



**TERMS OF REFERENCE
ETIQA GENERAL TAKAFUL BERHAD (EGTB) BOARD**

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| Objective | <p>The Board has the responsibility to approve and periodically review the overall business strategies and significant policies of EGTB, premised on sustainability and promoting ethical conduct in business dealings, understanding the major risks faced by EGTB, setting acceptable levels of risk taking and ensuring that the Senior Management takes the steps necessary to identify, measure, monitor and control these risks. The Board also approves the organisational structure and ensures that Senior Management is monitoring the effectiveness of the internal control system.</p> |
| Members | <p><u>Chairman</u> The Chairman shall be from the directors appointed by Maybank.</p> <p><u>Vice-Chairman</u> The Vice-Chairman of the Board shall be from the directors appointed by Ageas Insurance International N.V.</p> <p><u>Members</u> Pursuant to the Shareholders Agreement between Maybank and Ageas, the number of directors on the Board of EGTB will consist of up to eight (8) directors, of which up to five (5) will be appointed by Maybank and up to two (2) will be appointed by Ageas.</p> <p>Any variation to the directorship above shall be mutually agreed provided that the number of Directors of the Company shall not be less nor more than what prescribed by Bank Negara Malaysia.</p> <p>The Board may consider appointing at least one (1) member of the Shariah Committee as a member of the Board that could serve as a 'bridge' between the Board and the Shariah Committee. The presence of a director with sound Shariah knowledge would foster greater understanding and appreciation amongst the Board members on the decisions made by the Shariah Committee.</p> |
| Quorum & Decision Making | <p><u>Quorum</u> At least three (3) of the Board members should be present to call the meeting to order.</p> <p><u>Decision Making</u> Questions arising at any meeting of the Directors shall be decided by a majority of votes.</p> |
| Permanent Invitees | <p>Chief Executive Officer, MAHB Chief Executive Officer, EGIB Chief Executive Officer, EGTB Chief Financial Officer, MAHB or his designate</p> |
| Secretary | <p>Company Secretary or as appointed by Chairman.</p> |
| Frequency of Meeting | <p>Meeting shall be held at least once in every two months. However, additional meetings may be convened as and when urgent issues and important decisions are required to be taken between the scheduled meetings.</p> <p>Directors must attend at least 75% of Board meetings held in the financial year.</p> |

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| Key Responsibilities | <p>Among the primary obligations of the Board are as follows:-</p> <ol style="list-style-type: none"> 1. Reviewing and approving EGTB's strategies, business plans, significant policies and Annual Budget. 2. Ensuring and overseeing the effective design and implementation of sound internal controls, compliance and risk management systems commensurate with the nature, scale and complexity of the business and structure of the Company as well as ensuring that the Company's overall operation is in compliance with Shariah principles; 3. Approving the recruitment, appointment, promotion, confirmation and termination of service, as well as the remuneration package, and compensation and benefits policies and the terms and conditions, including the job grade of executives in Key Management Positions. 4. Approving organisational structure and oversee the performance of senior management in managing the business and affairs of the Company. 5. Determining the general composition of the Board (size, skill and balance between executive directors (if any) and non-executive directors) in order to ensure that the Board consists of the requisite diversity of skills, experience, gender, qualification and other core competencies required. 6. Approving a framework of remuneration for directors, covering fees, allowances, and benefits-in-kind (directors of all boards and committees). 7. Approving policies pertaining to corporate image, brand management, community relations, investor relations and shareholder communications programs. 8. Ensuring that EGTB has a beneficial influence on the economic well-being of the communities within which it operates. 9. Ensuring succession planning of executives in Key Management Positions. 10. Ensuring that the Board is supported by a suitably qualified and competent Company Secretary. 11. Ensuring that the Board members have access to appropriate education and training programmes to keep abreast of the latest developments in the industry, and as may be prescribed by the regulatory authorities from time to time. 12. Approving financial statements (and ensuring reliability of the same) as well as the interim dividend and recommend final dividend to shareholders. |
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| Version | |
| Date of this version | <p><u>2018v1.0</u> Approved by the Board: 7 December 2017 Effective date for adoption: 1 January 2018</p> |