



# BOARD CHARTER

*Version 4.0 (2024)*

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<b>Contents</b>	<b>Page</b>
ACKNOWLEDGEMENT SHEET	iv
DOCUMENT UPDATE HISTORY	v
ACRONYMS	vi
DEFINITIONS	vii
PART 1 : INTRODUCTION	1 - 2
PART 2 : ROLES AND RESPONSIBILITIES OF THE BOARD	3 - 15
- Roles and Responsibilities	
- Matters Reserved for the Board	
- Interaction with Shariah Committee	
- Directors Declaration	
- Conflict of Interest	
PART 3 : BOARD COMPOSITION	16 - 19
- Composition and Board Balance	
- Directorship in other Companies	
- Balance of Power and Authority between the Chairman and P/CEO	
PART 4 : BOARD APPOINTMENT/ REAPPOINTMENT/ REMOVAL	20
PART 5 : BOARD/ BOARD COMMITTEES	21 - 26
- Board Meeting	
- Quality of Board Meeting	
- Board Committees Meeting	
- Directors' Circular Resolution	
- General Meeting	
- Supply of Information	
PART 6 : BOARD CULTURE & CONTINUING PROCESSES	27 – 31
- Ethical Standards	
- Maintaining Confidentiality	
- Training Requirements	
- Board Evaluation and Assessment	
PART 7 : REMUNERATION	32
PART 8 : ACCOUNTABILITY AND AUDIT	33 – 34
PART 9 : INVESTORS RELATIONS AND SHAREHOLDER COMMUNICATION	35
PART 10 : RELATIONSHIP WITH OTHER STAKEHOLDERS	36 - 37
PART 11 : COMPANY SECRETARY	38 - 39
PART 12 : APPLICATION	40

Appendices .....  
Appendix A: Change Request Form ..... A-1



## Document Update History

Any updates to the “Board Charter of EXIM Bank” shall be recorded in the following table:

Request / Review No.	Date	Page No	Description	Approved By
CG/2012/53	3/8/2012		Version 1.0 (2012)	Board of Directors' meeting on 31/7/2012
CG/2017/74	27/9/2017		Version 2.0 (2017)	258 <sup>th</sup> Board of Directors' meeting on 27/7/2017
	12/12/2019		Version 3.0 (2019)	287 <sup>th</sup> Board of Directors' meeting on 12/12/2019
	27/5/2024		Version 4.0 (2024)	336 <sup>th</sup> Board of Directors' Meeting on 27/5/2024

**Note:**

*For more information about this document updates as stated above, please refer to Organisation & Methods Department.*

## Acronyms

<b>AGM</b>	Annual General Meeting
<b>AML/CFT</b>	Anti-Money Laundering and Counter Financing of Terrorism
<b>AA and AL</b>	Approving Authorities and Authority Limits
<b>BAC</b>	Board Audit Committee
<b>BCs</b>	Board Committees
<b>BNM</b>	Bank Negara Malaysia
<b>BNM CG</b>	BNM Corporate Governance
<b>BNM SG</b>	BNM Shariah Governance 2019
<b>CA 2016</b>	Companies Act, 2016
<b>CFT</b>	Counter Financing Terrorism
<b>CS</b>	Company Secretary
<b>DFIA</b>	Development Financial Institution (Amendment) Act 2015
<b>DFIs</b>	Development Financial Institutions
<b>EAs</b>	External Auditors
<b>EXIM Bank</b>	Export-Import Bank of Malaysia Berhad
<b>FIDE</b>	Financial Institutions Directors' Education
<b>MoF</b>	Minister of Finance (Incorporated)
<b>NRC</b>	Nomination and Remuneration Committee
<b>P/CEO</b>	President/Chief Executive Officer
<b>SAC</b>	Shariah Advisory Council of BNM
<b>SC</b>	Shariah Committee
<b>ToR</b>	Terms of Reference

## Definitions

<b>Board</b>	Board Directors of EXIM Bank
<b>BNM/RH/PD 035-5</b>	BNM Corporate Governance Policy Document applicable to prescribed DFIs
<b>Executive</b>	refers to any individual who has management responsibilities in EXIM Bank or any of its affiliates (whether or not he/she is an officer of EXIM Bank or any of its affiliates)
<b>Higgs Report</b>	Higgs Report contains a review of the role and effectiveness of non- executive directors. Issued by Derek Higgs on January 2003.
<b>Management</b>	Management of EXIM Bank
<b>MCCG</b>	Malaysian Code on Corporate Governance contains principles and best practices of good governance and described optimal corporate governance structures and internal processes. Issued by Securities Commission Malaysia
<b>Policy</b>	Policy/Guidelines related to EXIM Bank
<b>Shareholder</b>	Minister of Finance (Incorporated)
<b>The Bank</b>	EXIM Bank
<b>The Constitution</b>	Memorandum that regulates the external affairs of EXIM Bank

## **PART 1: INTRODUCTION**

### **1.1 Overview**

The Board acknowledges that good corporate governance needs to be rooted in a corporate culture that reinforces ethical, prudent and professional behaviour. This begins with the right “tone from the top”, where the examples set by the Board and senior management shapes the core values of EXIM Bank.

The Directors of EXIM Bank also regard Corporate Governance as vitally important to the success of the business of EXIM Bank and are unreservedly committed to applying the principles necessary to ensure that the good governance is practiced in all of its business dealings in respect of its Shareholder, customers and relevant stakeholders:-

- i) The Board is the focal point of the Bank’s Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of EXIM Bank.
- ii) All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- iii) All Board members are responsible to EXIM Bank for achieving a high level of good governance.
- iv) This Board Charter shall constitute, and form, an integral part of each Director’s duties and responsibilities.

The Board Charter sets out the mandate, responsibilities and procedures of the Board and the Board Committees, including the matters reserved for the Board’s decision. The Board may from time to time review the contents of this Board Charter in tandem with any relevant legal instruments, policy documents and guidelines which the Bank refer to ensure its relevance and effectiveness in taking into account changes in the economy and financial system.

### **1.2 Objectives**

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Bank are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of EXIM Bank.



### 1.3 Approach

This Board Charter should be read together with any relevant legal instruments, policy documents and guidelines as follows:-

- i) Development Financial Institution (Amendment) Act 2015 (“DFIA”);
- ii) Companies Act 2016;
- iii) BNM on Corporate Governance Policy Document (CGPD) dated 14 February 2024 ;
- iv) BNM Policy Document (PD on Shariah Governance (SG) dated 20 September 2019;
- v) BNM PD on Risk Management in Technology dated 18 July 2019;
- vi) BNM PD on Outsourcing dated 23 October 2019;
- vii) BNM PD on Fit and Proper dated 14 June 2017;
- viii) BNM PD on Climate Risk Management & Scenario Analysis
- ix) Garis Panduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan (Diperbadankan);
- x) EXIM Bank’s Policy on Appointment/ Reappointment of Directors;
- xi) EXIM Bank’s Policy on Fit and Proper Criteria;
- xii) EXIM Bank’s Code of Conduct for Directors;
- xiii) EXIM Bank’s Policy on Shariah Governance
- xiv) EXIM Bank’s Whistleblowing Policy;
- xv) EXIM Bank’s No Gift Policy;
- xvi) EXIM Bank’s Entertainment Policy;
- xvii) EXIM Bank’s Anti-Bribery and Corruption Policy;
- xviii) EXIM Bank’s Policy of Financing Facilities with Connected Party;
- xix) EXIM Bank’s Constitution; and
- xx) Corporate Secretarial Department Manual.

This Board Charter is to be read together with any written laws as at the material time enforced in Malaysia and/or guidelines, policies and circulars issued by any relevant authorities such as BNM. In the event of any contradiction between this document with the laws and/or guidelines, policies and circulars issued by any relevant authorities, the latter shall prevail.

**PART 2: ROLES AND RESPONSIBILITIES OF THE BOARD***Reference*

(A)	<u>The Board</u>	
<b>Roles and Responsibilities</b>	<ol style="list-style-type: none"> <li>1) The Board is charged with leading and managing EXIM Bank in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Bank, free from any undue external influence which could undermine EXIM Bank's approved mandate and financial soundness.</li>   <li>2) The Board plays a critical role in setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Bank. The Board sets EXIM Bank values and standards and ensures that its obligations to its Shareholder and stakeholders are understood and met.</li>   <li>3) The Directors, collectively and individually, are aware of their responsibilities to Shareholder and stakeholders for the manner in which the affairs of EXIM Bank are managed. The Directors are expected to exercise vigilance and professional scepticism in understanding and shaping the strategic direction of EXIM Bank.</li>   <li>4) The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and best practices stated in the Malaysia Code of Corporate Governance ("MCCG").</li>   <li>5) The roles and responsibilities of the Board of Directors shall be governed by the Development Financial Institution (Amendment) Act 2015 ("DFIA"), Companies Act 2016, Bank Negara Malaysia's ("BNMs") Corporate Governance for Development Financial Institutions (BNM/RH/PD 035-5), BNM Shariah Governance, EXIM Bank's Policy on Shariah Governance and the Constitution of the Bank, including any guidelines/ policies and procedures as may be issued by the relevant authorities from time to time.</li> </ol>	<p><i>BNM CG (8.3) on the Board's Key Responsibilities</i></p> <p><i>MCCG Principle A (Board Leadership and Effectiveness)</i></p> <p><i>MCCG Principle A (Board Leadership and Effectiveness)</i></p>

*Reference*

- 6) To set corporate values and clear lines of responsibility and accountability that is communicated throughout the Bank. There should be a clear division of responsibilities at the helm of the Bank, which will ensure a balanced and clear line of role, responsibility, authority and accountability throughout the Bank.
  
- 7) Overseeing and evaluating the conduct of the Bank's businesses and to evaluate whether the business is being properly managed. In this respect the Board must ensure that there are objectives in place against which management's performance can be measured.
  
- 8) The Board must institutionalise a robust Shariah governance framework that is commensurate with the size, complexity and nature of EXIM Bank's business.

*BNM SG (8.1) on  
the Board's Key  
Responsibilities*

The Chairman

*BNM CG (9.1) on  
Board Meetings*

The Chairman, in leading the Board, is responsible for the effective overall functioning of the Board. In performing this role, the Chairman is responsible for:-

- 1) Ensuring that appropriate procedures are in place to govern the Board's operation.
  
- 2) Ensuring that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board, and that Directors receive the relevant information on a timely basis.
  
- 3) Encouraging healthy discussion and ensuring that dissenting views can be freely expressed and discussed.
  
- 4) Leading efforts to address the Board's developmental needs.

*Reference*

Non-Independent and Non-Executive Director

*BNM CG (8.6) on  
the Board's Key  
Responsibilities*

A non-independent and non-executive director representing the interests of a stakeholder Ministry on the Board of EXIM Bank shall have the same duties and responsibilities as other board members, to act in the best interest of EXIM Bank, with due regard to the interest of customers and depositors, in line with the approved mandate.

In the event of any conflict between his/her duty to act in the best interest of EXIM Bank and his/her duty to the stakeholder Ministry which he/she is representing, his/her duty to EXIM Bank will prevail.

*Reference*

(B)

**Matters Reserved for the Board**1) Business Direction

- i) Reviewing and approve strategies, risk appetite, business plans, annual budget and significant policies that are in line with the Bank's mandated role and monitor management's performance in implementing them. *BNM CG (8.3) on the Board's Key Responsibilities*
- ii) To approve new investment, divestments, mergers and acquisitions, including the establishment of subsidiaries, joint ventures, equity acquisition or strategic alliances both locally as well as abroad.
- iii) To oversee and approve the recovery and business continuity plans for EXIM Bank to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress. *BNM CG (8.3) on the Board's Key Responsibilities*
- iv) Regularly review and affirm EXIM Bank's mandate, taking into account changes in the economy and financial system. Where relevant, the Board shall make recommendations to the Government, for review of its mandate. *BNM CG (8.3) on the Board's Key Responsibilities*
- v) To promote sustainability through appropriate environmental, social and governance ("ESG") and climate related considerations in EXIM Bank's business strategy. *BNM CG (8.3) on the Board's Key Responsibilities*

2) Business Operations

- i) To oversee the conduct of the Bank's business, to evaluate whether the business is effectively managed and to ensure that the operation of the business are conducted within the framework of relevant laws and policies.
- ii) Approve loans/ financing/credit related facilities as prescribed by the Bank's approving authority. *AA and AL*

*Reference*

- iii) Approval of the Bank's Approving Authority and Bank's mandates, signatories and signing limits applicable to the Bank.

Ensure frequency of review of Approving Authority limits so that the approvals and delegation of authority to take risk or commit the Bank's resources are appropriate and in line with the Bank's risk appetite.

- iv) To consider and approve the financial statements and quarterly results prior release to BNM.

- v) Adoption of accounting policies in line with Malaysian Financial Reporting Standards.

- vi) The distribution of dividends is subject to:- *CA, 2016 Section (131 - 132)*
- a) Bank's Dividend Policy; and
  - b) Authorisation by the directors of the EXIM Bank.

Board must ensure that the Bank is solvent, both at the time of declaration as well as after distribution of dividends in accordance with the requirement in Companies Act 2016.

- vii) Promote through appropriate communication policies and practices, timely and effective communication between EXIM Bank and BNM and stakeholder ministries on matters affecting or that may affect the safety, soundness and mandate of EXIM Bank. *BNM CG (8.3) on the Board's Key Responsibilities*

- viii) The Board oversight accountability over governance of outsourcing arrangements, as per the guideline. *BNM CG (8.3) on the Board's Key Responsibilities*

- ix) To establish and approve the technology risk appetite which is aligned with the Bank's risk appetite statement. *BNM Risk Management in Technology (8.1) on Responsibilities of the Board*

*Reference*3) Management Oversight

- i) To ensure that there is a managed and effective process to select and appoint competent senior management officers.
- ii) To recommend to the MoF the appointment/reappointment, removal, termination and terms and conditions of service of President/ Chief Executive Officer (P/CEO) of the Bank.
- iii) To approve succession planning policy and continuously monitor P/CEO's and senior management officers' performance. The Board is also required to promote together with senior management, a sound corporate culture within EXIM Bank which reinforces ethical, prudent and professional behaviour. *BNM CG (8.3) on the Board's Key Responsibilities*
- iv) To approve human resource matters including selection, recruitment, termination and promotion of senior management officers.
- v) To approve remuneration package and human resource policies pertaining to Management and staff of the Bank.
- vi) Approving changes to the corporate organisation structure of the Bank.
- vii) To approve and oversee the implementation of EXIM Bank's governance framework and internal control framework, and periodically reviewing the adequacy and the integrity of the management information and internal control system of the Bank to ensure they remain appropriate in light of material changes to the size, nature and complexity of EXIM Bank's operations. *BNM CG (8.3) on the Board's Key Responsibilities*
- viii) To oversee the development and effective implementation of a performance measurement framework for EXIM Bank that is aligned with its mandate. *BNM CG (8.3) on the Board's Key Responsibilities*
- ix) To oversee the governance arrangements, which should promote transparency and accountability in the Management and decision-making processes within EXIM Bank whilst ensuring P/CEO effectively implements the governance arrangements across all functions of EXIM Bank. *BNM CG (8.3) on the Board's Key Responsibilities*

*Reference*

- x) To ensure that the corporate governance disclosures, as well as financial and non-financial related disclosures are accurate, clear and presented in a manner that is easily understood by the shareholders, customers and other relevant stakeholders. *BNM CG (22.2) on Transparency – Corporate Governance Disclosures*
- 4) Anti-Money Laundering and Counter Financing of Terrorism (“AML/CFT”) Policies and Procedures  
 To maintain adequate oversight of the overall AML/CFT measures undertaken and be fully committed in establishing an effective internal control system, including but not limited to the following:
- a) To ensure that the required AML/CFT measures are in place.
- b) To set minimum standards and approve the AML/CFT policies, procedures and controls.
- c) To designate Compliance officers at Senior Management level with sufficient authority.
- d) To regularly review and assess the measures adopted and implemented for AML/CFT.
- e) To ensure regular independent audit of the internal AML/CFT measures to determine their effectiveness and compliance with AMLATFA.
- f) To ensure that proper training programs on AML/CFT practices and measures for the Board and its employees are sufficiently and appropriately conducted.
- 5) Risk Management  
 The Board is responsible in identifying principal risks and ensures the implementation of appropriate systems to manage these risks. This includes reviewing and approving policies and processes to identify business risks, to determine the risks acceptable to the Bank and ensuring that systems and controls are in place to manage them. In addition, the Board should ensure that the Bank is adequately capitalised to support the *FIDE Good Governance Handbook on Role of the Board*



*Reference*

risks undertaken and to meet regulatory requirements.

6) Environmental, Social & Governance (“ESG”)

- (i) The Board shall have the overall responsibility and accountability to safeguard the financial institution’s resilience against the adverse impacts of climate change while actively promoting a just and orderly transition of the economy. In fulfilling this role, the Board shall evaluate the risks and opportunities arising from climate change on a periodic basis and consider these risks and opportunities in assessing and approving the financial institution’s strategies and business plan.
- (ii) The Board shall oversee the sustainability strategy/ corporate strategy plan of EXIM Bank and incorporate ESG and climate-related considerations when reviewing and approving the business strategy.
- (iii) The Board shall clearly assign roles and responsibilities for the management of climate-related risks to senior management and address the interactions of such responsibilities with existing governance arrangements to ensure an integrated and balanced view of risks. The Board shall designate a senior management officer to oversee the effective management of climate-related risks. For example, the board may appoint a chief sustainability officer (CSO) or expand the current responsibilities of an existing senior management officer for this purpose.
- (iv) The Board shall actively discuss and remain up to date on climate-related developments. This includes developing a clear understanding of the distinctive elements and transmission channels of climate-related risks.

*Climate Risk  
Management &  
Scenario Analysis*

7) Fit and Proper

To ensure that Directors, Member of Shariah Committee, P/CEO and Senior Officers of EXIM Bank comply with Section 6A of DFIA Act set out in the First Schedule and the ‘fit & proper’ criteria at all times.

*Section 6A of DFIA  
Act*

*Reference*8) Shariah Governance and Compliance

The Board's oversight accountability over Shariah governance and compliance must reflect the integration of Shariah governance considerations within the business and risk strategies of EXIM Bank. In fulfilling this role, the Board must:-

*BNM CG (8.4) &  
BNM SG (8.1) on the  
Board's Key  
Responsibilities*

- i) To approve policies relating to governance structure and reporting arrangements, Shariah non-compliance risk management and other areas that are material to the effective implementation of Shariah governance within EXIM Bank.
- ii) To oversee the implementation of Shariah Advisory Council (SAC) rulings and decisions or advice of the Shariah Committee within all business and functional lines, including any business or risk implications arising from such implementation.
- iii) To oversee the implementation of the internal control framework to prevent Shariah non-compliance and any rectification measures to resolve incidences or circumstances that may result or have resulted in Shariah non-compliance.
- iv) To oversee the performance of senior management and other officers entrusted to implement Shariah governance framework such that the Board is satisfied that the measures of their performance are aligned with Shariah governance objectives.
- v) To promote a sound corporate culture which reflects the importance of adhering to Shariah requirements in product development and marketing, strategy formulation, business operations, risk management practices and other aspects that promote end-to-end compliance with Shariah.

*Reference*

(C)

**Interaction with Shariah Committee**

The Board must have due regard to any decisions or advice of the Shariah Committee on any Shariah issues relating to the operations, business, affairs or activities of EXIM Bank. In order to ensure that the Board comply to the duties, the Board must:-

*BNM SG (9.1) on Interaction with the Shariah committee*

- i) Put in place conflict resolution mechanism to deal with any differences in views between the Board and the SC; and
- ii) Maintain a record of deliberations between the Board and the SC in matters where the differences in views exist, and its resolution.

In ensuring that the Board's direction/ decision(s) cover Shariah aspects, the Board shall invite a member of SC, as nominated by the SC, to attend every Board meeting, in which the Board may:-

- i) Seek any clarification from the SC member.
- ii) Request for any matters to be deliberated or further deliberated in the SC meeting.

The Board shall, as far as practicable on quarterly basis, conduct an engagement session to promote effective communication with Shariah committee, which may include but not limited to:-

*3.4 of Policy on Shariah Governance Version 6 (2023)*

- i) Invitation to a member of Shariah Committee to attend Board meeting; or
- ii) Dedicated session between Board and SC members on all matters relating to Shariah requirements, Shariah Governance or Shariah Non-Compliance Risk in enabling both parties to effectively discharge respective responsibilities under the Bank's Shariah Governance; or
- iii) Any other initiatives with the purpose of promoting effective communication between BOD and SC members; or
- iv) Decision/ matters discussed in the SC will be circulated to the Board.

*BNM SG (9.4) on Interaction with the Shariah committee*

In the event that the Board delegates any of its responsibilities to the Shariah committee, the Board must:-

- i) Ensure that the mandate, areas of delegated authority and operating procedures are set out clearly in the Board and the Shariah committee's charter/ policies governing SC's duties and responsibilities.

*Reference*

- ii) Establish reporting arrangements to be kept informed of the Shariah committee's work, key deliberations and decisions on delegated matters.
- iii) Remain fully accountable for the decisions and any ensuing implications arising from the delegated responsibility.

(D)

**Directors  
Declaration**Declaration of Connected Party Transaction

EXIM Bank shall not grant any financing facility to any corporation in the shares of which any of EXIM Banks' members, directors or officers has any interest which, in aggregate, is in excess of 50%. Directors shall declare annually any connected party transactions for themselves and other close relatives.

*Section 28(3A) of  
DFIA 2015*

*EXIM Bank's Policy  
on Financing  
Facilities with  
Connected Parties*

Declaration of Directorship other than EXIM Bank

Directors are required to declare his/ her directorship other than EXIM Bank at the beginning of January of each year of service or as when the director holds another directorship immediately from the date of appointment.

*Terms and  
Conditions of  
Services of the  
Chairman and the  
Board of Directors*

Declaration of Assets

Directors shall declare their assets upon acceptance of the appointment as a Director and the beginning of each year of service.

*EXIM Bank's Policy  
on Fit and Proper  
Criteria*

Fit and Proper

The fit and proper assessment on each Director shall be conducted prior to his/ her initial appointments as well as at regular intervals of at least once a year.

The fit and proper assessments must be supported with relevant information in relation to the director(s) being assessed. Where significant reliance is placed on information that is obtained from the director(s) being assessed, and that information is material to the determination of the director's fitness and propriety, reasonable steps shall be taken to verify the information against independent sources.

*Reference***(E)  
Conflict of  
Interest**

- 1) Section 11 of DFIA imposes a legal obligation on a director to disclose to the Board the nature and extent of his/her interest in a material transaction or material arrangement, and, if such material transaction or material arrangement is being deliberated during a board meeting, to be absent from the meeting during such deliberations.

*BNM CG (14.2) on  
Conflicts of Interest*

For the purpose of Section 11 of the DFIA, an existing or proposed transaction or arrangement will be considered “material” if it is one which a director is required to declare under section 221 of the Companies Act 2016 or in its specific establishment act/ legislation, whichever is the lower threshold, unless the director or any person linked to him/her cannot reasonably be expected to derive a benefit or suffer a detriment from the transaction or arrangement in a way that will place the director in a position of conflict.

*BNM CG (14.3) on  
Conflicts of Interest*

To address director’s conflict of interest i.e. actual and potential, director must make the disclosure by way of a written notice to all members of the board and the CS:-

*BNM CG (14.3) on  
Conflicts of Interest*

- a) as soon as practicable after being aware or the relevant facts have come into his/her knowledge of his/her interest in the material transaction or arrangement; and
- b) if the material transaction or arrangement is being deliberated at a board meeting, before the commencement of that deliberation.

In line with various statutory requirements on the disclosure of Director’s interest, the Board is to ensure that each member will make a declaration to that effect at the Board meeting in the event that they have interest in proposals being considered by the Board, including where such interest arises through close family members. Any interested Directors would then abstain from deliberations and decisions of the Board on the subject proposal and, where appropriate, excuse themselves from being present in the deliberations. Where a director is required to be absent from board deliberations on a particular matter accordance with Section 11 of the DFIA, he/she may only be counted to make the quorum for the other parts of the meeting.

*Reference*

- 2) The Board shall identify, assess and manage any conflicts of interest arising from any additional activities or services performed by the Shariah committee member for the Bank, or his/her other external professional commitments. This shall include policies relating to the involvement of a Shariah committee member in the provision of consultancy services to any clients of EXIM Bank, with or without remuneration. *BNM SG (9.3) on Interaction with Shariah Committee*
- 3) All financing facilities with connected party shall be subject to the approval by the Board. For the approving of connected party transactions, the deliberation and recommendation to the Board must be via its physical meeting and approved by not less than three quarters of all the board members present. *Policy of Financing Facilities with Connected Party*
- 4) For avoidance of doubt, should there be a conflict of interest arising involving a Government Representative, the Government Representative is still bound to comply with the disclosure provisions under the DFIA (Amendment) 2015 and the CA 2016. *DFIA Amended Act 2015, CA 2016 & BNM CG (8.6) on Key responsibilities of the Board*
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**PART 3: BOARD COMPOSITION**

(A)

**Composition and Board Balance**

The composition of the Board and Board Committee reflects of a size that promotes effective deliberation, encourages the active participation of all directors and allows the work of the various board committees to be discharged without giving rise to an over-extension of directors that are required to serve on multiple board committees.

*Reference*

*BNM CG (11.1) on Composition of the Board*

- 1) The Board of the Bank shall be composed of not less than seven (7) Directors and not more than twelve (12) Directors who shall be natural persons (excluding P/CEO).

*The Bank's Constitutions (94(1)) & EXIM Bank's Policy on Appointment/ Reappointment of Directors*

A natural person is defined as a resident or non-resident in Malaysia or whether a Malaysian citizen or non-citizen.

*CA 2016 (s135 (1a))*

- 2) The Board should comprise of Directors who as a group provide a mixture of core competencies such as finance, accounting, legal, business management, information technology and investment management, knowledge of target market/sector and socio-economic perspective. The Board shall regularly review the core competencies as to ensure alignment with the strategic direction and emerging challenges faced by the Bank. The Board shall also take into consideration the supervisory concerns highlighted by BNM that would require specific expertise on the Board.

*BNM CG (11.2) on Composition of the Board*

The Bank must have at least three (3) Directors (excluding P/CEO) with finance related or accounting experience. A Board member who is qualified in finance related disciplines should have acquired a minimum of five (5) years working experience at a senior management level in the discipline of banking, insurance, takaful or investment.

*BNM CG (11.3) on Composition of the Board*

- 3) The Chairman of the Board shall not be an executive, and must not have served as P/CEO of EXIM Bank in the past five years.

*BNM CG (11.4) on Composition of the Board*

*Reference*

- 4) The Board of the Bank must not have more than one executive director on the Board to promote effective independent oversight by the Board. *BNM CG (11.5) on Composition of the Board*
- 5) The Board must have a majority of Independent Directors at all times. *BNM CG (11.6) on Composition of the Board*
- 6) Profiles of Board members are included in the Annual Report EXIM Bank.
- 7) The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. To promote independent oversight by the Board, the maximum tenure limit for independent directors is six (6) years. Any extension beyond the stipulated maximum term requires the approval of MoF. BNM limits the term not exceeding nine (9) years, except under exceptional circumstances as determined by the Board. *EXIM Bank's Policy on Appointment/ Reappointment of Directors*  
*BNM CG (11.9) on Composition of the Board*
- 8) An independent director must immediately disclose to the Board any change in his/her circumstances that may affect his/her status as an independent director. Subsequently, the Board review his/her designation as independent director and notify the Bank in writing of its decision to affirm or change his/her designation. *BNM CG (11.10) on Composition of the Board*
- 9) The Board encourages effective participation of Independent Directors as to enhance accountability in the Board's decision-making process.
- 10) The views of the Independent Directors should carry significant weight in the Board's decision-making process.
- 11) If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will clearly reflect this.



*Reference*

(B)	<u>Directors</u>	The Board shall determine the appropriate limit for directorships that can be held by Directors. Directors (except for representative from shareholders/stakeholders) are allowed to sit on the boards of not more than five (5) listed companies and in non-listed companies to ten (10) as to ensure that their commitment, resources and time are more focused to enable them to discharge their duties effectively.	<i>BNM CG (10.3) on Board Appointments and Removals</i>
	<u>P/CEO</u>	P/CEO must devote the whole of his/her professional time to the service of the Bank and shall not carry on any other business or vocation, except as a non-executive director or shareholder of another company.	<i>BNM CG (17.5) on Senior Management Appointments and Removals</i>
		P/CEO must not hold non-executive directorships in more than five (5) entities other than EXIM Bank unless BNM's approval is obtained. This is in ensuring that a position of responsibility outside EXIM Bank does not create conflicts of interest or demands on the P/CEO's professional time.	
		For avoidance of doubt, a P/CEO is not prohibited from holding a non-executive position in a professional body, industry association, statutory body, charitable body or other non-commercial public-interest entity, unless BNM specifies otherwise.	
(C)	<b>Balance of Power and Authority between the Chairman and P/CEO</b>	The Bank aims to ensure an appropriate balance of roles, responsibility, authority and accountability between the Chairman and the P/CEO with a clear division of responsibility between the running of the Board and the Bank's operations respectively. The positions of Chairman (i.e. Non-Executive Chairman) and P/CEO are separated and clearly defined.	<i>MCCG Principle A (Board Leadership and Effectiveness)</i>
	<u>P/CEO</u>	The P/CEO is the conduit between the Board and the Management in ensuring the success of the Bank's governance and management functions.	
		The P/CEO, in leading senior management, shall bear primary responsibility over the day-to-day management of the DFI to ensure the effective delivery of the mandate in a sustainable manner. In	<i>BNM CG (16.1) on Key Responsibilities for Senior Management</i>

*Reference*

supporting the P/CEO, the responsibilities of senior management shall include:

- a) implementing business strategies while maintaining sound risk management practices, remuneration, funding strategies and plan as well as other policies approved or endorsed by the board in accordance with direction given by the board;
- b) promoting, together with the board, a sound corporate culture within the DFI which reinforces ethical, prudent and professional behaviour, and fostering development culture within the organisation through implementation of the performance measurement framework (PMF) that captures broader contributions of DFIs beyond the narrow focus of financing growth indicators;
- c) addressing actual or suspected breaches of regulatory requirements or internal policies in a timely and appropriate manner; and
- d) regularly updating the board with the material information the board needs to carry out its oversight responsibilities, particularly on matters relating to:
  - i. the performance, financial condition, additionalities achievements and operating environment of the DFI;
  - ii. internal control failures, including breaches of risk limits; and
  - iii. legal and regulatory obligations, including supervisory concerns and the remedial actions taken to address them.

**PART 4: BOARD APPOINTMENT/ REAPPOINTMENT/ REMOVAL**

*Reference*

(A)

**Appointment,  
Reappointment  
and Re-election**

The appointment or reappointment of Directors and P/CEO is based on merit guided by the criteria outlined in EXIM Bank's Policy on Fit and Proper Criteria, as duly assessed by the Nomination and Remuneration Committee ("NRC").

EXIM Bank's Policy on Appointment/ Reappointment of Directors shall be read in conjunction with this Board Charter.

*BNM CG (10.2) on  
Board Appointments  
and Removals*

**PART 5: BOARD/ BOARD COMMITTEE MEETING***Reference*

(A)

**Board Meeting**

- 1) The Board is collectively responsible for the overall control and performance of a DFI, and by meeting frequently enough, the Board will receive sufficient information from the Management to monitor the financial condition and enable the Board to deliberate and discuss important strategic issues. Circular resolution cannot be a perfect substitute for Board meetings since they do not offer the opportunity for Board members to actively debate the issues circulated and to raise immediate questions or resolutions, which may lead to inappropriate decisions being made.
- 2) A director must devote sufficient time to prepare for and attend board meetings and maintain a sound understanding of the business of the DFI as well as relevant market and regulatory developments. This must include a commitment to on-going education.
- 3) The Board meets in person at least six (6) times annually with due notice of issues to be discussed and should record its conclusions in discharging its duties and responsibilities.
- 4) Individual Directors must attend at least 75% of Board meetings held in each financial year. Individual Directors must not appoint another person to attend or participate in a board meeting on his/her behalf such as an alternate director. The number of Board meetings held in the year, as well as the attendance of every Board member should be disclosed in the Bank's annual report.
- 5) In order to form a quorum in respect of a Board meeting, there shall be at least half of the composition of the Directors registered in the Register of Directors, Managers and Secretaries of which a majority must be represented by independent directors. In case of insufficient quorum, the meeting shall be adjourned to such other date and at such other time and venue as the members of the Board may determine.
- 6) In the absence of Chairman, the members present shall appoint one from amongst themselves to chair the meeting.

*BNM CG (9.2) on  
Board Meetings*

*BNM CG (9.3) on  
Board Meetings*

*BNM CG (9.5) on  
Board Meetings &  
Clause 121 (3)  
Constitution of  
EXIM Bank*

*Reference*

- 7) A meeting of the Directors may be held either:- *Clause 121 (2) and 122 Constitution of EXIM Bank*
- a) By a number of the Directors who constitute a quorum, being physically present at the place, date and time appointed for the meeting; and
  - b) By means of audio, or audio and visual, communication by which all directors participating which is subject to the requirements under Clause 122 of Constitution of EXIM Bank.
- 8) Views of the Management are represented at meetings of the Board by the presence of senior management when required.
- 9) All resolutions of the Board shall be adopted by a majority of votes. In case of equality of votes, the Chairman of the Board shall have a second or casting vote.
- 10) The minutes of meeting shall record the proceeding and decisions of the Board clearly and accurately including key deliberations, rationale of decision-making, significant concerns and dissenting views. The minutes must indicate whether any director abstained from voting or excused from deliberating on a particular matter. Minutes shall be distributed to Board members and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting. *BNM CG (9.7) on Board Meetings*
- (B) **Quality of Board Meeting**
- 1) Board meeting shall be scheduled in advance before the end of the financial year, to allow members of the Board to prepare, attend and maintain sound understanding of business of EXIM together with commitment to on-going education. *BNM CG (9.2) on Board Meetings*
  - 2) Agenda of meeting and its reports will be forwarded to each Directors at least three (3) calendar days before the scheduled meeting to enable in obtaining further clarification or explanation, in order to be adequately apprised before the meeting.

*Reference*

- 3) The Bank provides the Board with access to advice from third party experts on any matter deliberated by the Board as and when required, and the cost of such advice shall be borne by the Bank. *BNM CG (9.8) on Board Meetings*

(C)  
**Board  
Committees**

- 1) The Board delegates certain of its governance responsibilities to various Board Committees (“BCs”) as to focus effectively on issues and ensure speedy resolution of the diverse matters. These BCs will be governed by their own set of Terms of Reference (“ToR”) as approved by the Board. Although the Board has granted such discretionary authority to these BCs to deliberate and decide on certain operational matters, the ultimate responsibility for final decision on all matters lies with the entire Board.

- 2) The Board appoints the following BCs with specific terms of reference:

- i) Board Credit Committee;
- ii) Board Audit Committee;
- iii) Nomination and Remuneration Committee;
- iv) Board Risk Committee; and
- v) Board Tender Committee.

- 3) Each BC are subject to the following:

- i. Have at least three (3) directors;
- ii. Have a majority of independent directors;
- iii. Chaired by an independent director; and
- iv. Comprised of directors with the skills, knowledge and experience relevant to the responsibilities of the BC.

*BNM CG (12.3) on  
Board committees*

- 4) Chairman of each BC shall highlight the issues and provide the reason for decision arising from the respective BC meeting to the Board.

- 5) In order to promote, robust and open deliberation by the Board on matters referred by the BCs, the Chairman of the Board shall not chair any of the BCs.

*BNM CG (12.4) on  
Board committees*

*Reference*

- 6) Independent Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required. Details of the membership and a summary of the terms of reference of each Committee appointed by the Board are published in the Annual Report.
- 7) Individual Directors must attend more than 75% of board committee meetings (that he/she is a member) as to ensure that all roles, duties and responsibilities of the Board are fully discharged. *MKD Guidelines for Directors on Roles, Duties and Responsibilities of the Board*
- 8) The Board may establish additional Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

*Reference***(D)  
Directors'  
Circular  
Resolution**

- 1) In the interim period between meetings, if need arises, matters shall be resolved by way of Directors' Circular Resolutions (DCR).
- 2) The Chairman of the meeting or any person acting in his/ her capacity should decide whether the approval for a particular business should be obtained by means of resolution by circulation.
- 3) A DCR in writing, signed or assented to by all Directors shall be valid and effectual as if it had been passed at the meeting of the Directors or of a committee of the Directors. The DCR are to be kept by the Company Secretary.

*Clause 129  
Constitution of EXIM  
Bank & Corporate  
Secretarial  
Department Manual*

The written resolutions shall be circulated:

- i) If hardcopy, sent to a director personally; or
- ii) If in electronic form, transmitted to the electronic address provided by the Bank for such purpose.

**(E)  
General  
Meeting****Annual General Meeting ("AGM")**

- 1) The Bank regards the AGM as a crucial mechanism in Shareholder communication as it gives two-way interaction between the Shareholder, Board and Management of the Bank.
- 2) The Bank encourages greater participation by the Shareholder during the AGM and allows Shareholder the opportunity to communicate their views on various matters relating to the Bank. The Chairperson on BC will be present and available to address questions at general meetings.

The External Auditor should also be present to assist Directors in addressing any relevant query from Shareholder.

- 3) The Chairman and, where appropriate, the P/CEO responds to Shareholders' queries during the meeting.



*Reference***(F)  
Supply  
Information of**

- 1) The Management is responsible for providing the Board with the information in an appropriate and timely manner. The Chairman, assisted by the CS assesses the type of information required to be provided to the Board.

If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

- 2) The Board must establish appropriate arrangements to ensure that it has access to all relevant information, advice and resources necessary to enable it to carry out its role effectively, which may include obtaining advice from third party experts in accordance with paragraph (B)(3). As part of these arrangements, the Board must ensure that significant issues and developments are brought before the board for its information and consideration.
- 3) A full agenda and comprehensive Board papers are circulated to all Directors at least three (3) calendar days before meeting.
- 4) Amongst others, the Board papers will include comprehensive management reports, minutes of meetings, credit proposals, current review of the operations of the Bank and annual management plans.
- 5) Full Board minutes of each Board meeting are kept by the CS and are available for inspection by any Director during office hours.

*BNM CG (8.5) on  
the Board's Key  
Responsibilities*

**PART 6: BOARD CULTURE & CONTINUING PROCESSES***Reference*

(A)

**Ethical Standards**

Board members are expected to observe the highest standards of ethical behaviour and fair dealings in relation to customers, employees and regulators in the communities within which EXIM Bank operates and ensure compliance with all applicable laws, rules and regulations to which EXIM Bank is bound to observe in the performance of its duties.

1) Code of Conduct for Directors

A Director shall at all times act with utmost good faith towards the Bank and act honestly and responsibly in discharging his/her duties. In the performance of his/her duties, he/she is expected to be always conscious of the moral, ethical and legal responsibilities that he/she bears as a Director to preserve and enhance the Bank's good reputation. He/She should adopt an objective and positive attitude and give the utmost co-operation for the common good when dealing with governing authorities or regulatory bodies.

*BNM CG (18.2) on Culture & EXIM Bank's Code of Conduct for Directors*

EXIM Bank's Code of Conduct for Directors shall be read in conjunction with this Board Charter.

2) Whistleblowing Policy

The Board has endorsed a Whistleblowing Policy to provide avenue for all employees of the Bank (whether permanent, contract, temporary or trainee), Directors, Shareholders, Customers, Consultants, Vendors, Contractors, agencies or any parties with a business relationship with the Bank to disclose any unethical conduct or malpractice in accordance with the procedures as provided under the policy and to provide protection for employees and members of the related parties who report such allegations. Whistleblower who makes a disclosure shall be protected against any form of retaliation or reprisal.

*BNM CG (18.5) on Culture & EXIM Bank's Whistleblowing Policy*

EXIM Bank's Whistleblowing Policy shall be read in conjunction with this Board Charter.

*Reference*3) No Gift Policy

Subject to only certain exceptions, in general, Directors and employees are prohibited from, directly or indirectly receiving or providing gift(s) from customer and any other external parties for the employees' personal benefit or for the benefit of others related to Directors or employees. Any gift(s) received from the external parties shall be respectfully declined by informing and creating awareness of the Bank's Policy to the external parties.

*EXIM Bank's No Gift Policy*

EXIM Bank's No Gift Policy shall be read in conjunction with this Board Charter.

4) Entertainment Policy

Directors and employees must clearly understand EXIM Bank's approach and that all business transactions are impartial and objective, without any external influence.

*EXIM Bank's Entertainment Policy*

EXIM Bank's Entertainment Policy sets out the parameters for Directors and employees when receiving or providing entertainments and shall be read in conjunction with this Board Charter.

5) Anti-Bribery and Corruption Policy

The Board has endorsed EXIM Bank's Policy Statement on Anti-Bribery and Corruption Policy that EXIM Bank takes a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all its business dealings and relationship.

*EXIM Bank's Anti-Bribery and Corruption Policy*

The Policy shall be read in conjunction with this Board Charter. The policy elaborates upon those principles, providing guidance to directors and employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issue that may arise in the course of business.

*Reference***(B)  
Maintaining  
Confidentiality**

- 1) A Director having access and/or in possession of material information related to transaction of the Bank in the course of discharging his/her duties, shall treat such information in strictest of confidence and shall not allow any improper and unauthorized use of such information. A Director shall be responsible to take all necessary precautions to maintain such confidentiality and not use it for any purpose other than what it was intended for.
- 2) A Director having access and/or in possession of material information related to transaction of the Bank in the course of discharging his/her duties should not use such information to gain financial advantage for himself/herself or any third party and should not, during or after the cessation of his/her term as a Director, disclose such information to any other person within or outside EXIM Bank.
- 3) No person, who has access to any document or information relating to the affairs or account of any customer of the Bank, including:
  - i) The Bank; or
  - ii) Any person who is or has been director, officer or agent of the Bank.

shall disclose to another person any document or information relating to the affairs or account of any customer of the Bank.

*EXIM Bank's Code of Conduct for Directors**DFIA 2015, Section 119(3)***(C)  
Training  
Requirements**

The Board is responsible for further enhancing the skills and knowledge of its members including Shariah Committee members on relevant new laws and regulations and changing commercial risks, as well as to keep abreast with developments in the financial services industry.

*BNM CG (13.4) on Board Evaluations and Development, BNM SG (9.5) on Interaction of the Board with the SC & CSD Manual*

Through structured training guidelines, Directors shall within two (2) weeks of his/her appointment or before his/her first official presence in the Board or Board Committees meeting, the newly-appointed Directors is to attend an in-house induction program/session subject to his/her availability (no later than three (3) months from the date of his/her appointment). The Director will be briefed by the Management and he/she will be provided with the Bank's respective documents/materials on the Bank's history, operations and financial performance to enable them to have first-hand understanding of the Bank's operations.

*Reference*

- i) All newly appointed directors are required to attend the following Directors' Mandatory Training programmes:-
  - a) Financial Institutions Directors' Education ("FIDE") core programme to be completed within one (1) year from the date of appointment;
  - b) Basic Course or Onboarding Program to be completed within six (6) months from the date of appointment;
  - c) Islamic Finance for Board Programme to be completed within two years of the appointment; and *BNM SG (8.1) on Key responsibilities of the Board*
  - d) Any other training programmes/courses that would be made mandatory by BNM
  
- ii) Directors are recommended to attend courses that will enhance their skills in leadership, trade finance and project finance. However, as and when required, the Board of Directors may suggest other courses for the directors in order to keep them abreast with the latest development in the industry.
  
- iii) The Board shall allocate sufficient resources for continuous development of skills and expertise of the Shariah committee. This shall include allocating adequate budget, having in place development plans for Shariah committee members and regularly updating such plans to ensure that each member possesses the requisite knowledge and skills to fulfil his/her responsibilities. *BNM SG (9.5) on Interaction of the Board with the Shariah Committee*

(D)  
**Board  
 Evaluation and  
 Assessment**

The Board through Nomination & Remuneration Committee (NRC) is responsible to undertake the assessment on the performance of the Board as a whole, the Board Committees, the Individual Directors and the independence of the Independent Directors on an annual basis. This is to enable the NRC to recognise the Board's strengths and identify the areas for professional development and process improvement for the Board, Board Committee and the Individual Directors. *BNM CG (13.1) on Board Evaluations and Development*

### Reference

The evaluations criteria are in accordance with MoF's Guideline "*Garis Panduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan (Diperpadankan)*" which covers 'Director Peer Evaluation' and 'Board Self Evaluation Questionnaires'.

*MoF Guidelines "Garis Panduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan (Diperpadankan)*

Notwithstanding, the Board must engage external consultants or experts to assist in and lend objectivity to the annual board evaluations at least once in every three years or such intervals as may be approved by BNM.

*BNM CG (13.5) on Board Evaluations and Development*

The evaluation process on the Board, Board Committees and Individual Director are carried out by way of self-assessment and peer assessment, in the form of evaluation questionnaire completed, reviewed and deliberated by the NRC before its findings and recommendations tabled to the Board.

**PART 7: REMUNERATION***Reference*

(A)

**General**

- 1) The Bank aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Bank successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

(B)

**Approval for Remuneration**

- 1) Approval of the emoluments and benefits of the Non-Executive Directors are based on assessment and recommendation of the Nomination and Remuneration Committee ("NRC") subject to MoF's final approval.
- 2) The level of remuneration for the P/CEO and Executive Directors (if any) is determined by the NRC after giving due consideration to the compensation levels for comparable positions among other similar DFIs, subject to the MoF's final approval.
- 3) The proposed bonus payment for P/CEO will be based on assessment and recommendation of the NRC and MoF's final approval.
- 4) A formal independent review of the Directors' remuneration is undertaken no less frequently than once every three (3) years, subject to the MoF's final approval.
- 5) The provision of any form of financial and non-financial incentives including the honorarium/gift /ex-gratia/vacation trip to individual or collective board members will be subject to MoF approval.

*EXIM Bank's Policy on Appointment/ Reappointment of Directors*

*MKD Guidelines for Directors*

**PART 8: ACCOUNTABILITY AND AUDIT***Reference*

(A)

**Directors' Responsibility Statement in respect of the preparation of The Annual Financial Statement**

- 1) The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Bank in accordance with the approved accounting standards and Companies Act 2016.
- 2) The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

*CA,2016 Section 244**CA,2016 Section 266*

(B)

**Relationship with Auditors**External Auditors

- 1) The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the External Auditors ("EA"s) through its Board Audit Committee ("BAC").
- 2) The BAC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Bank's Auditors. The Bank ensures that the EAs do not supply a substantial volume of non-audit services to the Bank.
- 3) Appointment of the EAs is subject to approval of Shareholder at General Meetings. The EAs have to retire during the Annual General Meeting ("AGM") every year and be re-appointed by Shareholder for the ensuing year subject to BNM's approval.

*CA,2016 Section 271 (3) & DFIA, Section 63*Internal Auditors

The Bank has a well-resourced internal audit function, which critically reviews all aspects of the Bank's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the BAC.

*Terms of Reference of Board Audit Committee*



*Reference*

(C)

**Internal  
Controls**

- 1) The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls and risk management to ensure shareholders' investment, customers' interests and the Bank's assets are safeguarded.
  
- 2) The Board ensures the system of internal controls is reviewed on a regular basis.
  
- 3) The BAC receives reports regarding the outcome of such reviews on a regular basis.

**PART 9: INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION***Reference*

(A)

**General**

The Board acknowledges the need for Shareholder to be informed of all material business matters affecting the Bank and as such adopts an open and transparent Policy in respect of its relationship with its Shareholder and investors.

(B)

**Conferences and Road Show**

Stakeholders engagement are also done through conferences and road show conducted locally or overseas whereby senior management will communicate the Bank's strategy, progress of its various initiatives and updates for stakeholders to understand the Bank's operations better.

(C)

**Website**

The Bank's website provides easy access to corporate information pertaining to the Bank and its activities and is continuously updated. The website houses information of the Bank at [www.exim.com.my](http://www.exim.com.my) which includes corporate profile, senior management, investor information, financial results and corporate news.

**PART 10: RELATIONSHIP WITH OTHER STAKEHOLDERS***Reference*

(A)

**General**

In the course of pursuing the vision and mission of the Bank, the Board recognises that no Bank can exist by maximising Shareholders value alone. In this regards, the needs and interests of other stakeholders are also taken into consideration.

(B)

**Directors**

1) A Director shall safeguard all internal communications and treat them as strictly private and confidential, and for the use of Board members only unless officially published.

*EXIM Bank's Code of Conduct for Directors*

2) A Director must embrace fairness and transparency in the way he/she interacts with the stakeholders. All stakeholders, including customers, employees, fellow industry players, regulators and shareholders must be treated with fairness and transparency.

3) A Director must not use the Bank's name or facilities for personal advantage in political, investment or retail purchasing transaction or in similar types of activities. As the key decision makers within the organization, Director should act in the interest of the stakeholders. Directors are expected to act ethically at all times, notify promptly of any material facts or potential conflicts of interest and take appropriate corrective action.

(C)

**Employees**

1) The Board acknowledges that the employees are invaluable assets of the Bank and play a vital role in achieving the vision and mission of the Bank.

2) The Board approves the proposed bonus payment for staff of the Bank based on the assessment and recommendation of the NRC subject to MoF's final approval.

- 3) The Bank adopts comprehensive and documented policies and procedures with respect to the following:
  - i) Occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and
  - ii) Industrial relations with the objective of managing employees' welfare and well-being in the workplace.

(C)

**Social  
Responsibility**

- 1) The Board acknowledges that the Bank should play a vital role in contributing towards the welfare of the community in which it operates.
- 2) The Bank adopts comprehensive and documented policies and procedures towards responsible marketing and advertising of its products and services.
- 3) The Bank supports charitable causes and initiatives on community development projects.

**PART 11: COMPANY SECRETARY***Reference*

(A)

**General**

- 1) The Board appoints the CS, who plays an important advisory role, and ensures that the CS fulfils the functions for which he/she has been appointed.
- 2) The CS is responsible for supporting the effective functioning of the Board and to provide counsel to the Board on governance matters and to facilitate effective information flows between the Board, the Board Committees, and senior management. *BNM CG (15.1) on Company Secretary*
- 3) The appointment and removal of the CS must be approved by the Board. *BNM CG (15.4) on Company Secretary*

(B)

**Duties**

- 1) CS shall keep confidential the affairs of the Bank and its senior officers at all times. Accordingly, where the CS also serves as CS for the Bank's affiliates, he/she shall not disclose the affairs of EXIM Bank or its senior officers to the affiliates except with the knowledge and consent of EXIM Bank. *BNM CG (15.2) on Company Secretary*
- 2) Attending Board and BC meetings and ensuring that the proceedings of Board and BC meetings and decisions made thereof, are accurately and sufficiently recorded.
- 3) Ensuring that minutes of meetings are properly kept for the purposes of meeting statutory obligations, as well as obligations arising from BNM and other regulatory requirements.
- 4) Communicating the decisions of the Board for senior management's attention and further action.
- 5) Ensuring all appointments and re-appointments of Directors are in accordance with the relevant legislations.

6) The CS is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Bank.

7) The CS should advise Directors of their obligations to adhere to regulatory compliance issues relevant to Directors' duties. *MCCG Principle A (Board Leadership and Effectiveness)*

8) The CS must keep abreast of, and inform, the Board of current governance practices.

(C)

**Access to advice and services**

All Directors have access to the advice and services of the CS.

*MCCG Principle A (Board Leadership and Effectiveness)*

**PART 12: APPLICATION***Reference*

(A)

**General**

- 1) The principles set out in this Charter are:
  - i) kept under review and updated as practices on Corporate Governance development and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
  - ii) applied in practice having regard to their spirit and general principles rather than to the letter alone; and
  - iii) summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.
- 2) The Board endeavours to comply at all times with the principles and practices set out in this Charter.
- 3) Any updates to the principles and practices set out in this Charter will be made available on the Bank's website.

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Please complete a new Change Request Form for each change request.

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<b>Section</b>	
<b>Descriptions</b>	
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