

# **ETIQA INSURANCE PTE. LTD.'S CORPORATE GOVERNANCE DISCLOSURES FOR FINANCIAL YEAR 2023**

## **(1) INTRODUCTION**

The Board of Directors ("the Board") of Etiqa Insurance Pte. Ltd. ("the Company"), a wholly-owned subsidiary of Maybank Ageas Holdings Berhad, the immediate holding company ("MAHB") and its subsidiaries (collectively referred to as "the Group"), acknowledges the importance of robust and sound Corporate Governance ("CG") Framework in promoting integrity and transparency throughout the Group.

The Company's CG Framework is based on the following statutory provisions, best practices and guidelines:-

- i) Companies Act 1967;
- ii) Insurance (Corporate Governance) Regulations 2013 ("CG Regulations"); and
- iii) Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by Monetary Authority of Singapore on 9 November 2021 ("MAS CG Guidelines").

Disclosures in this section are pursuant to the provisions in MAS CG Guidelines.

## **(2) BOARD OF DIRECTORS - COMPOSITION, FUNCTION AND CONDUCT**

### **(a) Board Composition**

As at 31 December 2023, the Board consists of six (6) Directors, comprising of:-

- i) Three (3) Non-Independent Non-Executive Directors ("NINED"); and
- ii) Three (3) Independent Non-Executive Directors ("INED").

The composition of the Board meets the requirement of independent directors making up at least half of the Board where the Chairman is not independent as set out in the MAS CG Guidelines.

The Board is committed to ensuring diversity and inclusiveness in its composition and decision-making process. The Company also embraces the proposition that having a diverse Board would have a positive, value-added impact on the Company. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of service.

The Board meets at least once in two (2) months, and the meeting dates are scheduled in advance (before the commencement of each financial year) to enable the Directors to plan ahead. When required, the Board will meet on an ad hoc basis to consider urgent matters. All Directors attended more than 75% of Board meetings held during the financial year or their period of appointment in 2023.

The composition of the Board and the attendance of the Directors at meetings held during the financial year are as follows:

Members of the Board	Designation	Number of Board Meetings attended	%
Dato' Johan Bin Ariffin ( <i>Chairman</i> )	NINED	8/8	100
En Kamaludin Bin Ahmad	NINED	8/8	100
Mr. Frank Johan Gerard Van Kempen <sup>1</sup>	NINED	5/6	83.33
Mr. Wong Pakshong Kat Jeong Colin Stewart	INED	8/8	100
Hj Sallim Bin Abdul Kadir <sup>2</sup>	INED	8/8	100
Mr. Francis Tan Wee Ming	INED	8/8	100
Mr. Filip Andre Coremans <sup>3</sup>	NINED	2/2	100
Ms. Loo Pauy Lian <sup>4</sup>	INED	1/1	100

<sup>1</sup> Resigned as Director w.e.f. 28 September 2023.

<sup>2</sup> Retired as Director w.e.f. 3 December 2023.

<sup>3</sup> Appointed as Director w.e.f. 28 September 2023.

<sup>4</sup> Appointed as Director w.e.f. 16 October 2023.

#### Profile of Directors

Name/Designation/Age/Nationality	Background/Experience	Other Directorships within the Group
<b>Dato' Johan Bin Ariffin</b> Non-Independent Non-Executive Director 64 years of age Malaysian	Property Development & Banking	<ul style="list-style-type: none"> <li>Director of Maybank Ageas Holdings Berhad (<i>Resigned as an INED w.e.f. 31 August 2023</i>)</li> <li>Director of Etiqa Family Takaful Berhad (<i>Resigned as an INED w.e.f. 31 August 2023</i>)</li> </ul>
<b>En. Kamaludin Bin Ahmad</b> Non-Independent Non-Executive Director 56 years of age Malaysian	Insurance	<ul style="list-style-type: none"> <li>Director of Etiqa Digital Solutions Sdn Bhd</li> </ul>
<b>Mr. Wong Pakshong Kat Jeong Colin Stewart</b> Independent Non-Executive Director 64 years of age Singaporean	Insurance	<ul style="list-style-type: none"> <li>Director of Etiqa Family Takaful Berhad</li> <li>Director of Etiqa Life Insurance Berhad</li> </ul>
<b>Mr. Francis Tan Wee Ming</b> Independent Non-Executive Director 57 years of age Singaporean	Information Technology (IT)	NIL
<b>Mr. Filip Andre L. Coremans</b> Non-Independent Non-Executive Director	Insurance	NIL

59 years of age Belgian		
<b>Ms. Loo Pauy Liean</b> Independent Non-Executive Director 56 years of age Singaporean	Insurance, Compliance, Risk and Internal audit	NIL

Detailed profile of each Director is available on the Company's corporate website ([www.etiga.com.sg](http://www.etiga.com.sg)). Directors' interests in shares and share options in the ultimate holding company, Malayan Banking Berhad ("MBB" or "Maybank") are disclosed in the Directors' Report that accompanies the Company's financial statements for the financial year ended 31 December 2023 ("FYE 2023").

## **(b) Roles and Responsibilities of the Board**

The business and affairs of the Company are managed under the direction and oversight of the Board, which also has the responsibility to periodically review and approve the overall strategies, business, organisation and significant policies of the Company. The Board also sets the core values, adopts proper standards to ensure that the Company operates with integrity and complies with the relevant rules and regulations.

The roles and responsibilities of the Board are set out in its Terms of Reference appended as Appendix A.

## **(c) Board Committees Composition and Roles & Responsibilities**

The Company leverages on the Group Nomination and Remuneration Committee at MAHB. The Company had also established the various Board Committees to assist the Board in carrying out effective oversight of the operations and business affairs of the Company, namely:

- i) Audit Committee of the Board;
- ii) Risk Management Committee; and
- iii) Investment Committee.

### **(i) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of MAHB ("NRC") consists of a majority of INEDs and is chaired by an INED.

The primary objective of the NRC is to support the Board of the Group in discharging their duties and responsibilities in the appointments, removals, composition, performance evaluation and development, fit and proper assessments concerning the Board, Chief Executive Officers ("CEOs"), Shariah Committee members<sup>1</sup>, Senior Officers<sup>2</sup> and Company Secretary of the Group. In addition, the NRC oversees the design and operation of the remuneration system, and periodically reviews the remuneration of the Board, CEOs, Shariah Committee members<sup>1</sup> and Senior Officers<sup>2</sup> of the Group.

The NRC also establishes a formal and transparent procedure for the nomination and appointment of Directors, CEOs, Shariah Committee members<sup>1</sup>, Senior Officers<sup>2</sup> and Company Secretary of the Group.

The Board via the NRC assesses the independence of INEDs prior to their appointments and re-appointments, as part of the annual Fit and Proper Assessment exercise. Pursuant to the NRC's recommendation based on the assessment undertaken for the financial year, the Board is satisfied that all the INEDs of the Company have met the independence criteria, as set out in CG Regulations as well as MAHB Group's Policy on Directors' Independence. Once in every three (3) years, the NRC would engage an external consultant to conduct the annual Board Effectiveness Evaluation on the overall effectiveness of the Board, Board Committees, and individual Directors.

The NRC plays a major role in the recruitment and selection process of potential candidates, which includes procuring from time to time the curriculum vitae of prospective candidates discreetly to ensure that the Board always have a steady pool of talent whenever there is a need for the appointment of Directors. This is not only to ensure continuity in meeting its long term goals but also to ensure the knowledge, experience and skillset of the Board members, both individually and collectively, are well suited to meet the demands of the ever-changing landscape of the insurance industry.

In addition, the NRC is also responsible to implement a formal and transparent procedure for developing a remuneration policy for Directors, CEOs, Shariah Committee members<sup>1</sup>, Senior Officers<sup>2</sup> and Other Material Risk Takers of the Group; and also to ensure the compensation is competitive and consistent with the Group's culture, objectives and strategy as well as the industry standards.

The roles and responsibilities of the NRC are as detailed in its Terms of Reference, which is available on the Group's corporate website ([www.etiqa.com.my](http://www.etiqa.com.my)).

1 The word 'Shariah Committee' shall refer to the Group Shariah Committee which reports to Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad, wholly-owned subsidiaries of MAHB.

2 The word 'Senior Officers' shall refer to Senior Officers of MAHB Group which includes the following: (i) Senior Management Committee and Senior Management Team members (including Principal Officer of Labuan entities); (ii) Direct reports to the CEOs, (where relevant); (iii) Chief Compliance Officer; (iv) Chief Internal Auditor; and (v) Appointed Actuary. As defined in Paragraph 5.2 of the Fit and Proper Criteria Policy Document, or such revisions by Bank Negara Malaysia ("BNM") from time to time. This is aligned with the definition of "Key Executive Person" under MAS Notice 106.

The composition of the NRC and the attendance of its members at meetings held during the financial year are as follows:

Members of NRC	Designation	Number of NRC Meetings attended	%
Puan Fauziah Binti Hisham (Chairperson) <sup>1</sup>	INED	9/9	100
Datuk Mohd Najib Bin Abdullah <sup>2</sup>	INED	9/9	100
Dato' Majid Bin Mohamad <sup>3</sup>	INED	9/9	100
Ms. Daniela Adaggi <sup>4</sup>	NINED	9/9	100

- 1 *INED of MAHB.*
- 2 *INED of MAHB. Chairman of Etiqa Life Insurance Berhad and Etiqa General Insurance Berhad, wholly-owned subsidiaries of MAHB.*
- 3 *INED of MAHB. Chairman of Etiqa Family Takaful Berhad, Etiqa General Takaful Berhad, Etiqa Offshore Insurance (L) Ltd and Etiqa Life International (L) Ltd (incorporated in F.T. Labuan), wholly-owned subsidiaries of MAHB.*
- 4 *NINED of Etiqa General Insurance Berhad, a wholly-owned subsidiary of MAHB.*

## (ii) Audit Committee of the Board

The Audit Committee of the Board (“ACB”) consists of a majority of INEDs and is chaired by an INED.

ACB supports the Board in ensuring reliable and transparent financial reporting, oversees the effectiveness of the internal audit functions, review related-party transactions and conflicts of interest situations, access the suitability, objectivity and independence of the Group’s appointed external auditors and independently assess the integrity of organisational wide management practices through the review of audit findings raised by the internal auditors, external auditors and/or regulators, ensuring that corrective actions, where necessary, are taken in a timely manner to ensure the Group’s operations run in an effective and efficient manner as well as to safeguard Group’s assets and stakeholders’ interests.

On the review of the performance of the internal audit function, the Audit Committee reviews the internal audit function for independence and effectiveness, adequacy of resourcing, including staff qualifications and experience, and its standing within the Company. Based on this, the Audit Committee is satisfied that the internal audit function is independent, effective and adequately resourced in carrying out its duties.

The roles and responsibilities of the ACB are set out in its Terms of Reference appended as Appendix B.

The composition of the ACB and the attendance of its members at meetings during the financial year are as follows:

Members of ACB	Designation	Number of ACB Meetings attended	%
Hj Sallim Abdul Kadir (Chairman) <sup>1</sup>	INED	4/4	100
Mr. Wong Pakshong Kat Jeong Colin Stewart	INED	5/5	100
Mr. Francis Tan Wee Ming	INED	5/5	100
Ms. Loo Pauy Lian (Chairman) <sup>2</sup>	INED	2/2	100

<sup>1</sup> Ceased as a member and Chairman of ACB w.e.f. 3 December 2023.

<sup>2</sup> Appointed as a member of ACB w.e.f. 16 October 2023 and Chairman of ACB w.e.f. 3 December 2023.

### (iii) Risk Management Committee

The Risk Management Committee (“RMC”) consists of a majority of INEDs and is chaired by an INED.

RMC assists the Board in ensuring that the risk exposures and outcomes affecting the Group are effectively managed and addressed by the Board. More specifically, the RMC is responsible for formulating policies and frameworks to identify, monitor, manage and control material risks impacting the Group under the key risk categories of financial, insurance, operational and enterprise risks.

The roles and responsibilities of the RMC are set out in its Terms of Reference appended as Appendix C.

The composition of the RMC and the attendance of its members at meetings during the financial year are as follows:

Members of RMC	Designation	Number of RMC Meetings attended	%
Mr. Wong Pakshong Kat Jeong Colin Stewart ( <i>Chairman</i> )	INED	11/11	100
Hj Sallim Bin Abdul Kadir <sup>1</sup>	INED	10/10	100
Mr. Frank Johan Gerard Van Kempen <sup>2</sup>	NINED	9/9	100
Mr Filip Andre L. Coremans <sup>3</sup>	NINED	2/2	100
Ms. Loo Pauy Liean <sup>4</sup>	INED	1/1	100

<sup>1</sup> Ceased as a member of RMC w.e.f. 3 December 2023.

<sup>2</sup> Ceased as a member of RMC w.e.f. 28 September 2023.

<sup>3</sup> Appointed as a member of RMC w.e.f. 28 September 2023.

<sup>4</sup> Appointed as a member of RMC w.e.f. 3 December 2023.

### (iv) Investment Committee

The Investment Committee (“IC”) consists of a NINED and INED and is chaired by a NINED.

The Board established the IC as a governance body to oversee all investment related activities.

The roles and responsibilities of the IC are set out in its Terms of Reference appended as Appendix D.

The composition of the IC and the attendance of its members at meetings during the financial year are as follows:

Members of IC	Designation	Number of IC Meetings attended	%
Mr. Frank Johan Gerard Van Kempen ( <i>Chairman</i> ) <sup>1</sup>	NINED	5/5	100
Mr. Wong Pakshong Kat Jeong Colin Stewart	INED	6/6	100

<sup>1</sup> Ceased as a member and Chairman of IC w.e.f. 28 September 2023.

<sup>2</sup> Appointed as a member and Chairman of IC w.e.f. 28 September 2023.

#### **(d) Director's Independence**

The independence of a director is determined based on the criteria set out in the CG Regulations and the MAS CG Guidelines. The CG Regulations provide that a director is considered independent if he is independent from management and business relationships and the substantial shareholder and if he has not served on the Board for a continuous period of nine (9) years or more.

Mr. Wong Pakshong Kat Jeong Colin Stewart, our INED sits on the Board of Etiqa Life Insurance Berhad, Etiqa Family Takaful Berhad and Etiqa Life Insurance (Cambodia) Plc., companies that are connected to or an associate of MAHB. The Board has taken into consideration the following and is of the view that Mr. Wong Pakshong Kat Jeong Colin Stewart shall nonetheless be considered independent from substantial shareholder as:

- (a) Mr. Wong Pakshong Kat Jeong Colin Stewart's independent business judgment and ability to act in the interests of EIPL will not be impeded.
- (b) The directorships would not give rise to any potential conflict of interest nor hamper Mr. Wong Pakshong Kat Jeong Colin Stewart from discharging his statutory duties in EIPL.
- (c) Mr. Wong Pakshong Kat Jeong Colin Stewart have demonstrated that he is able to provide time commitment to attend and participate effectively in Board and Board Committee meetings, trainings, meetings with regulators over the years. He would remain to have sufficient time to commit and discharge their director's duties.

The Board is satisfied that his independent business judgment and ability to act in the interest of EIPL will not be impeded, despite his appointment with the associates companies.

Pursuant to the annual assessment undertaken, the Board is satisfied that all the INEDs of the Board have met the independence criteria set out in the CG Regulations and the MAS CG Guidelines.

None of the Independent Directors have served on the Board for more than nine (9) years from the date of their first appointment.

#### **(e) Directors' Training**

The Board acknowledges the importance of continuing education for its Directors to ensure they are well equipped with the necessary skills and knowledge to perform their duties and meet the challenges facing the Board.

During the financial year, the Board members have attended various training programmes and workshops on issues relevant to the Group, including key training programmes for new Directors, namely the Induction Programme, and In-house

training programme by international speakers and Senior Management Committee members/Head of Departments organized by MAHB.

(i) Induction Programme

A comprehensive induction programme has also been established and coordinated by the Company Secretary to ease new Directors into their new role and to assist them in their understanding of the Group's business strategy and operational matters. New Directors are required to attend the programme as soon as possible after they have been appointed. The programme includes intensive one-on-one session with the Senior Management Committee members/Head of Departments, wherein new Directors would be briefed and brought up to speed on the challenges and issues faced by the Group.

(ii) Training Attended

The Board continues to assess the training needs of its Directors and identify key areas of focus for training programmes vide continuous feedback after the In-house training programme and the Board Effectiveness Evaluation assessment conducted at each financial year.

Training topics covered in 2023 includes environmental, social and governance (ESG), risk management, compliance, cyber security and digital transformation/innovation related trainings. The Directors also meet with Management to receive briefings on the Company's operations, business, compliance and risk management practices. The Company also sets aside training budget to fund the Directors' attendance of relevant external courses.

### **(3) ROLE OF CHAIRMAN AND CEO**

The roles of the Chairman and the CEO are held by unrelated individuals and they are separated by a clear division of responsibilities which are defined, documented and approved by the Board in line with best practices so as to ensure the appropriate supervision of the Senior Management. This distinction allows for better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency and expedites informed decision-making.

Dato' Johan Bin Ariffin is the non-independent and non-executive Chairman of the Board. Dato' Johan Bin Ariffin's roles and responsibilities include leading the Board to ensure its effectiveness on all aspects of its role, promoting a culture of openness and constructive debate at the Board, facilitating the effective contribution of all Directors and demonstrating and promoting high standards of corporate governance practices and ensuring that these practices are regularly communicated to the stakeholders.

The MAS CG Guidelines have recommended the appointment of a lead independent director where the Chairman is not an independent director. The Board is of the view that it is not necessary to have a lead independent director as there is a good independence element on the Board with at least half of the Board consisting of Independent Directors as at 31 December 2023. The Board, which is made up of all non-executive directors, allows constructive challenge of proposals tabled to the Board. The Board also has full and unrestricted access to all information pertaining to EIPL's business and affairs as well as access to the Senior Management of EIPL. Furthermore, the Independent Directors are free to raise queries with and provide feedback to the Chairman on an ongoing basis.



Mr Raymond Ong is the CEO of EIPL. He leads the Senior Management team, implements the business and risk strategies, remuneration and other policies in accordance with the direction given by the Board. The CEO, assisted by the Senior Management, bears the responsibilities of the day-to-day management of EIPL, including ensuring the continued adequacy and effectiveness of the systems of internal controls and risk management.

The Board is of the view that there is no undue concentration of power in the hands of one single individual with the separation of the role of the Chairman and CEO.

#### **(4) NOMINATION / APPOINTMENT / RE-APPOINTMENT PROCESS OF DIRECTORS**

The Company is guided by MAHB's Policy on Nomination Process for Appointment of Chairman, Director and Chief Executive Officer of Licensed Institutions in MAHB Group which sets out a clear and transparent nomination process. This Policy divides the process of appointment into four distinct stages:

- (i) Stage 1 - Identification of candidates
- (ii) Stage 2 - Engagement with candidates
- (iii) Stage 3 - Deliberation by the NRC
- (iv) Stage 4 - Recommendation to the Board

Maybank has also established the process for which the NRC may nominate the appointment of suitable candidates from among the members of Maybank or MAHB Board to be the Chairman of its subsidiary.

At an Annual General Meeting of the Company ("AGM"):

- (a) Directors who have been appointed by the Board during the year must retire and may offer themselves for re-election and they shall not be subject to retirement by rotation under Article 71 of the Constitution;
- (b) One-third or nearest one-third (if the number is not three or multiple of three) of the Directors shall retire from office. The retiring director is eligible for re-election; and
- (c) The Directors to retire in every year shall be those who have been longest in office since their last election.

#### **(5) BOARD ASSESSMENT**

In accordance with MAS' expectations, Fit and Proper ("FAP") assessment is conducted in the following circumstances:

- (i) New appointment;
- (ii) Re-appointment;
- (iii) Annual assessment; and
- (iv) Other circumstances as deemed necessary by the Board.

In accordance with the FAP policy, the NRC and Board ensures that such candidates satisfy the relevant requirements on the skills and core competencies of a Director, Chairman and Key Executive Persons are deemed fit and proper for appointment.

## **(6) BOARD EFFECTIVENESS EVALUATION**

As a key step towards enhancing Board effectiveness, the Board has conducted a formal annual evaluation to assess the overall performance and effectiveness of the Board, Board Committees and individual Director of the Company for FY2023.

The Board Effectiveness Evaluation (“BEE”) exercise of the Company for FY2023 was conducted by an independent external consultant, Ernst & Young Consulting Sdn. Bhd. The BEE covering two (2) main components as follows:-

- (i) Board Effectiveness Evaluation
- (ii) Individual Director Self and Peer Evaluation

The BEE interview and/or questionnaire covered the following aspects:

- (i) A forward view of the Board’s readiness to provide support, leadership and guidance to the members of EIPL’s management team (“Management”) in executing M25+ and other key strategies;
- (ii) Board processes (including how the Board deliberates on strategy, succession, risk review and other key responsibilities);
- (iii) Board responsibilities, composition, conduct, dynamics, leadership and Boardroom environment;
- (iv) Leadership by Board Chair and Board Committee Chair;
- (v) Interface between the Board Committees and the Board, as a whole;
- (vi) Directors’ learning and development programme;
- (vii) Appropriate focus on key areas impacting the industry;
- (viii) Remuneration;
- (ix) Board and Management dynamics/working relationship, interaction and communication; and
- (x) A 360 degree evaluation on the effectiveness of the Board and Board Committees from Management’s point of view.

The individual director self and peer evaluation covered the following areas:

- (i) The strengths of each Individual Director and contributions to the Board
- (ii) Personal qualities and attributes
- (iii) Commitment and independence
- (iv) Specific areas in which each director may further enhance his/her performance and contribution

The FY2023 BEE results of the Company were generally positive with all areas evaluated either rated as “Satisfactory” or “Strong”.

The results of the BEE assessment were reviewed and discussed by the Board, which enabled the Board to identify areas for professional development and process improvements, as well as to further enhance its overall performance and discharge its roles and responsibilities effectively.

## **(7) REMUNERATION - QUALITATIVE DISCLOSURES**

### **a) Board Performance**

In line with good corporate governance, the Board via NRC has set out its intention to periodically review the remuneration of Non-Executive Directors (“NEDs”) as per Maybank’s Remuneration Policy for Directors.

The Board believes that one area that the Board needs to focus on in order to remain effective in discharging of its duties and responsibilities is the setting of a fair and competitive remuneration package which commensurate with the level of expertise, skills, commitment and responsibilities undertaken, with being a director of a financial institution.

The remuneration package of NEDs consists of fees and meeting allowances – Directors’ fees and meetings allowances for NEDs are based on a fixed sum as determined by the NRC and Board, and subsequently approved by the shareholder.

## **b) Senior Management Appointment and Performance**

The NRC recommends and assesses the nominee for the position of CEO and re-appointment of CEO as well as oversees the appointment and succession planning of Senior Management.

The NRC is responsible to oversee performance evaluation of CEO and Senior Management.

The NRC is also responsible to ensure all Key Responsible Persons (“KRPs”) fulfil the fit and proper requirements, in line with the Fit and Proper Policy for KRPs.

## **(8) REMUNERATION - QUANTITATIVE DISCLOSURES**

### **a) Non-Executive Directors’ Remuneration**

The Non-Executive Directors’ Remuneration for the financial year are as follows:

<b><u>Remuneration</u></b>	<b>Per Annum (S\$)</b>
<b>(i) Fees</b>	
• Board	
- Chairman	75,000
- Member	50,000
• Committee	
- Chairman	15,000
- Member	10,000
<b>(ii) Meeting Allowance</b>	
• per meeting attended	1,000

In Q3 2023, the Maybank Group NRC had appointed an independent external consultant, PricewaterhouseCoopers Taxation Services Sdn. Bhd. (“PwC”) to carry out a Board Remuneration Review (“BRR”) exercise for the NEDs of Maybank Group and its subsidiaries which included EIPL. PwC has no connection or conflict of interest with the Group, the Bank or any individual director that would affect its independence and objectivity as a remuneration consultant.

The findings and proposal pursuant to the BRR exercise undertaken by PwC on the remuneration framework for NEDs of MAHB Group (including the Company) will be presented to the MAHB's NRC in Q1 2024.

**b) Disclosure of Directors' and CEO's Remuneration**

The details of Directors' remuneration, CEOs' remuneration, Senior Officers and Other Material Risk Takers ("OMRT") remuneration and benefits for FYE 2023 are consolidated and disclosed under Notes 32 to the Company's Financial Statements.

**c) Remuneration Policy in respect of Officers of the Company**

Maybank Group total rewards philosophy goes beyond tangible rewards. An integrated rewards strategy that focuses on the right remuneration, benefits and career development as well as progression opportunities at the right time for employees' personal and professional aspirations. It involves a holistic integration of total rewards' key elements that are aligned to the Group strategy, Group Human Capital strategy, culture and Core Values T.I.G.E.R.\*, all critical to sustain employee engagement levels, productivity and business growth.

Remuneration policy is approved by the Board and is monitored and reviewed periodically. It reinforces a high performance culture to attract, motivate and retain talent through market competitiveness and differentiated pay.

Maybank Group rewards' principles are delivered holistically via the Group's Total Rewards Framework which includes base pay, other fixed cash, performance-based variable cash, long-term incentive awards, benefits and development.

Key elements	Purpose
<b>Fixed Pay</b>	Attract and retain talent by providing competitive pay that is externally benchmarked against relevant peers and location, and internally aligned with consideration of differences in individual performance and achievements, skills-set, job scope as well as competency level.
<b>Variable Pay</b>	<p><b>Variable Bonus</b></p> <ul style="list-style-type: none"> <li>Reinforce pay-for-performance culture and adherence to the Group's Core Values T.I.G.E.R.*</li> <li>Variable cash award design that is aligned with the long-term performance goals of the Group through deferral and claw-back policies.</li> <li>Based on overall Group Performance, Business/Corporate Function and individual performance.</li> <li>Performance is measured via the Balanced Scorecard approach.</li> <li>Deferral Policy: Any Variable Bonus Awards in excess of certain thresholds will be deferred over a period of time</li> </ul> <p><b>Long-term Incentive Award</b></p> <ul style="list-style-type: none"> <li>The Long-term Incentive Award is offered within the suite of Total Rewards for eligible Talents. An approved customized Share Grant Plan is offered to eligible Senior Management who has direct line of sight in driving, leading</li> </ul>

Key elements	Purpose
	<p>and executing the Group's business strategies and objectives.</p> <p><b>Clawback Provision</b></p> <ul style="list-style-type: none"> <li>The Board, based on risk management issues, financial misstatement, fraud and gross negligence or wilful misconduct, has the discretion to make potential adjustment or clawback on Variable Bonus and Long-term Incentive Awards.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Provides employees with financial protection, access to health care, paid time-off, staff loans at preferential rates, programmes to support work/life balance, etc. for a diverse workforce. The benefits programmes which blend all elements including cost optimisation and employee/job needs, are reviewed regularly with proactive actions taken to remain competitive in the increasingly dynamic business landscape and continuously enrich employees, as part of total rewards strategy.</li> </ul>
<b>Development and Career Opportunities</b>	<ul style="list-style-type: none"> <li>Continue to invest in the personal and professional growth of employees. Opportunities provided to employees to chart their careers across different businesses and geographies.</li> </ul>

\* Core Values: *Teamwork; Integrity; Growth; Excellence & Efficiency and Relationship Building*

Total Compensation ensures that employees are paid equitably to the market, delivered via cash and share/share-linked instruments, where applicable. The mix of cash and shares/shares-linked instruments is aligned to the Group long-term value creation and time horizon of risks with targeted mix ratio.

The target positioning of Base Pay is mid-market while target positioning for Total Compensation for a performer is to be within the Upper Range of market. Target positioning for benefits is mid-market. In certain markets/ geographies, there may be exceptions for selected benefits with above mid-market positioning for strategic purposes. As the Group operates globally, it is essential that local legislation and practices are observed. Should any clause of any policy conflict with local legislation, local legislations shall take precedence.

### **Key features of Remuneration Framework that Promotes Alignment between Risk and Rewards**

The Group Total Compensation, a mixture of Fixed and Variable (i.e. Variable Bonus and Long-term Incentive Plan) is designed to align with the long-term performance goals and objectives of the organisation. The compensation framework provides a balanced approach between fixed and variable components that change according to individual performance, business/corporate function performance, group performance outcome as well as individual's level and accountability.

The Company has strong internal governance on performance and remuneration of control functions which are measured and assessed independently from the business units they support to avoid any conflict of interests. The remuneration of staff in control functions are predominantly fixed to reflect the nature of their responsibilities. Annual reviews of their compensation benchmarked against market rate and internally to ensure that it is set at an appropriate level.

Performance Management principles ensure Key Performance Indicators (“KPI”) continue to focus on outcomes delivered that are aligned to the business plans. Each of the Senior Officers and Other Material Risk Takers (“OMRT”) carry Risk, Governance & Compliance goals in their individual scorecard and are cascaded accordingly. Being a responsible organisation, the right KPI setting continues to shape the organisational culture, actively drive risk and compliance agendas effectively where inputs from control functions and Board Committees are incorporated into the Sector and individual performance results.

### **Long-term Incentive Award – Employees’ Share Grant Plan**

Maybank in December 2018, rolled out a new scheme under Long-Term Incentive Award i.e. Employees Shares Grant Scheme (“ESGP”) replacing the previous scheme that expired in June 2018. The ESGP, valid for seven (7) years serves as a long-term incentive award for eligible Senior Management with the following objectives:

- To align to the Group’s long-term strategic objectives to maximise shareholders’ value through a high performance culture
- To continue to attract, motivate and retain key talents in Senior Management level.
- To align the Group total rewards to the long-term value creation and time horizon of risk.
- To drive performance that is tied to long-term outcomes and business growth.
- To participate in the Group’s business strategies for future growth of the Group.

Staff rewards are reviewed on an annual basis and consistent with business performance and prudent risk management. Appropriately, involvement by the relevant control functions are sufficiently embedded to provide an independent and objective assessment of the remuneration principles and practices which are pre-requisites for executing a sound remuneration policy.

The Cash-settled Performance-based employees’ Share Grant Plan (“CESGP”) is a cash plan where a cash amount (equivalent to the value of the Maybank reference shares) is awarded to selected group of eligible employees.

In FY2023, the number of ESGP shares and CESGP awarded is 51,000, based on the total number of Senior Management and Other Material Risk Takers. The final cash vesting amount is S\$130,287.69.

### **Corporate Governance – Remuneration practices**

As part of the overall corporate governance framework, the Company ensures its remuneration policies and structure are in line with the requirements of governance regulations. From a risk management perspective, the remuneration policy is supported by strong governance and sensitive to risk outcomes.

Staff rewards are reviewed on an annual basis and consistent with business performance and prudent risk management. Appropriately, involvement by the relevant control functions are sufficiently embedded to provide an independent and objective assessment of the remuneration principles and practices which are pre-requisites for executing a sound remuneration policy.

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

The Company's key executives comprise Senior Management who by virtue of their roles and responsibilities would naturally be classified as material risk takers. These are individual employees or a group of employees collectively involved in strategic decision making and are accountable for the Company's performance and risk profile.

Other Material Risk Takers are individual employees or a group of employees who can collectively and materially commit significant amount of resources that have significant impact on the Bank's performance and risk profile.

The remuneration package for Senior Officers and OMRTs are reviewed on an annual basis and submitted to the NRC for recommendation to the Board for approval.

The Board is of the view that given the sensitive and confidential nature of the individual's remuneration, detailed disclosure on the remuneration of each of these individuals is not in the best interests of the Company and providing such remuneration details will prejudice the Company's interest in relation to its competitors, given the highly competitive environment of the insurance industry.

## **(9) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**

The Board exercises overall responsibility on the Company's internal controls and its effectiveness. The Board recognises that risks cannot be eliminated completely; as such, the systems and processes put in place are aimed at minimising and managing risk. The Company has established internal controls which cover all levels of personnel and business processes to ensure the Company's operations run in an effective and efficient manner as well as to safeguard the assets of the Company and stakeholders' interests. Continuous assessment of the effectiveness and adequacy of internal controls, which includes an independent examination of controls by the internal audit function, ensures that corrective action, where necessary, is taken in a timely manner. As a custodian of public funds, the Company's dealings with the public are always conducted fairly, honestly and professionally.

The Board, with the concurrence of the ACB and based on work performed by internal and external auditors, is of the view that the Company's internal controls including financial, operational, compliance and information technology controls, and risk management systems were adequate and effective as at 31 December 2023, to address the risks which the Company considers relevant and material to its operations.

The Board received assurance from the CEO and Chief Financial Officer ("CFO") that the financial statements for FY2023 had been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

The Board had also received assurance from the CEO and key management personnel on the adequacy and effectiveness of the Company's risk management and internal control systems.

### **Whistleblowing Policy**

EIPL has established a whistleblowing policy and procedures that are in line with Maybank Group. As part of the Maybank Group, EIPL leverages on the disclosure channels (i.e., hotline and email address) set up by Maybank for whistleblowing cases. All cases escalated via the disclosure channels are handled by Maybank Whistleblowing Governance Committee to ensure that they are accorded with adequate attention, independence, investigation and remedial action. All EIPL's whistleblowing cases received via Maybank's disclosure channels will be cascaded to EIPL for follow up as appropriate.

### **(10) SHAREHOLDER**

EIPL is a wholly owned subsidiary of MAHB, which is kept apprised of the Company's operations in Singapore, and there is effective communication between EIPL and MAHB. The Company's Annual General Meeting is held within six (6) months from the financial year end and is convened pursuant to Section 179(6) of the Companies Act 1967.

### **(11) MATERIAL RELATED PARTY TRANSACTION**

Policies on related party transactions are established at the Group level. Group policies mandate that inter-Group transactions are conducted on an arm's length basis. Where there is a potential conflict of interest involving any director, the director will recuse himself from voting and will be excluded from the approval process of granting and managing the RPT.

The RPT is reviewed by the relevant committees and the ACB in accordance with the materiality thresholds and processes established under the policies of the Bank and submitted to the Board for approval or affirmation.



## TERMS OF REFERENCE

### ETIQA INSURANCE PTE. LTD. (“EIPL”) BOARD

<b>Objective</b>	The Board has the responsibility to approve and periodically review the overall business strategies and significant policies of EIPL, premised on sustainability and promoting ethical conduct in business dealings, understanding the major risks faced by EIPL, 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.
<b>Members</b>	<p><b><u>Chairman</u></b> The Chairman shall be from the directors appointed by the Board.</p> <p><b><u>Members</u></b> Directors are appointed by the Board and the number of directors on the Board of EIPL will consist of up to nine (9) directors and not less than three (3) directors, until otherwise determined by a General Meeting.</p> <p>The number of directors of the Company shall not be less nor more than what is prescribed by Monetary Authority of Singapore.</p>
<b>Quorum &amp; Decision Making</b>	<p><b><u>Quorum</u></b> At least three (3) of the members should be in attendance, including the Chairman, of which majority should be independent directors.</p> <p><b><u>Decision Making</u></b> Question arising at any meeting of the Directors shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall be entitled to a second or casting vote.</p>
<b>Permanent Invitees</b>	Chief Executive Officer
<b>Secretary</b>	Company Secretary or as appointed by Chairman.
<b>Frequency of Meeting</b>	<p>Meeting shall be held at least four (4) times a year. 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>

<b>Key Responsibilities</b>	<p>Among the primary obligations of the Board are as follows:</p> <ol style="list-style-type: none"> <li>1. Reviewing and approving EIPL's strategies and business plans, significant policies and Annual Budget.</li> <li>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.</li> <li>3. Ensuring a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.</li> <li>4. 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.</li> <li>5. Approving organisational structure and oversee the performance of senior management in managing the business and affairs of the Company.</li> <li>6. 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.</li> <li>7. Approving a framework of remuneration for directors, covering fees, allowances, and benefits-in-kind (directors of all boards and committees).</li> <li>8. Approving policies pertaining to corporate image, brand management, community relations, investor relations and shareholder communications programs.</li> <li>9. Ensuring that EIPL has a beneficial influence on the economic well-being of the communities within which it operates.</li> <li>10. Ensuring succession planning of executives in Key Management Positions.</li> </ol>
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	<p>11. Ensuring that the Board is supported by a suitably qualified and competent Company Secretary.</p> <p>12. 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.</p> <p>13. Approving financial statements (and ensuring reliability of the same) as well as the interim dividend and recommend final dividend to shareholders.</p> <p>14. Ensure transparency and accountability to shareholder as well as key stakeholder groups.</p> <p>15. Ensure code of conduct and ethics are in place to maintain a high level of professional conduct of the business.</p> <p>16. Review related party transactions and ensure that the related party transactions are undertaken on an arm's length basis.</p>
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<b>Version</b>	
<b>Date of this version</b>	Approved by the Board: 28 February 2022
<b>Date of previous version</b>	Approved by the Board: 13 May 2020 Approved by the Board: 17 September 2014

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**ETIQA INSURANCE PTE. LTD. (“EIPL”)  
TERMS OF REFERENCE  
AUDIT COMMITTEE OF THE BOARD (“ACB”)**

<b>Objective</b>	The ACB, is a governance body which carries an oversight function for financial reporting and disclosure activities, as well as the effectiveness of the internal and external audit processes within EIPL.
<b>Members</b>	<p><b>Chairman</b> Non-executive and Independent Director</p> <p><b>Members:</b> Two (2) Non-executive and Independent Directors</p> <p><b>Permanent Invitees:</b> Chief Executive Officer, EIPL Chief Financial Officer, EIPL Chief Risk Officer, EIPL Head, Compliance, EIPL Chief Customer Officer EIPL Head, Information Technology, EIPL Head, Life Actuarial, EIPL</p> <p>The ACB may request for any invitees to assist in its deliberations.</p> <p><b>Designated Chairman:</b> Where the Chairman is unable to attend the meeting, the members may elect a person among themselves as chairman.</p>
<b>Secretary</b>	Head, Internal Audit or as appointed by Chairman.
<b>Meeting Frequency</b>	<p>Meeting shall be held at least four (4) times a year.</p> <p>The Chairman of the ACB shall call for a meeting of the ACB as requested by any ACB member, management, internal auditors or external auditors.</p> <p>Note: The ACB will regulate its own procedure with regard to the calling of meetings, the notice to be given of such meetings, the agenda, voting and proceedings of such meetings, the keeping of minutes, and the custody, production and inspection of such minutes.</p>

<b>Quorum</b>	Other than the Chairman, at least one (1) of the members should be in attendance.
<b>Terms of Membership</b>	<p><b>Size and Composition</b></p> <p>The ACB shall consist of a minimum of three (3) non-executive members appointed by the Board of Directors after taking into consideration the recommendation of the Nomination and Remuneration Committee, where appropriate. The majority of the ACB membership including the Chairman, should be independent.</p>
<b>Decision</b>	A simple majority of the Members in attendance during the meeting. In case of a tie vote, the casting vote is given to the Chairman.
<b>Reporting Committee</b>	<p>The ACB reports to Board of Directors of EIPL.</p> <p>Full minutes of the ACB Meetings shall be kept by the appointed secretary, and the minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.</p> <p>Minutes of meetings of the ACB shall record in sufficient detail the matters considered by the ACB and decisions reached, including any concerns raised by Directors, members or dissenting views expressed.</p> <p>Without prejudice to the generality of duties of the ACB set out in the Terms, the ACB shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.</p>
<b>Attendance</b>	Member are expected to attend at least 75% of the committee meetings held in each financial year, and must not be represented by another person to attend or participate in a meeting on his/her behalf.
<b>Authority</b>	<ul style="list-style-type: none"> <li>• The Board of EIPL is responsible for approving the financial statements and audit charter of the EIPL, and is assisted in its responsibilities by the ACB.</li> <li>• The ACB should have the authority to investigate any matter within its terms of reference and should have unlimited access to all information and documents relevant to its activities, to the Internal and External Auditors, and to employees and agents of EIPL.</li> <li>• The ACB should have direct communication channels with external auditors, person(s) carrying out the internal audit function or activity to Management Team.</li> <li>• The ACB should have adequate resources to perform its duties and discharge its responsibilities. The ACB should be authorized to obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as considered necessary.</li> </ul>

	<ul style="list-style-type: none"> <li>• The ACB should have access to copies of audit reports (including interim financial audits) on a timely basis and should be kept regularly informed of corrective actions arising from internal and external audit findings.</li> <li>• The ACB should undertake or perform any other activities as it considers appropriate or as the Board shall so decide from time to time.</li> </ul>
<b>Key Responsibilities</b>	<p><b>1. <u>Internal Audit</u></b></p> <p><b>1.1 <u>Governance</u></b></p> <p>1.1.1 To ensure that the internal audit department is distinct and has the appropriate status within the overall organizational structure for the internal auditors to effectively accomplish their audit objectives.</p> <p>1.1.2 To ensure the effective provision of the internal audit services to EIPL.</p> <p>1.1.3 To review and endorse the audit charter, approve the audit plan and budget as required under Section 4 of the Guidebook for Audit Committees in Singapore.</p> <p>1.1.4 To ensure the reporting relationships of the internal audit staff do not impede the exercise of independent judgement by the internal auditors.</p> <p>1.1.5 To review the scope and results of internal audit procedures performed, in particular:</p> <ul style="list-style-type: none"> <li>- Any restrictions placed on access by the internal auditors to any of EIPL's records, assets, personnel or processes which are relevant to the conduct of audits.</li> <li>- Appropriateness of the risk assessment methodology employed in the conduct of audits for EIPL, having regard to the nature, size and complexity of the EIPL's operations.</li> <li>- Compliance with internal audit standards.</li> <li>- Coordination between internal and external auditors in the conduct of internal audits on EIPL.</li> </ul>

	<p>1.1.6 To ensure that they are adequately informed of, and understand, the risks and implications of internal audit findings and recommendations. The ACB should pay particular attention to internal audit assessment of:</p> <ul style="list-style-type: none"> <li>- Compliance with relevant laws and regulatory requirements, as well as EIPL's policies and procedures.</li> <li>- Effectiveness of internal controls in critical areas of operations (e.g. accounting, underwriting, claims, investment, derivatives and information technology management).</li> <li>- Management's responsiveness to, and corrective actions taken in respect of, internal audit findings and recommendations.</li> </ul> <p>1.1.7 To ensure timely and effective resolution of findings and recommendations.</p> <p>1.1.8 To note any significant disagreements between the internal auditor and management.</p> <p>1.1.9 To meet at least annually with the internal auditors without the presence of Management.</p> <p><b>1.2 <u>Resources and staffing</u></b></p> <p>1.2.1 To ensure on an ongoing basis that the internal audit department has adequate and competent resources given the size and complexity of EIPL's operations. In this respect, the ACB should:</p> <ul style="list-style-type: none"> <li>- Approve the remuneration of Head of Internal Audit, performance evaluation, removal and redeployment of the internal auditors.</li> <li>- Be informed of any resignation of the internal auditor and the reasons.</li> </ul> <p>1.2.2 To ensure that internal audit staff receives necessary training to perform audit work.</p>
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<p><b>Key Responsibilities (Continued)</b></p>	<p><b>2. <u>External Auditor</u></b></p> <p><b>2.1 <u>Appointment</u></b></p> <p>2.1.1 To review the appointment, termination and resignation of the external auditors and its audit fee, and to make the appropriate recommendations to the Board regarding the same, as deemed fit.</p> <p>2.1.2 To review and assess the various relationships between the external auditors and EIPL that may impair or appear to impair the external auditor's judgment or independence in respect to EIPL.</p> <p>2.1.3 To review and assess the fees paid does not impair or appear to impair the external auditor's judgment or independence in respect to EIPL.</p> <p>2.1.4 To review the performance of the external auditors and to assess the qualification, expertise, resources and effectiveness of the external auditors, including the assessment of the external auditors' objectivity and performance.</p> <p>2.1.5 To ensure that the external auditor has unrestricted access to information and persons within EIPL as necessary to conduct the audit.</p> <p><b>2.2 <u>External Audit Plan and Report</u></b></p> <p>2.2.1 To review with the external auditors, the following:</p> <ul style="list-style-type: none"> <li>- Audit scope and plan prior to the commencement of the annual audit.</li> <li>- Financial statements (before the audited financial statements are presented to the Board).</li> <li>- Audit reports, including statements of accounts for lodgment with MAS in accordance with the requirements Section 36 of the Insurance Act (Chapter 142).</li> <li>- Any significant disagreements between the external auditor and management irrespective of whether they have been resolved.</li> </ul>
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	<ul style="list-style-type: none"> <li>- Any other findings, issues or reservations faced by the external auditor arising from interim and financial audits.</li> </ul> <p>2.2.2 To review the findings and recommendations by the external auditors and the Management's responses, including the status of previous audit recommendations. In this regard, the ACB should ensure that all findings and recommendations are resolved effectively and in a timely manner.</p> <p>2.2.3 To review the external auditor's evaluation of the adequacy and effectiveness of the system of internal controls.</p> <p>2.2.4 To meet at least annually with the external auditors without the presence of Management.</p> <p><b>2.3 <u>Provision of Non-audit Services by External Auditor</u></b></p> <p>2.3.1 To review the independence of the External Auditor and approve provision of non-audit services and fees by EIPL's external auditor before the commencement of the service, or whenever there is a significant change in the level of services provided.</p> <p>2.3.2 ACB's decisions with respect to the provision of non-audit services should be documented in a statement which outlines whether or not it believes the level of provision of non-audit services by the external auditor is compatible with maintaining auditor independence (together with supporting reasons).</p> <p><b>2.4 <u>Financial Reporting</u></b></p> <p>2.4.1 To review the significant financial reporting issues and judgements (including significant and unusual events or transactions) so as to ensure the integrity and reliability of the financial statements of EIPL.</p> <p>2.4.2 To review and approve changes in accounting policies or deviations from the group accounting policies.</p> <p>2.4.3 To ensure that EIPL's accounts are prepared in accordance with Financial Reporting Standards and in a timely and accurate manner for regulatory, management and general reporting purposes, with regular reviews carried out in the adequacy of the provisions made.</p>
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	<p>2.4.4 To assess, and challenge, where necessary, the accuracy, completeness, and consistency of financial information (including interim reports).</p> <p>2.4.5 To discuss with Management and the external auditors on the appropriate action to be taken, including reporting to the Board, when material errors or mis-statements are found in the financial statements.</p> <p>2.4.6 To review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.</p>
<b>Key Responsibilities (Continued)</b>	<p><b>3. <u>Other Responsibilities</u></b></p> <p>3.1 To review Chairman's statement, interim financial reports, preliminary announcements.</p> <p>3.2 To review corporate governance disclosures made in the Directors' Report pursuant to the requirement in Code of Corporate Governance.</p> <p>3.3 To review all representation letters signed by Management.</p> <p>3.4 To ensure supervisory issues raised by EIPL are resolved in a timely manner.</p> <p>3.5 To review any related-party transactions and situations where conflicts of interest situations may arise within EIPL including any transaction, procedure or conduct that raises questions of management integrity.</p> <p>3.6 To ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken.</p> <p>3.7 To be responsible for any functions as may be determined by the Board and reflected in its terms of reference.</p> <p>3.8 To review and ensure compliance with all applicable laws and regulations including but not limited to all relevant MAS Regulations and Guidelines as well as the Insurance Act and implement appropriate remedial and corrective actions where required.</p>

	<p>3.9 To provide oversight on operational matters e.g. outsourcing, cyber risk management and Anti-Money Laundering / Countering the Financing of Terrorism activities, with focus on regulatory requirements and audit activities.</p> <p>3.10 To consider any other significant matters the auditors may wish to bring to the attention of the Board.</p> <p>3.11 Such other duties that may be delegated by the Board.</p>
<b>Key Agenda Topics</b>	<p><b><u>Q1</u></b></p> <ol style="list-style-type: none"> <li>1. Review of EIPL Financial Statements</li> <li>2. External Auditor's Findings Report</li> <li>3. Re-appointment of External Auditor</li> <li>4. Review of Internal Audit's Performance</li> </ol> <p><b><u>Q2/Q3</u></b></p> <ol style="list-style-type: none"> <li>5. Review of ACB Terms of Reference</li> <li>6. Review of Audit Charter</li> </ol> <p><b><u>Q4</u></b></p> <ol style="list-style-type: none"> <li>7. Review of External Audit Plan</li> <li>8. Review of Internal Audit Plan</li> </ol> <p><b><u>Regular items</u></b></p> <ol style="list-style-type: none"> <li>1. Quarterly ACB Compliance Dashboard</li> <li>2. Quarterly Internal Audit Dashboard</li> <li>3. Issued Internal / Outsourcing Audit Reports</li> <li>4. Status of audit rectification and follow-up actions</li> <li>5. IFRS 17 Implementation update</li> <li>6. Review of Related Party Transactions</li> </ol>
<b>Related Regulatory/Policy Documents</b>	<ol style="list-style-type: none"> <li>1. Corporate Governance Framework</li> <li>2. Guidebook for Audit Committees in Singapore</li> </ol>
<b>Minutes of Meeting</b>	<p>The Secretary shall prepare the minutes of the meeting and circulate to the members of the meeting for comments within fourteen (14) working days of the meeting.</p>

<b>Collation of Meeting Papers</b>	All papers and/or reports to be tabled at the meeting shall be forwarded to the Secretariat at least five (5) working days prior to the meeting.
<b>Frequency of review</b>	The TOR needs to be reviewed at least annually from the date of last approval or as and when required.

<b>Version</b>	
<b>Date of this version</b>	Approved by ACB: 17 April 2023
<b>Date of previous version</b>	Approved by ACB: 03 August 2022

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**TERMS OF REFERENCE  
RISK MANAGEMENT COMMITTEE  
OF ETIQA INSURANCE PTE. LTD.**

No.	Items	Details																		
1.	Objective & Scope	<p>The Risk Management Committee (RMC) is a governance body to provide oversight ensuring a sound system of risk management and internal controls as well as the nature and extent of the significant risks which Etiqa Insurance Pte. Ltd. (EIPL) is willing to take in achieving its strategic objectives. The RMC assists the Board to monitor the following risk components:</p> <ul style="list-style-type: none"><li>• Enterprise Risk</li><li>• Financial Risk (including Asset-Liability Management (ALM), Liquidity, Market and Credit Risks)</li><li>• Non-Financial Risk (including Operational, Information Technology (IT), Legal, Reputational and Environmental, Social and Governance Risks)</li><li>• Insurance Risk</li></ul>																		
2.	Members	<p><b><u>Chairman:</u></b> Non-Executive and Independent Director</p> <p><b><u>Permanent Members</u></b></p> <table><tr><td>No.</td><td>Designation</td></tr><tr><td>1.</td><td>Non-Executive and Independent Director</td></tr><tr><td>2.</td><td>Non-Executive and Independent Director</td></tr><tr><td>3.</td><td>Non-Executive and Non-Independent Director</td></tr></table> <p><b><u>Terms of Membership:</u></b> The Committee shall consist of a minimum of three (3) Non-Executive members (including the Chairman), where the majority of the members (including the Chairman) must be independent.</p> <p><b><u>Permanent Invitees</u></b></p> <table><tr><td>No.</td><td>Designation</td></tr><tr><td>1.</td><td>Chief Executive Officer</td></tr><tr><td>2.</td><td>Chief Risk Officer</td></tr><tr><td>3.</td><td>Chief Financial Officer</td></tr><tr><td>4.</td><td>Chief Product Officer</td></tr></table>	No.	Designation	1.	Non-Executive and Independent Director	2.	Non-Executive and Independent Director	3.	Non-Executive and Non-Independent Director	No.	Designation	1.	Chief Executive Officer	2.	Chief Risk Officer	3.	Chief Financial Officer	4.	Chief Product Officer
No.	Designation																			
1.	Non-Executive and Independent Director																			
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1.	Chief Executive Officer																			
2.	Chief Risk Officer																			
3.	Chief Financial Officer																			
4.	Chief Product Officer																			

**TERMS OF REFERENCE  
RISK MANAGEMENT COMMITTEE  
OF ETIQA INSURANCE PTE. LTD.**

No.	Items	Details									
		<table><tr><td>5.</td><td>Appointed Actuary</td></tr><tr><td>6.</td><td>Head, Investment</td></tr><tr><td>7.</td><td>Chief Risk Officer, Maybank Ageas Holdings Berhad</td></tr><tr><td>8.</td><td>Head, Compliance</td></tr></table>	5.	Appointed Actuary	6.	Head, Investment	7.	Chief Risk Officer, Maybank Ageas Holdings Berhad	8.	Head, Compliance	
5.	Appointed Actuary										
6.	Head, Investment										
7.	Chief Risk Officer, Maybank Ageas Holdings Berhad										
8.	Head, Compliance										
		Note: Expert/Consultant may be invited as and when needed or required									
3.	Quorum	At least more than half of the Permanent Members, including the Chairman should be in attendance for minimum quorum.									
4.	Decision	<u>Decision Making</u>  <u>During Meeting Discussion:</u> At least more than half of the Permanent Member in attendance during the meeting. In case of a tie vote, the casting vote is given to the Chairman.  <u>By Circulation:</u> At least more than half of the Permanent Members should be agreeable on each matter. In case of a tie vote, the casting vote is given to the Chairman.  The circular resolution passed shall be in writing, approved and signed by the Permanent Members (including the Chairman) and is deemed to be properly delivered and received if it is being sent by post or facsimile or e-mail or other relevant electronic means.									
5.	Secretary	Chief Risk Officer, EIPL									
6.	Reporting Committee	<p>The EIPL Risk Management Committee reports to EIPL Board of Directors<sup>1</sup> ("Board").</p> <p><sup>1</sup>Based on MAS Guidelines on Corporate Governance for Banks, Financial Holding Companies and Direct Insurers, the Board may delegate the authority to make decisions to any board committee but without abdicating its responsibility. Any such delegation should be disclosed.</p> <p>Where the Board delegates its authority to a board committee, the Board should establish communication procedures between the Board and board committees, and also across board committees. This should include requiring board committees to report to the Board on a regular basis.</p>									

**TERMS OF REFERENCE  
RISK MANAGEMENT COMMITTEE  
OF ETIQA INSURANCE PTE. LTD.**

No.	Items	Details
7.	<b>Meeting Frequency</b>	<p>Meeting shall be held at least four (4) times a year.</p> <p><i>Note: The Chairman has the discretion to increase the frequency of the meeting or call for additional meeting based on needs and urgency.</i></p>
8.	<b>Attendance</b>	<ol style="list-style-type: none"> <li>Members of the RMC should attend at least 75% of the committee meetings held in each financial year, and must not be represented by another person to attend or participate in a meeting on his/her behalf. The Chairman shall be informed of possible absences and may ask the Secretary to reschedule the meeting to avoid scheduling conflicts.</li> <li>Members may attend meeting in person, via video-conferencing or telephone.</li> <li>The Committee shall have full access to management and may invite other members of EIPL management team or external party to attend its meetings, if any.</li> </ol>
10.	<b>Authority</b>	<p>The RMC shall have the authority to perform the following:</p> <ol style="list-style-type: none"> <li>To review and recommend risk management frameworks, strategies, policies, and risk appetite for Board approval.</li> <li>To review and approve risk management operational frameworks, guidelines, programs and risk control limits.</li> <li>To review and assess adequacy of risk management policies and frameworks in identifying, measuring, monitoring and controlling risks and the extent to which they operate effectively.</li> <li>To ensure infrastructure, resources, systems are in place for risk management, i.e. ensuring that the staff responsible for implementing the risk management system performs those duties independently of risk taking activities.</li> <li>To review and investigate any matter within its terms of reference and have unlimited access to all information and document including periodic management reports, from EIPL as well as Consultants, Internal and External Auditors, employees and agents of EIPL.</li> </ol>

**TERMS OF REFERENCE  
RISK MANAGEMENT COMMITTEE  
OF ETIQA INSURANCE PTE. LTD.**

No.	Items	Details
		<p>6. To have adequate resources to perform its duties and discharge its responsibilities and should be authorised to obtain independent professional advice as considered necessary.</p>
11.	<p><b>Key Responsibilities of the Committees</b></p>	<ol style="list-style-type: none"> <li>1. To ensure the establishment of and periodic review on EIPL's risk management system to identify, measure, monitor, manage and control risks.</li> <li>2. To review risk management policies and processes for effective management of EIPL's exposure to material risks, such as credit, market, underwriting, liquidity, country and transfer, interest rate, legal, compliance, fraud, reputational, strategic, regulatory and operational risks.</li> <li>3. To review EIPL's risk management strategies periodically so they are appropriately adjusted to reflect changing risk appetites, risk profiles, capital strength, and market and macroeconomic conditions</li> <li>4. To monitor the risks relating to EIPL's business activities and major management initiatives (such as systems, processes, business model and major acquisitions) and approve or recommend the undertaking of any major activities for Board's approval.</li> <li>5. To review the impact of risk on capital adequacy and profitability under stress scenarios.</li> <li>6. To review and assess the appropriate levels of capital vis-à-vis its risk profiles.</li> <li>7. To review and recommend strategic actions to be taken arising from the implementation of relevant regulatory guidelines for Board's approval.</li> <li>8. To provide oversight over EIPL's state of business continuity preparedness and other requirements under the EIPL Business Continuity Management Policy.</li> <li>9. To review and approve new products or distribution channels which contain new risk elements that can lead to a material change in risk-return expectations, or beyond approval scope of management level committees such as the Product Development Committee.</li> <li>10. To ensure that risk management function are adequately resourced and independent with clearly delineated authority and responsibilities.</li> </ol>



**TERMS OF REFERENCE  
RISK MANAGEMENT COMMITTEE  
OF ETIQA INSURANCE PTE. LTD.**

No.	Items	Details
		11. To carry out such other responsibilities as may be delegated to it by the Board from time to time.
12.	<b>Key Agenda Topics</b> (Non-Exhaustive)	<p>Review of the following reports:</p> <ol style="list-style-type: none"> <li>1. Risk Appetite Statements</li> <li>2. Strategic Asset Allocation</li> <li>3. Risk Management related Frameworks and Policies</li> <li>4. EIPL Board Risk Letter<sup>1</sup></li> <li>5. EIPL Enterprise Risk Management Dashboard<sup>1</sup></li> </ol> <p>Note: <sup>1</sup>Report is produced on quarterly basis.</p>
13.	<b>Related Regulatory/ Policy Documents</b>	<p>This Terms of Reference (TOR) shall be read together with Corporate Governance Framework that aims to ensure that EIPL upholds good corporate governance standards with a view to increase public confidence in the Company, establish customer trust and build a competitive organization.</p> <p>It also aims to embed a strong culture of responsibility and ethical behavior in EIPL through individual accountability on the part of senior managers and a supportive governance framework.</p>
14.	<b>Minutes of Meeting</b>	The Secretary shall prepare the minutes of the meeting and circulate to the members of the Committee for comments within Seven (7) working days of the meeting.
15.	<b>Collation of Meeting Papers</b>	All papers and/or reports to be tabled at the meeting shall be forwarded to the Secretariat at least five (5) working days prior to the meeting.
16.	<b>Frequency of Review</b>	The TOR needs to be reviewed on annual basis from the date of last approval or as and when required.

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**TERMS OF REFERENCE  
INVESTMENT COMMITTEE**

Objective	The Investment Committee is a governance body which carries an oversight function for investment related activities.
Members	<ol style="list-style-type: none"> <li>1. Executive and/or Non-executive Director (Chairperson)</li> <li>2. Executive and/or Non-executive Director</li> <li>3. Chief Executive Officer</li> <li>4. Appointed Actuary</li> <li>5. Chief Investment Officer (Maybank Ageas Holdings Berhad)</li> <li>6. Chief Financial Officer (Etiqa Insurance Pte Ltd)</li> <li>7. Head, Investment (Etiqa Insurance Pte Ltd)</li> </ol> <p>Permanent Invitees:</p> <ol style="list-style-type: none"> <li>1. Representative(s) from Etiqa Insurance &amp; Takaful</li> <li>2. Representative(s) from Ageas Asia</li> <li>3. Head, Actuarial</li> <li>4. Chief Risk Officer</li> <li>5. Any other person(s) as the Chairperson and/or CEO deems fit and necessary</li> </ol> <p>Secretary: Head, Investment</p>
Meeting	At least four (4) times a year
Proceedings of Meetings	<ol style="list-style-type: none"> <li>1. The quorum for the Committee is at least four (4) of the members in attendance, including the Chairperson and the Appointed Actuary</li> <li>2. Any proposals and/or recommendations shall be approved by simple majority vote of the members present at the meeting. In the event of a tie, the Chairperson will have the deciding vote.</li> <li>3. Approval of the members can be sought on specific subjects, in writing, outside of a scheduled committee meeting. In this case, the topic will be incorporated for reference in the agenda and minutes of the following scheduled meeting.</li> </ol>
Authority	<ol style="list-style-type: none"> <li>1. Responsible for the tactical investment policy carried out and the consequent results.</li> <li>2. Empowered to appoint or dismiss one or more financial partner.</li> <li>3. Empowered to take ad-hoc decisions as the occasion arises, in so far as this relates to the investment policy.</li> <li>4. Empowered to request internal audits on the investment management process and to implement internal controls.</li> <li>5. Any other duty delegated by the Board.</li> <li>6. Direct access to all relevant information.</li> </ol>
Specific Duties	<ol style="list-style-type: none"> <li>1. To formulate the long-term strategic investment policy as a recommendation to the Board based on advice from Asset-Liability Management Committee ("ALCO").</li> <li>2. To establish the tactical investment policy on the basis of the proposal by the investment manager.</li> <li>3. To test the policy conducted by the investment manager against the strategic and tactical investment policy.</li> </ol>

	<p>4. To evaluate, negotiate conditions on appointment or dismissal of external fund managers, custodians, banks and other financial intermediaries.</p> <p>5. To evaluate, review and maintain the Investment Mandate / Guidelines, based on ALCO-advice.</p> <p>6. To assess investment performance proprietary portfolios and unit-linked funds (when applicable).</p> <p>7. To discuss peer review on investment performance.</p> <p><b>Specifically for the Investment Committee as required under MAS 125:</b></p> <p>8. To review the investment policy on a regular basis so that it remains appropriate, recognising among other things, changes in business in-force and the economic environment.</p> <p>9. To ensure the investment policy is consistent with the asset liability management strategies required to support new and existing products.</p> <p>10. Ensure the investment policy of the participating fund, is consistent with the bonus and dividend policy.</p> <p>11. To ensure the risk management functions continue to be appropriate.</p> <p>12. To review the adequacy of internal control systems to support investment activities.</p> <p>13. To ensure that there is a sufficient number of officers, agents and/or employees (collectively, the “personnel”) who are equipped with the appropriate skills and knowledge to implement and manage the approved investment policy and any other activities requested by the board of directors;</p> <p>14. To monitor the performance of the personnel (as above) against its approved investment policies;</p>
Date of previous version	10 May 2022
Date of this version	7 August 2023

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