



Chubb Insurance Malaysia Berhad

(Registration No: 197001000564 (9827-A))

Corporate Governance Board Charter

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Board Charter

Introduction

- 1.1 The Board of Directors (“**Board**”) are collectively responsible for the proper stewardship of Chubb Insurance Malaysia Berhad (“**Company**”) and shall ensure the achievement of its corporate objectives by inculcating sound corporate governance in line with applicable laws and regulatory requirements.
- 1.2 The Charter serves as a reference point for the Board’s activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the Directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by change.
- 1.3 This Charter aims to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Senior Management with regard to the role of the Board and the Board Committees (as defined in this Charter herein), the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company, as well as the Board’s operating practices.
- 1.4 The Company shall comply with the provisions of the Act, relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time, or any other directive or requirement imposed by other appropriate authorities, to the extent required by law, notwithstanding any provisions in this Charter to the contrary.

Interpretation

- 2.1 The following definitions shall apply:

“**Affiliates**” in relation to an entity, refers to any corporation that controls, is controlled by, or is under common control with, the entity.

“**BNM**” refers to Bank Negara Malaysia.

“**Board**” refers to the Directors of the Company whose number is not less than the required quorum acting as a Board of Directors, as stipulated in the Constitution of the Company.

“**Board Committee**” refers to any committee of the Board that is required to be established.

“**CA 2016**” refers to Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company.

“**Country President**” refers to the Chief Executive Officer (“**CEO**”) of the Company or any other person of equivalent position, by whatever name called.

“**Chairman**” refers to the Chairman of the Board and is used in a gender neutral sense.

“**Chubb**” or “**Company**” refers to Chubb Insurance Malaysia Berhad (Registration No: 197001000564 (9827-A)).

“**Company Secretary**” refers to the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary.

“Constitution” refers to the Constitution adopted by the Company as originally framed or as altered from time to time by way of passing a special resolution.

“Control Function” refers to a function that has a responsibility independent from business lines to provide objective assessment, reporting and assurance on the effectiveness of the Company’s policies and operations, and its compliance with legal and regulatory obligations. This includes the risk management function, the compliance function and the internal audit function.

“Director” refers to a person who has been appointed and for the time being holds office as a Director of the Company by whatever name called in accordance with the provisions of the CA 2016, FSA 2013 and the Constitution.

“Executive Director” refers to a Director of the Company who has management responsibilities in the Company or any of its Affiliates.

“External Auditor” refers to the auditor of the Company that has been appointed pursuant to Section 67 of the FSA 2013.

“FSA 2013” refers to the Financial Services Act 2013 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company.

“Independent Director” refers to the definition in accordance with Paragraph 1.01 of the MMLR of Bursa Malaysia Securities Berhad (**“Bursa Securities”**), Practice Note 13 of the MMLR and Paragraph 11.7 of the Corporate Governance policy issued by BNM.

“Internal Control Framework” refers to the set of rules and controls governing the Company’s organisational and operational structure, including reporting processes and Control Functions.

“MCCG” refers to the Malaysian Code on Corporate Governance as issued by the Securities Commission Malaysia, as amended from time to time and any re-enactment thereof.

“MMLR” refers to the Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof.

“Remuneration” includes salary and benefits of any kind.

“Risk Appetite” is the aggregate level and types of risk the Company is willing to assume, decided in advance and within its risk capacity, to achieve its business objectives and strategies.

“Senior Management” refers to the Country President and Senior Officers.

“Senior Officers” refers to a person performing a senior management function whose primary or significant responsibility is for the management and performance of significant business activities of the Company.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Board Responsibilities

- 3.1 The Board has the overall responsibility for promoting the growth and financial soundness of the Company, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Company and its customers, officers and the general public. In fulfilling this role, the Board's responsibilities include the following:
- (a) Approve the Company's strategy, Risk Appetite, business plans and other initiatives which would, singularly or cumulatively, have a material impact on the Company's risk profile;
 - (b) Oversee the selection, appointment, performance, Remuneration and succession plans of the Country President, Control Function heads and other members of Senior Management, such that the Board is satisfied with the collective competence of Senior Management to effectively lead the operations of the Company;
 - (c) Promote sound corporate values, governance frameworks and clear responsibilities;
 - (d) Oversee the implementation of the Company's Internal Control Framework, and periodically review whether these remain appropriate in light of material changes to the size, nature and complexity of the Company's operations;
 - (e) Promote, together with Senior Management, a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour;
 - (f) Ensure the integrity of the Company's financial and non-financial reporting, having consideration to whether disclosure is consistent with the Director's own knowledge of the Company's affairs;
 - (g) Promote sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;
 - (h) Oversee and approve the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;
 - (i) Promote timely and effective communication between the Company and BNM on matters affecting or that may affect the safety and soundness of the Company;
 - (j) Monitor how Senior Management carries out the Board's strategy, and ensure responsible and ethical business practices;
 - (k) Ensure full compliance with applicable laws, regulations, and regulatory directives;
 - (l) Review and challenge Senior Management proposals and monitor their implementation;
 - (m) Determine the Remuneration of Independent Directors, with affected individuals abstaining from decisions on their own Remuneration;
 - (n) Oversee effective functioning of Board Committees, and define their authority and terms of reference;
 - (o) Oversee procedures to identify and manage conflicts of interest and related party transactions; and
 - (p) Ensure effective, transparent, and regular communication with stakeholders.

- 3.2 The Board shall reserve a formal schedule of matters for its decision to ensure that it has control and oversight over the Company.

This includes the following:

Strategic and Operational

- Strategic issues and planning (including business plans, performance targets and annual budget) and any changes thereof;
- Key human resources issues;
- Sustainability strategy and initiatives;
- Material acquisition and disposal of assets;
- Capital expenditure;
- Conflict of interest and potential conflict of interest situations in relation to a substantial shareholder, a Director and/or Senior Management, including approving related party transactions;
- Reviewing and approving new investments, divestments, mergers and acquisitions, establishment of subsidiaries or joint ventures, and any other corporate exercise which requires shareholders' approval; and
- Reviewing and approving major policies which include, but are not limited to, the Avoiding Bribery and Corruption policy, Whistleblowing policy, Code of Conduct as well as risk management policies.

Financial

- Reviewing and approving annual audited financial statements and quarterly financial results;
- Appointment of auditors and review of financial statements encompassing annual audited financial statements and quarterly reports;
- Financing and borrowing activities (including changes to authorised signatories and approval limits);
- Adoption of accounting policies;
- Reviewing the adequacy and integrity of internal controls; and
- Declaration of dividends.

Board Governance

- Appointment of Directors (including the composition of the Board Committees), Country President, Senior Management and Control Function heads;
- Appointment and removal of Company Secretaries;
- Reviewing and approving terms of reference of Board Committees and amendments thereto; and
- Reviewing and approving limits of authority and any revisions thereto.

Other Matters

- Reviewing and approving the Company's annual report;
- The granting of powers of attorney by the Company;
- The entering into any indemnities or guarantees;
- Recommendation for alteration of the Company's Constitution;
- Change of accounting reference date, registered office and name of the Company;
- Recommendation for purchase of own shares by the Company;
- Issue of any debt instruments;
- Entering into any scheme of reconstruction or restructuring;
- Any matters requiring the convening of a general meeting of shareholders or any class of shareholders; and
- Any other issues which may be required by the laws or the governing authorities to be decided by the Board from time to time.

- 3.3 The Board delegates the day-to-day management of the business and affairs of the Company to Senior Management. While the Board provides overall direction and supervision, it is the responsibility of Senior Management to execute and manage the Company's operations effectively in line with the Board's strategic guidance and policies. The responsibilities of Senior Management include the following:
- (a) Develop and implement strategic plans to drive long-term value creation and communicate the same to internal and external stakeholders;
 - (b) Drive company performance through innovation, initiative, technology adoption, new product development, and efficient use of business capital;
 - (c) Establish and follow policies that strengthen operational effectiveness and growth;
 - (d) Identify and assess principal financial and non-financial risks impacting the Company;
 - (e) Operate within the Board-approved Risk Appetite and implement appropriate risk management systems;
 - (f) Maintain robust internal controls to mitigate risks effectively and coordinate regular reviews and assessments of internal control systems to ensure their effectiveness;
 - (g) Provide timely updates and reports to the Board on audit findings and actions taken;
 - (h) Maintain the integrity and adequacy of internal control and management information systems;
 - (i) Ensure compliance with applicable laws and regulations in all operations;
 - (j) Manage the Company's financial position prudently to ensure adequate cash flow for meeting debt obligations and other liabilities;
 - (k) Take proactive steps to protect and enhance the Company's financial health; and
 - (l) Ensure that all business operations comply fully with relevant laws and regulations, having regard to industry standards and principles set out in the MCCG.

Board Meetings

- 4.1 Board meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions. No one person should dominate the discussion. The Chairman, assisted by the Company Secretary, shall play a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner.

Attendance

- 4.2 Individual Directors must devote sufficient time to prepare for and attend Board meetings, and must maintain a sound understanding of the business of the Company as well as relevant market and regulatory developments. This must include a commitment to on-going education.
- 4.3 The Board should meet regularly, at least on a quarterly basis. Prior notice of meetings will be given to all who are required to attend the meetings.

- 4.4 To facilitate productive deliberations, the proceedings of the Board meetings are to be conducted in accordance with a structured agenda. Special Board meetings may be convened as and when necessary to consider urgent proposals or matters that require the Board's further review.
- 4.5 Individual Directors must attend at least 75% of the Board meetings held in each financial year, and must not appoint another person to attend or participate in a Board meeting on their behalf.

Quorum and Meeting Procedures

- 4.6 In respect of the quorum for Board meetings, the Company requires at least half of the Board members to be present.
- 4.7 Attendance at a Board meeting, by ways other than physical presence (i.e. via teleconferencing or video conferencing), remains the exception rather than the norm, and is subject to appropriate safeguards to preserve the confidentiality of deliberations.
- 4.8 Any Director may participate at a Board meeting or Board Committee meeting by way of telephone and video conferencing or by means of other communication equipment in which event such Director shall be deemed to be physically present at the meeting and shall be taken into account in ascertaining the presence of a quorum at the meeting. All resolutions, attendance, transactions, quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.
- 4.9 Questions arising at any Board meeting shall be decided by a majority of votes, each Director having one (1) vote and in case of an equality of votes, the Chairman shall have a second or casting vote except when only two (2) Directors are present and form a quorum or only two (2) are competent to vote on the question at issue, the Chairman shall not have a casting vote.
- 4.10 Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the annual report. Senior Management may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.
- 4.11 All meetings of the Board will be conducted in accordance with the Constitution of the Company and applicable laws.

Agenda and Meeting Papers

- 4.12 The notice of a Directors' meeting should be given in writing not less than seven (7) days prior to the meeting.
- 4.13 A well-prepared Board agenda will enhance the Board's productivity and strengthen its strategic and supervisory role. The Chairman, in conjunction with the, Country President and the Company Secretary, , shall undertake the primary responsibility for preparing the Board's agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.
- 4.14 As a matter of best practice and to allow ample time for Directors to consider the relevant information, Board papers and agenda items are to be circulated not less than seven (7) days prior to the meeting or such other period as deemed appropriate by the Board. It is recommended that where there is a need to table a report, a brief listing of findings and/or recommendations are prepared.

Minutes

- 4.15 The Company Secretary shall minute the proceedings and resolutions of all Board meetings, including the names of those present and in attendance. The minutes shall be circulated to all Directors of the Board in a timely manner for approval and adoption at the next meeting of the Board. The Board must ensure that clear and accurate minutes of Board meetings are maintained to record the decisions of the Board, including key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must indicate whether any Director abstained from voting or excused himself from deliberating on a particular matter.
- 4.16 The Company Secretary or his/her representative or other appropriate Senior Officer shall also be in attendance at each Board meeting and be responsible for keeping the minutes of meetings of the Board and circulating them to all the members of the Board.

Company Secretary

- 4.17 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified, competent and capable of carrying out the duties required of the post.
- 4.18 The key role of the Company Secretary is to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 4.19 The Company Secretary shall keep confidential the affairs of the Company and its officers at all times. Accordingly, where he/she also serves as Company Secretary for the Company's Affiliates, he/she shall not disclose the affairs of the Company or its officers to the Affiliates except with the knowledge and consent of the Company.
- 4.20 The Company Secretary must not have competing time commitments that may impair his/her ability to discharge his/her duties effectively. Unless BNM approves otherwise in writing, the Company must have at least one Company Secretary that devotes the whole of his/her professional time to the affairs of the Company and its Affiliates, which he/she represents.

Access to Information and Independent Professional Advice

- 4.21 All Directors have the same right of access to all information within the Company whether as a full Board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.
- 4.22 A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to Directors.
- 4.23 All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board and in accordance with the relevant laws and requirements. All Board members are responsible for ensuring that any material received is properly protected and remains confidential.
- 4.24 All Directors should have access to the advice and services of the Company Secretary. The Board should recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.
- 4.25 The Board or the Directors in their individual capacity, in furtherance of their duties, shall be able to obtain independent professional advice at the Company's expenses.

Board Appointments and Removals

Sourcing

- 5.1 In identifying candidates for appointment as directors, the Board should use a variety of approaches and sources to ensure that it is able to identify the most suitably qualified candidates for Board position. This could be a combination of recommendations from existing Directors, management or major shareholders, independent sources such as sourcing from a directors' registry, open advertisements or using independent search firms. Should the sourcing only be from internal sources, the Board Nominating Committee ("**BNC**") should provide reasons why these sources suffice and other sources were not necessary.
- 5.2 Candidates put forward for Board appointments should be based on objective criteria, merit and with due regard for diversity in skills and experience, having regard to the principles set out in MCCG.
- 5.3 Without limiting the generality of the foregoing, the qualifications for Board membership include the ability to make informed business decisions and recommendations, an ability to contribute to the creation of shareholder value, relevant experience, the ability to appreciate the wider picture, ability to ask probing operational related questions, high ethical standards, sound practical sense and commitment (including time commitment) to further the interests of shareholders and the achievement of the goals of the Company.

Fit and Proper Requirements

- 5.4 All directors must fulfill the criteria of "a fit and proper person" for their appointment as directors as prescribed under the FSA 2013, MMLR and BNM's Guidelines on Fit and Proper Criteria. In addition, the Company has in place a Fit and Proper Policy and Procedure ("**Fit and Proper Policy**") to assess the fitness and propriety of key responsible persons including the Directors.
- 5.5 Any person to be appointed as a director must not be disqualified under Section 59(1) of the FSA, and must have been assessed by the BNC to have complied with the following fit and proper requirements:
 - (a) Probity, personal integrity and reputation – Person must have personal qualities such as honesty, integrity, diligence and independence of mind and fairness.
 - (b) Competence and capability – Person must possess the relevant knowledge, experience and ability to understand the technical requirement of the business, the inherent risks and the management process required to perform his/her role as a key responsible person effectively.
 - (c) Financial integrity – Person must manage his own financial affairs properly and prudently.
 - (d) Time and commitment – Person must demonstrate the ability to discharge roles having regard to other commitments, and demonstrate ability to participate and contribute in a board with good track record.
- 5.6 All Directors are required to make an annual attestation that they fulfill the minimum criteria of a "fit and proper person" as prescribed in Section 59(1) of the FSA.
- 5.7 All Independent Directors are required to disclose any interest, position or relationship that may compromise his/her independence to the Company.
- 5.8 No person shall be appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. An active politician refers to an individual who is a member of any national or state legislative body, or who is an office

bearer of, or holds any similar office or position in a political party.

5.9 Any officers directly involved in the engagement and any partner of a firm appointed as the External Auditor of the Company, must not serve or be appointed as a Director of the Company until at least three (3) years after:

- (a) He/she ceases to be an officer or partner of that firm; or
- (b) The firm last served as an auditor of the Company.

Time Commitment

5.10 The Directors are expected to allocate sufficient time to meet the expectation of their role as a Director. To ensure that Directors do not have competing time commitments that impair their ability to discharge their duties effectively, a Director should inform the Board's Chairman before he/she accepts any new Directorships in public listed companies or other companies, which may give rise to potential conflict of interest. Each Board member must not hold more than five (5) directorships in listed companies. While there is no restriction on directorships in non-listed companies, Directors should avoid over commitment in multiple directorships which may affect their performance in carrying out their role as Directors of the Company.

Appointment and Removal of Directors

5.11 The appointment of directors (including requisitions by major shareholders of the Company) requires the prior written approval of BNM pursuant to Section 54(2) of the FSA.

5.12 All appointments of directors are subject to (i) Chubb Limited's Corporate Oversight of Subsidiary Independent Director Selection which requires the selection of independent directors of subsidiary entities be approved by either Chubb Limited's Chief Financial Officer or General Counsel, and (ii) the assessment by the BNC and approval by the Board, before the applications are submitted to BNM for approval. The assessment process for the appointment of directors are as follows:

- (a) All relevant background searches and due diligence checks are to be conducted on candidates for appointment as independent director. Background searches and due diligence checks may consist of, among others, reputation checks, criminal background checks, employment screening, CV and reference checks, integrity checks – including anti money laundering (AML) screening and politically exposed persons (PEP) screening, financial probity checks – including bankruptcy searches and credit checks, regulatory history searches, court records, directorship checks, adverse media checks, travel blacklist checks, medical checks, identity verification, and education verification. Candidates will then be evaluated by Chubb Limited and interviewed by representatives of Chubb Limited. Chubb Limited's Chief Financial Officer or General Counsel will provide feedback and/or final approval.
- (b) The candidates for appointment as independent director will also be evaluated by the BNC and the BNC shall take into consideration fit and proper requirements when assessing the candidate for the position. The BNC in making its recommendation to the Board shall consider, among other factors that are deemed appropriate, the candidates:
 - (i) Skill, knowledge, competencies, expertise and experience;
 - (ii) Professionalism;
 - (iii) Integrity;
 - (iv) Commitment, contribution and performance;

- (v) Ability to provide and/or promote a diversity of views and insight having regard to his/her skills, experience, age, cultural background and gender; and
 - (vi) In the case of candidates for the position of independent directors, the BNC should also evaluate the candidates' ability to discharge such responsibilities and functions as expected.
 - (c) The findings and recommendations of the BNC will be submitted to the Board for consideration and approval.
 - (d) The Board should not appoint a director unless the Board is wholly satisfied, based on its objective assessment, that the candidate meets the fit and proper requirements set out above, understands the expectations of the role and is able to meaningfully contribute to the Board.
- 5.13 Each Director must be assessed against the fit and proper requirements set out above at least annually, and as and when the Board becomes aware of information that may materially compromise the Director's fitness and propriety, or any circumstance that suggests that the Director is ineffective, errant or otherwise unsuited to carry out his responsibilities. A Director must immediately disclose to the Board any circumstances that may affect his ability to meet the fit and proper requirements.
- 5.14 The Board must ensure that each Director acknowledges the terms of his appointment, which includes:
- (a) The roles and responsibilities of the Director, including those arising from his membership in any Board Committee;
 - (b) The tenure of the appointment; and
 - (c) Provisions for the Director's removal in the event he no longer meets the fit and proper requirements, or has been assessed to be ineffective, errant or otherwise unsuited to carry out his responsibilities.
- 5.15 Where the Board or the BNC has assessed that a Director is no longer fit and proper, the Board shall take reasonable steps to remove the Director from such position as soon as practicable and in the interim, institute necessary measures to mitigate the risks associated with the Director continuing to hold the position.
- 5.16 Where an Independent Director is removed or resigns from his position, the written approval of BNM must be obtained prior to the said removal or resignation.
- 5.17 The Company must not publicly announce the proposed appointment of a Director unless the written approval of BNM has been obtained. A Director whose tenure has expired and is being proposed for reappointment must cease to hold office until his/her reappointment is approved by BNM.

Board Structure

Size and Composition

- 6.1 The number of Directors shall not be less than two (2) and not more than fifteen (15) as set out in the Company's Constitution.
- 6.2 In accordance with BNM requirements, the Board must have a majority of Independent Directors at all times.

- 6.3 The Board and the Board Committees must be of a size that promotes effective deliberation, encourages the active participation of all Directors and allows the work of the various Board Committees to be discharged without giving rise to an over-extension of Directors that are required to serve on multiple Board Committees.
- 6.4 The Board is to develop and document the criteria and skill sets required of its members, both individually and collectively. The criteria and skill sets must reflect the fit and proper requirements and specific market or business knowledge required on the Board. The criteria and skill sets are to be reviewed regularly by the Board to ensure alignment with the strategic direction and emerging challenges faced by the Company. This must also take into account supervisory concerns highlighted by BNM that require specific expertise on the Board.
- 6.5 The Board's composition (including on gender diversity) shall comply with the requirements set out in MMLR, and have regard to the principles set out in MCGG.
- 6.6 The Board must not have more than one (1) Executive Director, unless BNM approves otherwise in writing.

Role of the Chairman

- 6.7 The Chairman of the Board shall be an Independent Director, and must not have served as a CEO of the Company in the past five (5) years. The positions of Chairman and CEO should be held by different individuals.
- 6.8 The Chairman, in leading the Board, is responsible for the effective overall functioning of the Board and governance. In fulfilling this role, the Chairman's responsibilities include the following:
- (a) Ensure that appropriate procedures are in place to govern the Board's operation;
 - (b) Ensure that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board and that Directors receive the relevant information on a timely basis;
 - (c) Encourage healthy discussion and ensure that dissenting views can be freely expressed and discussed;
 - (d) Lead efforts to address the Board's development needs;
 - (e) Promote high standards of corporate governance within the Company and on the Board;
 - (f) Guide and mediate Board actions on strategic and governance matters;
 - (g) Ensure that Board Committees function effectively and separately from Board meetings;
 - (h) Lead the Board in overseeing Senior Management and ensure clear separation between governance and management roles;
 - (i) Maintain regular dialogue with the Country President and act as the main point of contact between the Board and Senior Management;
 - (j) Represent the Board to shareholders and other stakeholders;
 - (k) Ensure meaningful engagement at the Annual General Meeting ("AGM") and that stakeholder views are communicated to the Board;
 - (l) Ensuring that Executive Directors look beyond their executive function and accept their share of responsibilities in governance; and

- (m) Perform other responsibilities as delegated by the Board from time to time.

Role of the Executive Director

- 6.9 The position of the Executive Director in essence is to ensure the effective implementation of the Company's business plan and policies established by the Board as well as to manage the day-to-day business operations and affairs of the Company to ensure its smooth operation, to the extent required by the Board and subject always to any direction of the Board to the contrary .
- 6.10 Where required by the Board, the Executive Director, in association with the Chairman, is accountable to the Board for the achievement of the Company's mission, goals and objectives.
- 6.11 The Executive Director is responsible to the Board for the following, to the extent required by the Board and subject always to any direction of the Board to the contrary:
- (a) Lead the executive management of the Company, including strategic planning, annual budgeting and performance benchmarking;
 - (b) Develop and implement long-term growth strategies and short-term profit plans to meet business objectives;
 - (c) Oversee all business operations efficiently and cost-effectively;
 - (d) Manage human resources for Senior Management roles, including recruitment, Remuneration, employment terms and disciplinary matters;
 - (e) Ensure financial reporting is accurate, fair and compliant with accounting standards;
 - (f) Uphold high standards for corporate identity, and ensuring products and services are aligned with market expectations;
 - (g) Ensure compliance with laws and governmental regulations;
 - (h) Coordinate business plans and management issues across divisions and with the Board;
 - (i) Foster a positive working environment and good employee relations;
 - (j) Act as an official spokesperson for the Company to maintain conducive regulatory, governmental and business relationships;
 - (k) Assist the Chairman in in preparing and distributing timely information to the Board; and
 - (l) Oversee the Company's sustainability strategies and integration into the operations of the Company.
- 6.12 In discharging the above responsibilities, the Executive Director can delegate appropriate functions to any other officer of the Company, subject to such reporting lines as may be approved by the Board.

Role of the Independent Director

- 6.13 Independent Directors are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board and Board Committees of the Company.
- 6.14 The roles of Independent Directors are to constructively challenge and help develop proposals on strategy including, inter alia:

- (a) To make independent assessment of the information and proposals, having regard to the Directors' knowledge, experience and competence to objectively review and challenge Senior Management's plans;
- (b) To bring impartiality and scrutiny to Board's deliberations and decision-making;
- (c) To devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trends;
- (d) Act as a channel of communication between Senior Management, shareholders and other stakeholders, ensuring that high standards of corporate governance are applied; and
- (e) Ensure that there are adequate systems, controls, and checks and balances to safeguard the interests of the Company and all stakeholders.

6.15 The Board is to determine whether an individual to be appointed as an independent director is independent in character and judgment, and free from associations or circumstances that may impair the exercise of his independent judgment or to act in the best interest of the Company. An individual is considered to be an independent director if he or any person linked to him fulfils, among others, the following criteria:

- (a) Is not, and has not been within the last three (3) years, an officer⁽¹⁾ of the Company or any related corporation of the Company ("**Said Corporations**");
- (b) Is not a substantial shareholder of the Said Corporations or any of its Affiliates;
- (c) Is not a family member of any Executive Director, officer or major shareholder of the Said Corporations;
- (d) Is not acting as a nominee or representative of any Executive Director or major shareholder of the Said Corporations; and
- (e) Has not had a significant business or other contractual relationship⁽²⁾ with the Company or any of its Affiliates within the last two (2) years.

Note:

- (1) *For this purpose, "officer" has the meaning given in Section 2 of the CA 2016 but excludes a Director who has served as an Independent Director in any one or more of the Said Corporations for a cumulative period of less than 12 years.*
- (2) *For this purpose, "significant business or other contractual relationship" should take into account the nature, size and complexity of the Company's operations.*

6.16 An Independent Director must immediately disclose to the Board any change in circumstances that may affect his status as an Independent Director. In such a case, the Board must review his designation as an Independent Director and notify the Bank in writing of its decision to affirm or change his designation.

6.17 The Board will review annually the independence of each Independent Director in light of information relevant to the assessment as disclosed by the Director to the Board.

6.18 The Board only considers Directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement. The Board must give effect to the spirit, intention and purpose of this test.

- 6.19 The Board recognises the need for an appropriate balance between Executive Directors who possess extensive direct experience and expertise in the core business activities and day-to-day operations of the Company, and non-Executive Directors who have outstanding track records and reputation, and who are able to bring to the Board a broad range of general commercial expertise and experience.
- 6.20 Where Executive Directors form part of the Board, Independent Directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance and operational issues, if necessary and to bring impartiality and scrutiny to Board's deliberations and decision making and also serve to stimulate and constructively challenge the Management in an objective manner.

Tenure

- 6.21 The tenure of Executive Directors is tied to their executive office.
- 6.22 Pursuant to the Company's Constitution, all Directors must retire once at least every three (3) years but shall be eligible for re-election.
- 6.23 The Board shall provide a statement as to whether it supports the appointment or reappointment of a Director and the reasons.
- 6.24 With the Board charged with managing the overall Company direction and performance, it is imperative to ensure that the right level of engagement, expertise and decision-making sits with the Board. To ensure this and the right level of continuous Board talent, the term limit for each Independent Director shall be three (3) terms with each term having a three (3) year period. This is consistent with the Bank's expectation of tenure limits for Independent Directors to generally not exceed nine (9) years.

Board Committees

Board Committees

- 7.1 The Board may from time to time establish Board Committees to assist it in carrying out its responsibilities, and shall establish Charters or Terms of References, approved by the Board, setting out matters relevant to composition, responsibilities and administration of such Committees, and other matters that the Board may consider appropriate. The current Board Committees are:

- (a) Board Audit Committee ("BAC")
- (b) Board Nominating Committee ("BNC")
- (c) Board Remuneration Committee ("BRC")
- (d) Board Risk Management Committee ("BRMC")

The Board may establish further Board Committees as and when the Board decides they are required.

- 7.2 The Board shall establish the policy of Board Committees to assist the Board on carrying out its duties:

(a) BAC

BAC assists in fulfilling the Board's stewardship accountability to its shareholders and financial stakeholders. The BAC shall provide assurance to the Board with

quality and reliable financial information and are responsible for the accuracy and integrity of the Company's financial reporting and review audit report.

The BAC also reviews related party transactions and conflict of interest situations that arose, persist or may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures to be taken to resolve, eliminate, or mitigate such conflicts.

(b) BRMC

The BRMC reviews the adequacy and effectiveness of the risk management and internal control systems and governance processes implemented in the Company.

The BRMC assists in reviewing the adequacy and effectiveness of risk management strategies, risk tolerance, risk management framework, processes and practices; and for reviewing sustainability related matters.

(c) BNC

The BNC oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, The BNC also annually reviews the contribution of each individual Director as well as identify candidates to fill Board vacancies, Board Committee vacancies, and nominating them for approval by the Board. The tenure of each Director would be reviewed by the BNC and annual re-election of a Director would be contingent on satisfactory evaluation of the Director's performance and contribution to the Board.

It also ensures that all Directors receive suitable continuous training programmes to broaden their perspectives and to keep abreast with developments in the market, and with statutory and regulatory requirements.

(d) BRC

The BRC is primarily responsible for recommending to the Board the Remuneration of Directors and Senior Management in all its forms, drawing from outside advice if necessary. The Remuneration of Non-Executive Directors shall be recommended by the BRC with the individual Director concerned abstaining from discussing his/her individual Remuneration.

- 7.3 The Board Committees shall be provided with sufficient support and resources required to investigate any matter within their mandates.

Delegation of Authority

- 7.4 Whilst the Board may delegate its authority to the Board Committees to ensure effective discharge of its functions and responsibilities, this does not mitigate the discharge by the Board of their duties and responsibilities. The Board remains fully accountable for any authority delegated to the Board Committees. The delegation of power shall be subjected to the approved terms of references for each Board Committee and shall be in accordance with this Charter.

Board Evaluations and Development

Board Evaluation and Procedures Assessment

- 8.1 The Board carries out annual evaluations to objectively assess the performance and effectiveness of the Board, Board Committees and individual Directors, and to draw the attention of the Board to key areas that may need to be improved.

Expert Advice to the Board

- 8.2 The Board may periodically engage external consultants or experts to assist in and lend objectivity to the annual Board evaluations. The Board may also engage independent experts once every three (3) years to facilitate objective and candid Board evaluations, and to assist in assessing the standards and effectiveness of corporate governance within the Company.

Induction Process and Directors Continuing Education

- 8.3 Individual Directors are required to undertake an induction program facilitated by Senior Management to assist them in discharging their duties and responsibilities. The objective of the induction process is to provide Directors with a rapid and clear insight into the Company as well as keeping them abreast with development in the marketplace pertaining to the oversight function of Directors.
- 8.4 All Directors are expected to undertake any necessary professional education or training program to keep themselves abreast of changes and trends in the business and in the Company's environment and markets, which shall include changes and trends in the economic, political, social and legal climate.
- 8.5 Individual Directors are required to attend the Financial Institutions Directors' Education Programme developed by BNM and Perbadanan Insurans Deposit Malaysia in collaboration with the International Centre for Leadership in Finance and Mandatory Accreditation Programme pursuant to the MMLR, if he/she has not attended before.
- 8.6 The Board assisted by the NC, shall on a continuous basis assess, evaluate and determine the training needs of the Directors and disclose in the annual report the trainings attended by the Directors. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

Succession Planning

- 9.1 The Board is responsible for establishing and regularly review succession plans for the Board to promote Board renewal and address any vacancies.
- 9.2 Following a review of the performance of the Board and individual Directors in accordance with paragraph 9.1 above, the BNC will:
- (a) Recommend to the Board, from time to time, changes that the BNC believes to be desirable to the size and composition of the Board;
 - (b) Recommend individuals for nomination as members of the Board;
 - (c) Review and recommend the process for the election of the chairman of the Board and, where appropriate recommend candidates to the Board Committees;
 - (d) Review on a regular and continuing basis succession planning for the chairman and member composition of the Board by taking into account the skillsets and experience required by the Board for the medium to long term period, and make recommendations to the Board as appropriate; and
 - (e) Consider whether the Directors have served on the Board for a period which could or could reasonably be perceived to materially interfere with their ability to act in the best interests of the Company.

Conflicts of Interest

- 10.1 The Company has in place a Conflicts of Interest Policy (“Conflicts of Interest Policy”) to address actual and potential conflicts of interest of employees including the Directors. Directors are required to disclose to the Company, any circumstances that may give rise to a conflict of interest situation during the course of carrying out their duties.
- 10.2 The Company’s Constitution stipulates that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the CA 2016. The Director concerned shall not participate in deliberations and shall abstain himself/herself from casting his/her votes in any matter arising thereof.
- 10.3 Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company (as defined under Section 197(1) of the CA 2016), the Director involved shall make full disclosure and act honestly in the best interest of the Company:
- (a) Director shall immediately inform the Board, BAC and the Company Secretary in respect of their direct and indirect interests in any businesses or corporations which carry on similar trade as that of the Company; and
 - (b) Every Director shall comply with the provisions of Sections 219 and 221 of the CA 2016 in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a Director of the Company.

And the interested Directors shall abstain from deliberation and voting on the resolutions relating to those matters or transactions.

- 10.4 A Director is required to disclose to the Board the nature and extent of his interest in a material transaction or material arrangement, and, if such material transaction or material arrangement is being deliberated, shall be absent from the Board meeting during such deliberations. An existing or proposed transaction or arrangement will be considered “material” if it is one which a Director is required to declare under Section 221 of the CA 2016 or MMLR unless the Director or any person linked to him cannot reasonably be expected to derive a benefit or suffer a detriment from the transaction or arrangement in a way that will place the Director in a position of conflict.

Whistleblowing

- 11.1 To enhance corporate governance practices across the Company, a Whistleblowing Policy was adopted by the Company to strive to conduct its business relationships and dealings with the highest level of integrity and accountability. The Company adopts a zero-tolerance approach towards any misconduct that would jeopardise its good standing and reputation. The Whistleblowing Policy is intended to encourage and enable the Directors, employees and stakeholders of the Company to raise concerns about suspected and/or known malpractices, misconduct or wrongdoings.

Avoiding Bribery and Corruption

- 12.1 The Company has in place an Avoiding Bribery and Corruption Policy to ensure compliance with applicable anti-bribery laws such as the Malaysian Anti-Corruption Commission Act 2009; the United States Foreign Corrupt Practices Act; and the UK Bribery Act (collectively as “**Bribery Laws**”).
- 12.2 The Company is committed to acting professionally, fairly and with integrity in all our business dealings and relationships. The Avoiding Bribery and Corruption Policy is applicable to anyone who is employed by or who works at the Company (whether in Malaysia or outside Malaysia and whether permanent, fixed-term or temporary basis), Directors, (executive and non-executive), Senior Management, and Company Secretaries.
- 12.3 Directors must not:
- (a) make, provide, offer or authorize any payment, gift of any kind or anything of value to any person (including an officer of a public body or to an employee of another organization) where the purpose of that payment is to obtain an improper advantage by inducing a person to perform a function or activity improperly or to reward them for doing so. Payments or the provision of gifts, made indirectly through a third party (such as agents, consultants, sales representatives, distributors or subcontractors) are also prohibited; and/or
 - (b) make facilitation payments (for example: small payments to secure the performance of routine services or action that the Company is otherwise entitled to receive, such as customs clearance, immigration and work permits).
- 12.4 A Director is required to report any violations or suspected violations of the Bribery Laws that he/she is aware of to:
- (a) the Compliance department by sending an e-mail to ChubbCompliance.MY@Chubb.com; and
 - (b) the nearest Anti-Corruption Commission officer or police officer.

Investor Relations and Shareholders’ Communication

- 13.1 The Board shall maintain an effective communications policy that enables both the Board and Senior Management to communicate effectively with its shareholders, stakeholders and the general public.
- 13.2 It is the role of the Board to ensure that the AGM of the Company is conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. All the Directors shall attend the AGM. The Board shall ensure the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM.
- 13.3 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and shall adopt an open and transparent policy in respect of its relationship with its shareholders and investors.
- 13.4 The Board shall ensure the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Company’s performance and operations, in addition to various announcements made during the year.
- 13.5 The Company’s website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

Accountability and Audit

Financial Reporting

- 14.1 The Board strives to provide clear and balanced reports on the Company's financial health and future outlook, especially in annual and quarterly reports to shareholders, investors, and regulators.
- 14.2 The Board shall ensure financial statements (annual and interim) fairly represent the Company's position, in line with approved accounting standards.

External Auditors

- 14.3 The Board has set up a formal and transparent process, through the BAC, to oversee financial reporting, internal controls, and relations with External Auditors.
- 14.4 The BAC shall regularly review audit scope, results, costs, and auditor independence. The BAC shall meet External Auditors at least once a year to discuss audit plans, findings, and financial statements. The BAC shall ensure External Auditors do not provide significant non-audit services unless disclosed in its report.

Internal Controls and Risk Management

- 14.5 The Board is responsible for maintaining internal controls that ensure effective operations and compliance with laws and internal policies.
- 14.6 An independent internal audit function has been established to regularly review all Company activities.
- 14.7 The Board shall ensure the system of internal controls is reviewed on a regular basis by the BAC.
- 14.8 The BAC shall receive reports regarding the outcome of such reviews on a regular basis.

Other Matters

- 15.1 This Charter serves to outline the mission, structure, scope and functions of the Board and duties of the Directors. The Charter complements the Company's Constitution and duties required by applicable laws and regulatory requirements, and do not replace the said requirements. In the event any ambiguity and/or inconsistencies arises, applicable laws and regulations, shall prevail over the contents of the Charter. The provisions of this Charter are subject to such revisions by way of modification, addition or otherwise as the Company may from time to time consider fit.

Review of Charter

- 16.1 This Charter will be reviewed periodically by the Board as and when required and published on the Company's website. This Charter may be amended by the Board as it deems appropriate to ensure that it remains consistent with the Board's objectives and responsibilities, applicable laws and regulations, and relevant standards of corporate governance.