

FWD Insurance Berhad

Board Charter

1. INTRODUCTION

The Board of Directors (“the Board”) of FWD Insurance Berhad (*formerly known as Gibraltar BSN Life Berhad*) (“the Company”) is responsible to ensure that the highest standards of Corporate Governance throughout the Company are practiced in all of the Company’s business dealings with its shareholder and relevant stakeholders.

This Board of Directors’ Charter (“Board Charter”) sets out the standard and principles governing the Board’s processes and outlines the roles, functions and responsibilities of the Board in accordance with the Financial Services Act 2013 (“FSA”), the Policy on Corporate Governance by Bank Negara Malaysia (“BNM Policy”), the Companies Act 2016 and the authority conferred by the Constitution of the Company.

This Board Charter, together with the Joint Venture Agreement amongst FMH Capricorn Holdings Sdn Bhd, Bank Simpanan Nasional and FWD BSN Holdings Sdn Bhd (*formerly known as Gibraltar BSN Holdings Sdn Bhd*) (as amended and restated by an Amendment and Restated Agreement dated 30 October 2023, and the Constitution act as a source of reference to the Board in discharging its roles and responsibility effectively. It is not intended to replace nor serve as a substitute to the laws or other regulatory requirements of Malaysia.

This Board Charter shall be reviewed periodically by the Board and made available on the Company’s website.

2. THE BOARD OF DIRECTORS

2.1 Composition and Balance

The size and composition of the Board shall be appropriate and well balanced to cater for the interest of the shareholder as well as the business of the Company.

The Board shall comprise of members who are of high calibre, credibility and integrity with diverse professional backgrounds, skills, experience and knowledge required to bring an independent judgment. The Board shall have sufficient competence, confidence and objectivity to challenge Senior Management and hold it to account on the issues of strategy, performance and resources including key appointments and standard of conduct.

The Board must not have more than one (1) Executive Director, unless Bank Negara Malaysia (“BNM”) approves in writing.

2.2 Number of Directors

The maximum number of Directors shall be not more than seven (7) members.

2.3 Independence

Independent Non-Executive Directors shall form the majority of the Board at all times and the appointments/removals shall be in accordance with the provisions of the BNM Policy and the Companies Act 2016.

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

2.4 Tenure of Independent Directors

An Independent Non-Executive Director who has served the Board consecutively for more than nine (9) years may, if it is in the interest of the Company, continue to serve on the Board albeit in the capacity of a Non-Independent Non-Executive Director.

The shareholder may, in exceptional cases or as part of the transitional arrangement towards full implementation of the succession plan for the Company and subject to the assessment of the Board Nomination Committee, recommend that an Independent Non-Executive Director may remain as an Independent Non-Executive Director after serving a cumulative term of nine (9) years.

2.5 Board Meeting Attendance

A director shall attend at least 75% of the board meetings held in each financial year, and shall not appoint another person to attend or participate in a board meeting on his/her behalf.

2.6 Appointments and Re-Appointments of the Board

The Board Nomination Committee ("BNC") is empowered to identify and recommend new appointments of Directors to the Board and Board Committees. In discharging this duty, the BNC assesses the suitability of an individual to be appointed to the Board and Board Committees by taking into account the individual's skills, knowledge, expertise and experience, professionalism and integrity.

The BNC then recommends to the Board to approve the individual to be appointed as a Director of the Company.

The appointment of a Director will be in accordance with the BNM Policy. A director shall not be disqualified under Section 59 (1) of the FSA and shall meet BNM's fit and proper requirements.

The Company shall not make an application to BNM to appoint a Director unless the Board is wholly satisfied, based on its objective assessment, that the candidate meets

the minimum requirements set out by BNM, understands the expectations of the role and is able to meaningfully contribute to the Board and such application complies with the requirements set out in Appendix 3 of the BNM Policy.

The appointment of Directors requires the prior written approval of BNM pursuant to Section 54 (2) of the FSA. The resignation and removal of Independent Non-Executive Directors similarly require BNM's prior written approval.

All appointment and re-appointment of Directors are subject to evaluation by the BNC and approval by the Board before the applications are submitted to BNM. The evaluation process and procedure for appointment of Directors prior to the submission to BNM for approval is as follows:

- (a) Nomination of candidate for appointment as Director is evaluated by the BNC in accordance with the criteria prescribed by BNM and the fit and proper requirements. The BNC in making its recommendation on candidates for directorship considers a candidate's:
 - (1) Skill, knowledge, competencies, expertise and experience;
 - (2) Integrity;
 - (3) Commitment, communication and performance; and
 - (4) In the case of a candidate for the position of Independent Non-Executive Directors, the BNC additionally evaluates the candidate's ability to discharge such responsibilities/functions.

The findings and recommendation from the BNC are then submitted to the Board for consideration and approval.

The retirement of Directors shall be in accordance with the Companies Act 2016.

A Director shall not have competing time commitments that impair his ability to discharge his duties effectively.

A Director who has full-time employment in any organisation shall have appointments in no more than three (3) other listed companies and ten (10) other unlisted companies.

A Director who does not have any full-time appointment shall have appointments in no more than five (5) other listed companies and fifteen (15) other unlisted companies.

A Director shall not be an active politician.

Where a firm has been appointed as the external auditor of the Company, any of its officers directly involved in the engagement and any partner of the firm shall not serve or be appointed as a Director until at least two (2) years after—

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

A Director appointed shall acknowledge the terms of his appointment, which shall include:

- (a) the roles and responsibilities of the Director, including those arising from his membership in any Board Committee;
- (b) the tenure of the appointment; and
- (c) provisions for the Director's removal in the event he no longer meets the minimum requirements set out in the BNM Policy, or has been assessed to be ineffective, errant or otherwise unsuited to carry out his responsibilities.

All Directors shall make an annual declaration that they fulfil the minimum criteria of "fit and proper" as prescribed in Section 59 (1) of the FSA. In addition to the annual declaration, under all circumstances, Directors shall immediately disclose to the Board of any changes in his circumstances that may affect his ability to meet the minimum requirements.

Unless the written approval of BNM has been obtained:

- (a) the Company must not publicly announce the proposed appointment of a Director; and
- (b) a Director whose tenure has expired and is being proposed for reappointment must immediately cease to hold office and act in such capacity, including by participating in Board meetings or holding himself out as a Director.

2.7 Remuneration

The Company's remuneration policy for Directors is designed to enable the Company to attract and retain experienced and knowledgeable individuals of the calibre needed to support the Company's ambitious expansion plans in line with its overall objective of delivering long-term value to its shareholder. The remuneration packages are structured to incentivize and encourage creativity and innovation appropriate for the Company to:

- drive performance
- encourage acceptable risk-taking behaviour
- reinforce the Company's corporate and risk culture

The Board Remuneration Committee ("BRC") recommends to the Board the remuneration package for Directors for approval. The remuneration package is structured on the basis of individual performance and shall be reviewed periodically.

3. DUTIES AND RESPONSIBILITIES OF THE BOARD

3.1 Principal Duties and Responsibilities

The Company is governed by the Board which assumes overall responsibility to promote the sustainable growth and financial soundness of the Company, and to ensure reasonable standards of fair dealing, without undue influence from any party.

This includes a consideration of the long-term implications of the Board's decisions on the Company and its customers, officers and the general public.

In fulfilling this role, the Board shall:

- (a) approve the risk appetite, business plans and other initiatives which singularly or cumulatively, have a material impact on the Company's risk profile;
- (b) oversee the selection, performance, remuneration and succession plans of the Chief Executive Officer ("CEO"), control function heads and other members of Senior Management, such that the Board is satisfied with the collective competence of Senior Management to effectively lead the Company's operations;
- (c) oversee the implementation of the Company's governance framework and internal control framework, and periodically review these to ensure that they remain appropriate in light of material changes to the size, nature and complexity of the Company's operations;
- (d) promote together with Senior Management, a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour;
- (e) promote sustainability through appropriate environmental, social and governance considerations of the Company's business strategies;
- (f) oversee and approve the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress; and
- (g) promote timely and effective communication between the Company and BNM on matters affecting or that may affect the safety and soundness of the Company.

Apart from the specific responsibilities, the Board also takes full, independent responsibility and accountability for the smooth functioning of core processes, involving board governance, business values and ethical oversight.

3.2 Key Matters Reserved for the Board

The Board maintains a schedule of matters reserved for its collective decision. The purpose of this is to ensure that the Board and Management are clearly aware of where the limits of responsibility lie and that due consideration is given to issues at the appropriate level.

Key matters reserved for the collective decision of the Board include, but is not limited to the following:

- annual business plans and budgets;
- strategic plans;

- material acquisitions and disposals of assets not in the ordinary course of business;
- investment in projects requiring major capital investment;
- financial results and financial statements;
- dividend recommendations;
- changes to the composition of the Board and Board Committees;
- appointment of external auditors and their fees;
- banking facilities; and
- establishment of long-term or share incentive plans.

3.3 Chairman, CEO, Executive Directors and Non-Executive Directors

The position of Chairman and CEO are separated. A clear segregation of roles and responsibilities between the Chairman and the CEO to ensure a balance of power and authority is defined.

Chairman

The Chairman of the Board shall not be an executive and shall not have served as CEO of the Company for the past five (5) years. The Chairman of the Board shall not chair any Board Committees.

The Chairman, in leading the Board, is responsible for the effective overall functioning of the Board and conducting Board and shareholder meetings. The Chairman ensures that all Directors are properly briefed during Board discussions and that the shareholder is informed of the subject matters requiring their approval.

In fulfilling this role, the Chairman must:

- (a) ensure that appropriate procedures are in place to govern the Board's operation;
- (b) ensure that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board, and that Directors receive the relevant information on a timely basis;
- (c) encourage healthy discussion and ensure that dissenting views can be freely expressed and discussed; and
- (d) lead efforts to address the Board's developmental needs.

CEO

The CEO is responsible for the overall management of the Company, ensuring that strategies, policies and matters set by the Board are effectively implemented. The CEO regularly reviews the performance of the heads of divisions and departments who are responsible for all functions contributing to the success of the Company.

Executive Director

The Executive Director makes and implement operational decisions, runs the Company's business and supports the CEO to ensure the effective management of the Company's day to day operations.

Non-Executive Directors

The Non-Executive Directors ensure that business and investment proposals presented by Management are fully deliberated and examined. They provide unbiased and independent views, advice and judgment, which take into account the interests of the Company and all its stakeholders including the shareholder, employees, customers, business associates and the community as a whole.

3.4 Role of the Company Secretary

The Board appoints a Company Secretary who reports directly to the Board to facilitate effective information flow between the Board, the Board Committees and Senior Management. The Company Secretary guides and advises the Directors on areas of corporate governance, relevant legislation, regulations and policies.

The Company Secretary shall keep confidential the affairs of the Company and its officers at all times.

The Company Secretary attends Board and Board Committees' meetings and is responsible for the accuracy and adequacy of records of the proceedings of Board and Board Committees' meetings.

The appointment and removal of the Company Secretary must be approved by the Board.

3.5 Board Committees

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference to assist the Board in the execution of its duties and responsibilities.

The respective Board Committees report to the Board on matters discussed and deliberated and make recommendations to the Board for final decisions.

Board Committee meetings are scheduled in advance at the end of the prior calendar year to enable the Board Committee members to plan their schedules accordingly.

The composition of each Board Committee is as follows:

- have at least three (3) Directors
- have a majority of Independent Non-Executive Directors
- the Chairman of each Board Committee is an Independent Non- Executive Director

- Directors who have the requisite skills, knowledge and experience relevant to the responsibilities of the respective Board Committee

The Board Committees of the Company are as follows:

Board Audit Committee (“BAC”)

The BAC assists the Board in the effective discharge of its fiduciary responsibilities for corporate governance, timely and accurate financial reporting and development of sound internal controls.

The Terms of Reference (“TOR”) of the BAC is set out in *Appendix I*.

Board Nomination Committee

The BNC is appointed by the Board to identify individuals qualified to become Board members, Key Responsible Persons and the Company Secretary. The BNC recommends to the Board proposed nominees for Board membership and recommends to the Board to serve on each Board Committee.

The TOR of the BNC is set out in *Appendix II*.

Board Risk Management Committee (“BRMC”)

The BRMC assists the Board in overseeing the compliance and risk management process within the Company, leads the Company’s strategic direction in the management of the Company’s wide spectrum of compliance and risks matters essentially business, financial, IT and cybersecurity and operations, establishes and implements a compliance and risk management framework and reviews the effectiveness of the compliance and risk management framework.

The TOR of the BRMC is set out in *Appendix III*.

Board Remuneration Committee

The BRC develops and establishes competitive remuneration policies and packages, assessed by the Directors on an ongoing basis.

The TOR of the BRC is set out in *Appendix IV*.

On an annual basis, the Board via BNC shall also review the composition of the Board Committees and their compliance with the BNM Policy, and the Malaysian Code of Corporate Governance.

The Company provides the Board Committees with sufficient support on resources required to investigate any matter within their mandates. The Board remains fully accountable for any authority delegated to the Board Committees.

4. BOARD MEETINGS AND PROCEDURES

Board meetings are scheduled in advance at the end of the prior calendar year to enable the Board members to plan their schedules accordingly.

A minimum of six (6) Board meetings a year are planned and additional meetings may be called at any time, as and when required.

The notice containing the agenda of the meeting shall be circulated by the Company Secretary to every member of the Board prior to the meeting.

All Board meetings shall be chaired by the Chairman. Where the Chairman is absent, the Directors present shall elect one (1) of their members as Chairman of the meeting.

In respect of the quorum for Board meetings, a majority the Board members shall be present in order to constitute a quorum.

In the absence of a meeting and with the Chairman's permission, issues shall be resolved by way of circular resolutions, signed by majority of Directors present in Malaysia.

The head of finance, internal audit and any other relevant departments are responsible to gather and supply the requisite copies of reports containing all necessary and essential information for the purpose of the meeting for the compilation and circulation by the Company Secretary prior to the meeting.

The appropriate key Senior Management personnel of the Company shall attend such meeting by invitation where their presence is considered appropriate by the Chairman.

Minutes of all proceedings of the Board meetings signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates.

4.1 Conflict of Interest & Related Party Transaction

In ensuring that the decision making process is transparent and to the best interest of the Company, all Directors and staff including the CEO shall declare their interest in other entities on an annual basis. In addition, they shall disclose to the Company, any circumstances that may give rise to a conflict of interest situation during the course of carrying out their duties.

The Directors shall make a declaration at the Board meeting, in the event that they or their Relative¹ (whether directly or indirectly):

- (a) have interest, hold offices or possess properties in the proposals or subject matters being considered by the Board and Board Committees, including

¹ "Relative" shall have the same meaning provided in the FSA.
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where such interest arises through close family members, in line with various statutory requirements on the disclosure of Directors' interest;

- (b) is a director, officer, or shareholder of the Company or is in a position to influence or control the Company or affect the decisions of the Company.

A Director who has a direct or deemed interest in a proposal or subject matter presented to the Board / Board Committees meeting shall declare his / her interest and abstain from the deliberation and voting on the said proposal or subject matter. The minutes must indicate whether any Director abstained from voting or excused himself from deliberating on a particular matter.

4.2 Accessibility of Information and Advice

Management provides the Board and Board Committees with information with acceptable timeframe and quality that enables the Board to discharge their duties and responsibilities. Board members have unrestricted access to all information and documents relevant to the business and affairs of the Company including the Company's auditors and consultants.

The Board shall be informed or updated on important issues and/or major development of matters discussed in the Board meetings. Briefings are arranged to discuss important issues.

In order for the Board to discharge its responsibilities effectively, each member of the Board may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of its responsibilities as a Director.

5. BOARD EVALUATION AND PERFORMANCE

The Board shall carry out the Board Annual Assessment exercise to assess the performance and effectiveness of the Board as a whole, Board Committees and individual Directors.

The BNC is responsible to develop a set of criteria with target areas of focus to assist the Board in evaluating the performance and effectiveness of the Board, Board Committees and individual Directors.

As part of the Board Annual Assessment process, all Independent Non-Executive Directors of the Company are required to provide to the Board a yearly declaration and confirmation of their independence to facilitate the annual assessment of the Independent Non-Executive Directors by the Board.

6. DIRECTORS TRAINING AND DEVELOPMENT

6.1 Evaluation of Training Needs

Newly appointed Directors to the Board shall attend the high level Financial Institutions Directors' Education Programme developed by BNM and Perbadanan Insurans Deposit Malaysia in collaboration with the International Centre for Leadership in Finance within one (1) year from their appointment.

The Board evaluates training needs on a continuous basis and determines areas that would further their understanding of the issues facing the Company. Directors may request that training programmes on specific subjects be arranged in order to facilitate their effective discharge of duties.

6.2 Succession Planning

The Board shall ensure that candidates appointed to Senior Management positions are of sufficient calibre. The Board continually evaluates programmes which are in place to provide for the orderly succession of Senior Management to ensure that it is satisfied with the same.

The BNC is assigned with the responsibility to oversee the succession planning for the Senior Management, and the Board to promote board renewal and address any vacancies.

The BNC through its annual review of the composition of the Board in terms of appropriate size and mix of skills, balance between Executive, Non-Executive and Independent Non-Executive Directors, as well as diversity including gender diversity and other core competencies required by the Company, recommends Board succession planning for the Board's consideration.

7. INDEMNIFICATION AND DIRECTORS' AND OFFICERS' INSURANCE

The Company shall not indemnify a Director against liability arising from:

- (a) Wilful misconduct or breach of trust by the Director;
- (b) The Director acting without necessary authority;
- (c) Reckless trading; or
- (d) Fraudulent acts of the Director.

Other than the specific instances above, the Company shall purchase insurance to protect a Director against any liability in respect of which the Company is permitted to indemnify a Director under the permitted circumstances of the law and the Constitution.

8. DELEGATION OF AUTHORITY

The Board is responsible for overseeing the overall affairs of the Company. To ensure effective discharging of its functions and responsibilities, distinctions shall be maintained between Management's functions and overall responsibility of the Board.

The Board has established authority limit guidelines ("Delegated Authorities Manual") detailing matters specifically reserved for its decisions and those delegated to the CEO and the Board Committees and the parameters in relation thereto.

Under the Delegated Authorities Manual, the CEO may in turn sub-delegate certain thresholds of the Board-delegated authority, where relevant, within stipulated limits, to his immediate down-liners and management committees, where applicable. This serves to ensure efficiency whilst maintaining effective control checks and balances. Any proposed updates and revisions to the Delegated Authorities Manual shall be re-tabled to the Board for approval.

9. APPLICATION

The principles set out in this Board Charter shall be kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities.

The Board shall endeavour to comply at all times with the principles and practices as set out in this Board Charter.

This Board Charter is subject to review by the Board from time to time to ensure the Company remains at the forefront of best practices in Corporate Governance.

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FWD Insurance Berhad

Board Audit Committee Terms of Reference

1. OVERVIEW

- 1.1 The Board Audit Committee (“Committee”) shall be responsible for reviewing the accounting policies, internal control assessment and determining that appropriate corrective actions are being taken by the management.

2. OBJECTIVES

- 2.1 In general, the primary objective of the Committee is to assist the Board in the effective discharge of its responsibilities for corporate governance, financial reporting to shareholders and the public and internal controls. It is also a prerequisite that the Committee undertakes to comply with Bank Negara Malaysia’s Policy Document (“BNM”) on Corporate Governance in the execution of its functions.

3. CONSTITUTION AND AUTHORITY

- 3.1 The Committee is authorised by the Board of Directors (“Board”) to:
- (a) Have unlimited access to:
 - (1) All information and documents relevant to its activities.
 - (2) The internal and external auditors.
 - (3) The employees and agents of the company.
 - (b) Investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee of the Company.
 - (c) Obtain outside legal or independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if considered necessary.
 - (d) Have access to copies of audit reports on a timely basis and shall be kept regularly updated on audit matters and corrective actions arising from internal and external audit findings.

3.2 The Committee shall be kept regularly updated on audit matters and be notified immediately of any fraud and significant irregularities or internal control deficiencies discovered by management or the internal audit department.

4. MEMBERSHIP

4.1 The Committee shall comprise of only non-executive and independent directors with at least three members, of which, the majority should be independent.

4.2 The Chairman of the Committee must be an independent non-executive director. The Chairman of the Board shall not chair the Committee to promote robust and open deliberations by the Board on matters referred by the Committee.

4.3 The Company Secretary shall be responsible for supporting the effective functioning of the Committee. In discharging this role, the Company Secretary provides advice on governance matters and facilitates effective information flows between the Board, the Committee and Senior Management.

4.4 The Company Secretary shall act as the secretary of the Committee.

5. MEETINGS AND QUORUM

5.1 The quorum for meetings shall be at least two thirds of the members, with independent non-executive directors forming the majority. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested in or exercisable by the Committee.

5.2 A member is required to attend at least 75% out of the total number of meetings held in each year.

5.3 A Committee meeting shall be held at a minimum once every quarter.

5.4 Any additional meeting shall be convened at the request of the Chairman.

5.5 The date, time and location of the meeting shall be predetermined by the Company Secretary.

5.6 A meeting may be conducted and any member may attend such meetings via telephone conference, video conference or any similar means of audio or audio-visual communication by which all members participating may hear each other.

- 5.7 To avoid a conflict of interest, a member who has a direct or deemed interest in the subject matter presented at a meeting shall abstain from participating in discussions and decisions on matters involving him (but will still be counted for quorum).
- 5.8 With the Chairman's permission, any approvals on urgent or important business matters requiring the recommendation / review of the Committee may be sought via Circular Resolution enclosing all relevant information to enable the members to make informed decisions.
- 5.9 A Circular Resolution in writing duly executed by ALL members shall be as effective for all purposes as a resolution passed at a meeting duly convened, held and constituted.
- 5.10 A Circular Resolution may consist of several documents in the like form, each signed by one (1) or more members. All such duly executed Circular Resolutions shall be forwarded or otherwise delivered to the Company Secretary without delay.
- 5.11 The date of the Circular Resolution shall be the date on which the last member executed the Circular Resolution.
- 5.12 All Circular Resolutions executed by the Committee shall be tabled for notation at the next Committee meeting.

6. DUTIES AND RESPONSIBILITIES

- 6.1 The Committee's roles and responsibilities in relation to internal audit includes the following:
- (a) Review and approve the audit scope, procedures and frequency;
 - (b) Review key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by internal audit and other control functions.
 - (c) Note any significant disagreements between the Head of Internal Audit and the rest of the Senior Management team, irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings.
 - (d) Establishing a mechanism to assess the performance and effectiveness of the internal audit function.
 - (e) Ensure that the Internal Audit Department has adequate and competent resources.
 - (f) Approve the appointment, remuneration, performance evaluation, transfer or removal of the Head of Internal Audit and senior officers of the internal audit function. The appraisal of the Head of Internal Audit would be evaluated and moderated by the Chairman.

- (g) Ensure that the internal audit staff receives necessary training to perform audit work. Review and update the Board on all related party transactions.
 - (h) Review the accuracy and adequacy of the chairman's statement in the director's report, corporate governance disclosures, interim financial reports and preliminary announcements in relation to the preparation of financial statements.
 - (i) Monitor compliance with the board's conflicts of interest policy.
 - (j) Review third-party opinions on the design and effectiveness of the financial institution's internal control framework.
 - (k) Review the Terms of Reference for Board Audit Committee, as and when required.
 - (l) Review all representation letters signed by management, and be satisfied that the information provided is complete and appropriate.
- 6.2 The Committee shall be informed of any resignation of any key staff from the internal audit functions and reasons therefrom and provide resigning staff with an opportunity to submit reasons for their resignations.
- 6.3 The Committee shall foster a quality audit of the Company by exercising oversight over the external auditor in accordance with the expectations set out in BNM's Policy Document on External Auditor. At a minimum, this shall include:
- (a) Reviewing, assessing and providing recommendations to the Board on the appointment, removal and remuneration of the external auditor.
 - (b) Review the terms of an audit engagement before making any recommendation of the engagement.
 - (c) Monitoring and assessing the independence of the external auditor including by approving the provision of non-audit services by the external auditor.
 - (d) Monitor and assess the effectiveness of the external audit, including by meeting with the external auditor without the presence of Senior Management at least annually.
 - (e) Take appropriate steps to ensure that the concurring partner meets the expectations of the Board, and can commit the necessary time to carry out the required review of audit documentation.
 - (f) Maintaining regular, timely, open and honest communication with the external auditor, and requiring the external auditor to report to the Committee on significant matters.
 - (g) Ensuring that Senior Management is taking necessary corrective actions in a timely manner to address external audit findings and recommendations.
- 6.4 The Chairman is expected to give a written report to the Board on the deliberation of the Committee on a regular basis. The Chairman should also present a summary of all significant matters and resolutions made by the Committee at Board meetings.

7. REVIEW AND REPORTING PROCEDURES

- 7.1 Full minutes of the Committee's meetings shall be kept by the Company Secretary, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director. The Chairman's permission is required prior to any release of minutes of meetings or extracts thereof to any other party except for the external auditor and Bank Negara Malaysia.
- 7.2 Minutes of the Committee's meetings shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by the members or dissenting views expressed.
- 7.3 Without prejudice to the generality of the duties of the Committee as set out in this Terms of Reference, the Committee shall report 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.
- 7.4 In addition to his day-to-day management reporting line, the Head of Internal Audit has a direct reporting line to the Chairman of the Committee on matters within the Committee's scope.
- 7.5 The Committee may amend these Terms of Reference from time to time in order to retain its usefulness.
- 7.6 Nothing herein stated shall restrict the Committee from otherwise regulating the meetings as it thinks fit.

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FWD Insurance Berhad

Board Nomination Committee Terms of Reference

1. OVERVIEW

- 1.1 The Board Nomination Committee (“Committee”) shall be responsible for establishing a documented, formal and transparent procedure for the appointment of directors and key senior officers of the Company, and for making recommendations to the Board with respect to such appointments.

2. OBJECTIVES

- 2.1 The Committee is established to support the Board of Directors (“Board”) in carrying out its functions in the following matters concerning the Board, Senior Management and the Company Secretary:
- (a) appointments and removals;
 - (b) composition;
 - (c) performance evaluation and development; and
 - (d) fit and proper assessments.

3. CONSTITUTION AND AUTHORITY

- 3.1 The Committee derives its authority from the mandate delegated by the Board and shall be further governed by the Company’s Constitution and the laws governing the management and business of the Company.
- 3.2 The Committee shall have access to all information within the Company and the advice of a consultant /advisor.

4. MEMBERSHIP

- 4.1 The Committee shall comprise of at least three (3) directors, of which the majority shall be independent.
- 4.2 The Chairman of the Committee must be an independent non-executive director. The Chairman of the Board shall not chair the Committee to promote robust and open deliberations by the Board on matters referred by the Committee.

- 4.3 The Committee shall be chair by its Chairman. In the absence of the Chairman at the meeting, the Chairman may nominate any member present at the meeting to be Chairman of the meeting. In the absence of such nomination, the members present at the meeting shall elect one among themselves to be Chairman of the meeting.
- 4.4 Only members have the right to attend a Committee meeting. However, the Committee may invite the Chief Executive Officer and/or any other persons to attend the meeting as deemed appropriate and necessary.
- 4.5 The Company Secretary shall act as the secretary of the Committee.

5. MEETINGS AND QUORUM

- 5.1 The quorum for meetings shall be at least two (2) members with at least one (1) FWDJVCo director who is a non-independent director and one (1) BSN director who is a non-executive director.
- 5.2 A member is required to attend at least 75% out of the total number of meetings held in each year.
- 5.3 A Committee meeting shall be held at least two (2) times each year, one (1) in every six (6) months or at any such number of time(s) as the Committee may deem necessary to fulfil its responsibilities.
- 5.4 Any additional meeting shall be convened at the request of the Chairman.
- 5.5 The date, time and location of the meeting shall be predetermined by the Company Secretary.
- 5.6 A meeting may be conducted and any member may attend such meetings via telephone conference, video conference or any similar means of audio or audio-visual communication by which all members participating may hear each other.
- 5.7 To avoid a conflict of interest, a member who has a direct or deemed interest in the subject matter presented at a meeting shall abstain from participating in discussions and decisions on matters involving him (but will still be counted for quorum).
- 5.8 The Chairman shall have the right to vote as a member of the Committee. The Chairman shall have a casting vote in the event of an evenly divided vote of the Committee.
- 5.9 With the Chairman's permission, any approvals on urgent or important business matters requiring the recommendation / review of the Committee may be sought via

Circular Resolution enclosing all relevant information to enable the members to make informed decisions.

- 5.10 A Circular Resolution in writing duly executed by ALL members shall be as effective for all purposes as a resolution passed at a meeting duly convened, held and constituted.
- 5.11 A Circular Resolution may consist of several documents in the like form, each signed by one (1) or more members. All such duly executed Circular Resolutions shall be forwarded or otherwise delivered to the Company Secretary without delay.
- 5.12 The date of the Circular Resolution shall be the date on which the last member executed the Circular Resolution.
- 5.13 All Circular Resolutions executed by the Committee shall be tabled for notation at the next Committee meeting.

6. DUTIES AND RESPONSIBILITIES

- 6.1 The Committee is mandated by the Board to undertake the following duties and responsibilities:
 - (a) conduct reviews, assessments and make recommendations to the Board for decision on matters covered under this TOR or on any other matters as may be directed by the Board; and
 - (b) exercise its power to decide on behalf of the Board as mandated under this Terms of Reference.

Recommendation Mandates

- 6.2 The Committee is empowered by the Board to establish, conduct reviews, assess and make recommendations for the approval of the Board on the following matters:
 - (a) overall composition of the Board in terms of the appropriate size and the balance between the executive, non-executive directors, independent, non-independent directors and the skill sets required of the Board, both individually and collectively to ensure alignment with the strategic direction and emerging challenges of the Company;
 - (b) the minimum qualifications, mix of skills, experience, qualification and other core competencies required of a director;

- (c) nominees for directorship, Board Committee membership, CEO, Senior Management, Company Secretary and Corporate Representative / Proxy / Power of Attorney's Holder and where applicable, the assessments for reappointment;
- (d) succession planning and performance assessment on the effectiveness of the Board as a whole, the contribution of each director to the effectiveness of the Board, the contribution of the Board Committees and the business of the Company;
- (e) removal of a director from the Board in the event of disqualification under the laws, fraud, negligence, ineffectiveness, errant and/or any other grounds affecting the best interests of the Company;
- (f) the minimum qualifications, mix of skills, experience, qualification and other core competencies required for the Key Responsible Persons;
- (g) the appointment, termination and performance assessment of the Key Responsible Persons where the annual assessment will be conducted based the performance criteria w approved by the Board; and
- (h) the Company's key / major human resource policies and strategies and performance indicators to foster ethical employee business conduct / behaviour, employee commitment to the operations of the Company and a high degree of employee satisfaction.

For the avoidance of doubt, the Committee is not delegated with decision-making powers for the above matters but is required to make its recommendations to the Board for decision.

Decision Mandates

6.3 The Committee is empowered by the Board to decide / approve on the following matters:

- (a) the setting and implementation of the minimum qualifications, required mix of skills, experience, qualification and other core competencies and the terms and conditions, appointment, termination, renewal, succession planning and the performance evaluation of the Key Responsible Persons;

The Committee delegates to the Chief Executive Officer, the power to decide and approve the minimum requirement, required mix of skills, experience, qualification and other core competencies, the terms and conditions, appointment, termination, renewal, succession planning and the

performance evaluation of the Key Senior Officers;

“Key Senior Officers” refers to Senior Managers and above but do not include the Key Responsible Persons.

- (b) implementation and review on the directors training to enable the directors to keep abreast with the latest developments in the industry; and
- (c) engagement of consultants / advisors to provide professional service and information in the furtherance of the Committee’s duties at the Company’s expense, so as to ensure the members are able to make informed decisions and recommendations to the Board.

For the avoidance of doubt:

- (a) the procedures for appointment and assessment of the directors and Key Responsible Persons must be approved by the Board and disclosed to the shareholder of the Company; and
- (b) any matters not covered under the Decision Mandates shall be recommended by the Committee for the Board's decision /approval.

All decisions and approvals made by the Committee shall be tabled to the Board for notation.

7. REVIEW AND REPORTING PROCEDURES

- 7.1 Full minutes of the Committee’s meetings shall be kept by the Company Secretary, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any director. The Chairman’s permission is required prior to any release of minutes of meetings or extracts thereof to any other party except for the external auditor and Bank Negara Malaysia.
- 7.2 Minutes of the Committee’s meetings shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by the members or dissenting views expressed.
- 7.3 Without prejudice to the generality of the duties of the Committee as set out in this Terms of Reference, the Committee shall report 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.
- 7.4 Unless otherwise restricted under the law, the Constitution and the Joint Venture Agreement, nothing herein shall restrict the Committee from delegating specific

responsibilities to the Company's management or any person.

- 7.5 The decision made by the Committee shall be communicated to the Company's management in due course to ensure that decisions and directions are executed in a timely manner.
- 7.6 The Committee may amend these Terms of Reference from time to time in order to retain its usefulness.
- 7.7 Nothing herein stated shall restrict the Committee from otherwise regulating the meetings as it thinks fit.

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FWD Insurance Berhad

Board Risk Management Committee Terms of Reference

1. OVERVIEW

- 1.1 The Board Risk Management Committee (“Committee”) shall be responsible for overseeing the senior management activities in managing the key risks and compliance areas in the Company to ensure appropriate risk management and compliance management programs are in place as well as functioning effectively.

2. OBJECTIVES

- 2.1 The Committee is established to oversee the Company’s risk and compliance management framework and policies. This includes ensuring the:

- Adequacy and effectiveness of the Company’s ERM Framework;
- Appropriateness of, and performance against, the Company’s risk appetite as well as the key risk management policies and procedures;
- Completeness of the identification, measurement, monitoring and management of material risks (including ESG and climate-related risk);
- Suitability of risk evaluation, quantification methodologies, risk and capital measures, models, stresses and scenarios used and their results;
- Adequacy and effectiveness of the Company’s Compliance Framework;
- Adequacy and effectiveness of the Company’s compliance policy and overseeing its implementation;
- Adequacy and effectiveness of the overall management of compliance risk;

3. CONSTITUTION AND AUTHORITY

- 3.1 The Committee derives its authority to act from the mandate delegated by the Board of Directors (“Board”) and shall be further governed by the Company’s Constitution and the laws governing the management and business of the Company.
- 3.2 The Committee is authorised to seek the risk management and compliance information it requires from management and/or other employees of the Company who are directed to co-operate with the Committee.
- 3.3 The Committee is authorised by the Board to seek independent third-party views or information on risk and compliance implications as appropriate before coming to any significant policy decisions conclusions.

4. MEMBERSHIP

- 4.1 The Committee shall comprise of only non-executive and independent directors with at least three (3) members, of which, the majority should be independent.
- 4.2 The Chairman of the Committee must be an independent non-executive director. The Chairman of the Board shall not chair the Committee to promote robust and open deliberations by the Board on matters referred by the Committee.
- 4.3 The Committee shall have the right to invite any person to be present at any part of a Committee meeting, on a need basis.
- 4.4 The Committee shall be chaired by its Chairman. In the absence of the Chairman at the meeting, the Chairman may nominate any member present at the meeting to be Chairman of the meeting. In the absence of such nomination, the members present at the meeting shall elect one among themselves to be Chairman of the meeting.
- 4.5 The Company Secretary shall act as the secretary of the Committee.

5. MEETINGS AND QUORUM

- 5.1 The quorum for meetings shall be at least two thirds of the members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested in or exercisable by the Committee.
- 5.2 A member is required to attend at least 75% out of the total number of meetings held in each year.
- 5.3 A Committee meeting shall be held at a minimum once every quarter.
- 5.4 Any additional meeting shall be convened at the request of the Chairman.
- 5.5 The date, time and location of the meeting shall be predetermined by the Company Secretary.
- 5.6 A meeting may be conducted and any member may attend such meetings via telephone conference, video conference or any similar means of audio or audio-visual communication by which all members participating may hear each other.
- 5.7 To avoid a conflict of interest, a member who has a direct or deemed interest in the subject matter presented at a meeting shall abstain from participating in discussions and decisions on matters involving him (but will still be counted for quorum).

- 5.8 With the Chairman's permission, any approvals on urgent or important business matters requiring the recommendation / review of the Committee may be sought via Circular Resolution enclosing all relevant information to enable the members to make informed decisions.
- 5.9 A Circular Resolution in writing duly executed by ALL members shall be as effective for all purposes as a resolution passed at a meeting duly convened, held and constituted.
- 5.10 A Circular Resolution may consist of several documents in the like form, each signed by one (1) or more members. All such duly executed Circular Resolutions shall be forwarded or otherwise delivered to the Company Secretary without delay.
- 5.11 The date of the Circular Resolution shall be the date on which the last member executed the Circular Resolution.
- 5.12 All Circular Resolutions executed by the Committee shall be tabled for notation at the next Committee meeting.

6. DUTIES AND RESPONSIBILITIES

- 6.1 The Committee is responsible to oversee and advise the Board on all high-level risk related matters and to support the Board in meeting the expectations on compliance and risk management as set out in Bank Negara Malaysia's ("BNM") Policy Documents on Compliance, and Risk Governance. In providing such oversight and advice to the Board, the Committee shall:
- (a) review and approve the annual plan of the Risk Management and Compliance Department;
 - (b) review and recommend frameworks, policies, risk appetite of the Risk Management and Compliance Department for the Board's approval;
 - (c) review and ensure that adequate infrastructure, resources and systems are in place for the Risk Management and Compliance Department to effectively carry out its respective responsibilities;
 - (d) receive and review periodic reports from the Risk Management and Compliance Department on risk exposure, risk profile, fraud related matters, regulatory developments and compliance events;
 - (e) ensure that risk management and compliance induction, training and education programs are appropriately established and implemented for staff of all levels;
 - (f) evaluate and review the appointment, confirmation, cessation and annual performance of the Chief Risk & Chief Compliance Officer;

- (g) review the remuneration policy and structure of the Risk Management and Compliance Department for prudent risk-taking and to promote a healthy risk and reward culture;
- (h) highlight any matter that needs to be addressed by the Committee to ensure an effective exchange of information so as to enable effective coverage of all risks and compliance issues including emerging risk issues that could have an impact on the Company's risk appetite and business plans;
- (i) actively promote a consistent culture of risk awareness, encourage open discussions and timely escalation of risks and compliance issues;
- (j) obtain information from Senior Management on adherence to risk appetite, risk management and compliance policies, processes and controls in managing key risks and compliance issues as well as any emerging risks;
- (k) review Risk Management and Compliance reports as well as provide recommendations and constructive challenge to Senior Management;
- (l) ensure reporting processes are reliable and promote timely responses to material risk developments via clearly defined escalation triggers and procedures for significant risk and compliance events;
- (m) ensure sufficient and continuous knowledge and competencies in Risk Management and Compliance through education and training of the Board and Senior Management that are appropriate to the nature, scale and complexity of the business;
- (n) oversee the Company's overall Investment-Linked business and ensure that the Company is able to fulfil its responsibility of ensuring fair treatment of policy owners;
- (o) support the Board in overseeing technology risk matters and receive reports on the implementation of significant technology related projects as well as ensure that proper risk assessments have been undertaken on material technology applications; and
- (p) review IT and Cybersecurity Strategic Plans and technology related frameworks / policies (i.e., Technology Risk Management Framework and Cyber Resilience Framework) for the Board's approval.

7. REVIEW AND REPORTING PROCEDURES

- 7.1 Full minutes of the Committee's meetings shall be kept by the Company Secretary, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director. The Chairman's permission is required prior to any release of minutes of meetings or extracts thereof to any other party except for the external auditor and Bank Negara Malaysia.
- 7.2 Minutes of the Committee's meetings shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by the members or dissenting views expressed.

- 7.3 Without prejudice to the generality of the duties of the Committee as set out in this Terms of Reference, the Committee shall report 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.
- 7.4 In addition to his day-to-day management reporting line, the Chief Risk & Compliance Officer has a direct reporting line to the Chairman of the Committee on matters within the Committee's scope.
- 7.5 The Committee may amend these Terms of Reference from time to time in order to retain its usefulness.
- 7.6 Nothing herein stated shall restrict the Committee from otherwise regulating the meetings as it thinks fit.

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FWD Insurance Berhad

Board Remuneration Committee Terms of Reference

1. OVERVIEW

- 1.1 The Board Remuneration Committee (“Committee”) shall be responsible for establishing a formal and transparent procedure for developing a remuneration policy for directors and the Key Responsible Persons of the Company and to ensure that their compensation is competitive and consistent with the Company’s culture, objectives and strategy, and for making recommendation to the Board with respect to such matters.

2. OBJECTIVES

- 2.1 The Committee is established to support the Board of Directors (“Board”) in overseeing the design and operation of the Company’s remuneration system as required by Bank Negara Malaysia (“BNM”) and to implement policies and procedures on remuneration to achieve effective governance of the remuneration system.

3. CONSTITUTION AND AUTHORITY

- 3.1 The Committee derives its authority from the mandate delegated by the Board and shall be further governed by the Company’s Constitution and the laws governing the management and business of the Company.
- 3.2 The Committee shall have access to all information within the Company and the advice of a consultant /advisor. The Committee is not delegated with decision-making powers by the Board and shall be obliged to report its recommendations back to the Board for decision.

4. MEMBERSHIP

- 4.1 The Committee shall comprise of at least three (3) directors, of which the majority shall be independent.

- 4.2 The Chairman of the Committee shall be an Independent Director. The Chairman of the Board shall not chair the Committee to promote robust and open deliberations by the Board on matters referred by the Committee.
- 4.3 The Committee shall be chaired by its Chairman. In the absence of the Chairman at the meeting, the Chairman may nominate any member present at the meeting to the Chairman of the meeting. In the absence of such nomination, the members present at the meeting shall elect one among themselves to be Chairman of the meeting.
- 4.4 Only members have the right to attend a Committee meeting. However, the Committee may invite any other person to attend the meeting as deemed appropriate and necessary. The Chief Executive Officer and Head of Human Resources shall be invited on a need basis.
- 4.5 The BRC Meeting shall be chaired by the BRC Chairman who must be an Independent Director and in his absence, the BRC Members present may elect any other Independent Director to chair the BRC Meeting.
- 4.6 The Company Secretary shall act as the secretary of the Committee.

5. MEETINGS AND QUORUM

- 5.1 The quorum for meetings shall be at least two thirds of the members with non-executive directors forming the majority. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested in or exercisable by the Committee.
- 5.2 A member is required to attend at least 75% out of the total number of meetings held in each year.
- 5.3 A Committee meeting shall be held at least once a year to review the remuneration packages of the directors and Key Responsible Persons.
- 5.4 Any additional meeting shall be convened at the request of the Chairman.
- 5.5 The date, time and location of the meeting shall be predetermined by the Company Secretary.
- 5.6 A meeting may be conducted and any member may attend such meetings via telephone conference, video conference or any similar means of audio or audio-visual communication by which all members participating may hear each other.

- 5.7 To avoid a conflict of interest, a member who has a direct or deemed interest in the subject matter presented at the meeting shall abstain from participating in discussions and decisions on matters involving him (but will still be counted for quorum).
- 5.8 With the Chairman's permission, any approvals on urgent or important business matters requiring the recommendation / review of the Committee may be sought via Circular Resolution enclosing all relevant information to enable the members to make informed decisions.
- 5.9 A Circular Resolution in writing duly executed by ALL members shall be as effective for all purposes as a resolution passed at a meeting duly convened, held and constituted.
- 5.10 A Circular Resolution may consist of several documents in the like form, each signed by one (1) or more members. All such duly executed Circular Resolutions shall be forwarded or otherwise delivered to the Secretary without delay.
- 5.11 The date of the Circular Resolution shall be the date on which the last member executed the Circular Resolution.
- 5.12 All Circular Resolutions executed by the Committee shall be tabled for notation at the next Committee meeting.

6. DUTIES AND RESPONSIBILITIES

- 6.1 The Committee shall have the following duties and responsibilities:
- (a) To recommend a framework of remuneration for the Company as a whole, directors & Key Responsible Persons as shall be included in the remuneration policy. The remuneration policy shall:
- (1) be documented and approved by the Board and any changes thereto shall be reviewed and recommended by the BRC prior to approval of the Board;
 - (2) reflect the experience and level of responsibility borne by individual directors, and the Key Responsible Persons;
 - (3) be sufficient to attract and retain employees, directors, and Key Responsible Persons of the caliber required to manage the Company successfully; and

- (4) balance the above mentioned by ensuring that the Company's funds are not used to subsidise excessive remuneration packages and not create incentives for irresponsible behavior;
- (b) To recommend specific remuneration packages for directors, and Key Responsible Persons. The remuneration packages shall:
 - (1) be based on an objective consideration and approved by the Board;
 - (2) take due consideration of the assessments of the Board Nomination Committee of the effectiveness and contribution of the directors and the Key Responsible Persons concerned;
 - (3) be decided collectively without exercise of sole discretion of any one individual or restricted group of individuals; and
 - (4) be competitive and consistent with the Company's culture, objectives and strategy.
- (c) To ensure that the remuneration packages for eligible directors shall be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.
- (d) To detail items to be published in the Company's Annual Report relating to the activities of the Committee.

7. REVIEW AND REPORTING PROCEDURES

- 7.1 Full minutes of the Committee's meetings shall be kept by the Company Secretary, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any director. The Chairman's permission is required prior to any release of minutes of meetings or extracts thereof to any other party except for the external auditor and Bank Negara Malaysia.
- 7.2 Minutes of the Committee's meetings shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by the members or dissenting views expressed.
- 7.3 Without prejudice to the generality of the duties of the Committee as set out in this Terms of Reference, the Committee shall report 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.

- 7.4 The decisions made by the Committee shall be communicated to the Company's management in due course to ensure that decisions and directions are executed in a timely manner.
- 7.5 The Committee may amend these Terms of Reference from time to time in order to retain its usefulness.
- 7.6 Nothing herein stated shall restrict the Committee from otherwise regulating the meetings as it thinks fit.

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