

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD**  
**REGISTRATION NUMBER: 196001000082 (3755-M)**

**STATEMENT ON CORPORATE GOVERNANCE PURSUANT TO APPENDIX 4 OF THE  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA  
("BNM")**

**PERIOD UNDER REVIEW: FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The Board of Directors ("the Board") of Malaysian Industrial Development Finance Berhad ("MIDF Berhad") is committed to ensure that the Principles of Corporate Governance and Best Practices are embraced in ensuring the affairs of MIDF Berhad are conducted in a professional manner and with accountability and integrity to protect and enhance shareholder's value.

The Board is pleased to report on the application by MIDF Berhad on the principles of the Malaysian Code on Corporate Governance 2021 and the Disclosures on Corporate Governance practices pursuant to Appendix 4 of the Corporate Governance Guidelines issued by BNM on 3 August 2016. The Board is responsible for the overall Corporate Governance of MIDF Berhad.

**BOARD OF DIRECTORS**

The Board is responsible for the overall Corporate Governance of MIDF Berhad in an effective and responsible manner. The Board sets MIDF Berhad's values and standards and ensures that its obligations to its shareholders and other stakeholders, which include the regulators, business partners, clients, employees, suppliers and vendors, are understood and met.

Each individual Director, on the other hand, has a legal duty to act in the best interest of MIDF Berhad. The Board of MIDF Berhad, collectively and individually are aware of their responsibilities to shareholders and other stakeholders for the manner in which the affairs of MIDF Berhad are managed.

The Board is guided by the Board Charter which clearly sets out its roles and responsibilities and describes matters expressly reserved for the Board's determination and matters delegated to the Board Committees and Management. The Board Charter is reviewed and updated periodically to ensure that any updates on relevant laws and regulations are duly incorporated.

The Board reserves full decision making powers notwithstanding any delegation of authority to the Board Committees and Management, on matters relating to amongst others, strategies, business plans and budget, significant policies, conflict of interest issues relating to a substantial shareholder and/or a Director, material acquisitions and disposal of assets not in the ordinary course of business, investment in capital projects, authority levels, risk management policies, Shariah matters as well as key human resources issues.

As at 31 December 2021, there were seven (7) Board members, comprised of the Chairman who is an Independent Non-Executive Director, four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and the Group Managing Director (“GMD”) of MIDF Berhad.

Based on the assessment conducted on the probity, personal integrity and reputation, competence and capability and financial integrity, the Board Members are fit and proper to hold the position as Directors of MIDF Berhad.

A total of twelve (12) Board meetings, four (4) scheduled meetings and eight (8) special meetings, were held during the year under review and the write up on individual directors of MIDF Berhad are as follows:

**1. TAN SRI ABDUL RAHMAN BIN MAMAT**

Chairman/Independent Non-Executive Director

Malaysian/Male/Age: 69

Date of Appointment: 1 January 2016

Date of Appointment as Chairman of the Board: 1 July 2016

**Qualifications**

- Bachelor of Economics (Hons) Degree, University of Malaya
- Advanced Management Programme, Harvard Business School, Boston, United States of America.

**Working Experience**

Tan Sri Abdul Rahman bin Mamat (“Tan Sri Rahman”) has held various positions in the civil service with the most recent being the Secretary General of the Ministry of International Trade and Industry (“MITI”) from 2006 to 2010. Tan Sri Rahman joined MITI as an Assistant Director in 1975 and served in various capacities in the ministry for 35 years which included, amongst others, Deputy Trade Commissioner, Malaysian Trade Office, New York, Economic Counsellor, Trade Commissioner and Deputy Permanent Representative to the United Nations Economic and Social Commission and Director Export Promotion Bureau, Malaysia External Trade Development Corporation.

### **Directorships**

- (i) Malaysian Industrial Development Finance Berhad
- (ii) MCE Holdings Berhad
- (iii) Hiap Teck Venture Berhad (Chairman)
- (iv) Dagang Nexchange Berhad (Chairman)
- (v) Lotte Titan Chemical Holding Berhad (Chairman)

### **Trainings and Education provided**

- (i) Islamic Finance for Board of Directors Programme (IF4BOD) (Compulsory Programme for MIDF Berhad and MIDF Amanah Investment Bank Berhad)
- (ii) BFF 2021 e-Conferenced themed, "Transformative Innovation Reshaping Business Realities in Extraordinary Times"
- (iii) The Role of Free Trade Agreements in Promoting Sustainable Business and Human Rights
- (iv) Briefing by Ernst & Young on BNM Guidelines
- (v) Khazanah Megatrends Forum 2021
- (vi) Integrity Programme on Anti Bribery and Corruption for Board of Directors and Senior Management
- (vii) PNB Knowledge Forum 2021 – Shariah Awareness: Strengthening Shariah Culture
- (viii) KPMG Asia Pacific Board Leadership & Assurance Summit 2021
- (ix) BNM-FIDE Forum Annual Dialogue with Tan Sri Nor Shamsiah Mohd Yunus, Governor of Bank Negara Malaysia

### **Directors' Shareholding in MIDF Berhad**

Nil

## **2. DATUK AZIZAN BIN ABD RAHMAN**

Independent Non-Executive Director

Malaysian/Male/Age:66

Date of Appointment: 1 January 2013

### **Qualifications**

- Bachelor Degree (Hons) in Accounting, University of Malaya
- Master's Degree in Business Administration, University of Queensland, Australia
- Chartered Accountant of the Malaysian Institute of Accountants, Malaysian Institute of Accountants
- Fellow Member of Certified Public Accountant, Australia

### **Working Experience**

Datuk Azizan bin Abd Rahman ("Datuk Azizan") possesses vast experience and knowledge with Bank Negara Malaysia ("BNM") from 1979 to 2005 where he had held various positions in the areas of finance, examination, and supervision. He

was a director of Banking Supervision and was overall in charge of supervising various local commercial banks, Development Financial Institutions, and other foreign banks. In 2005, he was seconded to assume the post of Director-General of Labuan Financial Services Authority (“Labuan FSA”) until his retirement in September 2011.

### **Directorships**

- (i) Malaysian Industrial Development Finance Berhad
- (ii) MIDF Amanah Investment Bank Berhad
- (iii) Kensington Trust Malaysia Berhad
- (iv) Cagamas SRP Berhad
- (v) OCBC Bank (Malaysia) Berhad
- (vi) OCBC Al-Amin Bank Berhad
- (vii) Danum Capital Berhad
- (viii) Cagamas Berhad
- (ix) CTOS Digital Berhad

### **Trainings and Education provided**

- (i) Cybersecurity Landscape and Awareness for MIDF Board of Directors and Senior Management Programme
- (ii) Special Briefing on Risk-adjusted Return on Capital (RAROC) Implementation and Application
- (iii) Shariah Dialogue 2021 (WAQF)
- (iv) BNM-FIDE FORUM Dialogue The Role of Independent Director in Embracing the Present and Future Challenges
- (v) BNM-FIDE FORUM Dialogue on the Future of Malaysia’s Financial Sector
- (vi) OCBC/FIDE – FIDE Elective: Risk Management in Technology & Digital Transformation: What they mean for Governance and Strategic Risk of Bank and Insurance Boards
- (vii) The Joint Committee on Climate Change (JC3) Flagship Conference 2021: Finance for Change
- (viii) BNM-FIDE FORUM Dialogue on RMI Implementation
- (ix) MIDF Conversation with Jalil Rasheed
- (x) MIDF Conversation with Professor Dato’ Dr. Adeeba Kamarulzaman
- (xi) MIDF Conversation with Adrian Ong
- (xii) The Board’s role and responsibilities in Crisis Communication
- (xiii) Shariah Programme on “Legal Islamic Finance – Sharing Cases” with Mr. Jal Othman
- (xiv) MIDF Conversation with Tan Sri Dr. Jeffrey Cheah
- (xv) Raising Defences: Section 17A, MACC Act talked by Datuk Paduka Muhammad Juanda and The Chau Chin & Datin Paduka Nandrajong
- (xvi) Advocacy Program for the Directors and Senior Management – Rising to the Challenge to Covid-19 and Re-Designing Cyber Security

- (xvii) Protecting Against the Challenging Cyber Security Landscape (Bursa Cyber Security Workshop 2021)
- (xviii) Briefing by Ernst & Young on BNM Guidelines
- (xix) CG Talk namely Intentional Integrity: How Smart Companies Can Lead an Ethical Revolution

### **Directors' Shareholding in MIDF Investment Bank**

Nil

### **3. CIK HASNAH BINTI OMAR**

Independent Non-Executive Director

Malaysian/Female/Age: 63

Date of Appointment as Non-Independent Non-Executive Director: 1 July 2015

Date of Appointment as Independent Non-Executive Director: 20 June 2017

#### **Qualifications**

- Masters of Banking Law Executive (Islamic and Conventional), International Islamic University of Malaysia
- Masters of Public Administration, Harvard University
- Bachelor Degree of Arts (BA Honours), University of Malaya
- Banking School II and III for Bank Examiners, Federal Reserve Board of Governors Banking System in the USA.

#### **Working Experience**

Cik Hasnah binti Omar ("Cik Hasnah") started her career with BNM in the Bank Examination Department, responsible for the examinations of commercial banks, merchant banks, discount houses and finance companies. After about nine (9) years in the Bank Examination Department, she spent about 1.5 years as the Head/Manager of the Public Affairs Unit of BNM, among others assisting the Governor and Senior Management staff in managing the press and public on BNM's policies and in managing crisis situation.

In 1991, Cik Hasnah moved on to serve Securities Commission ("SC") and had served in various capacities holding senior positions including as a Director of Market Oversight Business Group, her last position with the SC before her retirement in 2013. Among others, she represented SC as a member of the Financial Stability Committee of Financial Services Authority of Labuan and as a Board Member of Capital Market Compensation Fund.

In January 2009, she was seconded to the Asia Development Bank ("ADB") in Manila as a Senior Financial Sector Specialist. Among others, she advised ADB on Islamic finance matters, assumed role as a Mission Leader for the Financial and Capital Markets Sector Sovereign Loan Program for Vietnam and involved in sovereign loan

programs and technical assistance (“TA”) initiatives for Thailand, Indonesia and Philippines. She was a Co-Mission Leader for the ASEAN Regional Capital Markets Integration TA. She returned to serve the SC in January 2011.

### **Directorships**

- (i) Malaysian Industrial Development Finance Berhad
- (ii) MIDF Amanah Asset Management Berhad (Chairman)
- (iii) Zurich Takaful Malaysia Berhad (Chairman)
- (iv) Zurich General Takaful Malaysia Berhad (Chairman)
- (v) Zurich Life Insurance Malaysia Berhad

### **Trainings and Education provided**

- (i) Cybersecurity Landscape and Awareness for MIDF Board of Directors and Senior Management Programme
- (ii) Shariah Investing Dialogue (series 1) – Sustainable and Responsible Investing Within the Notion of Maqasid Al-Shariah
- (iii) Risk Management in Technology (RMiT) & Digital Transformation: What they mean for Governance and Strategy of Bank and Insurance Board?
- (iv) “BNM-FIDE FORUM-MASB Dialogue on MFRS17 Insurance Contracts: What Every Director Must Know”
- (v) Special Briefing on Risk-adjusted Return on Capital (RAROC) Implementation and Application
- (vi) The Joint Committee on Climate Change (JC3) Flagship Conference 2021: Finance for Change
- (vii) Risk Management Committee – Banking Sector
- (viii) Islamic Finance for Board of Directors Programme (IF4BOD) (Compulsory Programme for MIDF Berhad and MIDF Amanah Investment Bank Berhad)
- (ix) BNM-FIDE FORUM Dialogue on RMiT Implementation
- (x) PNB Knowledge Forum 2021: Rising above Covid-19: Reimagining Work in Malaysia & Beyond
- (xi) FIDE Elective Program namely Climate Change: Impact on Banks and Role of the Board
- (xii) FIDE FORUM’s Engagement Session on Board Leadership Framework (Session A)
- (xiii) The Board’s role and responsibilities in Crisis Communication
- (xiv) Identifying Red Flags in Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT)
- (xv) Shariah Programme on “Legal Islamic Finance – Sharing Cases” with Mr. Jal Othman
- (xvi) BNM-FIDE FORUM Dialogue: Risk-Based Capital Frameworks for Insurers and Takaful Operators
- (xvii) Briefing by Ernst & Young on BNM Guidelines
- (xviii) Integrity Programme on Anti-Bribery and Corruption for Board of Directors and Senior Management

- (xix) The 2050 Net Zero Carbon Emissions Target: Finance's Role
- (xx) SC-FIDE FORUM Dialogue on Capital Market Masterplan 3
- (xxi) BNM-FIDE Forum Annual Dialogue with Tan Sri Nor Shamsiah Mohd Yunus, Governor of Bank Negara Malaysia

#### **Directors' Shareholding in MIDF Berhad**

Nil

#### **4. DATO' KAZIAH BINTI ABD KADIR**

Independent Non-Executive Director

Malaysian/Female/Age: 71

Date of Appointment as Non-Independent Non-Executive Director: 1 January 2016

Date of Appointment as Independent Non-Executive Director: 31 July 2016

#### **Qualifications**

Bachelor of Arts (Honours) in Economics, University of Malaya.

#### **Working Experience**

Dato' Kaziah binti Abd Kadir ("Dato' Kaziah") is currently an Advisor to PricewaterhouseCoopers Taxation Services Sdn Bhd ("PWC"), a position which she has held since July 2008. Previously, she was an advisor of Investor Relations, Investment Management Division of East Coast Economic Region Development Council from 2009 to 2019.

Prior to joining PWC, Dato' Kaziah served the Malaysian Industrial Development Authority ("MIDA") since 1975 and her last position was as the Deputy Director-General I of MIDA from 2003 until 2008. She was also the Chairman in the ASEAN Coordinating Committee on Investment from 2006 to 2007.

#### **Directorships**

- (i) Malaysian Industrial Development Finance Berhad
- (ii) MIDF Amanah Investment Bank Berhad
- (iii) Panasonic Manufacturing Malaysia Berhad

#### **Trainings and Education provided**

- (i) Cybersecurity Landscape and Awareness for MIDF Board of Directors and Senior Management Programme
- (ii) Islamic Finance For Board Of Directors Programme ("IF4BOD") Compulsory Program for MIDF Berhad and MIDF Amanah Investment Bank Berhad only
- (iii) Shariah Dialogue 2021 (WAQF)
- (iv) Open Enrolment Programme – Raising Defences: Section 17A, MACC Act
- (v) Sustainable Finance: Making Better Financial Decisions
- (vi) Talk On "Implementing Amendments in Malaysian Code On Corporate Governance"

- (vii) Shariah Programme on “Legal Islamic Finance – Sharing Cases” with Mr. Jal Othman
- (viii) Identifying Red Flags in Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT)
- (ix) Briefing by Ernst & Young on BNM Guidelines
- (x) Integrity Programme on Anti-Bribery and Corruption for Board of Directors and Senior Management

#### **Directors’ Shareholding in MIDF Berhad**

Nil

#### **5. ENCIK AHMAD LUTFI BIN ABDULL MUTALIP**

Independent Non-Executive Director

Malaysian/Male/Age: 50

Date of Appointment: 22 February 2016

#### **Qualifications**

- LLB (Hons), International Islamic University Malaysia
- Admitted to the Malaysian Bar in 1996
- Professional qualification from the Institute of Chartered Secretaries and Administrators (ICSA)

#### **Working Experience**

Encik Ahmad Lutfi bin Abdull Mutalip (“Encik Lutfi”) commenced legal practice with Messrs Hisham Sobri & Kadir in April 1996 and became a partner in January 2000. He is one of the founding partners of Messrs Azmi & Associates and is currently the Managing Partner/Head, Global Financial Services & Islamic Banking on 1 September 2000.

Throughout his practice, Encik Lutfi has been involved in numerous exercises ranging from private debt securities, syndicated financing, structured & project financing, privatisation and build-operate-transfer/build-operate-own projects including water privatisation, mergers & acquisition, energy & power related transactions, oil & gas, joint ventures to telecommunication projects and building contracts.

#### **Directorships**

- (i) Malaysian Industrial Development Finance Berhad
- (ii) Bank Simpanan Nasional

#### **Trainings and Education provided**

- (i) Cybersecurity Landscape and Awareness for MIDF Board of Directors and Senior Management Programme



- (ii) Special Briefing on Risk-adjusted Return on Capital (RAROC) Implementation and Application
- (iii) Shariah Dialogue 2021 (WAQF)
- (iv) BNM-FIDE Forum Dialogue on the Role of Independent Director in Embracing Present and Future Challenge
- (v) BNM-FIDE FORUM Dialogue on the Future of Malaysia's Financial Sector
- (vi) The Joint Committee on Climate Change (JC3) Flagship Conference 2021: Finance for Change
- (vii) The Board's role and responsibilities in Crisis Communication
- (viii) Identifying Red Flags in Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT) by SIDC
- (ix) Shariah Programme on "Legal Islamic Finance – Sharing Cases" with Mr. Jal Othman
- (x) Pengurusan Harta Pusaka
- (xi) Briefing by Ernst & Young on BNM Guidelines
- (xii) Integrity Programme on Anti-Bribery and Corruption for Board of Directors and Senior Management
- (xiii) BNM-FIDE Forum Annual Dialogue with Tan Sri Nor Shamsiah Mohd Yunus, Governor of Bank Negara Malaysia

#### **Directors' Shareholding in MIDF Berhad**

Nil

#### **6. DATO' CHARON WARDINI BIN MOKHZANI**

Group Managing Director/Non-Independent Executive Director

Malaysian/Male/Age: 58

Date of Appointment: 2 July 2018

#### **Qualifications**

- B.A. (Hons) in Philosophy, Politics and Economics, Balliol College, University of Oxford
- L.L.B. (Hons) at the School of Oriental and African Studies, University of London
- Barrister of the Middle Temple, Middle Temple /Holborn Law Tutors
- Advocate and Solicitor of the High Court of Malaya
- Chartered Bankers and Fellow of the Asian Institute of Chartered Bankers

#### **Working Experience**

Dato' Charon Wardini Bin Mokhzani ("Dato' Charon") was previously an Executive Director in Managing Director's Office at Khazanah Nasional Berhad and the founding Managing Director of the Khazanah Research Institute. Prior to Khazanah Nasional Berhad, he headed investment banking globally as the Deputy Chief Executive Officer of Investment Banking, CIMB Group and the Chief Executive Officer of CIMB Investment Bank Berhad.

He was the Managing Partner of Messrs. Zaid Ibrahim & Co. until July 2003. Prior to joining Messrs. Zaid Ibrahim & Co., he served as the Corporate Finance Manager of Rashid Hussain Securities Sdn Bhd and before that, he was an advocate and solicitor of Messrs. Shearn Delamore & Co.

### **Directorship**

- (i) Malaysian Industrial Development Finance Berhad
- (ii) MIDF Amanah Investment Bank Berhad
- (iii) MIDF Amanah Asset Management Berhad
- (iv) Yayasan Tuanku Fauziah
- (v) Yayasan Tuanku Syed Putra Perlis

### **Trainings and Education provided**

- (i) Cybersecurity Landscape and Awareness for MIDF Board of Directors and Senior Management Programme
- (ii) Special Briefing on Risk-adjusted Return on Capital (RAROC) Implementation and Application
- (iii) Shariah Dialogue 2021 (WAQF)
- (iv) Islamic Finance for Board of Directors Programme (IF4BOD) (Compulsory Programme for MIDF Berhad and MIDF Investment Bank)
- (v) Shariah Programme on "Legal Islamic Finance – Sharing Cases" with Mr. Jal Othman
- (vi) Identifying Red Flags in Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT) by SIDC
- (vii) BNM-FIDE Forum Annual Dialogue with Tan Sri Nor Shamsiah Mohd Yunus, Governor of Bank Negara Malaysia
- (viii) Integrity Programme on Anti-Bribery and Corruption for Board of Directors and Senior Management

### **Directors' Shareholding in MIDF Berhad**

Nil

## **7. DATUK YASMIN BINTI MAHMOOD**

Non-Independent Non-Executive Director

Malaysian/Female/Age: 58

Date of Appointment: 1 April 2021

### **Qualifications**

- BSC Computer Science and Applied Maths, University of New South Wales, Sydney, Australia

## **Working Experience**

Presently, Datuk Yasmin binti Mahmood (“Datuk Yasmin”) is a Chief Executive Officer (“CEO”) at Futureready Consulting Sdn Bhd, a position which she has held since 2019. She also serves in non-executive roles, including as Chair of Heriot-Watt University Malaysia Board, Chairman of Skymind Holdings Berhad, the SEA arm of Skymind, a global leader in deep-tech Artificial Intelligence. Previously, she was the Chairman of POS Malaysia Berhad from 2019 to 2021 and was a CEO at Malaysia Digital Economic Corporation from 2014 to 2019.

Prior to joining Malaysia Digital Economic Corporation, Datuk Yasmin was the Executive Director at YTL Communications Sdn Bhd and Managing Director at Microsoft Malaysian Sdn Bhd. She also served the Dell Asia Pacific since 1999 and her last position was Regional Manager of Malaysia, Thailand and Taiwan from 2005 to 2006. Prior to joining Dell Asia Pacific PWC, she served as the General Manager, CPSD of HP Sales Malaysia from 1995 to 1999 and Marketing Manager from 1988 to 1993. She was also the General Manager of Dataprep Retails Sdn Bhd from 1993 to 1995.

## **Directorships**

- (i) Malaysian Industrial Development Finance Berhad
- (ii) Bintulu Port Holdings Berhad
- (iii) Skymind Holdings Berhad (Chairman)
- (iv) Yayasan Peneraju Pendidikan Bumiputera

## **Trainings and Education provided**

- (i) Special Briefing on Risk-adjusted Return on Capital (RAROC) Implementation and Application
- (ii) Shariah Dialogue 2021 (WAQF)
- (iii) The Joint Committee on Climate Change (JC3) Flagship Conference 2021: Finance for Change
- (iv) Identifying Red Flags in Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT) by SIDC
- (v) Shariah Programme on “Legal Islamic Finance – Sharing Cases” with Mr. Jal Othman
- (vi) Integrity Programme on Anti-Bribery and Corruption for Board of Directors and Senior Management
- (vii) Islamic Finance for Board of Directors Programme (IF4BOD) (Compulsory Programme for MIDF Berhad and MIDF Amanah Investment Bank Berhad only)

## **Directors’ Shareholding in MIDF Berhad**

Nil

## **BOARD BALANCE**

The Board actively seeks to ensure it has an appropriate mix of diversity, skills, experience and expertise to effectively discharge its collective responsibilities. In discharging its fiduciary duties and leadership functions, the Board recognizes the need for it to continuously evolve as a dynamic Board in understanding and shaping the strategic direction of the Bank. As at 31 December 2021, the Board comprises five (5) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and the GMD. The composition of the Board reflects a wide range of experience and expertise in areas such as banking, accounting, insurance, economics, business administration and legal and capital market.

Our Board recognizes the important role that Independent Directors play in ensuring good Corporate Governance practices within MIDF Berhad. All Directors, regardless of their independent status, are required to act in the best interest of MIDF Berhad and to exercise free and independent judgement. It has been the directors' practice to disclose their interest or any possible conflicts on any matter put forth for the Board's consideration. Any interested Director shall recuse himself/herself when required and abstain from deliberation to allow unbiased and open discussion and decision making. The Directors are highly cognizant of their duties to disclose conflict of interest situation accordingly.

All the five (5) Independent Directors are independent of Management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgment. All the Board members have met the minimum requirement of 75% attendance at Board meetings. Details of Directors' attendance at Board meetings for the period under review are as follows:

<b>No.</b>	<b>Board of Directors</b>	<b>Meetings Attendance</b>
1.	Tan Sri Abdul Rahman bin Mamat	12 out of 12
2.	Datuk Azizan bin Abd Rahman	12 out of 12
3.	Cik Hasnah binti Omar	12 out of 12
4.	Dato' Kaziah binti Abd Kadir	12 out of 12
5.	Encik Ahmad Lutfi bin Abdull Mutalip	12 out of 12
6.	Dato' Charon Wardini bin Mokhzani	12 out of 12
7.	Datuk Yasmin binti Mahmood	8 out of 9 <sup>1</sup>

### Note:

1. Datuk Yasmin Binti Mahmood has been appointed as the Board of Director with effect from 1 April 2021. She was unable to attend one (1) Board meeting in 2021 due to reasonable excuse as acknowledged and approved by the Board members.

## **BOARD COMMITTEES**

In discharging its roles and responsibilities, the Board has established specialized Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration. Although the Board has delegated certain duties to the Board Committees, it remains responsible for the decisions of the committees. The Board has delegated specific responsibilities to the following six (6) Committees:

- (1) Executive Committee;
- (2) Audit Compliance Committee;
- (3) Risk Management Committee;
- (4) Nomination and Remuneration Committee;
- (5) Board Technology Committee; and
- (6) Shariah Committee.

Each Committee operates under its respective terms of reference or guidelines.

### **(1) EXECUTIVE COMMITTEE**

The Executive Committee ("EXCO") is scheduled to meet on a monthly basis or as and when required. There were eight (8) EXCO meetings [six (6) scheduled meetings and two (2) special meetings] held in 2021 and the attendance of the EXCO members held during the financial year ended 31 December 2021 is as follows:

<b>Name</b>	<b>Position</b>	<b>No. Of Meetings Attended</b>
Tan Sri Abdul Rahman bin Mamat	Chairman	8 out of 8
Dato' Kaziah binti Abd Kadir	Member	8 out of 8
Encik Ahmad Lutfi bin Abdull Mutalip	Member	8 out of 8
Datuk Azizan bin Abd Rahman	Member	8 out of 8
Dato' Charon Wardini bin Mokhzani	Member	8 out of 8

The primary duties and responsibilities of the EXCO is as delegated by the Board inter alia, managing the business, corporate performance and credit risk of the Company.

The EXCO is authorised by the Board to do the following:

- (a) To carry out any activity and duties within its terms of reference.
- (b) To seek any information, it requires from any employee, and all employees are directed to cooperate with, and accede to any request made by the EXCO.

- (c) To have access to any resources required to perform its duties. It may, at the expense of the Company, seek any external legal or other independent professional advice and to secure the attendance of external parties with relevant expertise and experience if the EXCO deems it necessary.
- (d) To have full and unlimited access to any information pertaining to the Group, subject to any regulatory restrictions.

## (2) AUDIT COMPLIANCE COMMITTEE

The Audit Compliance Committee ("ACC") meets on a quarterly basis and their attendance at meetings held during the financial year ended 31 December 2021 are as follows:

Name	Position	No. Of Meetings Attended
Datuk Azizan bin Abd Rahman	Chairman	6 out of 6
Dato' Kaziah bin Abd Kadir	Member	6 out of 6
Encik Ahmad Lutfi bin Abdull Mutalip	Member	6 out of 6

The primary duty of the ACC is to assist the Board in fulfilling its oversight function, with the objective of safeguarding shareholder's investments and the Company's assets, in the following areas:

- (a) Ensuring fair and transparent reporting and prompt publication of the financial accounts;
- (b) Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (c) Reviewing the roles of and assessing the performance of the internal and external auditors; and
- (d) Reviewing all related party transactions and keeps the board informed of such transactions.

The ACC met once during the year with the external auditors, in separate sessions without the presence of any executive member of the Board or Senior Management.

### (3) RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") comprises three (3) independent directors and it meets on a quarterly basis. The RMC members and their attendance at meetings held during the financial year ended 31 December 2021 are as follows:

Name	Position	No. of Meetings Attended
Encik Ahmad Lutfi bin Abdull Mutalip	Chairman	5 out of 5
Datuk Azizan bin Abd Rahman	Member	5 out of 5
Cik Hasnah binti Omar	Member	5 out of 5

The RMC meetings is scheduled on a quarterly basis and is responsible for reviewing and recommending risk management strategies, policies and risk tolerance for board's approval. The primary roles of the RMC are:

- (a) Reviewing and assessing adequacy of risk management policies and framework in identifying measuring, monitoring and controlling risk;
- (b) Ensuring infrastructure, resources and systems are in place for risk management; and
- (c) Reviewing management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

### (4) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") comprises three (3) members of the board, majority are independent directors. The NRC is required to meet twice a year or at least once a year. There were five (5) NRC meetings [four (4) scheduled meetings and one (1) special meeting] held during the financial year ended 31 December 2021 and the attendance of the members of the NRC is as follows:

Name	Position	No. of Meetings Attended
Datuk Azizan bin Abd Rahman	Chairman	5 out of 5
Tan Sri Abdul Rahman bin Mamat	Member	5 out of 5
Datuk Yasmin binti Mahmood	Member	3 out of 3 <sup>1</sup>

Note:

1. Datuk Yasmin Binti Mahmood has been appointed as the NRC member with effect from 1 May 2021.

The NRC is primarily responsible for monitoring and ensuring on-going compliance with the internal policies and procedures including policies on ethical behaviour,

code of conduct, as well as disclosure and reporting obligations relating to the fit and proper requirements.

The NRC is responsible for recommending to the Board any new appointments to the Board and Board Committees as well as appointment of senior management of the Company. This includes assessing directors for renewal of their term of appointment for submission to BNM for approval.

The NRC also assesses the effectiveness of the Board as a whole and contribution of each director on an on-going basis and the recommendations from the annual review are tabled to the Board for deliberation. The NRC oversees the overall composition of the Board, in terms of appropriate size and skills, to ensure that the Board has the appropriate mix of skills and experience for a balanced board.

## **(5) BOARD TECHNOLOGY COMMITTEE**

The Board Technology Committee ("BTC") was established on 1 May 2021 to support the Board of Malaysian Industrial Development Finance Berhad ("MIDF Berhad") and its subsidiaries ("MIDF Berhad Group") in providing direction and oversight over technology-related matters, including risk, in line with internal, as well as relevant regulatory requirements.

In fulfilling this objective, the BTC shall review, evaluate and recommend technological applications and innovations for the formulation of MIDF Berhad Group's medium and long-term business strategy, and assist the Board in ensuring that the Group's technology resources and initiatives are aligned with its overall digitalisation strategy and objectives vis-à-vis revenue growth and strategic cost reduction.

The BTC comprises three (3) members which is a combination of independent and non-independent directors from the members of the Board of MIDF Berhad Group. The BTC shall meet on a quarterly basis or as and when required. The BTC members and their attendance at meeting held during the period under review are as follows:

<b>No.</b>	<b>Name</b>	<b>Position</b>	<b>Meetings Attendance</b>
1.	Datuk Yasmin binti Mahmood	Chairman	5 out of 5
2.	Encik Ahmad Lutfi bin Abdul Mutalip	Member	5 out of 5
3.	Encik Ahlan Nasri bin Mohd Nasir (Independent Non-Executive Director of MIDF Amanah Investment Bank Berhad)	Member	5 out of 5



The general roles and responsibilities of BTC in accordance with its Terms of Reference are, amongst others, as follows:

- 1) The BTC shall also have the authority to conduct enquiries and obtain independent external legal or other professional advice if it considers necessary in discharging its duties and responsibilities, at the cost of MIDF Berhad and/or its subsidiaries. This should serve to promote informed and robust decision-making by the BTC/Board in a manner that complements and adds value to the work of senior management.
- 2) Review and recommend to the Board for approval, the technology risk appetite which is to be aligned with MIDF Berhad Group's risk appetite statement. In doing so, the BTC shall recommend to the Board for approval, the corresponding risk tolerances for technology-related events, key performance indicators and forward-looking risk indicators, these serving to help monitor MIDF Berhad Group's technology risk against its approved risk tolerance.
- 3) Ensure and oversee the adequacy of MIDF Berhad Group's IT and cybersecurity strategic plans covering a period of no less than three (3) years. This shall include reviewing their annual budgets prior to approval of MIDF Berhad Group's budgets by the Board.
- 4) These plans, which shall be in line with MIDF Berhad Group's current and envisaged operations, strategies and its business environment, shall address MIDF Berhad Group's requirements:
  - (i) for technology-based infrastructure with regard to data recovery, system availability and cost effectiveness;
  - (ii) to mitigate IT and cyber security risks;
  - (iii) to manage technology obsolescence;
  - (iv) to use technology to enhance returns from MIDF Berhad Group's financial and non-financial resources; and
  - (v) to ensure compliance with internal and external regulatory requirements.
- 5) Oversee the effective implementation of a sound and robust Technology Risk Management Framework and Cyber Resilience Framework for MIDF Berhad Group to ensure the continuity of operations and delivery of services.

- 6) Exercise effective oversight and address associated risks when engaging third (3<sup>rd</sup>) party service providers for critical technology functions and systems.
- 7) Provide oversight over cloud strategy and operational management for critical systems.

## **(6) SHARIAH COMMITTEE**

The Shariah Committee of MIDF Amanah Investment Bank Berhad (“Shariah Committee”) is an independent body appointed by the Board to provide decisions, views and opinions related to Shariah matters and to perform oversight role on Shariah matters related to the Islamic business, operations, activities and affairs of MIDF Berhad and the entities under the Group to ensure their continuous compliance with Shariah.

In discharging its duties, the Shariah Committee discloses sufficient information in the company’s annual financial report on its state of Shariah compliance related to the Islamic business, operations, activities and affairs.

The general roles and responsibilities of the Shariah Committee in accordance with its Charter are, amongst others, as follows:

- 1) Provide independent and sound advice to MIDF Investment Bank and the entities under the Group on Shariah matters in respect of their Islamic finance operations;
- 2) Responsible and accountable for all Shariah decisions, opinions and views provided in the course of discharging the duties and responsibilities as a Shariah Committee for MIDF Investment Bank;
- 3) Validate and endorse the relevant Policies, Procedures and Islamic finance documentations for any Shariah-related products and service as Shariah-compliant;
- 4) Assist MIDF Investment Bank and the entities under the Group for any submission to Shariah Advisory Council of Bank Negara Malaysia or that of Securities Commission Malaysia;
- 5) Assess work carried out by Shariah functions and Shariah control functions; and
- 6) Assist related parties such as legal counsel, auditor or consultant on Shariah matters upon request.

The Shariah Committee provides its quarterly reports to the Board which encompass, amongst others, highlights on the decisions, advice and opinions provided on the issues related to Islamic business, operations, activities and affairs of MIDF Berhad.

Based on the Shariah Governance Policy Document for Islamic Financial Institutions ("SGPD") issued on 20 September 2019 by Bank Negara Malaysia, the Shariah Committee meetings shall be held at least two (2) times a year.

For the financial year ended 31 December 2021, the above meeting requirement had been met. In addition, all the individual Shariah Committee members have met the minimum requirement of 75% attendance at the Shariah Committee meetings and the attendance is as follows:

No.	Name	Position	Meetings Attendance
1.	Dr. Mohamad Sabri bin Zakaria	Chairman	13 out of 13
2.	Ustaz Mazrul Shahir bin Md Zuki [Retired on 17 June 2021]	Member	8 out of 8
3.	Encik Ahmad Lutfi bin Abdul Mutalip	Member	13 out of 13
4.	Assoc. Prof. Dr. Siti Salwani Razali [Joined w.e.f. 1 April 2021]	Member	8 out of 8
5.	Dr. Muhammad Najib Bin Abdullah [Joined w.e.f. 1 July 2021]	Member	5 out of 5

## **REMUNERATION**

The variable remuneration that had been made payable to the non-executive directors is as per **APPENDIX 1** attached.

## APPENDIX 1

### **NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

<b>Name</b>	<b>Category of Director</b>	<b>Director Fees (RM)</b>	<b>Committee Fees (RM)</b>	<b>Allowance (RM)</b>	<b>Salary &amp; Bonus (RM)</b>	<b>Other Emoluments (RM)</b>	<b>Benefit-in-Kind (RM)</b>	<b>Total (RM)</b>
Tan Sri Abdul Rahman bin Mamat	Independent	135,000.00	38,000.00	38,000.00	-	-	43,658.90	<b>254,658.90</b>
Datuk Azizan bin Abd Rahman	Independent	90,000.00	83,000.00	55,000.00	-	-	-	<b>228,000.00</b>
Datuk Yasmin binti Mahmood <sup>1</sup>	Non-Independent	67,500.00	26,333.00	23,000.00	-	-	-	<b>116,833.00</b>
Cik Hasnah binti Omar	Independent	90,000.00	20,000.00	21,000.00	-	-	-	<b>131,000.00</b>
Dato' Kaziah binti Abd Kadir	Independent	90,000.00	38,000.00	40,000.00	-	-	3,765.75	<b>171,765.75</b>
Encik Ahmad Lutfi bin Abdull Mutalip	Independent	90,000.00	76,000.00	54,000.00	-	-	133.00	<b>220,133.00</b>
Encik Ahlan Nasri Mohd Nasir <sup>2</sup>	Independent	-	13,000.00	7,000.00	-	-	-	<b>20,000.00</b>

Note:

- Datuk Yasmin binti Mahmood ("Datuk Yasmin") has been appointed as Non-Independent Non-Executive Director of MIDF Berhad with effect from 1 April 2021. Furtherance to the appointment, Datuk Yasmin has been appointed as member of Nomination and Remuneration Committee and Board Technology Committee with effect from 1 May 2021.
- Encik Ahlan Nasri bin Mohd Nasir, Independent Non-Executive Director of MIDF Amanah Investment Bank Berhad, has been appointed as member of Board Technology Committee with effect from 1 May 2021.

**SHARIAH COMMITTEE REMUNERATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Name	Category of Director	Director Fees (RM)	Committee Fees (RM)	Allowance** (RM)	Salary & Bonus (RM)	Other Emoluments (RM)	Benefit-in-Kind (RM)	Total (RM)
Dr. Mohamad Sabri bin Zakaria	Chairman	-	25,000.00	22,610.00	-	-	-	47,610.00
Ustaz Mazrul Shahir bin Md Zuki <sup>1</sup>	Member	-	9,276.33	11,250.00	-	-	-	20,526.33
Encik Ahmad Lutfi bin Abdull Mutalip	Member	-	20,000.00	21,250.00	-	-	-	41,250.00
Assoc. Prof. Dr. Siti Salwani Razali <sup>2</sup>	Member	-	15,002.00	15,360.00	-	-	-	30,362.00
Dr. Muhammad Najib Abdullah <sup>2</sup>	Member	-	10,004.00	9,860.00	-	-	-	19,864.00

## Note:

1. Ustaz Mazrul Shahir bin Md Zuki was retired as member of Shariah Committee with effect from 17 June 2021.
2. Assoc. Prof. Dr. Siti Salwani Razali and Dr. Muhammad Najib Abdullah have been appointed as member of Shariah Committee with effect from 1 April 2021 and 1 July 2021, respectively.