

**BOARD OF DIRECTORS (“BOARD”)  
TERMS OF REFERENCE**

**STANDARD CHARTERED BANK MALAYSIA BERHAD**

- MEMBERS** : Directors of Standard Chartered Bank Malaysia Berhad (the “Company” or “SCBMB”)
- QUORUM** : 50% of the Board Members currently in office, one of whom must be either the Chairman or the Deputy Chairman together with the Chief Executive Officer.
- MEETINGS** : Six (6) meetings per year and ad hoc as required.
- CHAIRMAN** : The Chairman or Deputy Chairman appointed by the Board from time to time or, in their absence, the Chairman appointed by the meeting in accordance with the Constitution.
- OFFICERS IN ATTENDANCE ON INVITATION** : Chief Financial Officer, Business Heads, Head of Support Functions or anyone at the Board’s request.
- SECRETARY** : The Company Secretary or his/her nominee.
- MINUTES DISTRIBUTION** : Minutes of all board meetings shall be reviewed by the Chairman of the Board before the same are being confirmed at the next board meeting.

## **RESPONSIBILITIES**

The Board of the Company has responsibility for the matters set out below. These Terms of Reference set out particular matters, which the Board shall attend to but are without prejudice to and shall not limit the powers, authorities, duties, procedures and responsibilities of the Directors, which arise at law or pursuant to the Constitution. If there is any conflict between the Articles and these terms of reference (as both may be amended from time to time) the Constitution shall prevail.

## **STRATEGY AND MANAGEMENT**

1. Approve the Company's long-term objectives and commercial strategy having due regard to the requirements of the Standard Chartered Group.
2. Approve the Company's annual operating and capital expenditure budgets and any material changes to them.
3. Oversee the management of the business and affairs of the Company ensuring:
  - competent and prudent management
  - sound planning
  - an adequate system of internal control
  - adequate accounting and other records
  - compliance with statutory and regulatory obligations
4. Monitor the Company's performance against budgets and plans and ensure that any necessary corrective action is taken.

## **CAPITAL**

5. In conjunction with Standard Chartered Group finance determine the Company's key financial objectives including prudential and other ratios and target rates of return on capital and assets.
6. Keep under review and determine appropriate levels for the capital and liquidity positions of the Company.
7. Review and approve proposals for the allocation of capital and other resources within the Company.

## **STRUCTURE**

8. In liaison with the appropriate persons in the Standard Chartered Group:
  - 8.1 approve material acquisitions and disposals of assets and shares, which are outside the ordinary course of business of the Company or significant in terms of the business of the Company;
  - 8.2 approve the establishment of any branches or subsidiaries outside Malaysia; and
  - 8.3 approve any decision to cease to operate all or any material part of the business of the Company.

## **FINANCIAL REPORTING**

9. Approve any significant changes in accounting policies or practice.
10. Approve the Company's annual report and accounts.

## **INTERNAL CONTROL**

11. Maintain a sound system of internal control and risk management including:
  - Receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives.
  - Approving an appropriate statement for inclusion in the annual report.
  - Receiving reports on and reviewing the effectiveness of the Company's credit risk management; although not involved in the approval process the Board has the right by unanimous decision to revoke or vary in such manner to reduce risk of the banking facilities that have been approved by the Company.

## **CORPORATE GOVERNANCE**

12. Review the Company's overall corporate governance arrangements.
13. Ensure that all Board Committees as may be required by the applicable laws and regulations from time to time are established and functioning effectively.
14. Approve policies, which require endorsement by the Board in accordance with the requirements of Bank Negara Malaysia.
15. Approve a Code of Conduct for the Company regarding ethical matters.

## **APPOINTMENT**

16. Review the structure, size and composition of the Board from time to time and make any changes deemed necessary.
17. Consider and approve:
  - appointments to the Board;
  - the removal or appointment of the Company Secretary; or
  - the removal or appointment of external auditors.

## **DELEGATION OF AUTHORITY**

18. Approve delegated authorities for expenditure and for lending and for other risk exposures.

## **OTHERS**

19. Approval of the Directors' and Officers' liability insurance and indemnification of directors.
20. Receive the minutes of and/or reports from the Committees of the Board.
21. Review and agree changes as appropriate to the terms of reference of the Committees established by the Board.
22. Review these terms of reference from time to time.

Matters which the Board considers suitable for delegation are contained in the term of reference of its Committees.

APPROVED BY: : Board Resolution  
DATE APPROVED : 6 June 2006  
1<sup>st</sup> amendment : 22 September 2010  
2<sup>nd</sup> amendment : 12 April 2012  
3<sup>rd</sup> amendment : 21 February 2017