areas:-

- (i) Board dynamics and participation;
- (ii) Leadership, integrity and objectivity; and
- (iii) Knowledge and expertise.

As part of the BEE FY2020, a 360 Degree Assessment was carried out where the feedback from the selected members of the senior management was sought on the effectiveness of Board and Board Committees based on their interactions and engagements with the members of the Board.

The results of the BEE FY2020 were generally positive, with all areas evaluated either rated as "Satisfactory" or "Strong". The results were similar compared to the previous year (across all areas), reflecting strong and consistent performance by the Board and Board Committees.

Pursuant to the analysis conducted by PwC on the results of BEE FY2020 including feedback obtained from the individual Directors and senior management, the key strengths of the Maybank Board are visible in the following areas:-

- (a) Positive Board culture and dynamic where there is active debate, questioning and participation;
- (b) Highly diverse and knowledgeable Directors due to current composition having a diverse mix of experience and expertise;
- (c) Effective demonstration of leadership by Board Chair, particularly when managing discussions and encouraging contributions from Directors;
- (d) Board Committees have provided strong support to the Board, and the respective Chairs have been effective in encouraging active debate; and
- (e) Effective oversight in key areas of responsibility, notably in the areas of risk management, governance, compliance, crisis management and communication with regulators.

As the rating of all areas under evaluation for Maybank Board and its Committees were generally satisfactory, no apparent shortcoming had

	<p>been identified. However, in order to further elevate Board and Board Committees' effectiveness and performance, the NRC had focused on some feedback raised by the Directors and senior management during the course of the BEE FY2020 exercise, to identify key areas for improvements moving forward. The results of BEE FY2020 together with these key areas were tabled to the Board in January 2021, whereby the Board agreed with the NRC that the following areas be designated as the subject of the Board and Management's focus during FY2021:-</p> <ul style="list-style-type: none"> <li>(i) Group Operating Model/ Group Corporate Governance ("CG") Framework;</li> <li>(ii) Strategy with regard to digital, Environmental, Social and Governance ("ESG") and international business; and</li> <li>(iii) Succession plan for the Board and senior management across the Group.</li> </ul> <p>The action plans on the above focus areas will be developed and tabled to the Board for consideration and inclusion in the Board's Actionable Improvement Programme ("AIP") to be undertaken during FY2021.</p> <p>The individual results of the Directors' Self and Peer Assessment were provided to the Chairman of the Board for the latter to discuss at one-to-one engagements between the Chairman and individual Directors.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

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

### **Practice 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.

<b>Application</b>	: Applied																				
<b>Explanation on application of the practice</b>	<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 management. The NRC has demonstrated its commitment to set a fair and comprehensive remuneration package that:-</p> <p class="list-item-l1">1) Commensurates with the expertise, skills, and responsibilities associated with being a Director and/or senior management of a financial institution; and</p> <p class="list-item-l1">2) Is 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 NED (the "NED Remuneration Framework") which is subject to periodic review. The NED Remuneration Framework for FY2020 is as per below:-</p> <table border="1"><thead><tr><th></th><th colspan="4">NED Remuneration per annum (RM)</th></tr><tr><th>Fee Component</th><th>Chairman</th><th>Vice Chairman</th><th>Member</th><th>Shareholders Approval</th></tr></thead><tbody><tr><td>Board Fee</td><td>610,000</td><td>440,000</td><td>295,000</td><td>Obtained at the 55<sup>th</sup> Annual General Meeting ("AGM") held on 7 April 2015</td></tr><tr><td>Board Committee Fee</td><td>75,000</td><td>-</td><td>45,000</td><td>Obtained at the 58<sup>th</sup> AGM held on 12 April 2018</td></tr></tbody></table> <p>Based on the framework set out above, details of the total remuneration of the Directors in aggregate with categorisation into</p>		NED Remuneration per annum (RM)				Fee Component	Chairman	Vice Chairman	Member	Shareholders Approval	Board Fee	610,000	440,000	295,000	Obtained at the 55 <sup>th</sup> Annual General Meeting ("AGM") held on 7 April 2015	Board Committee Fee	75,000	-	45,000	Obtained at the 58 <sup>th</sup> AGM held on 12 April 2018
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Board Committee Fee	75,000	-	45,000	Obtained at the 58 <sup>th</sup> AGM held on 12 April 2018																	

	<p>appropriate components for FY2020 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>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

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

### **Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a combined Nomination and Remuneration Committee, with the delegated authority to develop and implement formal and transparent procedures for:-</p> <p class="list-item-l1">1) 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</p> <p class="list-item-l1">2) The development of Maybank's remuneration policy for Directors, the Group PCEO and senior management of Maybank and to ensure that compensation is competitive and consistent with the Group's culture, objectives and strategy.</p> <p>The majority of the NRC members are INEDs.</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 TOR which is available on Maybank Group's corporate website (<a href="http://www.maybank.com">www.maybank.com</a>).</p> <p>Among the key activities of the NRC during FY2020 in relation to remuneration review, were as follows:-</p> <p class="list-item-l1">(a) Appointed independent external consultants to undertake a review of NEDs' remuneration for Maybank and its subsidiaries;</p> <p class="list-item-l1">(b) Reviewed and recommended the total rewards (variable bonus and salary increment) for the Group; and</p> <p class="list-item-l1">(c) Reviewed the payout of the Long-Term Cash Award for the Group.</p> <p>In 2017, the Board agreed to appoint independent experts to conduct the Board Remuneration Review ("BRR") exercise once every three (3)</p>

	<p>years. Given that the last independent BRR exercise was undertaken in 2017, the NRC had in September 2020, enlisted an independent international firm of consultants, specialising in performance and reward for the financial services industry namely, AON to conduct the BRR exercise for Maybank and its subsidiaries. AON has no other connection or conflict of interest with Maybank and its group of companies or any individual director.</p> <p>In ascertaining whether the existing Maybank NED Remuneration Framework remains competitive and sufficient to attract and retain high calibre directors, AON had performed a comparative analysis of the remuneration structure against regional and local peers as well as other factors, including the impact of COVID-19, type of industry, size of market cap and internal equity within the Maybank Group.</p> <p>Pursuant to the BRR exercise, the NRC agreed with AON's findings and recommendations that the existing NED Remuneration Framework is still aligned with the market and had recommended to the Board for the current NED Remuneration Framework to be maintained for FY2021. In January 2021, the Board decided to adopt the said NRC's recommendation.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

Stakeholders are able to 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.

<b>Application :</b>	Applied						
<b>Explanation on application of the practice</b> :	The details of the remuneration received by the Directors from Maybank (which includes fees, salary, bonus, benefits in-kind and other emoluments) in FY2020 were set out as follows:-						
	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits-In-Kind (RM)	Total (RM)	
Executive Director							
Datuk Abdul Farid Alias	2,760,000	2,587,500	-	2,479,071*	95,570	7,922,141	
Non-Executive Directors							
Tan Sri Dato' Sri Zamzamzairani Mohd Isa <sup>1</sup>	-	-	99,972	90,667	30,048 <sup>#</sup>	220,687	
Datuk Mohaiyani Shamsudin <sup>2</sup>	-	-	510,028	535,333	108,484 <sup>#</sup>	1,153,845	
Datuk R. Karunakaran	-	-	490,000	160,000	19,742 <sup>#</sup>	669,742	
Mr Cheng Kee Check	-	-	475,000	212,000	1,087 <sup>#</sup>	688,087	
Mr Edwin Gerungan	-	-	460,000	162,899	15,609 <sup>#</sup>	638,508	
Dr Hasnita Dato' Hashim	-	-	385,000	156,000	11,607 <sup>#</sup>	552,607	
Mr Anthony Brent Elam	-	-	460,000	210,485	2,005 <sup>#</sup>	672,490	
Ms Che Zakiah Che Din	-	-	460,000	236,000	1,087 <sup>#</sup>	697,087	
Puan Fauziah Hisham	-	-	475,000	212,000	1,458 <sup>#</sup>	688,458	
Encik Shariffuddin Khalid	-	-	415,000	184,000	5,393 <sup>#</sup>	604,393	
Dato' Idris Kechot	-	-	430,000	240,000	9,949 <sup>#</sup>	679,949	
Dato' Zulkiflee Abbas Abdul Hamid	-	-	475,000	280,000	5,220 <sup>#</sup>	760,220	
<b>TOTAL (for Non-Executive Directors)</b>	-	-	5,135,000	2,679,384	211,689	8,026,073	
	2,760,000	2,587,500					

	<b>GRAND TOTAL</b>			5,135,000	5,158,455	307,259	15,948,214
	* Executive Director's other emoluments include pension costs, allowances, long term cash award and reimbursements.						
	# Benefits in-kind for Non-Executive Directors include monthly subscription of golf club membership and farewell gift. In addition to this, benefits-in-kind for the Chairman also include driver, car and fuel allowance.						
	<i>Notes:</i>						
	<sup>1</sup> Appointed as a Non-Independent Non-Executive Director and Chairman of Maybank on 2 November 2020						
	<sup>2</sup> Retired as a Non-Independent Non-Executive Director and Chairman of Maybank on 1 November 2020						
	The remuneration received by the Directors in FY2020 at Group level can be found in Note 45 on page 137 of the Financial Book of Maybank's Annual Report 2020.						
<b>Explanation for departure</b> :							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>							
<b>Measure</b> :							
<b>Timeframe</b> :							

## **Intended Outcome**

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

### **Practice 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.

<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>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 common.</p> <p>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.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: The Board will closely monitor developments in the market in respect of such disclosure for future consideration.
<b>Timeframe</b>	: 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.

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

## **Intended Outcome**

There is an effective and independent Audit Committee.

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

### **Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee of the Board ("ACB") comprises four (4) members who are all INEDs.</p> <p>Encik Shariffuddin Khalid has been the Chairman of the ACB since 12 June 2019. He is not the Chairman of the Board.</p> <p>The composition of the ACB, the profile of each ACB members and the roles and responsibilities of the ACB can be found in Section B of this report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

There is 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The TOR of the ACB stipulates that should a former key audit partner be considered for appointment 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>With regard to the TOR of the ACB as set out above, 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 (2) years.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

There is 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has delegated the responsibility to assess the suitability, objectivity and independence of the Group's appointed external auditors to the ACB. This responsibility is enshrined in the ACB's TOR which is available on Maybank Group's corporate website (<a href="http://www.maybank.com">www.maybank.com</a>), while the procedures and processes for the conduct of such assessment is guided by the Group's Framework on Appointment of External Statutory Auditors 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> <ol style="list-style-type: none"><li>1) The request for proposal ("RFP") process, appointment or re-appointment, termination and resignation of external statutory auditors and its audit fee, and thereafter make the appropriate recommendations to the Board, as the ACB deems fit;</li><li>2) The scope of external audit and the audit plan covering both local and overseas operations;</li><li>3) The performance of external statutory auditors and its qualification, expertise and effectiveness;</li><li>4) The evaluation of the adequacy and effectiveness of internal controls system;</li><li>5) 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;</li><li>6) 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</li><li>7) The approval of non-audit services provided by the external statutory auditors.</li></ol>

	<p>As a financial institution, Maybank is also bound by banking regulations to ensure that external auditors appointed by the Group meet the quantitative and qualitative criteria set out in BNM'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 the said criteria.</p> <p>Annually, Maybank will conduct an evaluation of the external statutory auditors covering the following areas:</p> <ul style="list-style-type: none"> <li>a) The professional conduct of the auditor, by ensuring the key members of audit engagement have the necessary qualification and do not have any record of disciplinary actions and not convicted of any offence;</li> <li>b) Performance of the auditor, by ensuring the key members of audit engagement have the necessary skills, knowledge and appropriate experience to perform the audit;</li> <li>c) Independence and conflict of interest, by ensuring that the engagement partner and concurring partner do not involve in any advisory services and key members of audit engagement do not have relationship with, or interests in Maybank and its subsidiaries (including shareholding interest); and</li> <li>d) Objectivity, by ensuring engagement partner raises value-added findings to the management.</li> </ul> <p>During FY2020, the ACB held three (3) meetings with the external auditors on 29 January 2020, 29 July 2020 and 28 October 2020 without the presence of the Management team to discuss relevant issues and obtain feedback for improvements.</p> <p>For the audit of the financial year ended 31 December 2020, the ACB had reviewed and endorsed the written assurance provided by the external auditors confirming their independence throughout the financial year under review.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	

<b>Timeframe</b>	:		
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## **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.

<b>Application</b>	:	Adopted															
<b>Explanation on adoption of the practice</b>	:	<p>The ACB comprises wholly of INEDs and is chaired by Encik Shariffuddin Khalid.</p> <p>The composition of the ACB as at 31 December 2020 was as follows:-</p> <table border="1"><thead><tr><th></th><th>Members</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Encik Shariffuddin Khalid</td><td>Independent Non-Executive Director/ Chairman</td></tr><tr><td>2.</td><td>Ms Che Zakiah Che Din</td><td>Independent Non-Executive Director/ Member</td></tr><tr><td>3.</td><td>Dato' Idris Kechot</td><td>Independent Non-Executive Director/ Member</td></tr><tr><td>4.</td><td>Dato' Zulkiflee Abbas Abdul Hamid</td><td>Independent Non-Executive Director/ Member</td></tr></tbody></table>		Members	Designation	1.	Encik Shariffuddin Khalid	Independent Non-Executive Director/ Chairman	2.	Ms Che Zakiah Che Din	Independent Non-Executive Director/ Member	3.	Dato' Idris Kechot	Independent Non-Executive Director/ Member	4.	Dato' Zulkiflee Abbas Abdul Hamid	Independent Non-Executive Director/ Member
	Members	Designation															
1.	Encik Shariffuddin Khalid	Independent Non-Executive Director/ Chairman															
2.	Ms Che Zakiah Che Din	Independent Non-Executive Director/ Member															
3.	Dato' Idris Kechot	Independent Non-Executive Director/ Member															
4.	Dato' Zulkiflee Abbas Abdul Hamid	Independent Non-Executive Director/ Member															

## **Intended Outcome**

There is an effective and independent Audit Committee.

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

### **Practice 8.5**

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The ACB is chaired by Encik Shariffuddin Khalid, a Fellow Member of the Chartered Institute of Management Accountants ("CIMA"), United Kingdom. He has over thirty (30) years of experience in the banking and corporate sector.</p> <p>The ACB members have vast working experience with the requisite knowledge and skills from various industries. Not only are they able to understand matters under the purview of ACB, they are also able to provide sound advice 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 members of the ACB 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.</p> <p>During FY2020, members of the ACB had attended the following trainings:-</p> <ul style="list-style-type: none"><li>• ISA 240: Auditor's Responsibilities Relating to Fraud In An Audit of Financial Statements</li><li>• CFO &amp; Tax Manager Specialists Series: Post-MCO Debt &amp; Business Restructuring - Key Legal, Employment and Tax Considerations</li><li>• CAE Summit Virtual Event 2020 - Assurance in Real Time</li><li>• Internal Audit Leadership Forum 2020</li></ul>
<b>Explanation for departure</b>	

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

<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its overall responsibility in establishing a sound system of risk management and internal control as well as reviewing its adequacy and effectiveness in identifying, assessing and responding to risks to achieve the Group's objectives. The Board plays a pivotal role in providing risk oversight and determining the aggregate level and types of risk that the Group is willing to take in achieving its strategic objectives (risk appetite). The Board actively participates in the setting of the Group's objectives and strategies, and ensures the corresponding risks are adequately mitigated within its approved risk appetite. In view of the inherent limitations in any risk management and internal control system, such system can therefore only provide reasonable, rather than absolute assurance to realise the Group's objectives and against material financial misstatements, losses or fraud.</p> <p>Risk management oversight at enterprise-level is achieved through establishment of various risk strategies, frameworks and policies, with independent assessment and monitoring of all risks. As an increasingly crucial strategic driver, risk management is reinforced by fundamental principles in propelling resilient risk culture and values.</p> <p>In the continuous pursuit to drive effectiveness, the Risk Centres of Excellence ("COEs") were created, building on the specialisation of risk professionals, to provide value-added risk insights in support of business decision-making. The identified COEs set consistent standards in relation to risk policies, risk reporting, risk modelling and specialise in the management of specific risk areas within the Group.</p> <p>The Board has established a strong risk management and internal control governance structure that is crucial in setting the tone and culture towards effective risk management and internal control. To effectively carry out its risk and control oversight responsibilities, the Board is assisted by the Risk Management Committee ("RMC"), CCB and ACB to oversee all matters regarding risk, compliance and controls. The Board receives reports periodically from these Board Committees to keep the Board informed of the Board Committee's work, key deliberations and decisions on delegated matters.</p>

	<p>The Board Committees are responsible to assist the Board in the execution of its governance and oversight responsibility and their roles include:-</p> <table border="1"> <thead> <tr> <th>No.</th><th>Board Committee</th><th>Responsibility</th></tr> </thead> <tbody> <tr> <td>1.</td><td>ACB</td><td>The ACB is responsible for the assessment of the adequacy and effectiveness of the Group's governance, risk management and internal control system through the Internal Audit ("IA") function. The ACB has active oversight over IA's independence, scope of work and resources.</td></tr> <tr> <td>2.</td><td>RMC</td><td>The RMC is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control the material risk components impacting the businesses including IT-related risk. The effectiveness of the risk management system is monitored and evaluated by the Group Risk function, on an ongoing basis.</td></tr> <tr> <td>3.</td><td>CCB</td><td>The CCB is responsible to ensure compliance risk is effectively managed to support the Group's business growth in line with the Group's aspiration and risk appetite.</td></tr> </tbody> </table> <p>Further details on the Group's risk and internal controls during FY2020 can be found in the Statement on Risk Management and Internal Controls in Maybank's Annual Report 2020.</p>			No.	Board Committee	Responsibility	1.	ACB	The ACB is responsible for the assessment of the adequacy and effectiveness of the Group's governance, risk management and internal control system through the Internal Audit ("IA") function. The ACB has active oversight over IA's independence, scope of work and resources.	2.	RMC	The RMC is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control the material risk components impacting the businesses including IT-related risk. The effectiveness of the risk management system is monitored and evaluated by the Group Risk function, on an ongoing basis.	3.	CCB	The CCB is responsible to ensure compliance risk is effectively managed to support the Group's business growth in line with the Group's aspiration and risk appetite.
No.	Board Committee	Responsibility													
1.	ACB	The ACB is responsible for the assessment of the adequacy and effectiveness of the Group's governance, risk management and internal control system through the Internal Audit ("IA") function. The ACB has active oversight over IA's independence, scope of work and resources.													
2.	RMC	The RMC is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control the material risk components impacting the businesses including IT-related risk. The effectiveness of the risk management system is monitored and evaluated by the Group Risk function, on an ongoing basis.													
3.	CCB	The CCB is responsible to ensure compliance risk is effectively managed to support the Group's business growth in line with the Group's aspiration and risk appetite.													
<b>Explanation for departure</b> :															
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
<b>Measure</b> :															
<b>Timeframe</b> :															

## **Intended Outcome**

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

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

### **Practice 9.2**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The risk management framework is underpinned by the following set of building blocks which serves as the foundation in driving strong risk management culture, practices and processes:-</p> <ul style="list-style-type: none"><li>1) Risk Culture;</li><li>2) Risk Coverage;</li><li>3) Risk Appetite;</li><li>4) Risk Response;</li><li>5) Governance &amp; Risk Oversight;</li><li>6) Risk Management Practices &amp; Processes;</li><li>7) Stress Test; and</li><li>8) Resources &amp; System Infrastructure.</li></ul> <p>The key features of the Group's risk management framework include:-</p> <ul style="list-style-type: none"><li>1) Risk Appetite One of the imperative constituents of the Group's risk management framework is risk appetite. The tone is set from the top and driven bottom-up at all levels. It provides the Board and senior management with the visibility and understanding of the risk level acceptance in various business scenarios. Risk appetite is dynamic, responsive towards shifting factors and assimilated to the strategic planning process;</li><li>2) Risk Governance and Oversight The Group's governance model sets the accountability, ownership and segregation of duties for the three (3) lines of defence. It also provides an effective governance structure fostering active involvement from all Group levels;</li><li>3) Risk and Compliance Culture The risk and compliance culture is extensively emphasised, communicated and cultivated at all levels across the Group through the risk and compliance policies. The reinforcement of expected risk behaviour and values are by way of instilling rules and</li></ul>

	<p>regulations whilst programmes are conducted via various platforms to instil the risk culture in all employees; and</p> <p>4) Risk Management Practices and Processes The core activities of the risk management practices and processes comprise the identification, measurement, control, monitoring and reporting of risk exposures across the Group.</p> <p>The key elements of the internal control system for effective governance and oversight include amongst others the following:-</p> <ul style="list-style-type: none"> <li>1) Annual Business Plan and Budget <ul style="list-style-type: none"> <li>- Performance achievements are reviewed against the targeted results on a monthly basis allowing timely responses and corrective actions to be taken to mitigate the risks;</li> </ul> </li> <li>2) Oversight by RMC <ul style="list-style-type: none"> <li>- Formulation of policies and frameworks to identify, measure, monitor, manage and control the material risk components impacting the businesses;</li> </ul> </li> <li>3) Oversight by CCB <ul style="list-style-type: none"> <li>- Compliance risk management with respect to effective management of compliance risk to support business growth and ensure compliance to regulatory requirements; and</li> </ul> </li> <li>4) Executive Level Management Committees <ul style="list-style-type: none"> <li>- To assist and support the various Board Committees to oversee the core areas of business operations.</li> </ul> </li> </ul> <p>The Board has disclosed the key features of its risk management and internal control system in the Statement on Risk Management and Internal Control in Maybank's Annual Report 2020.</p>
<b>Explanation for departure</b> :	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

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

### **Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on adoption of the practice</b>	:	<p>The RMC comprises 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<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 ACB and noted by the Board), the IA function reports functionally to the ACB and administratively to the Group PCEO.</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 TOR to:-</p> <ol style="list-style-type: none"><li>1) Appraise and approve the appointment and termination of the Group Chief Audit Executive;</li><li>2) Review and assess the performance of senior internal audit staff, including their remuneration and annual increment;</li><li>3) Take cognisance of the resignation of internal audit staff and the reasons for their resignation; and</li><li>4) 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.</li></ol> <p>For further information, please refer to the Audit Committee Report in Maybank's Annual Report 2020.</p>

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

## **Intended Outcome**

Companies 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has through the ACB disclosed with sufficient explanation and detail in the Audit Committee Report in Maybank's Annual Report 2020, the following information:-</p> <p>1) Independence of Internal Audit ("IA") Personnel</p> <p>The IA function of Maybank Group established by the Board, is organised in-house on a Group basis under the leadership of the Group Chief Audit Executive ("GCAE"). Such function is to provide independent and objective assurance on the adequacy and effectiveness of the governance, risk management and internal control processes implemented by the Management. The GCAE reports functionally to the ACB and administratively to the Group PCEO to maintain the independence and objectivity specified in the Audit Charter.</p> <p>IA functions in Malaysia including the region are independent in its operations from the other operating units. All IA personnel confirmed via annual declaration that they are free from any relationships or conflicts of interest, which could impair their objectivity and independence in carrying out their duties as internal auditors of the Maybank Group.</p> <p>2) Internal Audit Resources</p> <p>As of 31 December 2020, Group Audit ("GA") has a staff strength of 296 individuals (Malaysia and Regional) from diverse backgrounds and qualifications. 96% of GA staff have minimum tertiary qualifications and/or professional certifications such as Certification for Bank Auditors ("CBA"), Certified Internal Auditors ("CIA"), Certified Information Systems Auditor ("CISA"), Certified Public Accountants ("CPA") and the Association of Chartered Certified Accountants ("ACCA").</p>

	<p>3) Group Chief Audit Executive</p> <p>The IA function is currently headed by Puan Nazlee Abdul Hamid, the GCAE. She has over 30 years audit experience in the financial industry as well as with BNM. She has a Master of Business Administration in Management and Organisational Leadership and 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>4) 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 (“MRBA”) approach 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>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

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

### **Practice 11.1**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board acknowledges the importance of regular communications not only with its shareholders but also with other stakeholders (investors, employees, regulators, customers, suppliers, the Government and its agencies, etc.) that in one way or another are impacted by the decisions taken and who have helped shape what Maybank is now today. Communications (that are not only confined to issues on maximization of shareholders value) that are regular, timely, accurate and transparent with quality disclosures through appropriate communication platforms ensures stakeholders understand the present state of affairs of Maybank to facilitate informed decisions. The proper management of stakeholders' expectations and welfare is paramount to the development of a sustainable business for Maybank.</p> <p>Taking cognisance on the importance of regular communications and the recommendation as per the Bursa Malaysia Corporate Disclosure Guide, the Board has adopted the Group Corporate Disclosure Policies and Procedures which can be found on Maybank Group's corporate website (<a href="http://www.maybank.com">www.maybank.com</a>).</p> <p>The Group adopts the following communication platforms amongst others:-</p> <p><b>Annual Report</b> The Annual Report is a powerful engagement tool applicable to all stakeholders as it is a one-stop information centre on the Group with respect to financial achievements (historical), its Board and senior management, the Group's strategies, operations, policies adopted and its environmental, social and governance ("ESG") responsibilities.</p> <p><b>Group Corporate Website</b> The Group corporate website (<a href="http://www.maybank.com">www.maybank.com</a>) provides easy access to comprehensive information (historical and current) on the Group. Apart from also providing the Annual Reports, the corporate website has additional information as follows with an aim to provide a better understanding of Maybank's business to its stakeholders:-</p>

- |  |   |
|--|---|
|  | <ol style="list-style-type: none"> <li>1. Maybank's current share price;</li> <li>2. Constitution;</li> <li>3. Board Charter;</li> <li>4. Terms of Reference of Board Committees;</li> <li>5. Group wide policies;</li> <li>6. Corporate Governance structure and framework;</li> <li>7. The Group's global operations and subsidiaries;</li> <li>8. Latest corporate news including media releases, face to face interviews, media conferences and engagements with analysts;</li> <li>9. Bursa Malaysia announcements on corporate transactions and quarterly results; and</li> <li>10. Notices of general meetings and minutes of meetings.</li> </ol> |
|--|---|

**Investor Relations**

Maybank's Investor Relations ("IR"), an essential part of Maybank's Corporate Governance framework, ensures the domestic and international investment community receive relevant, timely and comprehensive information about the Group by practicing an effective and transparent two-way communication. Stakeholders can channel any concerns or feedback with the key IR spokesperson of Maybank as follows:-

Dato' Amirul Feisal Wan Zahir  
 Group Chief Financial Officer  
 Contact : (6)03 2074 7416  
 Email : feisal.zahir@maybank.com

Jeeva Arulampalam  
 Head, Group Performance Reporting and Investor Relations  
 Contact : (6)03 2074 8017  
 Email : jeeva.a@maybank.com

**General Meetings**

The AGM and Extraordinary General Meetings ("EGM") are the primary open platforms for shareholders to raise questions on the agendas proposed for approval by the Board. As active participation from the shareholders are greatly encouraged, the Board and senior management place much emphasis to answer as many questions as possible posed with concise answers. Questions from 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 response to the same are shared with all shareholders during the meeting. Minutes of the AGM/EGM including significant matters discussed at the meetings are also disclosed on Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)).

**Electronic/Social Media Platforms**

Leveraging on technology, Maybank also uses established and trusted social media platforms with strict monitoring in place to engage with its stakeholders.

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

## **Intended Outcome**

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

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

### **Practice 11.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The FY2020 Annual Report - Corporate Book will mark the Company's fourth year that it has made reference to the Integrated Reporting <IR> framework. The Company will continue to identify and attempt to narrow gaps in the annual report against the <IR> framework in stages. The Board is committed on the <IR> journey in tandem with the expectations of stakeholders for quality disclosures.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

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

### **Practice 12.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the recommendations of the Malaysian Code on Corporate Governance and 21-day requirement under the Companies Act ("CA") 2016 and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Notice of the 60<sup>th</sup> AGM of the Company dated 28 May 2020 was issued to the shareholders not less than twenty eight (28) days before the AGM which was held on 26 June 2020.</p> <p>Additional time was given to enable the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>The Company provides Administrative Notes when giving notice of the AGM, which provides information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM, their right to appoint a proxy or representative and information as to who may be counted as a proxy.</p> <p>The notes to the Notice of the 60<sup>th</sup> AGM had provided detailed explanations for each resolution proposed, e.g., re-election/re-appointment of Directors, Directors' remuneration comprising the Directors' fees and benefits, appointment of auditors, authority to Directors to issue new ordinary shares in Maybank pursuant to Section 75 of the CA, 2016 and allotment and issuance of new ordinary shares in Maybank in relation to the Recurrent and Optional Dividend Reinvestment Plan, to enable shareholders to make informed decisions in exercising their voting rights.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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## **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.

<b>Application</b>	:	Applied				
<b>Explanation on application of the practice</b>	:	<p>As the dates of General Meetings are scheduled and approved in advance, the Directors are able to commit to attending the meetings, save for unforeseeable circumstances that are beyond their control. All Directors attended and participated in the 60<sup>th</sup> AGM held on 26 June 2020 which was conducted virtually for the first time in Maybank's history, either in person at Level 51, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur ("Broadcast Venue") or via video conferencing, as set out in the table below.</p> <table border="1"><thead><tr><th>Physically Present at Broadcast Venue</th><th>Participation via Video Conferencing</th></tr></thead><tbody><tr><td>1. Datuk Mohaiyani Shamsudin (Chairman) 2. Datuk Abdul Farid Alias (Group PCEO) 3. Datuk R. Karunakaran (Senior Independent Director/ Chairman of NRC) 4. Encik Shariffuddin Khalid (Chairman of ACB)</td><td>5. Mr. Cheng Kee Check 6. Mr. Edwin Gerungan 7. Dr Hasnita Dato' Hashim 8. Mr Anthony Brent Elam 9. Ms Che Zakiah Che Din 10. Puan Fauziah Hisham 11. Dato' Idris Kechot 12. Dato' Zulkiflee Abbas Abdul Hamid</td></tr></tbody></table> <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. Frequently Asked Questions ("FAQ") and proposed answers will be prepared by the senior management for deliberation with the Board well ahead of the AGM in anticipation of any questions that may be raised by the shareholders. The Chair of the respective Board Committees are also aware of their scope of responsibilities and come prepared to address any issues that the shareholders may raise within their scope.</p>	Physically Present at Broadcast Venue	Participation via Video Conferencing	1. Datuk Mohaiyani Shamsudin (Chairman) 2. Datuk Abdul Farid Alias (Group PCEO) 3. Datuk R. Karunakaran (Senior Independent Director/ Chairman of NRC) 4. Encik Shariffuddin Khalid (Chairman of ACB)	5. Mr. Cheng Kee Check 6. Mr. Edwin Gerungan 7. Dr Hasnita Dato' Hashim 8. Mr Anthony Brent Elam 9. Ms Che Zakiah Che Din 10. Puan Fauziah Hisham 11. Dato' Idris Kechot 12. Dato' Zulkiflee Abbas Abdul Hamid
Physically Present at Broadcast Venue	Participation via Video Conferencing					
1. Datuk Mohaiyani Shamsudin (Chairman) 2. Datuk Abdul Farid Alias (Group PCEO) 3. Datuk R. Karunakaran (Senior Independent Director/ Chairman of NRC) 4. Encik Shariffuddin Khalid (Chairman of ACB)	5. Mr. Cheng Kee Check 6. Mr. Edwin Gerungan 7. Dr Hasnita Dato' Hashim 8. Mr Anthony Brent Elam 9. Ms Che Zakiah Che Din 10. Puan Fauziah Hisham 11. Dato' Idris Kechot 12. Dato' Zulkiflee Abbas Abdul Hamid					
<b>Explanation for departure</b>	:					

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

<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

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—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Due to the COVID-19 pandemic and the Recovery Movement Control Order issued by the Government of Malaysia (the “RMCO”), which sets limitation on travel and mass events, the 60<sup>th</sup> AGM was conducted fully virtual for the first time in Maybank’s history on 26 June 2020 through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) facilities provided by the Company’s appointed share registrar, Tricor Investor &amp; Issuing House Services Sdn Bhd (“Tricor”) via TIIH Online website. The 60<sup>th</sup> AGM was broadcasted live from Level 51, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur (“Broadcast Venue”). The meeting was attended by 715 shareholders, albeit no shareholders/proxies were allowed to be physically present at the Broadcast Venue, after taking into account health and safety concerns of our shareholders.</p> <p>The meeting arrangement was conducted in accordance with Section 327 of the Companies Act, 2016 and Article 59 of the Company’s Constitution, as well as with reference to the Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. Notwithstanding the 60<sup>th</sup> AGM was conducted virtually, questions from the Minority Shareholders Watch Group (“MSWG”) and shareholders which were raised prior to and during the meeting as well as the Group’s response to the same were shared with all shareholders during the virtual AGM (Q&amp;A). Subsequent to the AGM, these Q&amp;As were published on Maybank Group’s corporate website at <a href="http://www.maybank.com">www.maybank.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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## **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

### **BOARD OF DIRECTORS**

#### **Profile of Directors**

##### **TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA**

Non-Independent Non-Executive Director (Chairman)  
60 years of age  
Malaysian

#### **APPOINTMENT**

2 November 2020

#### **QUALIFICATION**

- Bachelor of Science in Communications Engineering, Plymouth Polytechnic, UK
- Corporate Finance, Strategies for Creating Shareholder Value Programme, Kellogg School of Management, Northwestern University, USA
- Strategic Leadership Programme, University of Oxford's Saïd Business School, UK
- IMD CEO Roundtable, Lausanne, Switzerland

#### **WORKING EXPERIENCE & PAST DIRECTORSHIPS**

##### **Present:**

##### **Within Maybank Group**

- Chairman of Maybank
- Chairman of Maybank Foundation
- Chairman of Maybank Labuan Foundation

##### **Other Companies/Bodies**

- Council Member of Majlis Perundingan Komunikasi & Multimedia
- Board of Governors, Malay College Kuala Kangsar

##### **Past:**

- Director of Payments Network Malaysia Sdn Bhd from May 2018 to November 2020
- Director of Malaysia Airlines Berhad from May 2017 to November 2020
- Director of Malaysia Aviation Group Berhad ("MAGB") from May 2017 to November 2020
- Chairman of Hijrah Biru Sdn Bhd (a subsidiary of MAGB) from October 2017 to November 2020
- Chairman of UEM Sunrise Berhad from May 2017 to July 2020
- Non-Independent Non-Executive Director of UEM Group Berhad from May 2017 to October 2018
- Independent Non-Executive Director of Pos Malaysia Berhad from December 2017 to April 2019
- Director, Universiti Telekom Sdn Bhd from March 2016 to December 2018
- Group Chief Executive Officer and Managing Director of Telekom Malaysia from April 2008 to April 2017
- Chief Executive Officer, Malaysia Business, Telekom Malaysia from 2007 to 2008
- Senior Vice President, Group Strategy and Technology, Telekom Malaysia from 2005 to 2007
- Independent Non-Executive Director, VADS Berhad from December 2004 to April 2005
- Chief Executive Officer, Lucent Technologies (Malaysia) Sdn Bhd from 2000 to 2002
- Director, Business Development Asia Pacific, Global One Communications from 1998 to 2000
- Senior General Manager, Maxis Communications from 1997 to 1998

##### **Membership of Board Committees in Maybank:**

Nil

##### **Shareholdings in Maybank**

Nil

**DATUK ABDUL FARID ALIAS<sub>FCA</sub>**  
Non-Independent Executive Director  
(Group President & Chief Executive Officer)  
53 years of age  
Malaysian

**APPOINTMENT**

2 August 2013

**QUALIFICATION**

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

**WORKING EXPERIENCE AND DIRECTORSHIPS**

**Present:**

**Within Maybank Group**

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

**Other Companies/Bodies**

- Director of Cagamas Holdings Berhad
- Director of Payments Network Malaysia Sdn Bhd
- Director of STF Resources Sdn Bhd
- Director of Financial Industry Collective Outreach
- Director of Asian Banking School Sdn Bhd
- Chairman of The Association of Banks in Malaysia
- Chairman of ASEAN Bankers Association
- Vice Chairman of Asian Institute of Chartered Bankers
- Member of the ASEAN Banking Council
- Member of the Asian Bankers Association Policy Advocacy Committee
- Member of Visa Asia Pacific Senior Client Council
- Co-Chairman of the Emerging Markets Advisory Council of The Institute of International Finance, Washington DC
- Member of Board of Visitors of Pennsylvania State University Smeal College of Business

**Past:**

- Panel of Kumpulan Wang Amanah Negara from 1 January 2019 to 31 December 2020
- Director of Etiqua International Holdings Sdn Bhd from April 2015 to August 2018
- Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) from October 2013 to May 2019
- 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**

658,235 ordinary shares

**DATUK R. KARUNAKARAN**

Senior Independent Non-Executive Director  
70 years of age  
Malaysian

**APPOINTMENT**

16 July 2014

**QUALIFICATION**

- Postgraduate 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**

- Chairman of Integrated Logistics Berhad
- Director of Bursa Malaysia Berhad
- Director of IOI Corporation Berhad
- Director of KR Advisory Sdn Bhd

**Past:**

- Director of Showa Denko Carbon Malaysia Sdn Bhd from February 2009 to December 2019
- 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)
- Risk Management Committee (Member)

**Shareholdings in Maybank**

Nil

**CHENG KEE CHECK**

Non-Independent Non-Executive Director  
56 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:**

- Nomination and Remuneration Committee (Member)
- Credit Review Committee (Member)
- Compliance Committee (Member)

**Shareholdings in Maybank**

Nil

**EDWIN GERUNGAN**

Independent Non-Executive Director  
72 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)

**Shareholdings in Maybank**

Nil

**DR. HASNITA DATO' HASHIM**

Independent Non-Executive Director  
59 years of age  
Malaysian

**APPOINTMENT**

1 July 2016

**QUALIFICATION**

- PhD in Nuclear Physics, Oxford University, UK
- Bachelor of Science in Physics, Surrey University, UK

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

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

**Other Companies/Bodies**

- Director of Guidance Atel Investments Ltd
- Director of Guidance Investments (Labuan) Ltd
- Director of Redachem Malaysia Sdn Bhd
- Director of Guidance ATEL GCC Investments Ltd

**Past:**

- Chairman of Maybank Asset Management Group Berhad from 1 January 2017 to 1 November 2020
- Chairman of Maybank Asset Management Sdn Bhd from 15 January 2017 to 1 November 2020
- Chairman of Maybank Asset Management Singapore Pte Ltd from 3 April 2020 to 1 April 2020
- Chairman of Majlis Amanah Rakyat (MARA) from October 2018 to March 2020
- Member of National Economic Action Council 2019 from February 2019 to March 2020
- 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)
- Compliance Committee (Member)
- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)

**Shareholdings in Maybank**

Nil

**ANTHONY BRENT ELAM**

Independent Non-Executive Director  
62 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
- Chairman of Maybank (Cambodia) Plc
- Director of Maybank Singapore Limited

**Other Companies/Bodies**

- Director of PT Lombok Saka
- President Commissioner of PT Gili Sands Resort
- Commissioner of PT Travel Square Global

**Past:**

- Independent Director of PT Sarana Menara Nusantara Tbk from May 2018 to December 2019
- 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 CHE DIN**

Independent Non-Executive Director  
61 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
- Director of Maybank Kim Eng Holdings Ltd.
- Chairman of the Supervisory Board of Maybank Kim Eng Securities Limited (Vietnam)

**Other Companies/Bodies**

- Member of Investment Panel, Lembaga Tabung Angkatan Tentera ("LTAT")
- Public Interest Director of Federation of Investment Managers Malaysia ("FIMM")

**Past:**

- Chairman of the Board of Members of Maybank Kim Eng Securities Limited from 22 February 2019 to 7 August 2020
- 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 HISHAM**

Independent Non-Executive Director  
65 years of age  
Malaysian

**APPOINTMENT**

15 May 2018

**QUALIFICATION**

- Associate Member of The Chartered Governance Institute, UK
- Qualified Risk Director, Institute of Enterprise Risk Practitioners

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

- Director of Maybank
- Chairman of Maybank Philippines Inc.
- Director of Maybank Trustees Berhad

**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

**Past:**

- Director of HBOC Technologies (M) Sdn Bhd from April 1999 to August 2020
- 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
- Group Representative and Executive Director, Institutional Banking for Malaysia, Australia & New Zealand Banking Group Ltd, Malaysia Representative 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)

**Shareholdings in Maybank**

20,137 ordinary shares

**SHARIFFUDDIN KHALID**

Independent Non-Executive Director  
55 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
- Director of Maybank Islamic Berhad
- Director of Maybank (Cambodia) Plc.

**Other Companies/Bodies**

- Director of MCB Bank Limited
- Director of Marine & General Berhad
- Director of M&G Marine Logistics Holdings 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, Malaysia International Islamic Finance Centre, Bank Negara Malaysia from 2008 to 2017
- Director, Strategic Communications, Bank Negara Malaysia from 2008 to 2017
- 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 (Chairman)
- Compliance Committee (Member)

**Shareholdings in Maybank**

Nil

**DATO' IDRIS KECHOT**

Independent Non-Executive Director  
66 years of age  
Malaysian

**APPOINTMENT**

15 May 2019

**QUALIFICATION**

- Master of Business Administration (Finance), University of Stirling, UK
- Bachelor of Science in Agribusiness, Universiti Putra 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.

**Other Companies/Bodies**

- Chairman of Kumpulan Fima Berhad
- Chairman of Projek Lintasan Kota Holdings Sdn Bhd
- Chairman of Projek Lintasan Kota Sdn Bhd
- Chairman of Prolintas Expressway Sdn Bhd
- Chairman of Projek Lintasan Shah Alam Sdn Bhd
- Chairman of Projek Lintasan Damansara–Shah Alam Sdn Bhd
- Chairman of Projek Lintasan Sungai Besi–Ulu Klang Sdn Bhd
- Chairman of Turnpike Synergy Sdn Bhd
- Chairman of Sistem Lingkaran–Lebuhraya Kajang Sdn Bhd
- Chairman of Manfaat Tetap Sdn Bhd
- Chairman of Prolintas Highway Services Sdn Bhd
- Director of Perusahaan Otomobil Kedua Sdn Bhd
- Director of Perodua Sales Sdn Bhd

**Past:**

- Chairman of Chemical Company of Malaysia Berhad from 18 March 2019 to 15 December 2020
- Chairman of Maybank Islamic Asset Management Sdn Bhd from 1 January 2020 to 1 November 2020
- Commissioner of PT Minamas Gemilang from 14 November 2014 to 12 December 2019
- Commissioner of PT Anugerah Sumbermakmur from 15 November 2014 to 12 December 2019
- Director of Goodyear Malaysia Berhad from 1 January 2018 to 20 June 2019
- Deputy President and Group Chief Operating Officer, Asset Management, Permodalan Nasional Berhad ("PNB") from 2014 to 2018
- Executive Vice President, Unit Trust, PNB and Amanah Saham Nasional Berhad from 2004 to 2014
- Senior Vice President, Investment Division, PNB from 1988 to 2004

**Membership of Board Committees in Maybank:**

- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)
- Credit Review Committee (Member)

**Shareholdings in Maybank**

Nil

**DATO' ZULKIFLEE ABBAS ABDUL HAMID**

Independent Non-Executive Director  
63 years of age  
Malaysian

**APPOINTMENT**

15 August 2019

**QUALIFICATION**

- Master of Business Administration, Southern Illinois University, USA
- Bachelor of Science in Marketing, Southern Illinois University, USA
- Advanced Management Program, Wharton School of Business, University of Pennsylvania, USA

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

- Director of Maybank
- Chairman of Maybank Islamic Berhad

**Other Companies/Bodies**

- Trustee of Yayasan Budiman Universiti Teknologi MARA
- Trustee of Tabung Pendidikan 1 Bilion

**Past:**

- President/ Managing Director, Bank Kerjasama Rakyat Malaysia Berhad from April 2017 to April 2019
- Chief Executive Officer, Affin Holdings Berhad from 2014 to 2015
- Managing Director/Chief Executive Officer, Affin Bank Berhad from 2009 to 2015
- Director, Business Banking, Affin Bank Berhad from 2005 to 2009
- Chief Credit Officer, Malayan Banking Berhad from 2004 to 2005
- Various positions in Enterprise Banking, Corporate Banking, International Banking and Credit Management, Malayan Banking Berhad from 1981 to 2005

**Membership of Board Committees in Maybank:**

- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)
- Credit Review Committee (Member)
- Risk Management Committee (Member)

**Shareholdings in Maybank**

Nil

### **Changes of Board of Directors during the Financial Year**

- (i) Datuk Mohaiyani Shamsudin retired as a Non-Independent Non-Executive Director and Chairman of Maybank on 1 November 2020.
- (ii) Tan Sri Dato' Sri Zamzamzairani Mohd Isa was appointed as a Non- Independent Non-Executive Director and Chairman of Maybank on 2 November 2020.

### **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) Ensuring the necessary resources are in place for the Group to meet its objectives;
- (c) Reviewing the performance of the senior management;
- (d) 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;
- (e) 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.;
- (f) Approving changes to the corporate organisation structure of the Group;
- (g) 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 comprise the requisite diversity of skills, experience, gender, qualification, and other core competencies required;
- (h) Approving a framework of remuneration for directors, covering fees, allowances, and benefits-in-kind (directors of all boards and committees);
- (i) Approving policies pertaining to corporate image, brand management, community relations, investor relations and shareholder communications programs;
- (j) Ensuring that the Group has a beneficial influence on the economic well-being of the communities within which it operates, especially via its oversight on Maybank Foundation, and endorsement of the initiatives and programmes carried out via the same;
- (k) Approving a Leadership Development framework for the Group, further to identifying and ensuring succession planning within the Group;
- (l) Ensuring that the Board is supported by a suitably qualified and competent Company Secretary;
- (m) 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
- (n) Approving the Group's financial statements (and ensuring the reliability of the same) as well as the interim dividend and recommending the final dividend to shareholders for approval and the application of Dividend Reinvestment Plan thereto.

### **BOARD COMMITTEES**

#### **Audit Committee of the Board ("ACB")**

Members:-

- (i) Encik Shariffuddin Khalid (Chairman) - Independent Non-Executive Director
- (ii) Ms Che Zakiah Che Din - Independent Non-Executive Director
- (iii) Dato' Idris Kechot - Independent Non-Executive Director
- (iv) Dato' Zulkiflee Abbas Abdul Hamid - Independent Non-Executive Director
- (v) Dr. Hasnita Dato' Hashim - 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](http://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
- (v) Dato' Idris Kechot - Independent Non-Executive Director
- (vi) Dato' Zulkiflee Abbas Abdul Hamid - Independent Non-Executive Director
- (vii) Dr. Hasnita Dato' Hashim - Independent Non-Executive Director

The NRC was established by the Board to implement its policies and procedures in respect of Board composition, appointment of Directors and Board evaluation of Maybank Group 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](http://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
- (vi) Dato' Zulkiflee Abbas Abdul Hamid - 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.

The responsibilities of the RMC 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) Ms Che Zakiah Che Din - Independent Non-Executive Director
- (v) Puan Fauziah Hisham - Independent Non-Executive Director
- (vi) Dato' Idris Kechot - Independent Non-Executive Director
- (vii) Dato' Zulkiflee Abbas Abdul Hamid - Independent Non-Executive Director

The CRC is tasked by the Board to review, with power to object or support, all loan applications approved by the Group Management Credit Committee (“GMCC”) and Group Wealth Management Credit Committee (“GWMCC”) that are above their Credit Authority Limits.

In relation to the proposals which would need final approval by the Board, these proposals would be reviewed by the CRC, prior to recommendation 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 of GMCC and GWMCC;
- (ii) To review/veto, with power to object or support, all proposals recommended by the GMCC and GWMCC 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

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 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) Deliberate, discuss and review 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 Grant Plan Committee (“ESGP Committee”)**

The ESGP Committee was dissolved with effect from 1 February 2021 and its roles, responsibilities and functions have been taken over by the NRC.

**BOARD AND BOARD COMMITTEE MEETINGS AND DIRECTORS ATTENDANCE FOR FINANCIAL YEAR 2020**

<b>Name of Directors</b>	<b>Board Number of Meetings</b>			<b>CRC Number of Meetings</b>			<b>ACB Number of Meetings</b>		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Tan Sri Dato' Sri Zamzamzairani Mohd Isa <sup>1</sup>	3	3	100	-	-	-	-	-	-
Datuk Mohaiyani Shamsudin <sup>2</sup>	16	16	100	-	-	-	-	-	-
Datuk Abdul Farid Alias	19	19	100	13	13	100	-	-	-
Datuk R. Karunakaran	19	19	100	-	-	-	-	-	-
Mr Cheng Kee Check	19	19	100	13	13	100	-	-	-
Mr Edwin Gerungan	19	19	100	-	-	-	-	-	-
Dr Hasnita Dato' Hashim	19	19	100	-	-	-	-	-	-
Mr Anthony Brent Elam	19	19	100	13	13	100	-	-	-
Ms Che Zakiah Che Din	19	19	100	13	13	100	17	17	100
Puan Fauziah Hisham	19	19	100	13	13	100	-	-	-
Encik Shariffuddin Khalid	19	19	100	-	-	-	17	17	100
Dato' Idris Kechot	19	19	100	13	13	100	17	17	100
Dato' Zulkiflee Abbas Abdul Hamid	19	19	100	13	13	100	17	17	100

<b>Name of Directors</b>	<b>RMC Number of Meetings</b>			<b>NRC Number of Meetings</b>			<b>CCB Number of Meetings</b>		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Datuk R. Karunakaran	10	10	100	11	11	100	-	-	-
Mr Cheng Kee Check	-	-	-	11	11	100	10	10	100
Mr Edwin Gerungan	10	10	100	11	11	100	-	-	-
Dr Hasnita Dato' Hashim	10	10	100	-	-	-	10	10	100
Mr Anthony Brent Elam	10	10	100	-	-	-	10	10	100
Ms Che Zakiah Che Din	-	-	-	-	-	-	10	10	100
Puan Fauziah Hisham	10	10	100	11	11	100	-	-	-
Encik Shariffuddin Khalid	-	-	-	-	-	-	10	10	100
Dato' Idris Kechot	-	-	-	11	11	100	-	-	-
Dato' Zulkiflee Abbas Abdul Hamid	10	10	100	11	11	100	-	-	-

Notes:-

- <sup>1</sup> Appointed as a Non-Independent Non-Executive Director and Chairman of Maybank on 2 November 2020  
<sup>2</sup> Retired as a Non-Independent Non-Executive Director and Chairman of Maybank on 1 November 2020

**TRAINING AND EDUCATION ATTENDED BY THE BOARD DURING FINANCIAL YEAR 2020**

<b>Director(s)</b>	<b>Trainings attended by Directors</b>
Tan Sri Dato' Sri Zamzamzairani Mohd Isa	<ol style="list-style-type: none"> <li>1. Coaching – Company Bateriku</li> <li>2. Cybercrime</li> <li>3. Governance &amp; Risk - Post COVID-19</li> <li>4. COVID-19 Impact on Financial Reporting</li> <li>5. SIBOS 2020</li> <li>6. YTI Memorial Lecture 2020 – How Safe are the Safe Haven Assets in Malaysia? Lessons from the COVID-19 Pandemic</li> <li>7. Zone To Win Workshop</li> </ol>
Datuk Mohaiyani Shamsudin	<ol style="list-style-type: none"> <li>1. Breakfast Talk on "Why Sustainability Matters?"</li> <li>2. Sustainability in Business</li> <li>3. Invest Malaysia 2020 – Economic Recovery: Policies &amp; Opportunities (Virtual Series 1)</li> <li>4. Maybank Group Annual Board Risk Workshop</li> </ol>
Datuk Abdul Farid Alias	<ol style="list-style-type: none"> <li>1. Invest Malaysia 2020 – Economic Recovery: Policies &amp; Opportunities(Virtual Series 1)</li> <li>2. Maybank Group Annual Board Risk Workshop</li> <li>3. Managing Political Risks</li> <li>4. World Bank Sustainable and Inclusive Finance Forum</li> <li>5. 8<sup>th</sup> Leadership Energy Summit Asia 2020 (LESA) - Navigating Uncertainty with Leadership Energy in Action</li> <li>6. Zone To Win Workshop</li> </ol>
Datuk R. Karunakaran	<ol style="list-style-type: none"> <li>1. Board Risk Workshop - FY2020 Etiqa Risk Landscape the "Digital" Annual Etiqa Risk Landscape 2020 for MAHB</li> <li>2. Invest Malaysia 2020 – Economic Recovery: Policies &amp; Opportunities (Virtual Series 1)</li> <li>3. Corporate Liability - Malaysia Anti-Corruption Commission Act (MACC) 2009 (amendments) Section 17A</li> <li>4. Maybank Group Annual Board Risk Workshop</li> <li>5. Managing Political Risks</li> <li>6. Islamic Finance for Board of Directors Programme</li> <li>7. The Application of Blockchain and Smart Contracts in Digital Assets and Capital Markets</li> <li>8. The Good, The Bad, The Uncertain</li> <li>9. Bursa Malaysia [1818] Analyst Perspective</li> <li>10. Virtual Board Dialogue Session: "COVID-19 - An Update</li> <li>11. Directors' Liability in Anti-Corruption Cases: Airbus and Other Cases</li> <li>12. Cyber Security in the Boardroom</li> </ol>
Mr Cheng Kee Check	<ol style="list-style-type: none"> <li>1. COVID-19 &amp; Current Economic Reality: Implications for Financial Stability</li> <li>2. Cybersecurity &amp; Work-From-Home Security Challenges Amidst COVID-19 Pandemic</li> <li>3. Dialogue with Finance Minister of Malaysia: Fiscal Priorities and Policy Response under a COVID-19 Economic Landscape</li> <li>4. ESG Trends &amp; Regulatory Developments</li> <li>5. Board &amp; Executive Pay During and Post COVID-19</li> <li>6. Invest Malaysia 2020 – Economic Recovery: Policies &amp; Opportunities (Virtual Series 1)</li> <li>7. Building &amp; Reporting the Culture of Integrity</li> <li>8. National AML/CFT Compliance Programme for Lawyers by BNM</li> <li>9. Maybank Group Annual Board Risk Workshop</li> <li>10. Annual Dialogue with the Governor of BNM</li> <li>11. National AML/CFT Compliance Programme for Lawyers Title: Customer Due Diligence</li> <li>12. Islamic Finance for Board of Directors Programme</li> <li>13. YTI Memorial Lecture 2020 – How Safe are the Safe Haven Assets in Malaysia? Lessons from the COVID-19 Pandemic</li> <li>14. Zone To Win Workshop</li> </ol>

Mr Edwin Gerungan	<ol style="list-style-type: none"> <li>1. The Guru Series on “Impactful Communication in Facing Next Normal Era”</li> <li>2. Maybank Group Annual Board Risk Workshop</li> </ol>	
Dr. Hasnita Dato' Hashim	<ol style="list-style-type: none"> <li>1. COVID-19 &amp; Current Economic Reality: Implications for Financial Stability</li> <li>2. Maybank Group Annual Board Risk Workshop</li> <li>3. Islamic Finance for Board of Directors Programme</li> <li>4. YTI Memorial Lecture 2020 – How Safe are the Safe Haven Assets in Malaysia? Lessons from the COVID-19 Pandemic</li> <li>5. Zone To Win Workshop</li> </ol>	
Mr Anthony Brent Elam	<ol style="list-style-type: none"> <li>1. COVID-19 &amp; Current Economic Reality: Implications for Financial Stability</li> <li>2. Maybank Group Annual Board Risk Workshop</li> <li>3. SRI 2020 Conference - The Strategic Value of Sustainability</li> <li>4. YTI Memorial Lecture 2020 – How Safe are the Safe Haven Assets in Malaysia? Lessons from the COVID-19 Pandemic</li> </ol>	
Ms Che Zakiah Che Din	<ol style="list-style-type: none"> <li>1. The Guru Series on “Driving the Analytics Revolution. How Did Amazon.com Do It”</li> <li>2. Invest Malaysia 2020 – Economic Recovery: Policies &amp; Opportunities (Virtual Series 1)</li> <li>3. Building &amp; Reporting the Culture of Integrity</li> <li>4. Corporate Liability - Malaysia Anti-Corruption Commission Act (MACC) 2009 (amendments) Section 17A</li> <li>5. Maybank Group Annual Board Risk Workshop</li> <li>6. Managing Political Risks</li> <li>7. Cybersecurity Challenges &amp; Response</li> <li>8. Islamic Finance for Board of Directors Programme</li> <li>9. Conversation on Central Banking - Bloated Central Bank Balance Sheet</li> <li>10. 5<sup>th</sup> Distinguished Board Leadership Webinar Climate Action: The Board’s Leadership in Greening the Financial Sector</li> <li>11. 6<sup>th</sup> Distinguished Board Leadership Webinar Green Fintech: Ping An's Journey to Becoming a Top ESG-performing Financial Institution</li> <li>12. 8<sup>th</sup> Leadership Energy Summit Asia 2020 (LESA) - Navigating Uncertainty with Leadership Energy in Action</li> <li>13. YTI Memorial Lecture 2020 – How Safe are the Safe Haven Assets in Malaysia? Lessons from the COVID-19 Pandemic</li> </ol>	
Puan Fauziah Hisham	<ol style="list-style-type: none"> <li>1. Raising Defences – Section 17A, MACC Act</li> <li>2. The Guru Series “Driving the Analytics Revolution. How Did Amazon.com Do It”</li> <li>3. Breakfast Talk on “Why Sustainability Matters?”</li> <li>4. Qualified Risk Directors Programme - Series 4: Strategic ERM: A Primer for Directors</li> <li>5. COVID-19 and Current Economic Reality: Implications for Financial Stability</li> <li>6. Outthink The Competition: Excelling in a Post COVID-19 World</li> <li>7. A Practical ERM Guide to Responding to the COVID-19 Outbreak and Future Challenges</li> <li>8. Digital Financial Institutions Series: Managing Virtual Banking and Insurance Businesses</li> <li>9. HR in the 2020s: Culture Sculptor, Risk Manager, and More</li> <li>10. Maybank Group Annual Board Risk Workshop</li> <li>11. Annual Dialogue with the Governor of BNM</li> <li>12. 3<sup>rd</sup> ABCOMP Online – General Membership Meeting BSP Supervisory Assessment Framework to Replace the CAMELS and ROCA Rating Systems for BSP-Supervised Financial Institutions</li> <li>13. Virtual Women on the Move Leadership Day</li> <li>14. Islamic Finance for Board of Directors Programme</li> <li>15. Qualified Risk Directors Programme - Series 13: Establishing An Empowered Audit Committee</li> </ol>	

	<p>16. 5<sup>th</sup> Distinguished Board Leadership Webinar Climate Action: The Board's Leadership in Greening the Financial Sector</p> <p>17. 6<sup>th</sup> Distinguished Board Leadership Webinar Green Fintech: Ping An's Journey to Becoming a Top ESG-performing Financial Institution</p> <p>18. YTI Memorial Lecture 2020 – How Safe are the Safe Haven Assets in Malaysia? Lessons from the COVID-19 Pandemic</p> <p>19. 4<sup>th</sup> ABCOMP Online General Membership Meeting Forum on Anti-Money Laundering and Countering the Financing of Terrorism</p> <ul style="list-style-type: none"> <li>(i) The Philippine State responds to Terrorism: An Enabling Law and Discourse</li> <li>(ii) Risk-Based Approach: Implementing an Enterprise-Wide (EWRA) ML/TF Risk Assessment Process</li> </ul> <p>20. Zone To Win Workshop</p>	
Encik Shariffuddin Khalid	<p>1. Islamic Finance for Board of Directors Programme</p> <p>2. The Guru Series on "Driving the Analytics Revolution. How Did Amazon.com Do It"</p> <p>3. ISA 240: Auditor's Responsibilities Relating to Fraud In An Audit of Financial Statements</p> <p>4. COVID-19 &amp; Current Economic Reality: Implications for Financial Stability</p> <p>5. 5<sup>th</sup> Shariah Discourse – Management &amp; Leadership Guidance from the Seerah of Prophet Muhammad</p> <p>6. Maybank Group Annual Board Risk Workshop</p> <p>7. SRI 2020 Conference - The Strategic Value of Sustainability</p> <p>8. CFO &amp; Tax Manager Specialists Series: Post-MCO Debt &amp; Business Restructuring - Key Legal, Employment and Tax Considerations</p> <p>9. 5<sup>th</sup> Distinguished Board Leadership Webinar Climate Action: The Board's Leadership in Greening the Financial Sector</p> <p>10. YTI Memorial Lecture 2020 – How Safe are the Safe Haven Assets in Malaysia? Lessons from the COVID-19 Pandemic</p>	
Dato' Idris Kechot	<p>1. In house Training: Corporate Liability Provision – Malaysian Anti-Corruption Commission Amendment Act 2019</p> <p>2. FIDE Core (Banks) <ul style="list-style-type: none"> <li>• Module A</li> <li>• Module B</li> </ul> </p> <p>3. Maybank Group Annual Board Risk Workshop</p> <p>4. SRI 2020 Conference - The Strategic Value of Sustainability</p> <p>5. Islamic Finance for Board of Directors Programme</p>	
Dato' Zulkiflee Abbas Abdul Hamid	<p>1. 5<sup>th</sup> Shariah Discourse – Management &amp; Leadership Guidance from the Seerah of Prophet Muhammad</p> <p>2. Maybank Group Annual Board Risk Workshop</p> <p>3. Managing Political Risks</p> <p>4. CAE Summit Virtual Event 2020 - Assurance in Real Time</p> <p>5. 5<sup>th</sup> Distinguished Board Leadership Webinar Climate Action: The Board's Leadership in Greening the Financial Sector</p> <p>6. Zone To Win Workshop</p> <p>7. Internal Audit Leadership Forum 2020</p>	

## INTERNAL CONTROL FRAMEWORK

The Internal Control Framework is set out in the Statement on Risk Management and Internal Control in Maybank's Annual Report 2020.

## **REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS**

### ***Directors***

#### **Board Remuneration Framework**

The NRC is authorised by the Board to develop and implement formal and transparent procedures in developing Maybank's remuneration policy for its directors, Chief Executive Officer and senior officers by ensuring that their compensation is competitive and consistent with industry standard. The NRC has established a remuneration framework for the Non-Executive Directors ("NED") ("NED Remuneration Framework") which is subject to periodic review. Details of the NED Remuneration Framework which was previously approved by the shareholders are as per below:

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

Details of the remuneration received by the Directors from Maybank in the financial year ended 31 December 2020 ("FY2020") are as set out under Practice 7.1 of Section A of this report.

The remuneration received by the Directors in FY2020 at Group level can be found in Note 45 on page 137 of the Financial Book of Maybank's Annual Report 2020.

### **Senior Management and Other Material Risk Takers**

Maybank Group's remuneration and rewards philosophy is aligned with our business strategies and values, and serves to foster a performance-oriented culture that delivers long-term sustainable returns for our stakeholders. Maybank has in place a comprehensive Total Rewards system which forms a holistic and strategic component of its integrated Talent Management framework, guiding Maybank to effect "Reward Right" principles to drive positive outcomes and deliver exponential business results responsibly. The system not only supports Maybank Group's strategy and business plan, it is also critical to improving employee productivity and engagement. By focusing on the right compensation, benefits and development support, it inspires our employees to achieve their personal and professional aspirations.

Governed by sound principles, our remuneration policies and practices are reviewed periodically to ensure alignment with regulatory requirements and to reinforce a high-performance culture. The aim is to attract, motivate and retain talents through market competitiveness and responsible values.

### **Components of Remuneration**

Maybank Group adopts a holistic Total Rewards Framework comprising three main elements, namely Total Compensation, Benefits & Well-Being, and Development & Career Opportunities.

#### i) Total Compensation:

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

	Fixed Pay	Variable Pay	
		Variable Bonus	Long-Term Incentive Award
	<ul style="list-style-type: none"> <li>Attract and retain talents by providing competitive and equitable level of pay.</li> <li>Reviewed annually through internal and external benchmarking against relevant peers / locations, aligned with market dynamics, differences in individual responsibilities, performance, achievements, skillsets, as well as competency level.</li> </ul>	<ul style="list-style-type: none"> <li>Reinforce a pay-for-performance culture and adherence to Maybank Group's Core Values, TIGER.</li> <li>Variable cash award design that is aligned with the long-term performance goals of the Group through our deferral and claw-back policies.</li> <li>Based on the overall performance of the Group, business/corporate function and individual.</li> <li>Performance is measured using Balanced Scorecard.</li> </ul> <p><b>Deferral Policy:</b> Any Variable Bonus in excess of certain thresholds will be deferred over a period of time. A Deferred Variable Bonus will lapse immediately upon termination of employment (including resignation) except in the event of ill health, disability, redundancy, retirement or death.</p> <p><b>Clawback Provision:</b> Maybank Board has the right to make adjustments or clawbacks to any Variable Bonus or Long-Term Incentive Award if deemed appropriate based on risk management issues, financial misstatement, fraud, gross negligence or wilful misconduct. This provision was further strengthened in 2020 to ensure the highest level of rewards governance.</p>	<ul style="list-style-type: none"> <li>Offered to eligible talents and senior management who have a direct line of sight in driving, leading and executing Maybank Group's business strategies and objectives.</li> </ul>

## ii) Benefits & Well-being

Maybank believes in promoting employees' well-being through the provision of financial protection, health care benefits, paid time-off, staff loans at preferential rates and programmes that support work-life integration. The benefits programmes, which blend all elements including cost optimisation and employee/job needs, are reviewed regularly in order to remain competitive in an increasingly dynamic business landscape. In light of the COVID-19 pandemic, working remotely has become a new normal. This is supported by a strong infrastructure built on innovative platforms, together with the right policies and system to enable employees to perform their best. Our mobile workforce have also been provided with financial assistance where needed.

## iii) Development & Career Opportunities

Maybank Group continued to deploy best-in-class learning and development programmes to nurture its employees at all levels. Maybank Group's strong learning culture is grounded in a multitude of flexible and customisable learning and development programmes for employees' long-term relevance, competitive advantage and growth. Employees are also encouraged to assume personal ownership of their development by upgrading their skills and taking on stretch assignments as well as expanded responsibilities.

## LONG-TERM INCENTIVE AWARD

### Employees' Share Grant Plan

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

Vesting eligibility of the ESGP is subject to fulfilment of the ESGP vesting conditions as well as upon meeting the performance criteria at the Maybank Group and individual levels. The first ESGP Award that was granted in December 2018 will vest in 2021, the second ESGP Award granted in September 2019 will vest in 2022, and the third ESGP Award which was granted in September 2020 will vest in 2023.

### **Governance & Controls – Remuneration Practices**

Maybank's remuneration policies and practices comply with all statutory and regulatory requirements, and are strengthened by sound risk management and controls, ensuring remuneration practices are carried out responsibly.

Maybank has strong internal governance on the performance and remuneration of control functions which are measured and assessed independently from the business units to avoid any conflict of interests. The remuneration of employees in control functions are predominantly fixed to reflect the nature of their responsibilities. Annual reviews of their compensation are benchmarked internally and against the market to ensure they are competitive.

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

### **Senior Officers and Other Material Risk Takers**

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

The remuneration of Maybank Group's Senior Officers and OMRTs in FY2020 is summarised in the table below:

Total value of remuneration awards for the financial year	RM'000			
	Senior Officers^		OMRT	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration				
Cash-based	28,290 (15 headcount)	-	59,445 (95 headcount)	-
Shares and share-linked instruments	-		-	-
Others	-	-	-	-
Variable remuneration				
Cash-based	23,285 (15 headcount)	287 (1 headcount)	43,561 (94 headcount)	14,471 (7 headcount)
Shares and share-linked instruments*	-	-		
Others	-	-		
Definition	Senior Officers of the Group are defined as Members of the Group Executive Committee (EXCO); 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 a 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.	

Notes:

\*In FY2020, a total of 1,473,000 and 2,070,000 units of Maybank shares (for On Target performance levels) under Maybank Group Employees' Share Grant Plan ("ESGP")/Cash-settled Employees' Share Grant Plan ("CESGP") were awarded to 15 Senior Officers and 80 OMRTs respectively. The number of ESGP/CESGP units to be vested/paid by 2023 would be conditional upon the said employees fulfilling the vesting/payment criteria.

^The FY2020 compensation outcome for Senior Officers does not include the Group President & CEO as it is disclosed in Section A of this report.