

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5185
COMPANY NAME : AFFIN BANK BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (the Board), led by the Chairman, establishes the vision and strategic objectives of Affin Bank Berhad (Affin or the Bank) and is entrusted with the responsibility in leading and directing the Bank towards achieving its strategic goals and realising long-term shareholders' values.</p> <p>The Board had established the Bank's "Vision" and "Mission" as follows:-</p> <p><u>Vision</u></p> <p>" To be the most creative financial company in Malaysia</p> <ul style="list-style-type: none">• Creative in terms of innovation and technology• Creative in terms of unrivalled customer service• Create value for our shareholders, customers and our people."<p><u>Mission</u></p><p>"Products & Services To become an innovative organisation with unrivalled customer service</p><p>People Our commitment and passion touches the hearts and minds of everyone in our world</p><p>Value To always create value for our shareholders, customers and our people."</p>

Affin Values

A : Always – Innovating and adopting

F : Forever – Working as a team as we are one family

F : Fair – Treatment, Diversity and Sustainability

I : Integrity – Is our Foundation

N : Never – Ending Customer Centricity

The above values form the basis of Affin working environment, ethics and conduct. Employees are expected to adopt the core values in order to achieve the Bank's Vision and Mission. Affin also maximises teamwork as one unified organisation with THIPO (Team High Performance) being its Culture.

The key responsibilities of the Board are as follows:-

- (i) Approving the Bank's risk appetite, annual business plan and other initiatives which would have material impact on the Bank's risk profile.
- (ii) Overseeing the selection, performance, remuneration and succession plans of the Chief Executive Officer (CEO), control function heads and other members of the Key Senior Management Officers (KSMO), such that the Board is satisfied with the collective competence of KSMO to effectively lead the operations of the Bank.
- (iii) Overseeing the implementation of the Bank's governance framework and internal control framework, and periodically ascertaining whether they remain appropriate in light of material changes to the size, nature and complexity of the Bank's operations.
- (iv) Ensuring regulatory compliance within the Bank.
- (v) Promoting, together with KSMO, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour.
- (vi) Promoting sustainability through appropriate environmental, social and governance considerations in the Bank's business strategies.
- (vii) Overseeing and approving the recovery and resolution as well as business continuity plans of the Bank to restore its financial strength and maintain or preserve critical operations and critical services when it comes under stress.
- (viii) Promoting timely and effective communication between the Bank and Bank Negara Malaysia (BNM) on matters affecting, or that may affect, the safety and soundness of the Bank.
- (ix) Undertaking various functions and responsibilities as specified in the policy documents and directives issued by BNM and other relevant laws from time to time.
- (x) Ensuring the establishment and implementation of group-wide policies and procedures to ensure Group's compliance with the regulatory requirements.

	<p>The Board and Management hold an annual strategic meeting to set the Bank’s strategies and review the strategic direction of the Bank as well as the Group. To reflect the Board’s emphasis on the importance of annual budget, business plan and strategic directions, the said matters are exclusively reserved for the Board’s decision, as stipulated under Affin Board Charter.</p> <p>The progress and implementation of the Group’s strategic initiatives is monitored and supervised by the Group Board Information Technology Committee (GBITC – Board level Committee) as well as Group Management Committee (GMC – Management level Committee).</p> <p>The effectiveness of the implementation as well as results in meeting the objectives and goals of the company reflects the Board’s review of the Management’s performance.</p> <p>To support and assist the Board in discharging its fiduciary duties and responsibilities, the Board delegates certain functions to the Board committees namely, the Group Board Nomination and Remuneration Committee (GBNRC), Group Board Audit Committee (GBAC), Group Board Credit Review and Recovery Committee (GBCRRC), Group Board Risk Management Committee (GBRMC), Group Board Compliance Committee (GBCC) and Group Board Information Technology Committee (GBITC).</p> <p>To ensure a more holistic oversight on Group matters tabled at the respective Board Committees and alignment of business plans as well as strategic direction throughout the banking entities (Affin Bank Berhad, Affin Islamic Bank Berhad and Affin Hwang Investment Bank Berhad), each entity is fairly represented at each Board Committees. This approach is being undertaken taking into cognisance the general principle of separate legal entity status of the subsidiaries as well as the roles and boundaries of a subsidiary and its directors. Further, the Board Committees’ reports on matters considered and their recommendations are tabled to the Board on monthly basis. The ultimate responsibility for the final decision on all matters, however, lies with the Board. The Board is fully accountable for any authority delegated to the Board Committee.</p> <p>The Board, in carrying out its functions or duties shall have regard to the interests of depositors or policy owners of the Bank and Participants as defined in the Financial Services Act 2013.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Dato' Md Agil bin Mohd Natt (the Chairman or Dato' Agil Natt), an Independent Non-Executive Director (INED), was appointed as the Chairman of the Bank effective 8 November 2019.</p> <p>The Chairman is responsible for leading the Board in its collective oversight of management. He ensures the smooth functioning of the Board and that procedures and processes are in place to facilitate effective conduct of business by the Board.</p> <p>The key role of the Non-Executive Chairman includes the following:-</p> <ul style="list-style-type: none">(i) The smooth functioning of the Board, the governance structure and inculcating positive culture in the Board.(ii) Guidelines and procedures are in place to govern the Board's operation and conduct.(iii) All relevant issues are on agenda for Board meetings and all Directors are able to participate fully in the Board's activities.(iv) Board debates strategic and critical issues.(v) Board receives the necessary information on a timely basis from the Management.(vi) Provides avenues for all Directors to participate openly in the discussion.(vii) Provides leadership to the Board and responsible for the developmental needs of the Board. <p>The Chairman ensures that proceedings of the Board are conducted in an orderly manner. He encourages healthy discussions and ensures any concerns or dissenting views are being discussed and addressed accordingly.</p> <p>In addition, the Chairman cultivates a positive working relationship with the President & Group CEO (PGCEO) as well as the Management. He demonstrates high standard of corporate governance practices in setting the tone from the top.</p> <p>The Chairman's profile can be found on page 38 of the 2021 Annual Report and Section B of this Report.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of PGCEO and Chairman are strictly separated and distinct. The respective roles of the Chairman and the PGCEO are clearly defined, so as to promote accountability and facilitate clear division of responsibilities between them as well as to further ensure a balance of power and authority.</p> <p>Dato' Agil Natt, the Chairman, in leading the Board, is responsible for the effective overall functioning of the Board, while Datuk Wan Razly Abdullah bin Wan Ali (Datuk Wan Razly), the PGCEO focuses on the business and day-to-day management of the Bank.</p> <p>Datuk Wan Razly was appointed as the PGCEO of the Bank effective 2 April 2020 and he is not a Board member (non-board position).</p> <p>The key role of the PGCEO includes the following:</p> <ul style="list-style-type: none">(i) Developing the strategic direction of the Bank.(ii) Ensuring that the Bank's strategies and corporate policies are effectively implemented.(iii) Ensuring that Board's decisions are implemented and Board's directions are responded to.(iv) Providing directions in the implementation of short and long-term business plans.(v) Providing strong leadership that effectively communicates sound and viable vision, management philosophy and business strategy to the employees.(vi) Keeping the Board fully informed of all important aspects of the Bank's operations and ensuring sufficient information is distributed to Board members.(vii) Ensuring the day-to-day business affairs of the Bank are effectively managed. <p>The PGCEO's profile can be found on page 43 of the 2021 Annual Report.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Board had approved the adoption of the Practice 1.4 and Dato' Agil Natt, the Chairman has stepped down from Group Board Nomination and Remuneration Committee (GBNRC) effective 1 July 2021. He was never a member of Group Board Audit Committee (GBAC). To-date, none of the Chairmen of the banking entities are members of GBNRC and GBAC.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by a qualified Company Secretary in discharging its functions.</p> <p>Puan Nimma Safira binti Dato' Khalid, the Chief Legal Officer and Company Secretary has more than 28 years of experience in Legal and Secretarial.</p> <p>She graduated with Bachelor of Laws (Hons) in 1992 and Bachelor of Laws (Shariah) (Hons) in 1993; both from the International Islamic University, Malaysia. In 2017, she attained her Professional Postgraduate Diploma in Governance, Risk and Compliance from the International Compliance Association (ICA), UK. Puan Nimma holds Certificate of Mediation and Advanced Mediation by The Accord Group, Australia. She is an Affiliate member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and a Fellow Member of the ICA.</p> <p>As the Company Secretary, she plays an advisory role to the Board and is qualified under Section 235(2) of the Companies Act 2016, experienced and competent in performing her duties.</p> <p>The Company Secretary ensures that all governance matters and Board procedures are in place. The Company Secretary is responsible in supporting the effective functioning of the Board and the Board has direct access to the Company Secretary's advice and services. The Company Secretary attends the Board, selected Board Committee meetings as well as Management Committees' meetings.</p> <p>The Company Secretary provides counsel to the Board on governance matters and facilitates the communication of key decisions and policies between the Board, Board Committees and Management. The Board is also regularly updated and kept informed of the latest developments in the legislation and regulatory framework affecting the Group.</p> <p>The Board is also advised by the Company Secretary on the proposed contents and timing of material announcements to be made to regulatory authorities.</p>

	<p>The appointment and removal of the Company Secretary is subject to the Board's approval. An assessment on the fit and proper criteria of the Company Secretary is conducted annually and endorsed by the Group Board Nomination and Remuneration Committee and noted by the Board.</p> <p>The Company Secretary's profile can be found on page 47 of the 2021 Annual Report.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the prolonged COVID-19 pandemic, the Board has leveraged on technology to convene Board and Board Committee meetings. The Board has adopted internal Guiding Principles and Protocols for Board, Board Committees and Management (Protocol) as part of the Business Continuity Plan. The Protocol allow meetings to be convened virtually under a secured online platform subscribed by the Bank.</p> <p>The Board has full and timely access to information on Board matters via materials and engagement with Management to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed prior to the meetings.</p> <p>Prior to each Board meeting, Directors will be provided with the agenda together with the respective reports/papers and other board meeting reference materials for each item to be discussed in order for them to be apprised of the topics and to be prepared accordingly. These materials are disseminated in a paperless manner via meeting application software, a solution which stores meeting documents digitally in a secured manner.</p> <p>The Board papers include the minutes of the previous Board meetings, minutes of the Board Committees and reports on related banking aspects such as financials, investment, operational, Information Technology, Human Resource, Credit and Risk Management, Audit as well as regulatory compliance matters.</p> <p>The Secretariat provides 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.</p> <p>The minutes of Board/Board Committee meetings are circulated to all Directors for their review and perusal prior to the confirmation of the minutes at the following Board/Board Committees meetings. The Directors may request for clarification or raise comments before the</p>

	<p>minutes are tabled for confirmation. Upon receiving confirmation from all the members at the Board meeting, the minutes will be signed by the Chairman of the meeting as a correct record of the meeting proceedings.</p> <p>All Board members have unrestricted access to timely and accurate information as well as direct access to the advice and services of the Company Secretary who is responsible for ensuring that the Board meetings' procedures are followed and that all applicable rules and regulations are complied with.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is 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–

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

Application	: Applied
Explanation on application of the practice	<p>The Board has established a Board Charter which demarcated the mandate, roles and responsibilities, and procedures of the Board and Board Committees (both individually and collectively), in setting the direction, management and control of the Bank in accordance with the principles of good corporate governance set out in the policy documents and guidelines issued by BNM and relevant regulatory authorities.</p> <p>The Board Charter outlines the issues and matters reserved for the Board as follows:-</p> <ul style="list-style-type: none">(i) Approval of financial results.(ii) Declaration of dividends.(iii) Risk appetite setting.(iv) Annual budget and business plan.(v) Appointment of key responsible persons(vi) Mergers and Acquisitions.(vii) Policy Manual.(viii) Connected Parties Transactions.(ix) Strategic Directions. <p>The Board Charter will be reviewed by the Board from time to time in tandem with the Bank's Corporate Governance Framework as well as changes to the Main Market Listing Requirements by Bursa Malaysia Securities Berhad (MMLR), Bank Negara Malaysia's Policy Document on Corporate Governance (BNM CG), Malaysian Code of Corporate Governance issued by Securities Commission (MCCG) and Companies Act 2016 to ensure its relevance and effectiveness in the light of the ever changing environment in which the Bank operates.</p> <p>The Board Charter is available on the Bank's website at www.affingroup.com</p>

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

Intended Outcome

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

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

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank has put in place a Code of Ethics and Standard of Professional Conduct.</p> <p>The Bank adopts the Code of Ethics for the Financial Services Industry developed by Financial Services Professional Board (FSPB) as the standard of conduct expected of its Directors and employees.</p> <p>The Code of Ethics is to ensure that staff consistently adhere to a high standard of professionalism and ethics in the conduct of business and professional activities.</p> <p>The Standard of Professional Conduct is to ensure that staff is fully committed to uphold, maintain and demonstrate a high level of integrity and professionalism at all times. The Bank upholds the ethical principles which outlines the ten (10) core minimum Standards of Professional Conduct that staff is expected to adhere and abide. The ten (10) standards are:-</p> <ul style="list-style-type: none">(i) acting in the best interest of the customer;(ii) complying with laws and regulations;(iii) keeping information confidential;(iv) maintaining market integrity;(v) managing conflicts of interest;(vi) having openness and transparency;(vii) operating responsible business;(viii) acquiring professional knowledge and skills;(ix) giving respect and fair treatment; and(x) taking responsibility and accountability. <p>The Bank's Standard of Professional Conduct has been adopted by the Board to support the Group's objectives, vision and values which reflects the Group's vision and core values of integrity, respects, trust and openness. The basic principles have been carried out by having appropriate regard to the interests of the Bank's customers,</p>

	<p>shareholders, business partners and the broader community in which the Group operates.</p> <p>The Bank encourages its employees to provide feedback with any concerns regarding misconduct and/or wrongdoing by the employees. Any non-compliance and failure to report non-compliance to the Code may lead to consequence management.</p> <p>All Directors and employees of the Bank are expected to exercise caution and due care in safeguarding confidential and price-sensitive information of the Bank and its business associates from being misused including for personal benefits, at all times. In managing the exposure of such misuse of price-sensitive information for trading of shares or other securities, the Directors and Key Senior Management Officers are reminded periodically of the prohibition of insider trading and the dealings in securities during closed periods in accordance with the relevant provisions of the MMLR.</p> <p>The Code of Ethics is available on the Bank's website at https://affin.listedcompany.com/code_of_ethic.html</p>	
Explanation for departure	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	<p>:</p>	
Timeframe	<p>:</p>	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Group Whistleblowing Policy and Procedures is developed to promote whistleblowing in a positive manner that provides an avenue for employees and members of the public to escalate concerns on improper conduct. The said Policy is in line with the fundamental objectives of Whistleblower Protection Act 2010.</p> <p>This includes the following:-</p> <ul style="list-style-type: none">(i) Safeguard the Bank's reputation by minimizing unfavourable surprise events in relation to improper conduct.(ii) Encourage Whistleblower to divulge pertinent information on improper activity occurring within the Bank and its subsidiaries subsequently to curtail possible detrimental impact.(iii) Exhibit better corporate governance on managing whistleblowing issues, which is to be managed in a transparent manner by creating awareness on the protection, confidentiality and enforceability of whistleblowing. <p>Complaints being channelled through the available avenues stated in the said Policy and are addressed and dealt with by the Group Whistleblowing Committee in strictest confidence. The Group Whistleblowing Committee reports to an Independent Non-Executive Director (INED) who provides oversight for the whistleblowing process. The INED is the Chairman of the Group Board Compliance Committee.</p> <p>The Group Whistleblowing Policy and Procedures is available on the Bank's website at www.affingroup.com</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Bank's Sustainability Governance Structure consists of the Board of Directors, Group Board Risk Management Committee, Management Committee, and the Sustainability Working Group. The Board is responsible to advise the Sustainability Governance Structure to promote sustainability through appropriate Environmental, Social and Governance (ESG) considerations in the Bank's business strategy as well as accountable for reviewing, adopting and monitoring the implementation of the Bank's overall sustainability strategies.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>In 2021, business units and support functions have initiated the integration of Environmental, Social and Governance (ESG) elements into the respective process in developing the Bank’s long-term (5 year) plans and targets.</p> <p>The Bank’s sustainability strategies, priorities and targets as well as performance against these targets for ABB and Affin Islamic Bank Berhad (AiBB) are communicated to its internal and external stakeholders accordingly.</p> <p>The Corporate Strategy Division manages the Bank’s Sustainability matters and provides updates on the Bank’s Sustainability progress to the Group Board Risk Management Committee and the Board.</p> <p>The latest updates/announcements/implementation/changes on ESG are communicated to the employees through Affin’s intranet (internal portal for the employees).</p> <p>The Bank produces Sustainability Statement for incorporation into the Annual Report in accordance to Bursa Malaysia Sustainability Reporting Guidelines since 2018.</p> <p>In addition, the Bank also provides responses to survey/questionnaire by rating agencies and the regulators including RAM and BNM for example, the BNM Survey on Climate Change.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance to keep updated with the risks and opportunities as well as current and future trends and issues on Sustainability that may impact the business for short, medium and long term.</p> <p>Sustainability is part of the agenda for Board's training for year 2021. The Sustainability training held in 2021 also includes the topics on climate-related risks and opportunities.</p> <p>The Board will also participate in various events/training with regard to Sustainability provided externally in order to keep abreast with the development on sustainability matters/issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Bank has a long-term plan to incorporate Sustainability performance into the Board and Key Senior Management Officers’ Key Performance Indicators (KPI) once the sustainability fundamentals have been strengthened within the organisation.</p> <p>Review of the performance of the board in addressing the Bank’s material sustainability risks and opportunities is part of the annual Board Effectiveness Evaluation (BEE).</p> <p>The KPI on sustainability is included in Chief Corporate Strategy Officer and PGCEO/CEO.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	Encik Abdul Malek bin Mohamed Said, the Chief Corporate Strategy Officer is leading and overseeing the Affin Group's sustainability agenda.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Board Nomination and Remuneration Committee (GBNRC) has undertaken continuous review of the Affin Group's Board composition. This is to ensure that the Board of Affin Group consists of the required skills set matrix to discharge their duties effectively as well as to ensure that it complies with the applicable regulatory requirements and internal practices.</p> <p>Appointment of new Director is subject to any vacancy due to retirement, resignation or completion of Directorship tenure; including the nomination by Shareholder(s).</p> <p>Re-appointment and re-election of Directors are contingent on satisfactory evaluation of the director's performance and contribution to the Board. Directors' performance is reviewed based on the outcome of the Board Effectiveness Evaluation (BEE) exercise as well as the assessment by GBNRC.</p> <p>The proposal of Directors' appointment, re-appointment and list of Directors' standing for re-election at the next AGM are tabled to GBNRC for recommendation and thereafter to the Board for approval, subject to BNM (for appointment and re-appointment) and shareholders' approval (for re-election).</p> <p>The Bank continuously review the composition of the Board of Affin Group Board since 2015 with Board Changes/Refresh involving more than 50 candidates.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at March 2022 the Board comprises nine (9) Directors, two (2) of whom are Non-Independent Non-Executive Directors (NINEDs) (shareholders' representatives) and the remaining seven (7) are Independent Non-Executive Directors (INEDs).</p> <p>The past financial year saw the Board bid farewell to Encik Mohd Suffian bin Haji Haron who had served the Bank for almost 12 years on 2 June 2021. He was appointed as INED and was re-designated as NINED after completion of nine (9) years tenure.</p> <p>The presence of a majority of INEDs provides effective check and balance in functioning of the Board to safeguard the interest of the Bank and stakeholders.</p> <p>The influence of the nominees for the major shareholders of the Bank is balanced by the presence of the majority INEDs on the Board whose collective views carry significant weight in the Board's deliberation and decision-making process.</p> <p>The existing size and composition of the Board promotes effective deliberation, encourages active participation from all Directors and allows their roles and responsibilities to be discharged without giving rise to an over-extension of Directors who are required to serve on multiple Board Committees. The diverse and broad range of experience, skills and knowledge of the Directors effectively facilitate the discharge of the Board's stewardship.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:	Please refer to explanation under Step-Up 5.4	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>									
Application	: Adopted								
Explanation on adoption of the practice	: To ensure the independence of the Board as well as to encourage fresh views and ideas at the Board level, the Board has adopted the policy limiting the maximum tenure of an Independent Non-Executive Director (INED) within Affin Bank Group up to a period of nine (9) years. The Bank' s shareholder will vote against the re-election of INED who has served the Board for a cumulative term of nine (9) years or more. However, INED who seeks to continue to serve on the Board upon completion of nine (9) years to be re-designated as a Non-Independent Director, subject to approval by shareholders and BNM. The tenure of the Independent Directors are as follows:- <table border="1"><thead><tr><th>Tenure</th><th>Number of INEDs</th></tr></thead><tbody><tr><td>Up to 1 year</td><td>1</td></tr><tr><td>More than 1 year and up to 3 years</td><td>3</td></tr><tr><td>More than 3 years and up to 6 years</td><td>5</td></tr></tbody></table> As at 31 March 2022, none of the INEDs have exceeded the nine (9) years tenure.	Tenure	Number of INEDs	Up to 1 year	1	More than 1 year and up to 3 years	3	More than 3 years and up to 6 years	5
Tenure	Number of INEDs								
Up to 1 year	1								
More than 1 year and up to 3 years	3								
More than 3 years and up to 6 years	5								

Intended Outcome

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

Practice 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	: Applied																												
Explanation on application of the practice	<p>The Bank strongly promotes diversity in Board as it recognises the values and the unique contribution from Directors with diverse individual background, skills, experiences, perspectives, nationality, age as well as gender.</p> <p>The Board continuously reviews the appropriate mix of skills, experience, age, gender, cultural background and knowledge required of its members, in the context of the needs of the Bank's businesses and strategies.</p> <p>The following sets out the Board Diversity matrix of the Bank:-</p> <p><u>Board Skills and Experience</u></p> <table border="1"><thead><tr><th>Board skills and experience</th><th>Number of Directors</th></tr></thead><tbody><tr><td>Banking</td><td>6</td></tr><tr><td>Accounting/Chartered Accountant</td><td>2</td></tr><tr><td>Risk/Credit Management</td><td>2</td></tr><tr><td>Finance/Economic</td><td>5</td></tr><tr><td>Insurance</td><td>3</td></tr><tr><td>IT/e-Commerce</td><td>3</td></tr><tr><td>Business Administration</td><td>2</td></tr><tr><td>Human Resource/People Management</td><td>1</td></tr></tbody></table> <p><u>Age</u></p> <table border="1"><thead><tr><th>Age</th><th>Number of Directors</th></tr></thead><tbody><tr><td>55 – 60 years old</td><td>3</td></tr><tr><td>61 – 65 years old</td><td>2</td></tr><tr><td>66 – 70 years old</td><td>3</td></tr><tr><td>71 – 75 years old</td><td>1</td></tr></tbody></table>	Board skills and experience	Number of Directors	Banking	6	Accounting/Chartered Accountant	2	Risk/Credit Management	2	Finance/Economic	5	Insurance	3	IT/e-Commerce	3	Business Administration	2	Human Resource/People Management	1	Age	Number of Directors	55 – 60 years old	3	61 – 65 years old	2	66 – 70 years old	3	71 – 75 years old	1
Board skills and experience	Number of Directors																												
Banking	6																												
Accounting/Chartered Accountant	2																												
Risk/Credit Management	2																												
Finance/Economic	5																												
Insurance	3																												
IT/e-Commerce	3																												
Business Administration	2																												
Human Resource/People Management	1																												
Age	Number of Directors																												
55 – 60 years old	3																												
61 – 65 years old	2																												
66 – 70 years old	3																												
71 – 75 years old	1																												

Nationality

Nationality	Number of Directors
Malaysian	7
American	1
Chinese	1

Race/ethnicity

Race/Ethnicity	Number of Directors
Malay/Bumiputera	5
Chinese	3
Indian/Others	1

Gender

Gender	Number of Directors
Male	6
Female	3

Key Senior Management Officers' (KSMO) appointments and removal are governed by the standards in BNM CG which stipulates that member of KSMO must fulfil the minimum requirements at the time of appointment and on a continuing basis.

The Bank acknowledges that persons in these key positions must have the necessary qualities, competencies and experience that will allow them to perform their duties and carry out the responsibilities required of their position in the most effective manner.

The following sets out the KSMO Diversity matrix of the Bank:-

Age

Age	Number of KSMO
50 years old and below	8
51 – 55 years old	4
56 – 60 years old	1
Above 60 years old	0

Nationality

Nationality	Number of KSMO
Malaysian	13
Others	0

	<p><u>Gender</u></p> <table border="1" data-bbox="560 300 1099 412"> <thead> <tr> <th data-bbox="560 300 815 338">Gender</th> <th data-bbox="815 300 1099 338">Number of KSMO</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 338 815 376">Male</td> <td data-bbox="815 338 1099 376">8</td> </tr> <tr> <td data-bbox="560 376 815 412">Female</td> <td data-bbox="815 376 1099 412">5</td> </tr> </tbody> </table> <p><i>Notes:</i> For this purpose, KSMO refers to members of Management Committee, Group Chief Compliance Officer, Group Chief Internal Audit and Chief Legal Officer and Company Secretary.</p>		Gender	Number of KSMO	Male	8	Female	5
Gender	Number of KSMO							
Male	8							
Female	5							
Explanation for departure	:							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>								
Measure	:							
Timeframe	:							

Intended Outcome

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

Practice 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Board Nomination and Remuneration Committee (GBNRC) is responsible for assessing the candidate(s)' qualifications and experiences and whether he/she fulfils the minimum requirements as set out in the BNM Policy Document on Corporate Governance (BNM CG), BNM Policy Document on Fit & Proper Criteria and any other relevant regulations. The GBNRC thereafter submits its recommendation to the Board for decision on submission of application to BNM for the proposed new appointment as Director.</p> <p>In identifying candidates for appointment of Directors, the GBNRC does not solely rely on recommendations from the existing Board members, Management or major shareholders. The GBNRC has the right to utilize independent sources at the cost of the Bank to identify suitably qualified candidates.</p> <p>Being a financial institution, the Bank can leverage amongst others, on the FIDE Forum Directors' Register to identify suitable candidate for appointment of Directors.</p> <p>GBNRC may also consider utilising the following sources:-</p> <ul style="list-style-type: none">(i) Director's registry (e.g. Institute of Corporate Directors Malaysia and NAM Institute for the Empowerment of Women);(ii) Industry and professional associations; or(iii) Independent search firm. <p>In situation where recommendations were made by existing directors, management or major shareholders, GBNRC will ensure that the necessary due diligence are undertaken. Assessments are conducted internally as well as externally verify information provided to the Bank. The said candidate(s) will be appointed if they are found suitable and fit to be appointed as Director(s) of the Bank based on the required skill matrix as well as expected contribution by the said candidate.</p>

	As a basic principle, the Bank shall not make an application to BNM to appoint a Director unless the Board is wholly satisfied, based on its objective assessment, that the candidate meets the minimum requirements of the BNM CG and Bursa Malaysia's Main Market Listing Requirements, understands the expectation of the roles and is able to meaningfully contribute to the Board.	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	Details of each Directors are disclosed in the Annual Report sufficient for shareholders to make an informed decision on the appointment and reappointment of a Director. The Bank has also included the statement as to whether it supports the appointment or reappointment of the candidate together with the justifications. Details as per the Statement Accompanying Notice of 46 th Annual General Meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the GBNRC is Dato' Abdul Aziz bin Abu Bakar (Dato' Abdul Aziz), an Independent Non-Executive Director.</p> <p>As the Chairman of GBNRC, Dato' Abdul Aziz ensures that the Committee provides a formal and transparent procedure in respect of the following:-</p> <ul style="list-style-type: none">(i) The selection and appointment of all new Directors and Chief Executive Officer as well as assessment on effectiveness of individual Directors, Board as a whole, Board Committees and performance of Chief Executive Officer and Key Senior Management Officers (KSMO); and(ii) Develop remuneration policy for Directors, Chief Executive Officer and KSMO and ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategies. <p>Dato' Abdul Aziz's profile can be found on page 39 of the 2021 Annual Report and part B of this Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>Out of the nine (9) Directors, three (3) are women Directors which constitute 30%, as follows:-</p> <ol style="list-style-type: none"> 1. Dato' Rozalila binti Abdul Rahman; 2. Puan Marzida binti Mohd Noor; and 3. Ms Chan Wai Yu. <p>The Board will continue to uphold the principle of boardroom gender diversity in consonance with Government's agenda to achieve the target of at least 30% women on the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Bank strives and committed to develop a diverse and inclusive workforce to reflect Malaysian multicultural society. The Board has escalated its efforts to establish a more diverse Board which bears a variety in the dimensions of skills, experience, age, cultural background and gender.</p> <p>The Board acknowledges the recommendation of the MCCG pertaining to the establishment of boardroom gender diversity policy. The Bank has revised its Board Charter to include gender diversity as part of the Bank’s effort to strengthen its stance in ensuring that gender equality is being enforced in the community. The Board shall maintain at least 30% representation of women on Board as per Practice 5.9 of MCCG.</p> <p>The Bank has also is looking into establishing Diversity and Inclusion strategy (which includes gender representation) in Management and Board which reinforces the Bank’s commitments in strengthening gender equality and inclusivity in the workplace.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>For FY2021, the Board Effectiveness Evaluation (BEE) was conducted internally with the assistance of the Company Secretary based on the framework which was designed and concurred by the Group Board Nomination and Remuneration Committee (GBNRC). The BEE was conducted via a secured online link.</p> <p>Themes and processes enumerated for the evaluation of the Board as a whole, Board Committee and Individual Directors are can be found on pages 117 of the 2021 Annual Report.</p> <p>Both GBNRC and the Board continuously carry out review of the composition of the Board and Board Committees of the Bank and Group, with the objective to assess the Board's effectiveness in discharging their expected duties as well as to ensure that the composition complies with the requirements by regulators and supports any additional best practices expected of the Bank and Group.</p> <p>Apart from the above, detailed assessments were also conducted on the Director(s) who are due for re-appointment and those newly appointed Directors, as required by BNM Policy Document on Corporate Governance. The assessment is also used to determine the performance and contribution of Directors due for re-election at the coming Annual General Meeting.</p> <p>The Board's assessment includes amongst others the following:-</p> <ul style="list-style-type: none">(i) A description of how the candidate is expected to address any gaps in the specific skills, knowledge or experience of the existing board members, if any;(ii) In the case of a candidate who lacks specific skills, knowledge or experience, a description of the gaps and steps that will be taken to support the candidate in addressing the gaps; and

	<p>(iii) In the case of a re-appointment, objective assessments of the candidate's past performance on the Board.</p> <p>The Board highlighted that in line with MCCG's recommendation, the Board has agreed to engage an external consultant/independent expert on periodical basis to conduct the BEE for assessment year 2022.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	: Applied						
Explanation on application of the practice	<p><u>Directors</u></p> <p>The Group Board Nomination and Remuneration Committee (GBNRC) recommends structured remuneration packages for the Non-Executive Directors (NED) which is competitive and consistent with the Bank's culture, objectives and strategies. It is commensurate with the level of responsibilities and contribution by the NED in ensuring the effective functioning of the Board as well as driving the Bank's long-term objectives.</p> <p>The remuneration package for the Directors of the Bank comprise the following:-</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">Directors' Fees</td> <td>The Directors are entitled to annual Directors' fees.</td> </tr> <tr> <td>Board Committees Fees</td> <td>Directors who sit on Board Committees are entitled to receive Board Committee fees.</td> </tr> <tr> <td>Meeting Allowances</td> <td>Directors are also entitled to Meeting allowances when they attend any Board/Board Committee meetings.</td> </tr> </table> <p>The Directors' fees and benefits-in-kind payable to Directors are subject to shareholders' approval at the Annual General Meeting.</p> <p>In determining the level of remuneration for Directors, the Board may commission a survey of the remuneration levels, to be carried out either by external consultants or Senior Management. The survey should cover the remuneration levels of Directors of an organisation in a similar industry, size and location. The report shall be tabled to the GBNRC and the Board for deliberation.</p>	Directors' Fees	The Directors are entitled to annual Directors' fees.	Board Committees Fees	Directors who sit on Board Committees are entitled to receive Board Committee fees.	Meeting Allowances	Directors are also entitled to Meeting allowances when they attend any Board/Board Committee meetings.
Directors' Fees	The Directors are entitled to annual Directors' fees.						
Board Committees Fees	Directors who sit on Board Committees are entitled to receive Board Committee fees.						
Meeting Allowances	Directors are also entitled to Meeting allowances when they attend any Board/Board Committee meetings.						

The Board may from time to time review the Remuneration Policy of Directors to ensure it continues to support the strategies and long-term vision of the Bank and yet at the same time, is able to attract talent, nurture and retain high calibre Directors, whilst taking into account the interest of other stakeholders, including shareholders and employees.

During deliberations pertaining to the individual Directors' remuneration, the interested parties should excuse themselves from both the deliberations and voting.

The details of the Directors' remuneration are set out in Note 43 to the Financial Statements of the 2021 Annual Report.

Senior Management

It is the Bank's basic compensation philosophy to provide a competitive level of total compensation to attract and retain qualified and competent staff. The Bank's variable remuneration policy will be driven primarily by a performance-based culture that aligns staff interests with those of the shareholders of the Bank.

The Bank's remuneration policy considers the role of each staff, and has set guidance on whether they are under Senior Management, Other Material Risk Taker (OMRT) or other employees category.

The objectives of the Remuneration Policy is to ensure that the remuneration system of the Bank:

- (i) Rewards individuals for the achievement of the Bank's objectives and motivates high levels of performance;
- (ii) Rewards exceptional performance by individual through the Performance Management System;
- (iii) Allows the Bank to compete effectively in the labour market and to recruit as well as retain high calibre staff;
- (iv) Achieves fairness and equity in remuneration and reward.

The Bank's remuneration is made up of two (2) main components namely "fixed pay" and "variable pay":-

- (i) Fixed pay consists of base salary and fixed allowances that are pegged to the market value of the job.
- (ii) Variable pay rewards employees based on the performance of the Division, Department and Bank; and the employee's individual performance i.e. Bonuses, Long Term Incentives Plan (LTIP) & Sales Incentives/Commission.

The Bank implemented the Deferred Discretionary Performance Bonus for the PGCEO, KSMO and Non-Senior Management staff who falls under the OMRT Category. The objective of the deferred bonus is to align the short-term compensation payment with the time-based risk, and to encourage employees to deliver sustainable long-term

	performance. The Bank shall review the MRT & OMRT listing on annual basis.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Board Nomination and Remuneration Committee (GBNRC) is chaired by an Independent Non-Executive Director, with the objective of providing a formal and transparent procedure in respect of the following:</p> <p>(i) The selection and appointment of all new Directors and PGCEO as well as assessment of effectiveness of individual Directors, Board as a whole, Board Committees and performance of PGCEO and Key Senior Management Officers (KSMO); and</p> <p>(ii) Develop remuneration policy for Directors, PGCEO and KSMO as well as ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategies.</p> <p>The GBNRC carries out its roles and responsibilities as stipulated in the terms of reference. The GBNRC is not delegated with decision making powers but reports its recommendations to the Board for decision.</p> <p>The main activities of the GBNRC in 2021 included the following:</p> <ul style="list-style-type: none">• Overall composition of the Affin Group Board and Board Committees.• Centralisation initiatives of the Group Board Committees within Affin banking entities.• Assessment of fitness and propriety of Directors for re-appointment and new candidates for appointment as new Directors.• Token of Appreciation and Farewell gift/souvenir for retired Directors within Affin Group.• Assessment of fitness and propriety for the purpose of new appointment of KSMO.• Performance assessment of KSMO of Affin Bank Berhad (ABB), Affin Islamic Bank Berhad (AiBB) and Affin Hwang Investment Bank Berhad (AHIB) for contract renewal.

	<ul style="list-style-type: none"> • Remuneration of Directors/KSMO. • Setting up of Key Performance Indicators for PGCEO of ABB and CEOs of AiBB and AHIB. • Performance assessment and recommendation to the Board on promotion and appointment of key responsible persons. • Outcome of the Board Effectiveness Evaluation exercise for FY2021. • Succession planning for KSMO (Talent Management Progress Update, Total Reward Framework, Employee Engagement Survey) and Shariah Committee. • Regulatory updates - MSWG -Asean Corporate Governance Scorecard 2020, MCCG 2021. <p>The establishment of GBNRC is to provide a centralised platform in setting the Group principles, procedures and framework relating to the composition of the Board and Management including their appointment/re-appointment, effectiveness and performance as well as remuneration policy for the Board, Management and the Group as a whole. This Group approach would promote compensation philosophy which would drive performance of the Group as a whole.</p> <p>The GBNRC would be able to review the diversity, matrix skills of the Board and Management from broader perspective to ensure that it aligns with the Group’s strategy and placement of human capital at entity level with the right skills set.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration (including benefits-in-kind) of each Director during the financial year 2021 are disclosed on Note 43 to the Financial Statements of the 2021 Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Agil Natt	Independent Director	395	Input info here	Input info here	Input info here	72	Input info here	467	395	Input info here	Input info here	Input info here	Input info here	72	467
2	Encik Mohd Suffian bin Haji Haron (completed his tenure of Directorship on 2 June 2021)	Non-Executive Non-Independent Director	134	Input info here	Input info here	Input info here	Input info here	177	311	134	Input info here	Input info here	Input info here	Input info here	177	311
3	Dato' Abdul Aziz bin Abu Bakar	Independent Director	321	Input info here	Input info here	Input info here	Input info here	Input info here	321	321	Input info here	Input info here	Input info here	Input info here	Input info here	321
4	Dato' Mohd Hata bin Robani	Independent Director	302	Input info here	Input info here	Input info here	Input info here	Input info here	302	302	Input info here	Input info here	Input info here	Input info here	Input info here	302
5	Mr. Chan Tze Ching, Ignatius	Non-Executive Non-Independent Director	170	Input info here	Input info here	Input info here	Input info here	Input info here	170	170	Input info here	Input info here	Input info here	Input info here	Input info here	170
6	Dato' Rozalila binti Abdul Rahman	Independent Director	318	Input info here	Input info here	Input info here	Input info here	Input info here	318	318	Input info here	Input info here	Input info here	Input info here	Input info here	318
7	Mr. Yuen Wai Hung, Peter	Non-Executive Non-Independent Director	241	Input info here	Input info here	Input info here	Input info here	Input info here	241	241	Input info here	Input info here	Input info here	Input info here	Input info here	241
8	Puan Marzida binti Mohd Noor	Independent Director	275	Input info here	Input info here	Input info here	Input info here	Input info here	275	275	Input info here	Input info here	Input info here	Input info here	Input info here	275
9	Mr. Gregory Jerome Gerald Fernandes	Independent Director	311	Input info here	Input info here	Input info here	Input info here	Input info here	311	311	Input info here	Input info here	Input info here	Input info here	Input info here	311
10	Ms. Chan Wai Yu	Independent Director	217	Input info here	Input info here	Input info here	Input info here	Input info here	217	217	Input info here	Input info here	Input info here	Input info here	Input info here	217
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 8.2

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

Application	:	Departure																
Explanation on application of the practice	:																	
Explanation for departure	:	<p>The Board is of the opinion that such disclosure would be disadvantageous to the Bank's business interest, given the highly competitive conditions in the banking industry where poaching of executives is common.</p> <p>However, across the Group, Affin discloses the remuneration of the Top three (3) Key Senior Management Officers' (KSMO) positions in their respective financial statements, as follows:</p> <ol style="list-style-type: none"> 1. President & Group CEO, Affin Bank Berhad; 2. CEO, Affin Islamic Bank Berhad; and 3. CEO, Affin Hwang Investment Bank Berhad. <p><i>Note : The financial statements of the above entities is available on the Bank's website at www.affingroup.com</i></p> <p>The remuneration of KSMO other than the President & Group CEO of Affin Bank Berhad are as follows:-</p> <table border="1" data-bbox="555 1473 1407 1989"> <thead> <tr> <th>Name</th> <th>Position</th> <th>2021 Annual Total Remuneration</th> </tr> </thead> <tbody> <tr> <td>Lim Kee Yeong</td> <td>Executive Director, Enterprise Banking</td> <td rowspan="6" style="text-align: center; vertical-align: middle;">< RM1 Million to RM1.5 Million</td> </tr> <tr> <td>Mohd Syukri Bin Ahmad Sudari</td> <td>Group Chief People Officer</td> </tr> <tr> <td>Nazri Bin Othman</td> <td>Executive Director, Community Banking</td> </tr> <tr> <td>Norhazlizawati Binti Mohd Razali</td> <td>Group Chief Credit Officer</td> </tr> <tr> <td>Risham Akashah Bin Kamaruzaman</td> <td>Chief Operating Officer</td> </tr> <tr> <td>Tan Kok Toon</td> <td>Executive Director, Group Treasury</td> </tr> </tbody> </table>	Name	Position	2021 Annual Total Remuneration	Lim Kee Yeong	Executive Director, Enterprise Banking	< RM1 Million to RM1.5 Million	Mohd Syukri Bin Ahmad Sudari	Group Chief People Officer	Nazri Bin Othman	Executive Director, Community Banking	Norhazlizawati Binti Mohd Razali	Group Chief Credit Officer	Risham Akashah Bin Kamaruzaman	Chief Operating Officer	Tan Kok Toon	Executive Director, Group Treasury
Name	Position	2021 Annual Total Remuneration																
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Norhazlizawati Binti Mohd Razali	Group Chief Credit Officer																	
Risham Akashah Bin Kamaruzaman	Chief Operating Officer																	
Tan Kok Toon	Executive Director, Group Treasury																	

		Name	Position	2021 Annual Total Remuneration
		Abdul Malek Bin Mohamed Said	Chief Corporate Strategy Officer	RM0.75 Million to RM1 Million
		Adzamimah Binti Adzmi	Group Chief Compliance Officer	
		Ferdaus Toh Bin Abdullah	Deputy CEO, Affin Islamic	
		Hanif Bin Mohd Yusof	Acting Executive Director, Corporate Banking	
		Joanne May Rodrigues	Chief Financial Officer	
		Lee Yoke Kiow (Retired : 30th June 2021)	Chief Corporate Service Officer	
		Nimma Safira Binti Khalid @ Mat Khalid	Chief Legal Officer & Company Secretary	
		Wahdania Binti Mohd Khir	Group Chief Internal Auditor	
		Hanif bin Ghulam Mohammed (Joined: 1st December 2021)	Executive Director, Group Treasury	<RM0.75 Million
		Low Weng Haw (Resigned : 15th September 2021)	Group Chief Risk Officer	
<p>The Board wishes to give assurance that the remuneration of Directors and KSMO commensurate with their individual performance, taking into consideration of the Bank's performance as it is benchmarked against the market.</p>				
<p>The remuneration packages of KSMO are based on experience, expertise, skills and industry benchmark. Total remuneration of its employees is also set out in the Audited Financial Statements for financial year ended 31 December 2021 which allow shareholders to assess whether the remuneration of Directors and Senior Management commensurate with their performance taking into consideration of the Bank's performance.</p>				
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:	The Board will monitor developments in the market in respect of such disclosure for future consideration.		
Timeframe	:	Others		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

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 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is not a member of the Group Board Audit Committee (GBAC). The GBAC is chaired by Mr Gregory Jerome Gerald Fernandes, an Independent Non-Executive Director (INED). His profile can be found on page 42 of the 2021 Annual Report and Part B of this Report.</p> <p>As at 7 January 2022, the GBAC comprises six (6) members who are all INEDs. The composition of the GBAC and details of their meeting attendance can be found on page 110 of the 2021 Annual Report and part B of this Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Board Audit Committee (GBAC) acknowledges the importance of an independent Audit Committee whereby GBAC would be able to rigorously challenge and ask probing questions on the Bank's financial results and its financial reporting processes, internal controls, risk management and governance activities. In doing so, the Terms of Reference for GBAC has been enhanced to reflect the revised cooling-off period as follows:-</p> <p>"A former key audit partner of the firm which has been appointed as the external auditor of the Bank, shall observe a cooling-off period of at least three (3) years from the date he/she ceases to be a partner of the firm before being appointed as a member of the GBAC."</p> <p>The composition, quorum, frequency of meeting as well as the specific duties, responsibilities and authority of the GBAC are set out under its Terms of Reference which is available on the Bank's website at https://affin.listedcompany.com/others.html</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The GBAC has put in place policies and procedures to assess the suitability, objectivity and independence of external auditors. With reference to the requirements set out in the BNM's Policy Document on External Auditor, Affin Bank Group has documented its own Group policy and procedures on Appointment and Re-appointment of External Auditors and Policy on Engagement of External Auditors for Non-Audit Services.</p> <p>On annual basis, GBAC reviews and assesses the appointment or re-appointment of external auditors to ensure the suitability, objectivity and independence of the External Auditors. Among the criteria evaluated and taken into consideration by the GBAC were:-</p> <ul style="list-style-type: none">(i) Independence, Objectivity, Familiarity Threats and Professional Scepticism;(ii) Ability to demonstrate an unbiased stance when interpreting the standards/policies adopted by the licensed institutions;(iii) Qualification criteria;(iv) Level of knowledge, capabilities, experience and quality of previous work;(v) Level of engagement with the Board and GBAC;(vi) Ability to provide constructive observations, implications and recommendations in areas which require improvements;(vii) Appropriateness of audit approach, adequacy of resources and the effectiveness of overall audit planning; and(viii) Ability to perform the audit work within the agreed duration given. <p>GBAC meets up with the External Auditors regularly to discuss the scope of the audit plan, evaluation of the adequacy and effectiveness of the internal controls system, audit reports and findings. At least two (2) private meetings are held with External Auditors without the presence of Management to discuss any matters the External Auditors may wish to highlight and to ensure that there were no restrictions in scope and performance of their audit activities.</p>

	For engagement of External Auditors to perform non-audit services, the GBAC has to be satisfied that the provision of such services does not impair the External Auditors' objectivity and independence. Criteria and threshold have been set for fees chargeable before recommending the proposed non-audit engagement to the Board of Directors for consideration and approval.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted														
Explanation on adoption of the practice	:	<p>As at 31 March 2022, the composition of Group Board Audit Committee (GBAC) comprises six (6) members who are solely Independent Non-Executive Directors (INEDs).</p> <p>The composition of the GBAC as at 31 March 2022 as follows:</p> <table border="1"><thead><tr><th colspan="2">NAME OF COMMITTEE MEMBERS</th></tr></thead><tbody><tr><td>1.</td><td>Mr. Gregory Jerome Gerald Fernandes Chairman/INED of ABB</td></tr><tr><td>2.</td><td>Dato' Mohd Hata bin Robani Member/INED of ABB</td></tr><tr><td>3.</td><td>Associate Prof Dr Said Bouheraoua Member/INED of AiBB</td></tr><tr><td>4.</td><td>Encik Suffian bin Baharuddin Member/INED of AiBB (Appointed on 1 April 2021)</td></tr><tr><td>5.</td><td>Mr. Eugene Hon Kah Weng Member/INED of AHIB (Appointed on 19 April 2021)</td></tr><tr><td>6.</td><td>Encik Hasli bin Hashim Member/INED of AHIB (Appointed on 6 January 2022)</td></tr></tbody></table>	NAME OF COMMITTEE MEMBERS		1.	Mr. Gregory Jerome Gerald Fernandes Chairman/INED of ABB	2.	Dato' Mohd Hata bin Robani Member/INED of ABB	3.	Associate Prof Dr Said Bouheraoua Member/INED of AiBB	4.	Encik Suffian bin Baharuddin Member/INED of AiBB (Appointed on 1 April 2021)	5.	Mr. Eugene Hon Kah Weng Member/INED of AHIB (Appointed on 19 April 2021)	6.	Encik Hasli bin Hashim Member/INED of AHIB (Appointed on 6 January 2022)
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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 9.5

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

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

Application	:	Applied				
Explanation on application of the practice	:	<p>The Board recognises the value of an effective Group Board Audit Committee (GBAC) in ensuring the integrity in financial reporting and effective internal control framework.</p> <p>The GBAC currently comprises of six (6) INEDs as stipulated on page 110 of the 2021 Annual Report. The Chairman of the GBAC is a Registered Accountant of the Malaysian Institute of Accountants.</p> <p>The GBAC possesses a wide range of necessary skills to discharge their duties effectively. The members are financially literate and are able to understand matters under the purview of the GBAC including the financial reporting standards.</p> <p>During the financial year 2021, the GBAC members have attended training workshops, seminars and talks on areas relevant to their duties and responsibilities to keep themselves abreast of the latest developments in the financial services industry such as changes in relevant regulatory requirements and governance practices, as well as, developments in the accounting and auditing standards and practices.</p> <p>Trainings attended by GBAC members during financial year ended 2021 are as follows:-</p> <table border="1"><thead><tr><th>GBAC MEMBER</th><th>TRAININGS ATTENDED</th></tr></thead><tbody><tr><td>Mr. Gregory Jerome Gerald Fernandes</td><td><ul style="list-style-type: none">• COVID-19 Vaccine: Updates and Highlights• Recovery & Resolution Planning Programme• Asia-Pacific Board Leadership Centre – Board and Audit Committee Priorities 2021• AML/CFT Training• An Alumni Event – An Invitation to A Talk on MCGG Amendments (2nd Run)</td></tr></tbody></table>	GBAC MEMBER	TRAININGS ATTENDED	Mr. Gregory Jerome Gerald Fernandes	<ul style="list-style-type: none">• COVID-19 Vaccine: Updates and Highlights• Recovery & Resolution Planning Programme• Asia-Pacific Board Leadership Centre – Board and Audit Committee Priorities 2021• AML/CFT Training• An Alumni Event – An Invitation to A Talk on MCGG Amendments (2nd Run)
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		<ul style="list-style-type: none"> • AFFIN Semi-Annual Board Training – Demystifying Digital Transformation • MIA Virtual Conference Series: Corporate Board Leadership Symposium • Annual Compliance Attestation • Islamic Finance for Board Directors Programme • Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels • Environmental, Social and Governance (ESG) Training
	Dato' Mohd Hata bin Robani	<ul style="list-style-type: none"> • Raising Defences – Section 17A, MACC Act • Recovery & Resolution Planning Programme • Risk Management in Technology (RMiT) & Digital Transformation • AML/CFT Training • AFFIN Semi-Annual Board Training – Demystifying Digital Transformation • Annual Compliance Attestation • Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels • Environmental, Social and Governance (ESG) Training
	Associate Prof Dr Said Bouheraoua	<ul style="list-style-type: none"> • Shariah Governance • Recovery and Resolution Planning Programme • AML/CFT Training • AFFIN Semi-Annual Board Training – Demystifying Digital Transformation • Annual Compliance Attestation • Sustainability as a Business Strategy for Financial Institutions • Outcomes and Implications for Malaysian Financial Institutions • Data Analysing & Risk Assessment • Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels • Environmental, Social and Governance (ESG) Training
	Encik Suffian bin Baharuddin	<ul style="list-style-type: none"> • Recovery & Resolution Planning Programme • Asia Pacific Board Leadership Centre: Board and Audit Committee Priorities 2021 • Implementing Amendments in the Malaysian Code on Corporate Governance • AML/CFT Training • BNM-FIDE FORUM Dialogue on The Future of Malaysia's Financial Sector • Risk Management in Technology (RMiT) & Digital Transformation • AFFIN Semi-Annual Board Training – Demystifying Digital Transformation • Annual Compliance Attestation • Sustainability as a Business Strategy for Financial Institutions • Outcomes and Implications for Malaysian Financial Institutions • Sustainable Finance for the Private Sector • Risk Management Committee – Banking Sector

		<ul style="list-style-type: none"> • Credit Risk Modelling • Climate Change: Impact on Banks & Role of the Board • Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels • Raising Defences: Section 17A, MACC Act • Environmental, Social and Governance (ESG) Training
	Mr. Eugene Hon Kah Weng	<ul style="list-style-type: none"> • BNM-FIDE FORUM-MASB Dialogue on MFRS17 Insurance Contracts: What Every Director Must Know • Directors as Gatekeepers of Market Participants • Business Challenges and Regulatory Expectations – What Directors Need to Know (Equities & Futures Broking) • Risk Oversight and Compliance – Action Plan for Board of Directors • Emerging and Current Regulatory Issues in the Capital Market • FIDE Forum Dialogue on Roles of Independent Director • Joint Committee for Climate Change (JC3) Flagship Conference 2021 • Sustainable Finance for Private Sector • Directors Training Module • The Co-Existence of Ethics & Law sets you F. R. E. E. • Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels by Asian Banking School • MIA Climate Change and ESG Conference • Rising to The Challenge to Covid-19 and Re-Designing Cyber Security • Post Budget 2022 Debate • Risk Tech Webinar • FIDE Forum Dialogue on Capital Market Master Plan 3 • FIDE Forum with BNM Governor • AOB Conversation with Audit Committee • Environmental, Social and Governance Awareness
	Dato' Rozalila binti Abdul Rahman (resigned on 1 July 2021)	<ul style="list-style-type: none"> • Rethink, Rebuild & Recover • Risk Management & Risk Governance in the New Normal: Considerations for Boards • Primer on Climate Governance - Overview of ESG Reporting Standards • CSR - Luxury or Necessity • COVID-19 Vaccine: Updates and Highlights • Understanding Increasing Investor Expectations for Climate Governance: What We Need to Know and What We Need to Do • FIDE FORUM's Webinar Invitation: "Rethinking Our Approach to Cyber Defence in Financial Institutions" • Qualified Risk Director Program: Series 3 - Risk Appetite, Tolerance & Board Oversight & Series 4 - Strategic ERM: A Primer for Directors • Sustainable Projects that can be Funded Through Bonds & Sukuk • The Women in Leadership (WIL) Programme 2021

		<ul style="list-style-type: none"> • Launch of Malaysia Board Diversity Study & Index • Recovery & Resolution Planning Programme • Digital is Everyone’s Business: Findings from The APAC Digital Talent Study • AML/CFT Training • Implementing Amendments in the Malaysian Code on Corporate Governance • An Alumni Event – An Invitation to A Talk on MCCG Amendments (2nd Run) • AFFIN Semi-Annual Board Training – Demystifying Digital Transformation • CEO Action Network Roundtable Discussion with The MOF on Low Emissions Pathway for Malaysia • Annual Compliance Attestation • Sustainability as a Business Strategy for Financial Institutions • Outcomes and Implications for Malaysian Financial Institutions • Sustainable Finance for the Private Sector
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises and exercises overall responsibilities in promoting good corporate governance and ensuring sound system of internal controls and risk management practices are maintained throughout the Bank and its subsidiaries ("the Group").</p> <p>The Group's Corporate Governance Framework is consistent and complies with the following requirements and guidelines:-</p> <ul style="list-style-type: none">(i) Malaysian Code of Corporate Governance; and(ii) BNM Policy Document on Corporate Governance. <p>The Board meets regularly to discuss matters related to system of internal controls which cover inter alia financial, operational, compliance controls and risk management procedures.</p> <p>The Board extended the responsibilities of the Group Board Audit Committee, Group Board Risk Management Committee and Group Board Compliance Committee to include the role of oversight of financial reporting, disclosures, internal controls, compliance and risk management strategies, policies and other risk related matters.</p> <p>Board receives regular reports from the Group's management relating to financial performance, key operating statistics, legal and regulatory compliance, breaches of law or regulations, unauthorised activities, and fraud.</p> <p>The Board has established a process for identifying, assessing and managing the relevant risks faced by the Group through the adoption of the following:-</p> <ul style="list-style-type: none">• Group Risk Management Framework• Group Compliance Framework• Technology Risk Management Framework• Shariah Supervision and Compliance Framework <p>Further details on the Group's Risk Management and Internal Control are set out in the Statement on Risk Management and Internal Control of the 2021 Annual Report.</p>

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

Intended Outcome

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 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The risk management approach of the Group is underpinned by a sound and robust Group Risk Management Framework (GRMF), which is continuously enhanced to remain relevant and resilient in ensuring effective management of risk. The GRMF is supported by the following elements:</p> <p>(i) Risk Governance</p> <p>(a) Risk governance is the element through which the Board and Management establish the organization's strategy, articulate and monitor adherence to risk appetite and risk limits, as well as identify, measure and manage risks.</p> <p>(b) GRMF is governed by a strong oversight function comprising the Board of Directors (Board), Board Committees and Management Committees as well as all business and support units.</p> <p>(c) The Group Board Risk Management Committee is designated board-level committee that is responsible for supporting the Board in providing oversight and review of risk related frameworks/ policies.</p> <p>(d) The Group adopts the 13 Principles of Risk Governance as prescribed by BNM to promote sound governance for the assessment and management of risks.</p> <p>(e) The governance of risk is further supported by the Three Lines of Defence (3-LOD) model which outlines the functional segregation and key roles and responsibilities of the independent oversight functions as well as the business and support units within the organisation.</p> <p>(f) The 3-LOD Model demonstrates the relationship of the stakeholders in risk taking activities to promote effective risk management control, assurance and governance at all levels of the organisation.</p> <p>(g) The Board, Board committees and Management committees are primary stakeholders served by the lines and therefore are not part of the model. Instead, they are responsible to provide support and guidance in ensuring that the model is reflected in the organisations' overall risk management and control process.</p>

(ii) Risk Appetite

- (a) Risk Appetite demonstrates the risk bearing capacity the Group and its subsidiaries are prepared to undertake and sustain whilst pursuing business objectives and strategic goals, which takes into consideration the potential adverse scenarios impacting the execution of its business plans.
- (b) It is established based on strategic directions set by the Board, combining a top-down view of the bank's capacity to take risk with a bottom-up view of the business risk profile associated with each business unit's short-and longer-term plans as well as taking into consideration other key risk areas.
- (c) ABG's strategic goals are aligned to the Risk Appetite through the Risk Appetite Framework (RAF); an integrated framework encompassing the components in setting the Risk Appetite Statement (RAS) periodically for each subsidiary of the Bank.
- (d) There are five (5) pillars guiding the development of the RAS, grouped according to the risk types as well as qualitative and / or quantitative impact.

(iii) Risk Culture

- (a) Risk culture stems from the values, beliefs, knowledge and understanding about risk shared by the employees within the Bank.
- (b) Effective implementation of the GRMF is grounded on a robust and healthy Risk Culture, achieved through components of Tone from the Top, accountability, effective communication and financial/non-financial incentives.

(iv) Risk Management Policy

- (a) Risk Management Policy is a statement of the Bank's overall intentions and approach with respect to certain areas of risk management. Risk Management Policies should clearly state the objectives for, and commitment to, risk management.
- (b) The GRMF is supported by several Risk Management Policies which address the respective risk areas in further detail. At minimum, these policies would entail:
 - The rationale for managing the risk area
 - Links between the Bank's objectives and the Risk Management Policy
 - Accountabilities and responsibilities for managing risk
 - Commitment to make the necessary resources available to assist those accountable and responsible for managing risk
 - The way in which risk management performance will be measured and reported
 - Commitment to review and improve the Risk Management Policy periodically and in response to an event or change in circumstances
- (c) Adherence to Risk Management policies is mandatory and only exceptions allowable under the policy are exercisable within reasonable documented justification in writing.

	<p>(v) Risk Management Organisation</p> <p>(a) While GRM is mandated to carry out the risk management function, risk management is fundamentally the responsibility of everyone within the Bank.</p> <p>(b) Risk Management Organisation indicates that the appropriate structure is in place to support risk management and risk ownership at all levels of the Bank. In a mature Risk Management Organisation, risk is viewed, addressed and owned by each staff.</p> <p>(c) The effectiveness of a Risk Management Organisation stems from the positive implementation of all elements within the GRMF.</p> <p>For further information, please refer to Statement of Risk Management and Internal Control from pages 130 of the 2021 Annual Report.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established the Group Board Risk Management Committee (GBRMC) that is responsible for overseeing risk Management's activities in managing credit, market, liquidity, operational, legal, reputational and other relevant risks so as to ensure that the risk management process is in place and functioning effectively.</p> <p>The GBRMC comprises seven (7) members, where the majority members (including the Chairman) are Independent Non-Executive Directors.</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 11.1

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

Application	: Applied
Explanation on application of the practice	<p>The Group Internal Audit (GIA) function is established by the Board to provide independent and objective assessment on the adequacy and operating effectiveness of governance, risk management and internal control processes implemented by the Management. GIA reports functionally to the Group Board Audit Committee (GBAC) and administratively to the President & Group Chief Executive Officer (PGCEO). It is independent from the activities or operations of business and support units in the Group.</p> <p>To ensure effective management and independence of the GIA function, the following are in place:</p> <ul style="list-style-type: none">(i) The GIA function is guided by its Audit Charter, which is approved by the GBAC and reviewed annually. The Audit Charter spells out the mission, purpose, authority, independence and responsibilities of GIA in the Group. The Audit Charter also provides unrestricted access to all documents, people and assets of the Group for GIA to perform its audits;(ii) The GBAC has direct communication channel with the Group Chief Internal Auditor (GCIA) and meets regularly with the GCIA without the presence of Management;(iii) The GBAC reviews and approves GIA's risk-based annual audit plan, the adequacy of audit scope coverage and resources of GIA to ensure GIA has sufficient authority and independence to carry out its work;(iv) The GBAC reviews, monitors and assesses the overall performance of the GCIA and GIA, including its progress of achievement against the approved annual audit plan and other key audit activities;(v) GIA reports significant internal control issues (including fraud) to the GBAC with recommended corrective actions. Management is responsible to ensure that corrective actions are timely and adequately implemented. within the agreed timeframe. GIA closely monitors the rectification of audit findings and implementation status of corrective actions. Justifications would need to be provided to the GBAC for non-closure of issues/findings as per agreed deadline.

	For more information, please refer to the GBAC Report on page 123 to 129 of the 2021 Annual Report.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	: Applied
Explanation on application of the practice	<p>The Board has through the Group Board Audit Committee (GBAC) disclosed the following in the GBAC Report of the 2021 Annual Report:</p> <p>(i) Independence of Internal Audit Personnel</p> <p>The Group Internal Audit (GIA) function is established by the Board to provide independent and objective assessment on the adequacy and operating effectiveness of governance, risk management and internal control processes implemented by the Management. GIA reports functionally to the GBAC and administratively to the President & Group Chief Executive Officer (PGCEO). It is independent from the activities or operations of business and support units in the Group.</p> <p>The GIA function is guided by its Audit Charter, which is approved by the GBAC and reviewed annually. The Audit Charter spells out the mission, purpose, authority, independence and responsibilities of GIA in the Group.</p> <p>In maintaining independence and objectivity, GIA ensures that the internal auditors are free from any relationship or conflict of interest when performing their duties. The internal auditors confirm via annual declaration that they are free from any relationships or conflicts of interest that could impair their independence and objectivity in the course of carrying out their duties.</p> <p>(ii) Internal Audit Resources</p> <p>As of 28 February 2022, GIA has a total staff strength of 60 qualified internal auditors from diverse backgrounds and disciplines, mainly specialising in credit, information technology, risk management, Islamic Banking, fraud and investigation, treasury, finance/ accounting, investment banking, stockbroking and asset management. Majority of the internal auditors are certified with</p>

	<p>professional qualifications such as the Certified Bank Auditors (CBA), Certified Information Systems Auditor (CISA), Chartered and Certified Accountants (e.g. ACCA, MICPA).</p> <p>(iii) Group Chief Internal Auditor (GCIA)</p> <p>Currently, GIA is headed by Puan Wahdania binti Mohd Khir (Wahdania), who has more than 26 years of extensive experience in the financial services industry, as well as, the market operator & frontline market regulator Bursa Malaysia. Wahdania, who holds a Master of Science in Quantitative Finance from the University of Westminster London, is also a Chartered Banker and a member of the Financial Markets Association Malaysia. In the financial services industry, she has held various senior roles such as the Head of Global Market Compliance and Treasury Operations and Senior Director of Group Audit at a major financial institution.</p> <p>(iv) Internal Audit Framework</p> <p>The processes and activities of GIA are guided by The Institute of International Auditors' (IIA) International Professional Practices Framework (IPPF), as well as, standards and requirements set out by regulators on the internal audit function. In evaluating the adequacy and operating effectiveness of internal controls, GIA also adopts the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and Control Objectives for Information and Related Technologies (COBIT) framework into its audits.</p> <p>For further information, please refer to the GBAC Report on page 123 to 129 of the 2021 Annual Report.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

There is 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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Management recognised the importance of maintaining good relationship with both shareholders and stakeholders and is committed to providing effective and open two-way communication to improve disclosure and transparency.</p> <p>The Bank continuously ensure that timely, complete, transparent and accurate disclosures are made to the shareholders and stakeholders in accordance with the requirements of BNM Policy Document on Corporate Governance and Bursa Malaysia's Main Market Listing Requirements.</p> <p>Various communication channels are used to promote effective communication between the Bank and its stakeholders through the media, Annual General Meeting (AGM)/Extraordinary General Meeting, meetings with analysts/investors, corporate briefings and road shows. Active communications with the investors and public are made through various communication channels such as events, advertisements, media releases, public relations and the Bank's corporate website.</p> <p>AGM is an important platform for the shareholders to interact and communicate directly with the Board and Management.</p> <p>Shareholders are furnished with the Bank's Annual Report which include amongst others, Directors' Report, Financial Statements and operational performance of the Bank.</p> <p>The notice of the AGM together with the Annual Report are sent to the shareholders 28 days ahead before the AGM so as to give sufficient time for the shareholders to consider the resolutions that will be discussed and voted at the AGM. During the AGM, shareholders are given the opportunity to raise questions or seek clarifications on the agenda items as well as other matters concerning the Bank.</p> <p>For year 2021, due to the prolonged COVID-19 pandemic, the Bank had opted to conduct a fully virtual AGM. In support of the recommendation by Malaysian Code of Corporate Governance, questions raised by the</p>

	<p>shareholders were flashed out during the said AGM to ensure transparency and accuracy of the questions asked and answered.</p> <p>All resolutions deliberated during the General Meetings will be put to vote by way of poll and the voting results will be released to Bursa Malaysia on the same day.</p> <p>The shareholders and stakeholders may obtain information about the Bank through the corporate website (www.affingroup.com) where it provides convenient access to the latest and archival information about the Bank. The information available on the corporate website includes corporate and financial information, annual reports, press releases and regulatory announcements made by the Bank to Bursa Malaysia.</p> <p>In addition, the corporate website has a dedicated Investor Relations section that provides relevant investor-related information and also on Corporate Governance matters which include Board Charter and Whistleblowing Policy and Procedure.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has yet to adopt integrated reporting. The Board acknowledges that integrated reporting goes beyond a mere combination of the reports in the Annual Report into a single document.	
		Nevertheless, there are coordination efforts among cross-functional departments in preparing the various statements and reports in the Annual Report.	
		The Board may consider adopting integrated reporting in future.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board would consider adopting integrated reporting in future.	
Timeframe	:	Others	

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	In line with the recommendations of the Malaysian Code of Corporate Governance 2021, the Notice of the 46 th Annual General Meeting (AGM) of the Company dated 26 April 2022 is issued to the shareholders 28 days prior to the AGM which is scheduled on 25 May 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the Bank's 45th AGM held on 2 June 2021 via e-platform provided by the share registrar of the Bank used during the fully virtual Annual General Meeting (AGM).</p> <p>The Chairman and Chair of all Board Committees are involved in the preparations of AGM and are regularly updated by the Management on potential issues which may arise during the AGM. They are also fully aware of their respective scope of responsibilities and will be prepared to address any issues that the shareholders may raise within the scope of responsibilities of the Board Committees that they lead.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- (iv) voting including voting in absentia; and
- (v) remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank had conducted a fully virtual Annual General Meeting (AGM) on 2 June 2021 in view of the COVID-19 outbreak and the Government's directive on Movement Control Order (MCO). Shareholders participated and voted at the said AGM via e-platform provided by the Bank's share registrar.</p> <p>As a precautionary measure so as to ensure the safety and health of the stakeholders, the Board has decided that the Bank's 46th AGM which is scheduled on 25 May 2022 will also be conducted on virtual basis via live streaming and online remote voting facilities provided by the share registrar of the Bank.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>Notice of meetings are being circulated to shareholders within the time limit provided by relevant regulatory requirements.</p> <p>During the general meeting, agendas and resolutions to be read and put for voting at the Annual General Meeting (AGMs) are being tabled separately and sufficient time are given to shareholders to pose any questions (prior and during the meeting). The Chairman and PGCEO/CEO will answer the questions during the general meeting, as for the questions that were not answered during AGM, it will be responded directly to the shareholder within stipulated time.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: ABB had conducted a fully virtual meeting for its 45 th Annual General Meeting (AGM) on 2 June 2021. The necessary support/infrastructure was provided by the appointed Share Registrar to ensure that the AGM went smoothly and able to provide meaningful engagement between the board, senior management and shareholders. As required under the practice, questions posed by shareholders were made visible (flashed out on the screen) during the AGM to all meeting participants to ensure transparency and accuracy of the questions and answers.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the Annual General Meeting was uploaded to ABB's website within the stipulated timeline.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

<u>BOARD OF DIRECTORS</u>	
<u>Profile of Directors</u>	
YBHG DATO' MD AGIL BIN MOHD NATT <i>Chairman / Independent Non-Executive Director</i>	
Nationality/Age/Gender	Malaysian/71 years old/Male
Date of Appointment	8 November 2019
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Advanced Management Program, Harvard Business School, USA • Master of Science in Finance, Bayes Business School, City, University of London, UK • Bachelor of Science in Economics (Hons), Brunel University, UK
Past Working Experience	<ul style="list-style-type: none"> • Chairman/ Independent Director, Manulife Insurance Bhd • Chairman/ Independent Director, Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services Bhd) • Investment Panel member of the Employees Provident Fund Board • Chairman/ Independent Director, Credit Guarantee Corporation Malaysia Bhd • Director, Cagamas Berhad • Chairman/Independent Director, Credit Guarantee Corporation Malaysia Bhd • Director, Sogo (KL) Sdn Bhd • Independent Director, Export-Import Bank of Malaysia Bhd • Chairman/Independent Director, Sumitomo Mitsui Banking Corporation Malaysia Bhd • President & CEO, International Centre for Education in Islamic Finance (INCEIF) • Executive Director & Deputy President, Maybank • MD/CEO, Aseambankers Bhd (now known as Maybank Investment Bank Bhd) • Senior GM, Corporate Banking, Maybank • Regional Chief Representative, Kleinwort Benson Ltd (Investment Bank), Malaysia & UK • Senior GM, Finance, Island & Peninsular Bhd • Corporate Finance Manager, Bumiputra Merchant Bankers Berhad

Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
Other Appointment(s)/ Commitment(s)	Nil
Membership of Board Committees	<ul style="list-style-type: none"> • Chairman, AFFIN Group Oversight Committee • Member, Group Board Credit Review and Recovery Committee • Member, Group Board Information Technology Committee
Attendance for the Financial Year Ended 31 December 2021	All the 11 scheduled Board Meetings and 9 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

YBHG. DATO' MOHD HATA BIN ROBANI

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/70 years old /Male
Date of Appointment	17 October 2017
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Economics (Business Administration), University of Malaya • Management Development Programme, University of Harvard, USA
Past Working Experience	<ul style="list-style-type: none"> • Advisor, Agenda Harmoni Sdn Bhd • Executive Chairman, Excellent Tank Treatment Services Sdn Bhd • Managing Director, Malaysian Electronic Payment System Sdn Bhd (MEPS) • Executive Director, BSN Commercial Bank (M) Berhad • Director, Seacorp Schroeder Asset Management Berhad • General Manager, the Financial Services Division of Amanah Capital Partners Group • Group Chief Operating Officer, Amanah Capital Partners Group • Director, Short Deposits Malaysia Berhad • Director, Asia Unit Trust Berhad • Director, Taisho Marine & Fire Insurance (M) Berhad • Director, Fulton Preborn Sdn Bhd • Director, Banking Department of Bank Negara Malaysia (BNM) • Director, IT Department of BNM • Senior Assistant Manager, Bank Inspection Department, BNM
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Director, Affin Holdings Berhad

Membership of Board Committees	<ul style="list-style-type: none"> Chairman, Group Board Compliance Committee Member, Group Board Audit Committee
Attendance for the Financial Year Ended 31 December 2021	10 scheduled Board Meetings and 8 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

YBHG. DATO' ABDUL AZIZ BIN ABU BAKAR

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/69 years old /Male
Date of Appointment	17 October 2017
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> Bachelor of Economics (Honours), University of Malaya Senior Management Development Programme (SMDP), Harvard Business School
Past Working Experience	<ul style="list-style-type: none"> Alternate Director, SOCSO CEO/ED, Malaysian Directors Academy (MINDA) Chief Human Capital Officer, Telekom Malaysia Berhad (TM) Executive VP, Human Resources of RHB Bank Berhad Management positions including Internal & IT Audit, Marketing Economics, Sales & Distribution, Supply & Planning and Human Resource (HR) in Shell Malaysia for 20 years Shareholders' representative at Shell Group HQ, London overseeing Shell's business interest in Hong Kong and China Fleet Planning Coordinator of Malaysian Airlines System (MAS) Managing Director of INTRIA Berhad (currently UEM Builders) Director, Costain Group PLC (UK) Director, Rangkaian Segar Sdn Bhd Director, FCW Holdings Berhad
Award(s)	National HR Leader Award by the Ministry of Human Resources and Malaysian Institute of HR Management
External Professional Commitment	<ul style="list-style-type: none"> Fellow, Institute of Corporate Directors Malaysia (ICDM) Member, Nomination and Remuneration Committee of Razak School of Government (RSOG)
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
Other Appointment(s)/ Commitment(s)	<ul style="list-style-type: none"> Director of the Institute of Corporate Directors of Malaysia (ICDM) Director of Merchant Trade Asia Bhd Director, AKIIM Sdn Bhd (previously known as ALKHAIR International Islamic Bank Malaysia Bhd)
Membership of Board Committees	<ul style="list-style-type: none"> Chairman, Group Board Nomination and Remuneration Committee Member, Group Board Compliance Committee

Attendance for the Financial Year Ended 31 December 2021	All the 11 scheduled Board Meetings and 9 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

MR. CHAN TZE CHING IGNATIUS

Non-Independent Non-Executive Director

Nationality/Age/Gender	Chinese /65 years old /Male
Date of Appointment	1 December 2017
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Business Administration, University of Hawaii, USA • Master of Business Administration, University of Hawaii, USA • Certified Public Accountant, American Institute of Certified Public Accountants
Past Working Experience	<ul style="list-style-type: none"> • Senior Advisor of CVC Capital Partners • Director of Hong Kong Exchanges and Clearing Limited • Chairman, Panel Nomination Committee, Hong Kong Exchanges and Clearing Limited • Member, Disciplinary Appeals Committee, Hong Kong Securities • Member, Audit Committee, Hong Kong Exchanges and Clearing Limited • Member, Nomination Committee, Hong Kong Exchanges and Clearing Limited 2021 • Director, The Community Chest of Hong Kong • Chairman, Prasac Microfinance Institution limited, Cambodia (PRASAC) • Chairman Investment Sub-Committee, The Community Chest of Hong Kong • Member, Executive Committee, The Community Chest of Hong Kong • Member, The Financial Reporting Council, Hong Kong • Member, Standing Commission on Civil Service Salaries and Conditions of Service (SCCS) • Director, Rizal Commercial Banking Corporation • Member, Hong Kong Tourism Board • Chairman, Hong Kong Polytechnic University Council • Member, Executive Committee of Investor Education Centre, Securities and Futures Commission • Director, Affin Holdings Berhad • Member, Hong Kong Open University Sponsorship and Development Fund Committee • Director, Larry Jewelry International Company Limited • Member, Greater Pearl River Delta Business Council (Convener of Services Industry Development & Human Resources Sub-group) • Member, HKSAR Advisory Committee on Board Market Development

	<ul style="list-style-type: none"> • Chairman, Financial & Treasury Services Committee, Hong Kong General Chamber of Commerce • Chairman, HKSAR Travel Industry Compensation Fund Management Board • Chairman, HKSAR Advisory Committee on Human Resources Development in the Financial Services Sector • Deputy Chief Executive, Bank of China (Hong Kong) • Honorary Chairman, Hong Kong Chinese Bankers Club • Head of Corporate and Investment Banking Business, Citibank, Greater China • Council member, Hong Kong Treasury Markets Association • Council member, Employer's Federation of Hong Kong • Country Officer, Citibank Taiwan • Chief Operating Officer, Citibank Greater China • Director, Hong Kong Export Credit Insurance Corporation • Country Officer, Citibank Hong Kong • Member, HKSAR Small and Medium Size Enterprise Committee • Head, Corporate Banking Business, Citibank Hong Kong • Country Treasurer and Head Sales and Trading, Citibank Hong Kong • Vice President Citibank Japan • Management Associate, Citibank, Hong Kong and Japan • Vice President and Fellow Hong Kong Institute of Bankers • Member, Banking Advisory Committee of the Hong Kong Monetary Authority
Directorship(s) in Public Listed Companies	<ul style="list-style-type: none"> • Independent Non-Executive Director, Mongolian Mining Corporation (MMC)
Directorship(s) in Other Public Companies ("Private Limited" Company)	<ul style="list-style-type: none"> • Non-Executive Director, East Asia Futures Limited • Non-Executive Director, East Asia Securities Company Limited • Director, Portofino (165) Limited
External Professional Commitment	Senior Advisor at The Bank of East Asia, Limited (BEA)
Other Appointment(s)	<ul style="list-style-type: none"> • Honorary Advisory Vice President, Hong Kong Institute of Bankers • Director and Vice Patron of The Community Chest of Hong Kong • Member, Judicial Committee, Standing Comm on Judicial Salaries and Cond of Service • Board Adviser, HK New Territories General Chamber of Commerce • Member, Corporate Governance Committee, Mongolian Mining Corporation • Chairman, Audit Committee, Mongolian Mining Corporation • Council Member, Hong Kong Red Cross
Membership of Board Committees	Nil

Attendance for the Financial Year Ended 31 December 2021	10 scheduled Board Meetings and 9 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

* *Mr. Ignatius Chan is a nominee of BEA, a major shareholder of Affin Bank Berhad*

DATO' ROZALILA BINTI ABDUL RAHMAN

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/60 years old /Female
Date of Appointment	4 February 2019
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Science, Food Science & Technology from Universiti Pertanian Malaysia • Certificate of Merits, Sophia University, Japan • Diploma of Science with Education (Math Major), Universiti Pertanian Malaysia
Past Working Experience	<ul style="list-style-type: none"> • Director, Awake Asia Distribution Sdn Bhd • Chief Executive Officer of Astro GS Shop Sdn Bhd • Chief Marketing Officer of TM Berhad • General Manager of Maxis Berhad • Sales & Marketing Director of Bank Simpanan Nasional • Marketing Manager of Reckitt Benckiser, Malaysia & Singapore • Marketing Manager of Kellogg Asia Inc. South East Asia • Quality Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Product Development Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Cold Room Supervisor, Perwira Niaga Malaysia, (PERNAMA)
Directorship(s) in Other Public Listed Companies	Independent Non-Executive Director of MISC Berhad
Directorship(s) in Other Public Companies	<ul style="list-style-type: none"> • Managing Director & Company Director, Lestari Prestasi Sdn. Bhd. • Director, Agensi Pekerjaan Nova Excel Sdn. Bhd.
Membership of Board Committees	<ul style="list-style-type: none"> • Chairperson, Group Board Risk Management Committee • Member, Group Board Information Technology Committee
Attendance for the Financial Year Ended 31 December 2021	11 scheduled Board Meetings and 8 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

MR. YUEN WAI HUNG, PETER

Non-Independent Non-Executive Director

Nationality/Age/Gender	American/60 years old /Male
Date of Appointment	1 November 2019

Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Master of Business Administration, University of Houston, USA • Bachelor of Business Administration (Major in Finance), University of Hawaii, USA
Past Working Experience	<ul style="list-style-type: none"> • Director, East Asia Property Holdings (Jersey) Limited • Director, PRASAC Microfinance Institution Limited • General Manager & Head of International Division, The Bank of East Asia, Limited (BEA) • Head of Financial Institutions Department, BEA
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	<ul style="list-style-type: none"> • Director, East Asia Indonesian Holding Limited • Director, Leader One Limited • Director, Industrial and Commercial Bank of China (Canada) • Director, East Asia Holding Company, Inc • Director, Industrial and Commercial Bank of China (USA) NA
Other Appointment(s)	General Manager and Head of Strategic Partnership Group, BEA
Membership of Board Committees	Member, Group Board Risk Management Committee
Attendance for the Financial Year Ended 31 December 2021	All the 11 scheduled Board Meetings and 9 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

* *Mr Peter Yuen is a nominee of BEA, a major shareholder of Affin Bank Berhad*

PUAN MARZIDA BINTI MOHD NOOR

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/59 years old /Female
Date of Appointment	1 March 2020
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Master of Science in Management Information Systems from United States International University, San Diego, California (USA) • Bachelor of Science in Business from Indiana University Bloomington, Indiana (USA)
Past Working Experience	<ul style="list-style-type: none"> • HRIT Competency Centre Manager, Shell Business Operations Oil & Gas • Programme Manager, SAP Business Objects Software License Management, Shell Business Operations Oil & Gas • Programme Manager, Global Retail Site Systems Support Services, Shell Business Operations Oil & Gas • Downstream IT Global Strategy & Planning and Programme Manager, Shell Business Operations Oil & Gas • Chief Information Officer, Malaysia Airlines Air Transportation • Senior General Manager, Programme Management Office, Malaysia Airlines Air Transportation

	<ul style="list-style-type: none"> • Programme Manager, Support Services Business Improvement Programme, Malaysia Airlines Air Transportation • Vice President IT Planning & Development, Malaysia Airlines Air Transportation • Director, Allianz Malaysia Berhad
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
External Professional Commitment	A volunteer member of 30% Club Malaysia, a platform which is set up to improve gender diversity on the board of public listed companies
Membership of Board Committees	<ul style="list-style-type: none"> • Chairperson, Group Board Information Technology Committee • Member, Group Board Nomination and Remuneration Committee
Attendance for the Financial Year Ended 31 December 2021	All the 11 scheduled Board Meetings and 9 special Board Meetings
Shareholdings in Affin Bank Berhad	Nil

MR. GREGORY JEROME GERALD FERNANDES

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/67 years old /Male
Date of Appointment	1 April 2020
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • Registered Accountant from Malaysian Institute of Accountants • Associate, Institute of Chartered Accountants in England & Wales • Fundamentals of Accounting, North East London Polytechnic, United Kingdom
Past Working Experience	<ul style="list-style-type: none"> • Director, Chubb Insurance Malaysia Berhad • Corporate Advisor, Offshore Works Sdn Bhd • Consultant, Platinum Energy Sdn Bhd • SVP/CFO, Scomi Engineering Berhad • Director, Scomi Engineering Berhad • Associate Director, Innovation Associates • Team Director, Nikkei Pacific Corporate Advisors Sdn Bhd • Principal, AJS & Associates (EY Technical Associate Firm) • Principal, Ernst & Young, Kuala Lumpur • Supervisor, Ernst & Young, London
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil

External Professional Commitment	Advocate/Mentor of 30% Club Malaysia, a platform which is set-up to improve gender diversity on the Boards of public listed companies.
Membership of Board Committees	<ul style="list-style-type: none"> • Chairman, Group Board Audit Committee • Member, Group Board Compliance Committee
Attendance for the Financial Year Ended 31 December 2021	All the 11 scheduled Board Meetings and 9 special Board Meeting
Shareholdings in Affin Bank Berhad	Nil

MS. CHAN WAI YU

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/64 years old /Female
Date of Appointment	1 April 2021
Academic/Professional Qualification(s)	<ul style="list-style-type: none"> • BEcons (Analytical Economics), University of Malaya (UM)
Past Working Experience	<ul style="list-style-type: none"> • Chairman/CEO Secretariat, OCBC Bank (Malaysia) Berhad • Head, Operational Risk Management, Bank of Singapore • Head, Operational Risk Management, OCBC Bank (Malaysia) Berhad • Head, Risk Portfolio Management, OCBC Bank (Malaysia) Berhad • Head, Credit Risk Management, Maybank • Head, Operational Risk Management, Maybank • Project Director, Basel II Project Management Office, Maybank • Project Manager, Integrated Risk Management Project, Maybank • Head, Credit Risk Analytics, Maybank • Head, Credit Policy, Maybank • Credit and Branch Officer, Maybank
Directorship(s) in Other Public Listed Companies	Nil
Directorship(s) in Other Public Companies	Nil
Membership of Board Committees	<ul style="list-style-type: none"> • Chairperson, Group Board Credit Review and Recovery Committee • Member, Group Board Risk Management Committee
Attendance for the Financial Year Ended 31 December 2021	All 8 scheduled Board Meetings and 7 special Board Meeting since her appointment as Director.
Shareholdings in Affin Bank Berhad	Nil

Changes of Board of Directors during the Financial Year Ended 2021 up to 31 March 2022

- 1) Encik Mohd Suffian bin Haron completed his tenure of Directorship w.e.f. 2 June 2021 upon serving the Group for almost 12 years.
- 2) Ms Chan Wai Yu was appointed to the Board as Independent Non-Executive Director w.e.f. 1 April 2021.

Roles and Responsibilities of the Board

The key roles and responsibilities of the Board are as follows:-

- 1) Approving the Bank's risk appetite, annual business plan and other initiatives which would have material impact on the Bank's risk profile.
- 2) Overseeing the selection, performance, remuneration and succession plans of the Chief Executive Officer, control function heads and other members of the Senior Management, such that the Board is satisfied with the collective competence of Senior Management to effectively lead the operations of the Bank.
- 3) Overseeing the implementation of the Bank's governance framework and internal control framework, and periodically ascertaining whether they remain appropriate in the light of material changes to the size, nature and complexity of the Bank's operations.
- 4) Ensuring regulatory compliance within the Bank.
- 5) Promoting, together with Senior Management, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour.
- 6) Promoting sustainability through appropriate environmental, social and governance considerations in the Bank's business strategies.
- 7) Overseeing and approving the recovery and resolution as well as business continuity plans of the Bank to restore its financial strength and maintain or preserve critical operations and critical services when it comes under stress.
- 8) Promoting timely and effective communication between the Bank and BNM on matters affecting, or that may affect, the safety and soundness of the Bank.
- 9) Undertaking various functions and responsibilities as specified in the policy documents and directives issued by BNM and other relevant laws from time to time.
- 10) Ensuring the establishment and implementation of group-wide policies and procedures to ensure Group's compliance with the regulatory requirements.

Board Committees

1) Group Board Credit Review and Recovery Committee (GBCRRC)

GBCRRC was established to assist the functions of the Board in respect of its inherent authority over approval on financing application/proposals which are considered by the Group Management Credit Committee (GMCC) (Management Level).

The GBCRRC operates in accordance with the powers and authorities delegated under the terms of reference. Generally, the GBCRRC provides assistance to the Board as follows:-

- (i) To critically review loans/financing and other credit facilities upon recommendation by the Group Credit Management Division;
- (ii) To provide an independent oversight of credits by ensuring that there are adequate lending/financing policies, procedures and operating strategies are adhered to;

- (iii) Generally, to ensure that the GMCC has discharged its responsibilities in a proper manner; and
- (iv) To monitor the progress of recovery efforts/impairment position.

The attendance of members at GBCRRC meetings held in 2021 are as follows:-

Name of Director	Number of GBCRRC Meetings Attended in 2021
Ms. Chan Wai Yu (Chairperson) Independent Non-Executive Director (appointed as Chairman w.e.f. 1 July 2021)	12/12 (100%)
YBhg Dato' Agil Natt Independent Non-Executive Director	22/22 (100%)
Encik Musa bin Abdul Malek Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	22/22 (100%)
Encik Hasli bin Hashim (Appointed as member w.e.f. 19 April 2021) (Representative from Affin Hwang Investment Bank Berhad)	14/14 (100%)
Mr. Eugene Hon Kah Weng (Appointed as member w.e.f. 25 October 2021) (Representative from Affin Hwang Investment Bank Berhad)	5/5 (100%)
YBhg Dato' Abdul Aziz bin Abu Bakar Independent Non-Executive Director (Relinquished his position as Chairman w.e.f. 1 July 2021)	12/12 (100%)
Encik Mohd Suffian bin Haji Haron Independent Non-Executive Director (Completed his tenure of directorship w.e.f. 2 June 2021)	9/10 (90%)
Encik Suffian bin Baharuddin Independent Non-Executive Director (Relinquished his position as member w.e.f. 1 April 2021) (Representative from Affin Islamic Bank Berhad)	7/7 (100%)
YBhg Dato' Mohd Ali bin Mohd Tahir Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad) (<i>passed away on 12 February 2022</i>)	22/22 (100%)

2) Group Board Nomination and Remuneration Committee (GBNRC)

The establishment of GBNRC is to provide a centralised platform in setting the Group principles, procedures and framework relating to the composition of the Board and Management including their appointment/re-appointment, effectiveness and performance as well as remuneration policy for the Board, Management and the Group as a whole. This Group approach would promote compensation philosophy which would drive performance of the Group as a whole.

The GBNRC would be able to review the diversity, matrix skills of the Board and Management from broader perspective to ensure that it aligns with the Group's strategy and placement of human capital at entity level with the right skills set. GBNRC is chaired by an Independent Non-Executive Director of the Bank, with the objective of providing a formal and transparent procedure in respect of the following:-

- (i) The selection and appointment of all new Directors and CEO as well as assessment of effectiveness of individual Directors, Board as a whole, Board Committees and performance of PGCEO and Group Management Committee (GMC) and Senior Management; and
- (ii) Develop remuneration policy for Directors, PGCEO and GMC and Senior Management and ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategies.

The GBNRC carries out its roles and responsibilities as stipulated in the terms of reference. The GBNRC is not delegated with decision making powers but reports its recommendations to the Board for decision.

The attendance of members at GBNRC meetings held in 2021 are as follows:-

Name of Members	Number of GBNRC Meetings Attended in 2021
YBhg Dato' Abdul Aziz bin Abu Bakar (Chairman) Independent Non-Executive Director	11/11 (100%)
Puan Marzida binti Mohd Noor Independent Non-Executive Director (Appointed as member w.e.f. 1 July 2021)	5/5 (100%)
YBhg. Datuk Mohd Farid Bin Mohd Adnan Independent Non-Executive Director (Appointed as member w.e.f. 1 July 2021) (Representative from Affin Islamic Bank Berhad)	5/5 (100%)
YBhg Dato' Abdul Wahab Bin Abu Bakar Independent Non-Executive Director (Appointed as member w.e.f. 6 January 2022) (Representative from Affin Hwang Investment Bank Berhad)	-
Encik Mohd Suffian bin Haji Haron Non-Independent Non-Executive Director (Completed his tenure of directorship w.e.f. 2 June 2021)	6/6 (100%)
YBhg Dato' Agil Natt Independent Non-Executive Director (Relinquished his position as member w.e.f. 1 July 2021)	6/6 (100%)
YBhg Dato' Mohd Ali bin Mohd Tahir Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad) (Relinquished his position as member w.e.f. 1 July 2021)	6/6 (100%)

Datuk Noor Azian binti Shaari Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad) (Relinquished her position as member w.e.f. 27 January 2022)	11/11 (100%)
Encik Musa bin Abdul Malek Independent Non-Executive Director (Appointed as member w.e.f. effective 6 Jan 2022) (Relinquished his position as member w.e.f. 1 April 2022) (Representative from Affin Islamic Bank Berhad)	-

3) **Group Board Audit Committee (GBAC)**

The GBAC established by the Board comprises of six (6) members. The GBAC members have the relevant accounting or related financial management experience or expertise.

The GBAC comprises all Independent Non-Executive Directors and the Chairman of the GBAC is not the Chairman of the Board. The Chairman of GBAC, Mr Gregory Jerome Gerald Fernandes is a Registered Accountant member of the Malaysian Institute of Accountants and also a member of other local and international accounting bodies.

The Board recognises the value of an effective GBAC in ensuring the integrity in financial reporting and effective internal control framework.

With the wide range of skills, knowledge and experience, the GBAC members are able to understand, analyse and challenge the financial reporting process and discharge their duties effectively. The members had attended relevant professional trainings during the year and will continue to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules.

The primary objectives of GBAC are to:

- (i) Establish the framework to oversee the audit function of AFFIN Bank Group;
- (ii) Provide assistance to the Board in fulfilling its statutory and fiduciary responsibilities in ensuring that good corporate governance, system of internal controls, codes of conduct and compliance with regulatory and statutory requirements are maintained by the AFFIN Bank Group;
- (iii) Implement and support the function of the Board by reinforcing the independence and objectivity of the Group Internal Audit (GIA); and
- (iv) Ensure that internal and external audit functions are properly conducted, and audit recommendations are implemented timely and effectively.

The attendance of members at GBAC meetings held in 2021 are as follows:-

Name of Members	Number of GBAC Meetings Attended in 2021
Mr Gregory Jerome Gerald Fernandes (Chairman) Independent Non-Executive Director	14/14 (100%)
YBhg. Dato' Mohd Hata bin Robani Independent Non-Executive Director	14/14 (100%)
Associate Prof Dr Said Bouheraoua Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	14/14 (100%)
Encik Suffian bin Baharuddin Independent Non-Executive Director (Appointed as member w.e.f. 1 April 2021) (Representative from Affin Islamic Bank Berhad)	10/10 (100%)
Mr. Eugene Hon Kah Weng (Appointed as member w.e.f. 19 April 2021) (Representative from Affin Hwang Investment Bank Berhad)	9/10 (90%)
Encik Hasli bin Hashim (Appointed as member w.e.f. 6 January 2022) (Representative from Affin Hwang Investment Bank Berhad)	-
Dato' Rozalila binti Abdul Rahman Independent Non-Executive Director (Relinquished her position as member w.e.f. 1 July 2021)	7/7 (100%)

4) Group Board Risk Management Committee (GBRMC)

The primary objective of the GBRMC is to oversee, assess and examine the adequacy of Group risk management frameworks covering the policies, procedures & processes and risk reports of the Bank and its subsidiaries.

The GBRMC is established to assist the Board in respect of the following:-

- i. ensuring that the Group wide enterprise risk management framework, policies and guidelines adequately protect the Group against all relevant risks, comprising but not limited to, credit risk, market and liquidity and interest rate risks, operational risks including legal risk, regulatory risks, reputational risk, information technology (IT), cyber risks and Shariah non-compliance risk.
- ii. overseeing the management of IT and cyber risks including ex-ante risk assessments on e-banking services at the Group; and
- iii. implementing a sound remuneration system by examining whether incentives provided take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the Board Nomination & Remuneration Committee.

The attendance of members at GBRMC meetings held in 2021 are as follows:-

Name of Director	Number of GBRMC Meetings Attended in 2021
Dato' Rozalila binti Abdul Rahman (Chairperson) Independent Non-Executive Director	18/18 (100%)
Mr Yuen Wai Hung, Peter Non-Independent Non-Executive Director	18/18 (100%)
Encik Suffian bin Baharuddin (Representative from Affin Islamic Bank Berhad)	18/18 (100%)
Encik Hasli bin Hashim (Appointed as member w.e.f. 19 April 2021) (Representative from Affin Hwang Investment Bank Berhad)	11/13 (85%)
Ms. Chan Wai Yu Independent Non-Executive Director (appointed as member w.e.f 1 July 2021)	10/10 (100%)
Ms. Tan Ler Chin, Cindy Independent Non-Executive Director (Appointed as member w.e.f. 1 December 2021) (Representative from Affin Islamic Bank Berhad)	1/1 (100%)
Ms. Kong Yuen Ling Independent Non-Executive Director (Appointed as member w.e.f. 6 January 2022) (Representative from Affin Hwang Investment Bank Berhad)	-
YBhg. Datuk Mohd Farid bin Mohd Adnan Independent Non-Executive Director (Appointed as member w.e.f. 1 April 2021) (Relinquished his position as member w.e.f. 1 December 2021) (Representative from Affin Islamic Bank Berhad)	12/12 (100%)
Mr. David Lim Hun Soon Independent Non-Executive Director (Relinquished his position as member w.e.f. 31 March 2021) (Representative from Affin Hwang Investment Bank Berhad)	5/5 (100%)
YBhg Dato' Mohd Ali bin Mohd Tahir Independent Non-Executive Director (Relinquished his position as member w.e.f. 1 May 2021) (Representative from Affin Islamic Bank Berhad)	6/6 (100%)
Mr Gregory Jerome Gerald Fernandes Independent Non-Executive Director (Relinquished his position as member w.e.f. 1 July 2021)	8/8 (100%)

5) Group Board Compliance Committee (GBCC)

The primary objective of the GBCC is to assess and examine the adequacy of group compliance and integrity and governance frameworks for Affin Bank Group.

The GBCC is established to support the Board to fulfil its responsibilities to:-

- (i) Oversee the management compliance risk by ensuring compliance process is in place and functioning in line with the expectations of regulators.
- (ii) Oversee integrity and governance matters inclusive of corruption, fraud, malpractice, unethical conduct and abuse of power within the organization that are guided by applicable laws and regulations and make the necessary recommendations to align to the Group's long-term strategy.
- (iii) Review and recommend risk management and corruption risk management philosophy and strategy for Board's approval.
- (iv) Ensure clear and independent reporting lines and responsibilities for the overall business activities, compliance functions and integrity & governance function.
- (v) Ensure the practice of excellent work culture among employees, with strong morals and ethics within the organization.

The role & responsibilities of the GBCC may be supported by the Board Risk Management Committee at subsidiaries.

The attendance of members at GBCC meetings held in 2021 are as follows:-

Name of Director	Number of GBCC Meetings Attended in 2021
YBhg. Dato' Mohd Hata bin Robani (Chairman) Independent Non-Executive Director	12/12 (100%)
Associate Prof Dr Said Bouheraoua Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	12/12 (100%)
Datuk Noor Azian binti Shaari Independent Non-Executive Director (Representative from Affin Hwang Investment Bank Berhad)	12/12 (100%)
YBhg Dato' Abdul Aziz bin Abu Bakar Independent Non-Executive Director (Appointed as member w.e.f. 1 July 2021)	6/6 (100%)
Mr Gregory Jerome Gerald Fernandes Independent Non-Executive Director (Appointed as member w.e.f. 1 July 2021)	6/6 (100%)
YBhg. Datuk Mohd Farid bin Mohd Adnan Independent Non-Executive Director (Appointed as member w.e.f. 1 December 2021) (Representative from Affin Islamic Bank Berhad)	1/1 (100%)
Ms. Kong Yuen Ling Independent Non-Executive Director (Appointed as member w.e.f. 6 January 2022) (Representative from Affin Hwang Investment Bank Berhad)	-

6) Group Board Information Technology Committee (GBITC)

The primary objective of the GBITC is to assess and examine the adequacy of Group Information Technology (including Digital and Security) management framework and risks including IT controls, policies, procedures and processes of Affin Bank Group.

The GBITC is established to assist the Board in respect of the following:-

- (i) Oversee the overall development, risk management, integration and alignment of the Information Technology (IT) strategy and plan with Affin Banking entities strategic business direction and plan.
- (ii) Ensure that IT has the right talent and culture to develop organisational capabilities which are agile, innovative, adaptable and most importantly focused on business value creation.
- (iii) Oversee the AIM 22 (Affinity In Motion 22) strategic program, ensure alignment with the business strategic objectives and effective implementation in line with Digital Leadership/Unrivaled Customer Service.

The attendance of members at GBITC meetings held in 2021 are as follows:-

Name of Director	Number of GBITC Meetings Attended in 2021
Puan Marzida Binti Mohd Noor (Chairperson) Independent Non-Executive Director	14/14 (100%)
YBhg Dato' Agil Natt Independent Non-Executive Director	14/14 (100%)
Encik Musa Bin Abdul Malek Independent Non-Executive Director (Representative from Affin Islamic Bank Berhad)	14/14 (100%)
Dato' Rozalila Binti Abdul Rahman Independent Non-Executive Director (Appointed as member w.e.f. 1 July 2021)	9/9 (100%)
Mr. Eugene Hon Kah Weng (Appointed as member w.e.f. 27 July 2021) (Representative from Affin Hwang Investment Bank Berhad)	6/6 (100%)
Ms. Tan Ler Chin, Cindy Independent Non-Executive Director (Appointed as member w.e.f. 1 December 2021) (Representative from Affin Islamic Bank Berhad)	- <i>(no scheduled GBITC meeting in December 2021)</i>
YBhg Dato' Abdul Wahab Bin Abu Bakar Independent Non-Executive Director (Appointed as member w.e.f. 6 January 2022) (Representative from Affin Hwang Investment Bank Berhad)	-

Training and Education attended by the Board During the Financial Year Ended 31 December 2021

The training programmes/courses attended by the Directors during financial year ended 31 December 2021 is set out as follows:-

No	Organized By	Training	Date
Dato' Agil Natt			
1	Climate Governance Malaysia	Primer on Climate Governance Webinar	15 January 2021
2	Employees Provident Fund	Sustainability in the New Normal	21 January 2021
3	Climate Governance Malaysia	Understanding Increasing Investor Expectations for Climate Governance	11 February 2021
4	FIDE Forum	FIDE FORUM's Webinar Invitation: "Rethinking Our Approach to Cyber Defence in FIs"	11 March 2021
5	ICLIF/ASB	Nominating and Remuneration Committees – Beyond Box-Ticking & Enhancing Effectiveness	15 – 16 March 2021
6	Malaysian Sustainable Finance Initiative	Sustainable Projects that can be funded through bonds & sukuks – International case studies	1 April 2021
7	PwC	Recovery & Resolution Planning Programme	12 April 2021
8.	ICLIF/ASB	Risk Management In Technology (RMiT) & Digital Transformation	20 April 2021
9	Climate Governance Malaysia	Increasing Expectations on Reporting and Disclosure	20 April 2021
10	ICAEW Industry Insights #1	ESG in Malaysia – Priority or Fad?	4 June 2021
11	AFFIN	AML/CFT	8 June 2021
12	BNM	FIDE Forum Dialogue: The Future of Malaysia's Financial Sector	9 June 2021
13	ICLIF/Asia School of Business	Implementing Amendments in the Malaysian Code on Corporate Governance	14 June 2021
14	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
15	AFFIN	Annual Compliance Attestation (e-learning)	23 June 2021
16	BNM/SC	Sustainability as a Business Strategy for Financial Institutions	23 June 2021
17	BNM/SC	Climate Change Conference – Sustainability as a Business Strategy and the Role of Finance	23 June 2021
18	BNM/SC	Climate Change Conference – Sustainable Finance for the Private Sector	25 June 2021
19	FIDE Forum	Shaping the future of FI board leadership	23 August 2021
20	Asian Banking School (ABS)	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels	2 September 2021
21	AFFIN	Affin Board and Management Workshop 2021	22-23 October 2021
22	Malaysian Institute of Accountants	Board Assessment, A key cog in an effective governance structure - Panelist	25 October 2021
23	FIDE	FIDE Forum webinar – The 2050 Net Carbon emissions target : Finance's role	12 November 2021
24	AFFIN	Environmental, Social and Governance (ESG) Training by PwC	8 December 2021

No	Organized By	Training	Date
Dato' Mohd Hata bin Robani			
1	ICLIF	Raising Defences – Section 17A, MACC Act	29 – 30 March 2021
2	PwC	Recovery & Resolution Planning Programme	12 April 2021
3	ICLIF/ASB	Risk Management In Technology (RMiT) & Digital Transformation	20 April 2021
4	AFFIN	AML/CFT	8 June 2021
5	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
6	AFFIN	Annual Compliance Attestation	23 June 2021
7	Asian Banking School (ABS)	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels	2 September 2021
8	AFFIN	Environmental, Social and Governance (ESG) Training by PWC	8 December 2021
Dato' Abdul Aziz bin Abu Bakar			
1	Pharmaniaga	COVID-19 Vaccine : Updates and Highlights	1 February 2021
2	ICDM	Board Committee Overview	24 May 2021
3	PwC	Recovery & Resolution Planning Programme	12 April 2021
4	AFFIN	AML/CFT	8 June 2021
5	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
6	AFFIN	Annual Compliance Attestation	23 June 2021
7	ICDM	MCCG Revision 2021 – Changing the Game in Corporate Governance	7 July 2021
8	ICLIF/ASB	Nominating and Remuneration Committees – Beyond Box-Ticking & Enhancing Effectiveness	29 – 30 July 2021
9	Asian Banking School (ABS)	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels	2 September 2021
10	AFFIN	Environmental, Social and Governance (ESG) Training by PWC	8 December 2021
Mr. Chan Tze Ching Ignatius			
1	The Bank of East Asia, Limited	Economic and Market Outlook Seminar as a co-hosted live virtual seminar with Hong Kong Economic Times (HKET)	23 January 2021
2	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
3	The Chinese General Chamber of Commerce, Hong Kong (CGCC)	CGCC World Chinese Entrepreneurs Summit: Connecting Greater Bay Area Serving Belt & Road	17 June 2021
4	ICLIF/ASB	Climate Change: Impact on Banks & Role of the Board	17 – 18 August 2021
5	ISRA	Islamic Finance For Board Directors Programme (replacement date for 2 nd day programme)	9 September 2021
6	The Hong Kong Institute of Bankers (HKIB)	Annual Banking Conference (Morning Session) & Digital Banking and Innovation (Afternoon Session)	28 September 2021

No	Organized By	Training	Date
Dato' Rozalila binti Abdul Rahman			
1	Reuters Next – Webinar	Rethink, Rebuild & Recover	11 – 14 January 2021
2	Institute Of Enterprise Risk Practitioners (IERP)	Risk Management & Risk Governance in the New Normal ~ Considerations for Boards	14 January 2021
3	ICDM & Climate Governance Malaysia (CGM) – Webinar	Primer on Climate Governance - Overview of ESG Reporting Standards	15 January 2021
4	Centrq PR Sdn. Bhd. - Webinar	CSR - Luxury or Necessity	26 January 2021
5	Pharmaniaga	COVID-19 Vaccine : Updates and Highlights	1 February 2021
6	Institutional Investors Council Malaysia (IIC)	Understanding Increasing Investor Expectations for Climate Governance : What We Need to Know and What We Need to Do	11 February 2021
7	FIDE Forum	FIDE FORUM's Webinar Invitation: "Rethinking Our Approach to Cyber Defence in FIs"	11 March 2021
8	The 30% Club Malaysia	Men Who Pause	24 March 2021
9	Institute Of Enterprise Risk Practitioners (IERP)	Qualified Risk Director Program : Series 3 - Risk Appetite, Tolerance & Board Oversight Qualified Risk Director Program : Series 4 - Strategic ERM : A Primer for Directors	25 March 2021
10	Malaysian Sustainable Finance Initiative (MSFI)	Sustainable Projects that can be Funded Through Bonds & Sukuk	1 April 2021
11	LeadWomen Sdn Bhd	The Women in Leadership (WIL) Programme 2021	2 April 2021
12	ICDM	Launch of Malaysia Board Diversity Study & Index	7 April 2021
13	PwC	Recovery & Resolution Planning Programme	12 April 2021
14	Korn Ferry Webinar	Digital is Everyone's Business : Findings from The APAC Digital Talent Study	4 May 2021
15	AFFIN	AML/CFT	8 June 2021
16	ICLIF/ASB	Implementing Amendments in the Malaysian Code on Corporate Governance	14 June 2021
17	ICLIF/ASB	An Alumni Event – An Invitation To A Talk On MCCG Amendments (2 nd Run)	14 June 2021
18	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
19	Corporate Governance Malaysia (CGM)	CEO Action Network Roundtable Discussion with The MOF on Low Emissions Pathway for Malaysia	22 June 2021
20	AFFIN	Annual Compliance Attestation	23 June 2021
21	BNM/SC/CGM	Sustainability as a Business Strategy for Financial Institutions : JC3 Flagship Conference 2021 Finance For Change	23 June 2021
22	BNM/SC/CGM	Outcomes and Implications for Malaysian Financial Institutions : JC3 Flagship Conference 2021 Finance For Change	24 June 2021
23	BNM/SC/CGM	Sustainable Finance for the Private Sector : JC3 Flagship Conference 2021 Finance For Change	25 June 2021
24	ICLIF/ASB	Risk Management Committee – Banking Sector	1 – 2 July 2021
25	FIDE FORUM	BNM-FIDE FORUM Dialogue on RMiT Implementation	8 July 2021

26	ICDM	Advocacy Dialogue : Launch of Malaysian Board Practices Review Report 2020 & Diversity Study & Index 2021	8 July 2021
27	WEVENTZ PTE LTD	Credit Risk Modelling	12 – 13 July 2021
28	ICLIF/ASB	Climate Change : Impact on Banks & Role of the Board	17 - 18 August 2021
29	Ministry of Defence & Ministry of Home Affairs	Cyberspace Defence & Security Webinar	24 - 25 August 2021
30	Asian Banking School (ABS)	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels	2 September 2021
31	ICDM	FCD Module A: Behind Boardroom Door – Strategy & Risk Management Oversight	7 – 8 September 2021
32	Institute Of Enterprise Risk Practitioners (IERP)	What Corporate Boards can learn from Boeing’s mistakes?	24 September 2021
33	FIDE FORUM	Dialogue with the CEO of Bursa on Sustainability	2 November 2021
34	Climate Governance Malaysia	Valuing Nature: What Success at COP26 in Glasgow Would Look Like	3 November 2021
35	SC	Sustainable Finance Week at Dubai Expo 2020	8 - 10 November 2021
36	PwC	PwC Risk Tech Webinar 2021	11 November 2021
37	FIDE FORUM	The 2050 Net Zero Carbon Emissions Target : Finance’s Role	12 November 2021
38	ICDM	Climate Governance From A Risk Viewpoint	16 November 2021
39	CGM	Understanding Sustainability & Climate Risks : A Series Of Webinars To Future-Proof Your Business	19 November 2021
40	Bursa Malaysia Berhad	Bursa-FIDE Forum Dialogue On Sustainability With Datuk Muhamad Umar Swift, CEO Bursa Malaysia Berhad	2 December 2021
41	FIDE FORUM	BNM-FIDE FORUM Annual Dialogue with Governor	3 December 2021
42	ICDM	2022 Asean Board Trends : What Keeps You Awake At Night?	13 December 2021
43	ICDM	Your Biggest “S” In ESG : Sustainable Human Capital Management & Workplace Transformation	14 December 2021
44	ICDM	Demystifying Investors’ ESG Expectations, The Do’s & Don’ts	15 December 2021
45	ICDM	Rethink, Reimagine & Redesign : Business Model Of The Future	16 December 2021
46	ICDM	Becoming A Boardroom Star	17 December 2021

No	Organized By	Training	Date
Mr. Yuen Peter Wai Hung			
1	BEA - Training & Development Department	Enterprise Risk Management 2020	4 January 2021
2	BEA - Training & Development Department	Opportunities and Challenges of Fintech	19 January 2021
3	BEA - Training & Development Department	Information Security Training 2021	12 April 2021
4	PwC	Recovery & Resolution Planning Programme	12 April 2021

5	BEA - Training & Development Department	Fraud Risk Management – Internal Fraud 2021	11 May 2021
6	BEA - Training & Development Department	Code of Conduct Refresher 2021 (Eng Version)	11 May 2021
7	BEA - Training & Development Department	Cyber Security Risk Training (Common Cyber Threat and Basic Security) 2021	13 May 2021
8	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
9	BEA - Training & Development Department	Personal Data Protection Refresher Training 2021	25 June 2021
10	ISRA	Islamic Finance For Board Directors Programme	5 – 6 July 2021
11	WEVENTZ Pte Ltd	Credit Risk Modelling	12 – 13 July 2021
12	BEA - Training & Development Department	Introduction to Sustainability	14 July 2021
13	BEA - Training & Development Department	Driving Organisational Change	27 July 2021
14	BEA - Training & Development Department	Refresher Training on Connected Transactions 2021	30 July 2021
15	BEA - Training & Development Department	Treat Customers Fairly Refresher Training 2021	10 August 2021
16	BEA - Training & Development Department	FinTech Talk - RegTech for Risk Management and Regulatory Compliance	18 August 2021
17	BEA - Training & Development Department	Refresher Training on Operational Risk Incident Management 2021	25 August 2021
18	Asian Banking School (ABS)	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels	2 September 2021
19	BEA - Training & Development Department	Physical Security Awareness 2021	3 September 2021
20	BEA - Training & Development Department	Anti-Money Laundering and Counter-Terrorist Financing Refresher Training 2021 (Comprehensive Version)	10 September 2021
21	BEA - Training & Development Department	Our Culture and Values Refresher 2021	30 September 2021
22	BEA - Training & Development Department	Compliance with Regulatory Requirements - An Overview and Ongoing Refresher for the Bank's Staff 2021 (Course B)	12 October 2021
23	BEA - Training & Development Department	Cyber Security Risk Training (Security Best Practice) 2021	21 October 2021

24	BEA - Training & Development Department	FinTech Talk - FinTech-Enabled Ecosystem	28 October 2021
25	BEA - Training & Development Department	Reputation Risk Management 2021	8 November 2021
26	BEA - Training & Development Department	Refresher Training on Fraud Risk Management - Internal Fraud	18 November 2021
27	AFFIN	Environmental, Social and Governance (ESG) Training by PWC	8 December 2021
28	BEA - Training & Development Department	Enterprise Risk Management 2021	10 December 2021

No	Organized By	Training	Date
Puan Marzida binti Mohd Noor			
1	Pharmaniaga	COVID-19 Vaccine : Updates and Highlights	1 February 2021
2	Institutional Investors Council Malaysia (IIC)	Understanding Increasing Investor Expectations for Climate Governance: What We Need to Know and What We Need to Do	11 February 2021
3	PwC	Recovery & Resolution Planning Programme	12 April 2021
4	ICLIF/ASB	Risk Management In Technology (RMiT) & Digital Transformation	20 April 2021
5	ICLIF/ASB	Corruption Risk Management	26 – 27 April 2021
6	KPMG	Asia-Pacific Board Leadership Centre – Board and Audit Committee Priorities 2021	7 May 2021
7	Gartner	Accelerate Innovation with Gartner’s Emerging & Trends Practice	20 May 2021
8	Gartner	Leverage AI to Boost Decision Intelligence for Better Business Outcomes	2 June 2021
9	AFFIN	AML/CFT	8 June 2021
10	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
11	AFFIN	Annual Compliance Attestation	23 June 2021
12	BNM/SC	Sustainability as a Business Strategy for Financial Institutions	23 June 2021
13	BNM/SC	Outcomes and Implications for Malaysian Financial Institutions	24 June 2021
14	BNM/SC	Sustainable Finance for the Private Sector	25 June 2021
15	Gartner	<ul style="list-style-type: none"> Gartner 2021 Analytics & BI Platforms Magic Quadrant Insights Capitalize on the Ever-Changing Privacy Landscape 	29 June 2021
16	Gartner	Future of Banking	7 July 2021
17	MICG	MICG-IIAM Governance Forum	15 July 2021
18	ICLIF/ASB	Nominating and Remuneration Committees – Beyond Box-Ticking & Enhancing Effectiveness	29 – 30 July 2021
19	IDC	IDC & Silverlake Axis Digital Roundtable	3 August 2021
20	DSA Exhibition and Conference Sdn Bhd	Cyberspace Défense & Security Webinar	24 – 25 August 2021
21	Asian Banking School (ABS)	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels	2 September 2021
22	FIDE FORUM	BNM-FIDE FORUM Annual Dialogue with Governor	3 December 2021

23	AFFIN	Environmental, Social and Governance (ESG) Training by PWC	8 December 2021
No			
Organized By		Training	Date
Mr. Gregory Jerome Gerald Fernandes			
1	Pharmaniaga	COVID-19 Vaccine : Updates and Highlights	1 February 2021
2	PwC	Recovery & Resolution Planning Programme	12 April 2021
3	KPMG	Asia-Pacific Board Leadership Centre – Board and Audit Committee Priorities 2021	7 May 2021
4	AFFIN	AML/CFT	8 June 2021
5	ICLIF/ASB	An Alumni Event – An Invitation To A Talk On MCCG Amendments (2 nd Run)	14 June 2021
6	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
7	Malaysian Institute of Accountants (MIA)	MIA Virtual Conference Series : Corporate Board Leadership Symposium	22 – 23 June 2021
8	AFFIN	Annual Compliance Attestation	23 June 2021
9	ISRA	Islamic Finance For Board Directors Programme	5 – 6 July 2021
10	Asian Banking School (ABS)	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels	2 September 2021
11	AFFIN	Environmental, Social and Governance (ESG) Training by PWC	8 December 2021
No			
Organized By		Training	Date
Ms. Chan Wai Yu			
1	ISRA	Islamic Finance For Board Directors Programme	7 & 8 April 2021
2	PwC	Recovery & Resolution Planning Programme	12 April 2021
3	AFFIN	Board Induction	12 April 2021
4	AFFIN	AML/CFT	8 June 2021
5	ICLIF/ASB	An Alumni Event – An Invitation To A Talk On MCCG Amendments (2 nd Run)	14 June 2021
6	AFFIN	AFFIN Semi-Annual Board Training – Demystifying Digital Transformation	15 June 2021
7	AFFIN	Annual Compliance Attestation	23 June 2021
8	BNM/SC	Sustainability as a Business Strategy for Financial Institutions	23 June 2021
9	BNM/SC	Outcomes and Implications for Malaysian Financial Institutions	24 June 2021
10	BNM/SC	Sustainable Finance for the Private Sector	25 June 2021
11	ICLIF/ASB	Mandatory Accreditation Programme	28 – 29 June 2021 & 8 September 2021
12	ICLIF/ASB	BNM FIDE Core Programme – Banks	8 – 9 July, 12 – 15 July & 21 – 22 July 2021 (Module A) 2 – 4 August, 5 – 6 August, 9 August & 11 – 12 August 2021 (Module B)
13	Asian Banking School (ABS)	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels	2 September 2021
14	PwC	PwC RiskTech Webinar Series 2021 - Leveraging technology to manage risks	11 – 12 November 2021

15	ICLIF/ASB	Leadership for Enterprise Sustainability Asia (LESA) 2021	15 – 18 November 2021
16	ISRA	Sustainability and Inclusivity through Islamic Fintech	17 November 2021
17	FIDE FORUM	BNM-FIDE FORUM Annual Dialogue with Governor	3 December 2021
18	AFFIN	Environmental, Social and Governance (ESG) Training by PWC	8 December 2021

INTERNAL CONTROL FRAMEWORK

The Internal Control Framework is set out in the Statement on Risk Management and Internal Control in the 2021 Annual Report.

REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

The Group Board Nomination and Remuneration Committee (GBNRC) recommends specific remuneration packages for non-executive Directors, and is structured such that it is competitive and consistent with the Bank's culture, objectives and strategies as well as ensuring that it commensurate with the level of responsibilities undertaken and contributions made by the Directors to the effective functioning of the Board and drive the Bank's long-term objectives.

The remuneration package for the Directors of the Bank comprises the following in accordance with the Remuneration Policy of Directors:-

Directors' Fees	The Directors are entitled to annual Directors' fees.
Board Committees Fees	Directors who sit on Board Committees are entitled to receive Board Committee fees.
Meeting Allowances	Directors are entitled to Meeting allowances when they attend any Board/Board Committee meetings.

The Directors' fees and benefits-in-kind payable to Directors are subject to shareholders' approval at the Annual General Meeting.

In determining the level of remuneration for Directors, the Board may commission a survey of the remuneration levels of Directors, to be carried out either by external consultants or Senior Management. The survey should cover the remuneration levels of Directors of an organisation in a similar industry, size and location. The report shall be tabled to the GBNRC and the Board for deliberation.

The Board may from time to time review the Remuneration Policy of Directors to ensure it continues to support the strategies and long-term vision of the Bank and yet at the same time, is able to attract talent, nurture and retain high calibre Directors, whilst taking into account the interest of other stakeholders, including shareholders and employees.

During deliberations pertaining to the individual Directors' remuneration, the interested parties should excuse themselves from both the deliberations and voting.

The details of the Directors' remuneration are set out in Note 43 to the Financial Statements of the 2021 Annual Report.

The aggregate amount of remuneration for the Directors and PGCEO of the Bank for the FYE2021 was as follows:-

The Bank 2021	Salaries RM'000	Bonuses RM'000	Directors' Fees RM'000	Other Emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
President & Group CEO Datuk Wan Razly Abdullah bin Wan Ali	1,500	281	-	431	34	2,246
Total	1,500	281	-	431	34	2,246
Non-Executive Directors Dato' Agil Natt	-	-	395	-	72	467
En. Mohd Suffian bin Haji Haron	-	-	134	177	-	311
Dato' Abdul Aziz bin Abu Bakar	-	-	321	-	-	321
Dato' Mohd Hata bin Robani	-	-	302	-	-	302
Mr. Chan Tze Ching, Ignatius	-	-	170	-	-	170
Dato' Rozalila binti Abdul Rahman	-	-	318	-	-	318
Mr. Yuen Wai Hung, Peter	-	-	241	-	-	241
Puan Marzida binti Mohd Noor	-	-	275	-	-	275
Mr. Gregory Jerome Gerald Fernandes	-	-	311	-	-	311
Ms. Chan Wai Yu	-	-	217	-	-	217
Total	-	-	2,684	177	72	2,933
Grand total	1,500	281	2,684	608	106	5,179

* Includes allowances, EPF, leave passage and Gratuity

Senior Management and Other Material Risk Takers (OMRT)

The Bank's Remuneration Policy considers the role of each staff. The objective of the Remuneration Policy is to ensure that the remuneration system in the Bank: -

- Rewards individuals for the achievement of the Bank's objectives and motivates high levels of performance;
- Rewards exceptional performance by individual through the Performance Management System;
- Allows the Bank to compete effectively in the labour market and to recruit and retain high calibre staff; and
- Achieves fairness and equity in remuneration and reward.

The Bank's remuneration policy is developed based on the following guiding principles:

- **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Bank's vision and strategy.
- **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- **Internal Equity:** The Bank shall remunerate all staff fairly in terms of their roles within the organization.
- **Market-Related Remuneration:** The Bank shall measure its remuneration practices against both the local and national market through the use of remuneration surveys and through benchmarking with other similar institutions.
- **Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the institution whilst complying with relevant tax and other legislation.
- **Performance-Driven Remuneration:** The Bank shall entrench a culture of performance driven remuneration through the implementation of the Performance Management System.
- **Affordability and Sustainability:** The Bank shall ensure that remuneration is affordable on a sustainable basis.

The Remuneration Policy and practices will evolve over time, reflecting Bank's priorities but will always adhere to the requirements of BNM Policy Document on Corporate Governance (BNM CG) and BNM Policy Document on Risk Governance promoting sound and effective risk management.

The Bank ensures that overall remuneration system for the Bank (as per the BNM CG) shall:-

- be subject to Board's active oversight to ensure that the system operates as intended;
- be in line with the business and risk strategies, corporate values and long-term interests of the Bank;
- promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Bank as a whole, taking into account the interests of its customers; and be designed and implemented with input from the control functions and the Group Board Risk Management and Compliance Committee to ensure that risk exposures and risk outcomes are adequately considered.

As stipulated under the BNM CG, OMRT refers to an officer who is not a member of senior management of a financial institution and who:-

- can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile; or
- is among the most highly remunerated officers in the financial institution;

The listing of the positions for the Senior Management and OMRT shall be reviewed annually to be in accordance with the BNM CG requirement.

The remuneration of Senior Management and OMRT must be approved by the Board and the Bank will maintain and regularly review the list of officers who fall within the definition of Senior Management and OMRT.

