



GIBRALTAR BSN LIFE BERHAD
(277714-A)

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“the Board”) of Gibraltar BSN Life Berhad (“**Gibraltar BSN**” or “**the Company**”) is responsible to ensure that the highest standards of Corporate Governance throughout the Company [and its subsidiaries (collectively, “**the Group**”) are practiced in all of the Group’s business dealings with its shareholders and relevant stakeholders.

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

This Board Charter, together with the First Amended and Restated Joint Venture Agreement between The Prudential Insurance Company of America, Bank Simpanan Nasional and Gibraltar BSN Holdings Sdn Bhd dated 2 January 2014 including any amendments thereto and replacements thereof (“**JVA**”), the Company’s Article of Association (“**AoA**”) and Memorandum of Association (“**Memorandum**”) 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 (“BOARD”)

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 majority and minority shareholders 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.

2.1.1. Number of Directors

The maximum number of Directors shall be not more than ten (10) members.

2.1.2 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 provision of the BNM Policy.

2.1.3 Tenure of Independent Directors

An Independent Non-Executive Director who has served the Board consecutively for more than nine (9) years, may if 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 Shareholders 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.

2.1.4 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.

2.2 Appointments and Re-Appointments of the Board

2.2.1 The Board Nomination Committee (“**BNC**”) is empowered to identify and recommend new appointments of Executive and Non-Executive 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.

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

2.2.3 The appointment of a Director is in accordance with BNM Policy. A director shall not be disqualified under Section 59 (1) of the FSA.

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

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

2.2.6 All appointment and re-appointment of Directors are subject to evaluation by BNC and approval by the Board of the Company 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:-

- (i) Skill, knowledge, competencies, expertise and experience
- (ii) Integrity;
- (iii) Commitment, communication and performance; and
- (iv) 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 is then- submitted to the Board for consideration and approval

2.2.7 In accordance with the Articles of Association ("**AoA**"), all Directors who are appointed by the Boar shall retire from office at least once every year but shall be eligible for re-election at the next Annual General Meeting ("**AGM**"). The Directors who have been longest in office since their last election or appointment, shall retire each year.

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

2.2.9 A Director shall not hold more than five (5) directorships in listed issuers¹.

2.3.0 A Director shall not be an active politician.

¹ Paragraph 15.06(1) of the Listing Requirements

- 2.3.1 Where a firm has been appointed as the external auditor of a financial institution, 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 financial institution.
- 2.3.2 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.
- 2.3.3 All Directors shall make an annual declaration that they fulfill 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 independence as a Director.

2.4 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 Shareholders. 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 recommends ('BRC') to the Board the remuneration package for the Independent Non-Executive Directors. The remuneration package for Independent Non-Executive Directors is structured on the basis of individual performance.

The Board Remuneration Committee shall recommend to the Board the remuneration package of the Independent Non-Executive Directors for approval. The remuneration package 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 for the following:-

- The Board has the 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, Chief Executive Officer, Executive Directors and Non-Executive Director

The position of Chairman and CEO are separated. A clear segregation of roles and responsibilities between the Chairman and the Chief Executive Officer (“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 is responsible for conducting meetings of the Board and shareholders and ensuring all Directors are properly briefed during Board discussions and that shareholders are informed of the subject matters requiring their approval. The Chairman acts as facilitator at meetings of the Board and ensure that no Board member, whether Executive or Non-Executive, dominates the discussion, and that a healthy debate takes place.

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 review the performance of the heads of divisions and departments who are responsible for all functions contributing to the success of the Company.

Executive Directors

The Executive Directors make and implement operational decisions, run the Company's business and support the CEO in 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 shareholders, employees, customers, business associates and the community as a whole.

3.4 Role of the Company Secretary

3.4.1 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.

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

3.4.3 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.

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 makes 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.

Board Nomination Committee (“BNC”)

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

Board Risk Management Committee (“BRMC”)

The BRMC assists the Board in overseeing the risk management process within the Company, leads the Company’s strategic direction in the management of the Company’s business risks, establishes and implements a risk management framework and reviews the effectiveness of the risk management framework.

Board Remuneration committee (“BRC”)

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

The Terms of Reference (“TOR”) of the Board Committees as approved by the Board are set out in *Appendices I to IV*.

On an annual basis, the Board via BNC shall also review the composition of the Board Committees and their compliance with BNM’s corporate governance requirements and 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

- 4.1.1 Board meetings are scheduled in advance at the end of the prior calendar year to enable the Board members to plan their schedules accordingly.
- 4.1.2 A minimum of six (6) Board meetings a year is—planned and additional meetings may be called at any time, as and when required.
- 4.1.3 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.

- 4.1.4 All Board meetings shall be chaired by Chairman of the Board. Where the Chairman is absent, the Directors present shall elect one (1) of their members as Chairman of the meeting.
- 4.1.5 In respect of the quorum for Board meetings, a majority the board members shall be present in order to constitute a quorum.
- 4.1.6 In the absence of a meeting, issues shall be resolved by way of circular resolutions, signed by majority of directors present in Malaysia.
- 4.1.7 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.
- 4.1.8 The appropriate key senior management personnel of the Company shall attend such meeting by invitation where their presence is considered appropriate by the Chairman.
- 4.1.9 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.
- 4.2.0 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.
- 4.2.1 The Directors shall make a declaration at the Board Meeting, in the event that they have interests in the proposals or subject matters being considered by the Board, including where such interest arises through close family members, in line with various statutory requirements on the disclosure of Directors interest. 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 or her interest and abstain from the deliberation and voting on the said proposal or subject matter.

Accessibility of Information and Advice

- Management provides the Board and Board Committees with information in a form, with acceptable timeframe and quality that enables the Board them to discharge their duties and responsibilities. Board members have unrestricted access to all information and documents relevant to the business and affairs of the Group including the Group'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.

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

6.1.1 Evaluation of Training Needs

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

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

6.1.2 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.

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.

6.1.4 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 AoA of the Company.

6.1.5 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 time limits, to his immediate down-liners and management committees (Executive Committees, Product Committee, Investment Committee, IT Steering Committee, Sales Disciplinary, Enterprise Risk Management, Anti-Money Laundering, Business Continuity Management & Operational Risk, amongst others), 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.

7. Application

- 7.1 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.
- 7.2 The Board shall endeavour to comply at all times with the principles and practices as set out in this Board Charter.
- 7.3 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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Gibraltar BSN Life Berhad (277714-A)

TERMS OF REFERENCE
BOARD AUDIT COMMITTEE

TERMS OF REFERENCE BOARD AUDIT COMMITTEE

INTRODUCTION

A. Overview

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

B. Objective

In general, the primary objective of the Board Audit Committee (BAC) 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 BAC undertakes to comply with the BNM/RH/PD 029-9 Guidelines on Corporate Governance issues by BNM in the execution of its functions.

C. Authority

The Board Audit Committee is authorized by the Board of Directors to:

1. Have unlimited access to:
 - a. All information and documents relevant to its activities.
 - b. The internal and external auditors.
 - c. The employees and agents of the company.
2. Investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee of the company.
3. Obtain outside legal or independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if considered necessary.
4. 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.
5. 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. Fraud and irregularities discovered by management should be referred to the internal audit department for investigation.

TERMS OF REFERENCE BOARD AUDIT COMMITTEE

1. Duties and Responsibilities

1.1. The BAC's roles and responsibilities in relation to the internal audit must include 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 the 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 Auditor and senior officers of the internal audit functions. The appraisal of the Head of Internal Auditor would be evaluated and moderated by the Chairman of the BAC.
- g) Be informed of any resignation of the internal audit staff and reasons therefrom, and provide resigning staff with an opportunity to submit reasons for their resignations.
- h) Ensure that the internal audit staff receives necessary training to perform audit work.

1.2. The BAC shall foster a quality audit by exercising oversight over the external auditor, in accordance with the expectations set out with minimum requirement shall include:-

- a) Reviewing, assessing and provide recommendations to the board on the appointment, removal and remuneration of the external auditor.
- b) Reviewing the terms of an audit engagement before made any confirmation of the engagement. Monitoring and assessing the independence of the external auditor including by approving the provision of non-audit services by the external auditor.

TERMS OF REFERENCE BOARD AUDIT COMMITTEE

- c) Monitoring and assessing the effectiveness of the external audit, including by meeting with the external auditor without the presence of senior management at least annually.
 - d) Taking appropriate step to ensure that the concurring partner meet the expectation of the Board, which they can reasonably commit to the necessary time to carry out the required review of audit documentation.
 - e) Maintaining regular, timely, open and honest communication with the external auditor, and requiring the external auditor to report to the BAC on significant matters.
 - f) Ensuring that senior management is taking necessary corrective actions in a timely manner to address external audit findings and recommendations.
- 1.3. The Chairman of the Audit Committee 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.
- 1.4. Review and update the board on all related party transactions.
- 1.5. 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.
- 1.6. Monitor compliance with the board's conflicts of interest policy.
- 1.7. Review third-party opinions on the design and effectiveness of the financial institution's internal control framework.
- 1.8. Review the Terms of Reference for Board Audit Committee on an annual basis.
- 1.9. Review all representation letters signed by management, and be satisfied that the information provided is complete and appropriate.
2. Composition
- 2.1 The Board Audit Committee (BAC) shall comprise only non-executive directors and independent directors with at least three members, of which, the majority should be independent directors. The Committee should be chaired by an independent director.
- 2.2 The BAC members shall elect a Chairman/Chairperson from among them who is an independent Non-Executive director. The Chairman of the Board shall not chair the BAC to promote robust and open deliberations by the Board on matters referred by the BAC.

TERMS OF REFERENCE BOARD AUDIT COMMITTEE

- 2.3 The Company's Secretary shall be responsible for supporting the effective functioning of the BAC. In discharging this role, the Secretary provides advice on governance matters and facilitates effective information flows between the board, BAC and senior management.
- 2.4 The Company's Secretary shall be responsible for keeping the minutes of meetings of the ACM to record the decisions of the BAC, including key deliberations, rationale for each decision made, and any significant concerns or dissenting views.

3. Quorum and Attendance

- 3.1 The quorum for the Audit Committee shall be at least two thirds of the members, with independent Non-Executive directors forming the majority.
- 3.2 The member of BAC must attend at least 75% of the board meetings held in each financial year, and must not appoint another person to attend or participate in a board meeting on his behalf.

4. Frequency

- 4.1 The BAC Meeting shall be held at a minimum once every quarter.
- 4.2 Any additional BAC Meeting shall be convened at the request of the Chairman.



Gibraltar BSN Life Berhad (277714-A)

TERMS OF REFERENCE
BOARD NOMINATION COMMITTEE

(Approved by Board of Directors on 23 February 2018)

TERMS OF REFERENCE BOARD NOMINATION COMMITTEE

INTRODUCTION

A. OVERVIEW

Under Section 56 (1) of the Financial Services Act 2013, the business and affairs of Gibraltar BSN Life Berhad ("Gibraltar BSN") shall be managed under the direction and oversight of its Board of Directors ("Board").

The Board is duly empowered under Article 76 (1) of the Articles of Association of Gibraltar BSN to have all the powers necessary for managing, directing and supervising the management of the business and affairs of Gibraltar BSN. Under Articles 105, the Board is further empowered to delegate any of its powers to committees, consisting of any member of the Board of Directors ("Board Member(s)" /"Director(s)").

Pursuant thereto, the Board has established the Board Nomination Committee ("BNC") and has appointed specific Board Members ("BNC Members") to carry out the roles and duties as herein stated in this Terms of Reference (TOR) of BNC.

Objective

The primary objective of the BNC is to establish a documented formal and transparent procedure for the appointment of Directors, the Chief Executive Officer and the Key Responsible Persons and to assess the effectiveness of individual Directors, and the Board as a whole (including various Board Committees), the Chief Executive Officer and the Key Responsible Persons on an on-going basis.

The BNC Meeting shall provide a platform for the BNC Members to meet, deliberate and resolve on the mandates entrusted by the Board.

The TOR of BNC shall contain the delegated authorities entrusted by the Board to BNC, the roles and responsibilities of BNC and the standard operating procedure for conducting the BNC Meeting.

Authority

The power and authority of BNC is derived from the mandate delegated by the Board and is governed by the Memorandum and Articles of Association ("M&A") of Gibraltar BSN, the First Amended and Restated Joint Venture Agreement entered into on 2 January 2014 between The Prudential Insurance Company of America ("Prudential"), Bank Simpanan Nasional ("BSN") and Gibraltar BSN Holdings Sdn Bhd (GibBSN Holdings") including any amendments thereto and replacements thereof ("JVA"), the Financial Services Act 2013, the Guidelines issued by Bank Negara Malaysia ("BNM"), the Companies Act 2016 and any other relevant laws of Malaysia governing Gibraltar BSN.

B. DUTIES AND RESPONSIBILITIES

1. Subject to the Super Majority Actions under SCHEDULE A herein , the BNC is mandated by the Board to undertake the following duties and responsibilities:

- (i) conduct reviews, assessments and make recommendations to the Board for decision on matters covered under this TOR or on any other such matters as may be directed by the Board; and
- (ii) exercise its power to decide on behalf of the Board as mandated under this TOR.

2. Recommendation Mandates

The BNC is empowered by the Board to establish, conduct reviews, assess and make recommendations for the approval of the Board on the following matters:-

- (i) overall composition of the Board, in terms of the appropriate size and the balance between the Executive, Non Executive Directors, Independent - Non Independent Directors criteria and skill sets required of the Board, both individually and collectively to ensure alignment with the strategic direction and emerging challenges of Gibraltar BSN ;
- (ii) the minimum qualifications, mix of skills, experience, qualification and other core competencies required of a Director;
- (iii) nominees for Directorship, Board Committees membership, Corporate Representative / Proxy / Power of Attorney's Holder (if any) (where applicable the assessments for reappointment);
- (iv) succession planning and performance assessment on the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Board Committees and the business of Gibraltar BSN;
- (v) 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 Gibraltar BSN (if any)
- (vi) the minimum qualifications, mix of skills, experience, qualification and other core competencies required for the Key Responsible Persons who are the Chief Executive Officer, Chief Operations Officer, Chief Distribution Officer, Chief Financial Officer, Chief Actuary & Appointed Actuary, Chief Risk Officer, Chief Compliance Officer and Head of Internal Audit;
- (vii) the appointment, termination and performance assessment of the Key Responsible Persons, whereby the annual assessment will be conducted based on objective performance criteria which is approved by the Board; and

TERMS OF REFERENCE BOARD NOMINATION COMMITTEE

- (viii) Gibraltar BSN's key/major human resource policies and strategies and performance indicator to foster ethical employee business conduct / behaviour, employee commitment to the operations of Gibraltar BSN and a high degree of employee satisfaction.

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

3. Decision Mandates

The BNC is empowered by the Board to decide /approve on the following matters:-

- (i) 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 BNC 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” shall refer to Senior Managers and above but to do not include the Key Responsible Persons.

- (ii) implementation and review on the Directors training to enable the Directors to keep abreast with the latest developments in the industry; and
- (iii) engagement of consultants/advisor to provide professional service and information in the furtherance of BNC duties at Gibraltar BSN's expense, so as to ensure the BNC Members are able to make informed decisions and recommendation to the Board.

For avoidance of doubt:-

- (a) the Procedures for Appointment and Assessment of the Directors, and key Responsible Persons must be approved by the full Board and disclosed to the Shareholder of Gibraltar BSN; and
- (b) any matters not covered under the Decision Mandates shall be recommended by BNC for Board's decision /approval.

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

TERMS OF REFERENCE BOARD NOMINATION COMMITTEE

C COMPOSITION

1. The Board, by resolution passed by a majority of the whole Board, shall appoint the BNC Members.
2. The BNC shall consist of 4 Board Members comprising of a majority of Independent Directors
3. The 4 BNC Members shall be as follows:
 - (i) 1 Prudential Director who is Non –Independent
 - (ii) 3 Independent Director s
4. The Board shall appoint the Chairman of the BNC ("BNC Chairman") and BNC Chairman must be an Independent Director.
5. In the absence of the BNC Chairman, the remaining BNC Members present shall elect any other Independent Director to chair the BNC Meeting.

D. SECRETARY

The Company Secretary or his/her nominee shall act as the Secretary of the BNC ("Secretary").

E. QUORUM

1. The minimum quorum necessary to duly convene a BNC Meeting shall be two (2) with at least 1 Prudential Director who is a Non-Independent Director and 1 BSN Director who is a Non-Executive Director are present.
2. No BNC Members may refrain from attending BNC Meeting in order to frustrate the establishment of a quorum.
3. If a quorum is not present within 60 minutes after the time specified for the commencement of BNC Meeting, such meeting shall be adjourned to a date and time not earlier than 7 working days after the date of the original meeting and at the same time and place as the original meeting upon notice to all BNM Members.
4. Any adjourned BNC Meeting shall be deemed to be duly convened if the quorum is present. Any adjourned Board Meeting shall be deemed to be duly convened notwithstanding that a quorum as required above is not present, provided that at least 1 Prudential Director who is a Non-Independent Director and 1 BSN Director who is a Non-Executive Director are present

TERMS OF REFERENCE BOARD NOMINATION COMMITTEE

F. FREQUENCY

1. The BNC Meeting is held at least two (2) times each financial year, one (1) in every six (6) months or at any such number of time(s) as the BNC Members may deem necessary to fulfil the BNC's responsibilities.
2. The BNC Meetings are scheduled in advance before the end of the current financial year to enable the BNC Members to plan ahead and accommodate the next year's BNC Meetings into their respective meeting schedules.

G. ATTENDANCE

1. Only BNC Members have the right to attend BNC Meetings. However, BNC may invite the Chief Executive Officer and/or any other persons to attend the BNC Meeting as BNC may deem appropriate and necessary.
2. The BNC Members must attend at least 75% of the BNC Meetings held in each financial year.
3. A BNC Meeting may be conducted and any BNC Members may attend any BNC Meetings by telephone conference, video conference or similar means of audio or audio-visual communication which all BNC Members may hear each other.

H. LOCATION

BNC Meetings shall be held in Kuala Lumpur, Malaysia or in such other location as the BNC Members may unanimously agree.

I. NOTICE

1. A BNC Meeting may be summoned by the Chairman or the Secretary on requisition of any BNC Members.
2. Notice of Meeting shall be given to each BNC Member, at least five (5) working days before the date of the BNC Meeting. The Notice of Meeting may be waived subject to the consent of all the BNC Members.

J. AGENDA

1. The Secretary, in consultation with the Chairman, shall draw up the BNC Meeting Agenda (together with the associated material) for circulation to each BNC Member, at least five (5) working days before the date of the BNC Meeting.
2. Any BNC Member may submit items for the meeting agenda by delivering notice of such items to the Chairman or the Secretary.

TERMS OF REFERENCE BOARD NOMINATION COMMITTEE

3. All BNC papers, proposal and reports shall clearly address the background, objective, key issues, rationale, impact and other relevant information to enable BNC Members to make an informed and effective decisions or recommendations to the Board.
4. BNC Members shall have access to all information within Gibraltar BSN and the advice of consultant /advisor.

K CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION

1. A BNC Member shall declare at a BNC Meeting:-
 - a) if the BNC Member or his/her Relative (whether directly or indirectly) has an interest in Gibraltar BSN 's contract or proposed contract; OR
 - b) if the BNC Member or his/her Relative (whether directly or indirectly) hold any interests, offices or possess properties relating to any matters deliberated in the BNC Meeting which will be or is in conflict with his/her duties as the Director of Gibraltar BSN OR
 - c) if the BNC Member or his/her relative (whether directly or indirectly) *is a director, officer or shareholder of Gibraltar BSN or in a position to influence or control Gibraltar BSN or affect the decisions of Gibraltar BSN.*

"Relative "shall have the same meaning ascribed in Section 2 of the Financial Services Act 2013

2. In the event of declared interest by a BNC Member:-
 - a) the Secretary shall minute the declaration;
 - b) the relevant BNC Member shall not participate in the discussion at the BNC Meeting; and
 - c) the relevant BNC Member shall not vote on the interested matter (but will still be counted for quorum).

L. DECISION

1. Each BNC Member shall be entitled to one (1) vote in deciding the matters deliberated in the BNC Meeting.
2. Any action, determination and/or judgment taken by the BNC shall be taken by the affirmative vote of a simple majority of the BNC members present at a duly convened BNC Meeting including at least one (1) Prudential Director who is a Non-Independent Director.
3. The Chairman shall have the right to vote as a member of BNC. The Chairman shall have a casting vote in the event of an evenly divided vote of the BNC.
4. No resolution may be passed by BNC for which timely notice was not given in the agenda for that BNC Meeting, unless otherwise unanimously agreed by all the BNC Members.

TERMS OF REFERENCE BOARD NOMINATION COMMITTEE

M. MINUTES

1. The Secretary shall minute the name of all BNC Members present and in attendance, the proceeding, deliberation and resolution made at BNC Meetings including dissenting views, recommendations, decisions and directives ("BNC Minutes").
2. The draft copy the BNC Minutes duly approved by the Chairman will be circulated to the BNC Members.
3. Upon approval by the BNC Members, the fair copy of the BNC Minutes shall be executed by the Chairman or the Chairman of the next BNC Meeting.
4. The duly executed BNC Minutes will be entered in the statutory BNC Minutes Book within fourteen (14) working days from the date of the BNC Meeting.

N. CIRCULAR RESOLUTION

1. Any action required or permitted to be taken at BNC Meeting may be taken without a meeting if the consent thereto is duly acquired via Circular Resolution PROVIDED that no Circular Resolution shall be effective unless it is signed by at least :-
 - a. 1 Prudential Director who is a Non-Independent Director ; and
 - b. 1 BSN Director who is a Non-Executive Director.
2. The Circular Resolution may consist of several documents in the like form, each signed by one (1) or more BNC Members.

The expressions "in writing" or "signed / executed" include approval by legible confirmed transmission by email, facsimile, or other forms of electronic communications.

3. The date of the Circular Resolution shall be the date on which the last BNC Member had executed the same to make it effective.
4. All effective Circular Resolutions shall be tabled for notation at the next BNC Meeting.

O. REPORTING TO THE BOARD

The Chairman shall report to the Board on material matters arising at BNC Meetings, on all matters within the BNC's purviews and, where applicable, shall present BNC's recommendations to the Board for Board's decision /approval.

P. ANNUAL GENERAL MEETING

The Chairman or his/her nominee shall attend the Gibraltar BSN's Annual General Meeting (or Extraordinary General Meeting) to answer any Shareholder's questions on the BNC's activities.

TERMS OF REFERENCE BOARD NOMINATION COMMITTEE

Q. OTHER PROVISIONS

1. Unless otherwise restricted under the law, M&A and JVA, nothing herein shall restrict the BNC from delegating specific responsibilities to the Gibraltar BSN's management or any person.
2. The decision made by the BNC Members shall be communicated to Gibraltar BSN's management in due course to ensure that decisions and directions are executed in a timely manner.
3. This TOR may be amended by the Board from time to time in order to retain its usefulness and if applicable, shall be subject to the requirement as provided under Schedule A.

SCHEDULE A

None of the following acts, expenditures, decisions and obligations may be or incurred by or on behalf of Gibraltar BSN or any of its subsidiaries without (a) the prior written approval of the Prudential Shareholder and the BSN Shareholder, and (b) the approval of the Board required by Article 93:-

- (i) amending or modifying the memorandum and articles of association or any other organizational documents of Gibraltar BSN or any of its subsidiaries to the extent such amendment or modification materially adversely affects the rights of either Shareholder relative to the other Shareholder;
- (ii) any reorganization, reclassification, reconstruction, consolidation or subdivision of the capital of Gibraltar BSN or any of its subsidiaries or creation of any different class of securities in the capital of Gibraltar BSN or any of its subsidiaries;
- (iii) any (x) declaration or payment of dividends or other distributions to Members, (y) repayment of any Members loans or (z) changes to the dividend policy of Gibraltar BSN or any of its subsidiaries, except, in each case, to the extent contemplated by the Joint Venture Agreement;
- (iv) any determination that additional capital contributions shall be made, except as provided in the Joint Venture Agreement;
- (v) any issuance or sale of any new shares or other equity securities (or securities or rights convertible into or exchangeable for any equity securities) of Gibraltar BSN or any of its subsidiaries or the creation or conferment on any person of any new equity interest in Gibraltar BSN or any of its subsidiaries;
- (vi) any issuance of debt securities, or any other borrowing or guarantee or incurrence of debt, if, in any case, the total consolidated indebtedness for money borrowed of Gibraltar BSN or any of its subsidiaries would exceed RM50 million outstanding at any time, provided that any unsecured credit does not exceed RM20 million in any one transaction;
- (vii) commencement of any voluntary liquidation or any filing of any petition in bankruptcy by (or decision not to oppose any similar petition filed by a third party in respect of) Gibraltar BSN or any of its subsidiaries, or any determination to dissolve and wind up the affairs of Gibraltar BSN or any of its subsidiaries;
- (viii) any sale, lease or other disposition of all or substantially all of the assets of Gibraltar BSN or any of its subsidiaries, whether by merger, consolidation, sale of assets or stock or other means, whether in one transaction or a series of related transactions;
- (ix) entering into, waiving, modifying or terminating any material agreement, commercial transaction or business arrangement between Gibraltar BSN or any of its subsidiaries, on the one hand, and any Member or any Affiliate thereof, on the other hand, other than any related party transaction permitted by the Joint Venture Agreement;
- (x) entering into any new line of business outside the scope of the Business;

TERMS OF REFERENCE BOARD NOMINATION COMMITTEE

- (xi) any change in the name of Gibraltar BSN or any of its subsidiaries;
- (xii) any material change to the size, composition, duties or governance structure of the Board or any committee thereof;
- (xiii) the entry by Gibraltar BSN or any of its subsidiaries into any material contract or transaction (or series of related contracts or transactions) in an amount exceeding RM15 million in any one contract or transaction (or series of related contracts or transactions), including the purchase of fixed assets exceeding RM15 million in any one contract or transaction (or series of related contracts or transactions);
- (xiv) appointing or removing Gibraltar BSN's or any of its subsidiaries' auditors;
- (xv) (A) disposing of any portion of Gibraltar BSN's equity interest, directly or indirectly, in any subsidiary or other entity to the extent the value of such portion exceeds RM25 million,

(B) acquiring shares representing more than 15% of the outstanding voting securities of any company or other entity or (C) acquiring or (other than as agreed) disposing of any loans or loan capital with a value in excess of RM25 million, except, in the case of each of clauses (A), (B) and (C), in connection with the ordinary course investment activities (including trading, asset management and arbitrage) of Gibraltar BSN and its subsidiaries or as contemplated by the approved business plan of Gibraltar BSN and its subsidiaries.
- (xvi) settling any litigation, arbitration or other proceedings which are material in the context of Gibraltar BSN's business other than debt collection in the ordinary course of business;
- (xvii) amending the capital plan of Gibraltar BSN as set forth in the Joint Venture Agreement; and
- (xviii) any agreement to take any of the foregoing actions that is not conditioned upon obtaining the consent of the Board (and Members, if applicable).



Gibraltar BSN Life Berhad (277714-A)

TERMS OF REFERENCE
BOARD RISK MANAGEMENT COMMITTEE

(Approved by Board of Directors on 24 August 2017)

TERMS OF REFERENCE BOARD RISK MANAGEMENT COMMITTEE

INTRODUCTION

A. Overview

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

B. Objective

Generally, the BRMC Meeting is a platform for the Board Risk Management Committee members to meet, deliberate and establish a documented, formal and transparent procedure to provide opportunities for focusing on improving the quality of governance, risk management and compliance in the company.

The Committee shall practice good corporate governance in a fair and thorough manner as required by Bank Negara Malaysia (BNM) Guidelines on Corporate Governance (BNM/RH/PD 029-9) issued on 3rd August 2016 and Risk Governance Guidelines.

C. Authority

The BRMC derives its authorities to act from the mandate delegated by the Board of Director (“BoD”) and shall be further governed by the Memorandum and Articles of Association (“M&A”) of Gibraltar BSN and the laws of Malaysia governing the Management and business of Gibraltar BSN.

TERMS OF REFERENCE BOARD RISK MANAGEMENT COMMITTEE

1. Duties and Responsibilities

1.1 The duties and responsibilities of the BRMC shall cover the following matters:

- a) To review and recommend strategies/plan, frameworks, policies, risk appetite of Risk Management and Compliance Departments for the Board's approval;
- b) To review and ensure that adequate infrastructure, resources and systems are in place for Risk Management and Compliance Departments to effectively carry out their respective responsibilities.
- c) To receive and review periodic reports from Risk Management and Compliance Departments on risk exposure, risk profile, fraud related matters, regulatory developments and compliance events;
- d) To ensure the risk management and compliance induction, training and education programs are appropriately established and implemented for staff of all levels
- e) To evaluate and review the appointment, confirmation, cessation and annual performance of the Chief Risk Officer and Chief Compliance Officer.
- f) To review the remuneration policy and structure of Risk Management and Compliance Departments for prudent risk-taking and promote a healthy risk and reward culture;
- g) To periodically meet the Board Audit Committee in ensuring 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;
- h) To actively promote a consistent culture of risk awareness, encourage open discussions and timely escalation risks and compliance issues;
- i) To 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 emerging any risks;
- j) To review Risk Management and Compliance reports as well as provide recommendations and constructive challenge to Senior Management;
- k) To 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;

TERMS OF REFERENCE BOARD RISK MANAGEMENT COMMITTEE

- l) To 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 business; and
- m) To have the ability to seek independent third party views or information on risk and compliance implications as appropriate before coming to any significant policy decisions or conclusion.

2. Composition

- 2.1 The BRMC shall comprise only non-executive and independent directors with at least three members, of which, the majority should be independent directors. The Committee should be chaired by an independent director.
- 2.2 The BRMC members shall elect a Chairman/Chairperson from among them who is an Independent Non-Executive director. The Chairman of the Board shall not chair the BRMC to promote robust and open deliberations by the Board on matters referred by the BRMC.
- 2.3 The BRMC shall have the right to invite any other person to be present at any part of the BRMC Meeting, on a need basis.
- 2.4 The BRMC Meeting shall be chaired by its Chairman and in his absence; the Chairman may nominate anyone of the BRMC Members. In the absent of such nomination, the BRMC Members present may elect one of its Member to be the Chairman of the meeting.
- 2.5 The Company Secretary shall act as the Secretary of the Committee.

3 Quorum and Attendance

- 3.1 The quorum of BRMC Meeting 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 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.
- 3.2 A BRMC Member is required to attend at least 75% out of the total number of the BRMC Meetings held in each year.

TERMS OF REFERENCE BOARD RISK MANAGEMENT COMMITTEE

4 Frequency

- 4.1 The BRMC Meeting shall be held at a minimum once every quarter.
- 4.2 Any additional BRMC Meeting shall be convened at the request of the Chairman.
- 4.3 The date, time and location of the meeting shall be predetermined by the Company Secretary.

5 Conduct of the Meeting

- 5.1 The BRMC Meeting may be conducted and any BRMC Members may attend via telephone conference, video conference or any similar means of audio or audio-visual communication by which all BRMC Members participating may hear each other.
- 5.2 The BRMC Member shall declare at the BRMC Meeting if he /she or his/her family (whether directly or indirectly):-
 - a) has interest in the Gibraltar BSN's contract or proposed contract; OR
 - b) hold any interests, offices or possesses properties relating to any matters deliberated in the BRMC Meeting which will be or is in conflict with his/her duties as the Director of Gibraltar BSN (conflict of interest); *"family" shall include the BRMC Member's spouse, parent, child (including adopted child and stepchild), brother, sister and the spouse of his child, brother or sister*
- 5.3 In the event of declared interest by the BRMC Member:-
 - a) the Secretary shall minute the declaration;
 - b) the relevant BRMC Member shall not participate in the discussion at the BRMC Meeting; and
 - c) the relevant BRMC Member shall not vote on the interested matter (but will still be counted for quorum).

TERMS OF REFERENCE BOARD RISK MANAGEMENT COMMITTEE

6 Board's Circular Resolution

- 6.1 Any approvals on urgent or important business matters requiring the recommendation /review of the BRMC Members may be sought via Circular Resolution enclosing all relevant information to enable the BRMC Members to make informed decisions.
- 6.2 The Circular Resolution in writing duly executed by ALL BRMC Members shall be as effective for all purposes as a resolution passed at BRMC Meeting duly convened, held and constituted.
- 6.3 The Circular Resolution may consist of several documents in the like form, each signed by one (1) or more BRMC Members. All such duly executed Circular Resolutions shall be forwarded or otherwise delivered to the Secretary without delay.
- 6.4 The date of the Circular Resolutions shall be the date on which the last BRMC Member executed the Circular Resolution.
- 6.5 All Circular Resolutions executed by the BRMC shall be tabled for notation at the next BRMC Meeting.

7 Others

- 7.1 This TOR may be amended by the BRMC from time to time in order to retain its usefulness. Nothing herein stated shall restrict the BRMC Members from otherwise regulating the BRMC Meetings, as they think fit.



Gibraltar BSN Life Berhad (277714-A)

TERMS OF REFERENCE
BOARD REMUNERATION COMMITTEE

TERMS OF REFERENCE BOARD REMUNERATION COMMITTEE

INTRODUCTION

A. Overview

The Remuneration Committee (“RC”) shall establish a documented, formal and transparent procedure for developing a remuneration policy for Gibraltar BSN Life Berhad’s (“Gibraltar BSN”) directors, and the Key Responsible Persons (i.e. the Chief Executive Officer, Chief Operations Officer, Chief Distribution Officer, Chief Financial Officer, Chief Actuary & Appointed Actuary, Chief Risk Officer, Chief Compliance Officer and Head of Internal Audit) and to ensure that their compensation is competitive and consistent with the company’s culture, objectives and strategy.

B. Objective

Generally, the RC Meeting is a platform for the RC to meet, deliberate and resolve remuneration matter in a fair and thorough manner as required by Bank Negara Malaysia

C. Authority

The RC is authorized to seek any information it requires from any employee of the Company to perform its duties. The RC is not delegated with decision-making powers by the Board and shall be obliged to report its recommendations back to the full Board for decision.

D. Duties and Responsibilities

1 The duties and responsibilities of the RC shall be as follows:

- 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:
- Be documented and approved by the full Board and any changes thereto shall be reviewed and recommended by the RC prior to approval of the full Board;
 - Reflect the experience and level of responsibility borne by individual directors, and the Key Responsible Persons ;
 - Be sufficient to attract and retain employees, directors, and Key Responsible Persons of the caliber required to manage Gibraltar BSN successfully; and

TERMS OF REFERENCE BOARD REMUNERATION COMMITTEE

- Balance the abovementioned by ensuring that Gibraltar BSN'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 Person. The remuneration packages shall:
 - Be based on an objective consideration and approved by the full Board;
 - Take due consideration of the assessments of the Nomination Committee of the effectiveness and contribution of the directors and the Key Responsible Persons concerned;
 - Be decided collectively without exercise of sole discretion of any one individual or restricted group of individuals; and
 - Be competitive and is consistent with Gibraltar BSN's culture, objectives and strategy.
- c) To ensure that the remuneration packages for Independent 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 Gibraltar BSN's Annual Report relating to the activities of the RC.

E. Authority and Reserved Matters

With the exceptions of the Super Majority Actions as stated under Schedule A and the matters under the purview of Audit, Risk Management, Compliance, Actuarial and Corporate Secretarial, the RC shall have the authority to decide, approve, recommend and/or review any matters under its duties and responsibilities respectively or as may be entrusted by the Board from time to time.

F. Composition

1. The RC Meeting shall comprise of the RC Members as follows:-
 - a) At least 3 Independent Directors
 - b) 1 BSN Director who is a Non-Executive Director
2. The Committee Chairman shall be an Independent Director.

TERMS OF REFERENCE BOARD REMUNERATION COMMITTEE

3. To avoid conflict of interest, a member of the RC shall abstain from participating in discussions and decisions on matters directly involving him.
4. The RC shall have the right to invite any other person to be present at any part of the RC Meeting as on a need basis, including but not limited, the following Permanent Invitees:-
 - a) Chief Executive Officer
 - b) Head of Human Resources
5. The RC Meeting shall be chaired by the RC Chairman and in his absence, the RC Members present may elect one of its members as the Chairman of the meeting.
6. The Secretary for the RC Meeting shall be the Company Secretary.

G. Quorum and Attendance

1. The quorum of RC Meeting shall be at least two thirds of the members with non-executive directors forming the majority.
2. A duly convened meeting of the RC 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.
3. A RC member is required to attend at least 75% out of the total number of the RC Meetings held in each year.

H. Time and Venue

1. The RC Meeting shall be held at least once a year to review the remuneration packages of the directors and Key Responsible Persons.
2. Any additional RC Meeting shall be convened at the request of the Chairman.
3. The RC Meeting shall be conducted in Kuala Lumpur or at any such other location as the Chairman may decide.

TERMS OF REFERENCE BOARD REMUNERATION COMMITTEE

I. Notice Agenda and Supporting Papers

1. A reasonable prior written Notice of Meeting together with the agenda and approving papers shall be given to all RC Members preferably at least five (5) working days before the date of the RC Meeting.
2. The Management may submit agenda item and supporting papers for the RC's approval / recommendation / review by forwarding a notice describing such item to the Secretary at least 5 working days before the RC meeting.
3. The Gibraltar BSN's management presenting the agenda item shall prepare an executive summary of the proposal / report which shall clearly address the background, objective, key issues, rationale, impact and other relevant information to enable the RC Members to make an informed and effective decision.
4. The activities and assessment of the RC under the heading "Corporate Governance" shall be disclosed in the Directors' Report of the company's annual report.

J. Conduct of the Meeting

1. An RC Meeting may be conducted and any RC Members may attend via telephone conference, video conference or any similar means of audio or audio-visual communication by which all RC Members participating may hear each other.
2. The RC Member shall declare at the RC Meeting if he /she or his/her Relative (whether directly or indirectly):-
 - a) has interest in the Gibraltar BSN's contract or proposed contract; OR
 - b) hold any interests, offices or possesses properties relating to any matters deliberated in the RC Meeting which will be or is in conflict with his/her duties as the Officer of Gibraltar BSN (conflict of interest);
""Relative ""shall have the same meaning ascribed in Section 2 of the Financial Services Act 2013
3. In the event of declared interest by the RC Member:-
 - a) the Secretary shall minute the declaration;
 - b) the relevant RC Member shall not participate in the discussion at the RC Meeting;
and
 - c) the relevant RC Member shall not vote on the interested matter (but will still be counted for quorum).

TERMS OF REFERENCE BOARD REMUNERATION COMMITTEE

K. Voting and Decision

1. Only RC Members can vote at RC Meeting.
2. Each RC Member is entitled to one (1) vote in deciding the matters deliberated in the RC Meeting.
3. The decision with the majority of votes shall be the decision of the RC Members attending and voting at the meeting.
4. In the event of an equality of votes, the Chairman of the RC Meeting shall be entitled to a casting vote.

L. Corporation's Minutes Book

1. The proceedings and all the deliberations at the RC Meeting including dissenting views, recommendations, decisions and directives shall be recorded by the Secretary in the minutes of RC Meeting.
2. The draft copy the minutes of RC Meeting (“Minutes”) will be circulated to the RC Members for comments.
3. Upon approval by the RC Members, the fair copy of the Minutes shall be executed by the Chairman or the Chairman of the next RC Meeting.
4. The duly executed Minutes shall be entered in the statutory Corporation’s Minutes Book within fourteen (14) working days from the date of the RC Meeting.

M. Board’s Circular Resolution

1. Any approvals on urgent or important business matters requiring the approval / recommendation / review of the RC Members may be sought via Circular Resolution enclosing all relevant information to enable the RC Members to make informed decisions.
2. The Circular Resolution in writing duly executed by ALL RC Members shall be as effective for all purposes as a resolution passed at RC Meeting duly convened, held and constituted.

TERMS OF REFERENCE BOARD REMUNERATION COMMITTEE

3. The Circular Resolution may consist of several documents in the like form, each signed by one (1) or more RC Members.
4. The expressions "in writing" or "signed / executed" include approval by legible confirmed transmission by facsimile, email or other forms of electronic communications.
5. All such duly executed Circular Resolutions shall be forwarded or otherwise delivered to the Secretary without delay.
6. The date of the Circular Resolutions shall be the date on which the last RC Member executed the Circular Resolution.
7. All Circular Resolutions executed by the RC shall be tabled for notation at the next RC Meeting.

N. Communication to the Management

1. The decision made by the RC shall be communicated by the RC Members to the Chief Executive Officer, who shall, in turn communicate the decision to each respective Division and Departments in due course to ensure that decisions and directions are executed in a timely manner.
2. The Division and/or the Departments shall take immediate action on all matters arising from the RC Meeting and updates the RC Members on the status of these matters at the next RC Meeting or if deemed urgent via circulation of memorandum.

O. Other Provision

This TOR may be amended by the RC from time to time in order to retain its usefulness. Nothing herein stated shall restrict the RC Members from otherwise regulating the RC Meetings, as they think fit.

TERMS OF REFERENCE BOARD REMUNERATION COMMITTEE

SCHEDULE A

SUPER MAJORITY ACTIONS

None of the following acts, expenditures, decisions and obligations may be made or incurred by or on behalf of Gibraltar BSN or any of its subsidiaries without (a) the prior written approval of the Prudential Shareholder and the BSN Shareholder, and (b) the approval of the Board required by Article 93:-

- (i) amending or modifying the memorandum and articles of association or any other organizational documents of Gibraltar BSN or any of its subsidiaries to the extent such amendment or modification materially adversely affects the rights of either Shareholder relative to the other Shareholder;
- (ii) any reorganization, reclassification, reconstruction, consolidation or subdivision of the capital of Gibraltar BSN or any of its subsidiaries or creation of any different class of securities in the capital of Gibraltar BSN or any of its subsidiaries;
- (iii) any (x) declaration or payment of dividends or other distributions to Members, (y) repayment of any Members loans or (z) changes to the dividend policy of Gibraltar BSN or any of its subsidiaries, except, in each case, to the extent contemplated by the Joint Venture Agreement;
- (iv) any determination that additional capital contributions shall be made, except as provided in the Joint Venture Agreement;
- (v) any issuance or sale of any new shares or other equity securities (or securities or rights convertible into or exchangeable for any equity securities) of Gibraltar BSN or any of its subsidiaries or the creation or conferment on any person of any new equity interest in Gibraltar BSN or any of its subsidiaries;
- (vi) any issuance of debt securities, or any other borrowing or guarantee or incurrence of debt, if, in any case, the total consolidated indebtedness for money borrowed of Gibraltar BSN or any of its subsidiaries would exceed RM50 million outstanding at any time, provided that any unsecured credit does not exceed RM20 million in any one transaction;
- (vii) commencement of any voluntary liquidation or any filing of any petition in bankruptcy by (or decision not to oppose any similar petition filed by a third party in respect of) Gibraltar BSN or any of its subsidiaries, or any determination to dissolve and wind up the affairs of Gibraltar BSN or any of its subsidiaries;
- (viii) any sale, lease or other disposition of all or substantially all of the assets of Gibraltar BSN or any of its subsidiaries, whether by merger, consolidation, sale of assets or stock or other means, whether in one transaction or a series of related transactions;
- (ix) entering into, waiving, modifying or terminating any material agreement, commercial transaction or business arrangement between Gibraltar BSN or any of its subsidiaries, on the one hand, and any Member or any Affiliate thereof, on the other hand, other than any related party transaction permitted by the Joint Venture Agreement;

TERMS OF REFERENCE BOARD REMUNERATION COMMITTEE

- (x) entering into any new line of business outside the scope of the Business;
- (xi) any change in the name of Gibraltar BSN or any of its subsidiaries;
- (xii) any material change to the size, composition, duties or governance structure of the Board or any committee thereof;
- (xiii) the entry by Gibraltar BSN or any of its subsidiaries into any material contract or transaction (or series of related contracts or transactions) in an amount exceeding RM15 million in any one contract or transaction (or series of related contracts or transactions), including the purchase of fixed assets exceeding RM15 million in any one contract or transaction (or series of related contracts or transactions);
- (xiv) appointing or removing Gibraltar BSN's or any of its subsidiaries' auditors;
- (xv) (A) disposing of any portion of Gibraltar BSN's equity interest, directly or indirectly, in any subsidiary or other entity to the extent the value of such portion exceeds RM25 million, (B) acquiring shares representing more than 15% of the outstanding voting securities of any company or other entity or (C) acquiring or (other than as agreed) disposing of any loans or loan capital with a value in excess of RM25 million, except, in the case of each of clauses (A), (B) and (C), in connection with the ordinary course investment activities (including trading, asset management and arbitrage) of Gibraltar BSN and its subsidiaries or as contemplated by the approved business plan of Gibraltar BSN and its subsidiaries.
- (xvi) settling any litigation, arbitration or other proceedings which are material in the context of Gibraltar BSN's business other than debt collection in the ordinary course of business;
- (xvii) amending the capital plan of Gibraltar BSN as set forth in the Joint Venture Agreement; and
- (xviii) any agreement to take any of the foregoing actions that is not conditioned upon obtaining the consent of the Board (and Members, if applicable).