



POLICY ON DIRECTORS CONFLICT OF INTEREST

1.0 Objective

The objective of this Policy is to regulate and manage issues relating to conflict of interest that a Director may encounter during his tenure as a Director, so that the Board may address the same in a manner that ensures the integrity of the Bank is not compromised.

2.0 Definitions

2.1 In this Policy, unless the context otherwise requires, the following capitalised terms bear the following meanings, namely:-

ACB	means the Audit Committee of the Board;
Associated Party	means the parties as described in Schedule 1 of this Policy as may be amended from time to time;
Bank/Maybank	means Malayan Banking Berhad;
Benefit/s	means any type or form of gift (cash or non-cash), award or advantage (financial or non-financial, including a position offered in a corporation);
Bursa Malaysia	means Bursa Malaysia Securities Berhad
Board	means the Board of Directors of the Bank;
Director	means a director of the Bank;
Exempted Credit Transaction	means the exempted credit transactions as described in Section 4.2 of Maybank Group's Policy on Credit Transactions and Exposures with Connected Parties as may be amended from time to time;
Interested Director	means a Director who has an interest in a Transaction or who has been offered and/or has received a Benefit (as the case may be);
MMLR	means the Main Market Listing Requirements of Bursa Malaysia, as may be amended from time to time
Secretariat	means the Group Corporate Secretarial Department of the Bank;

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Secretary	means the Group General Counsel and Company Secretary of the Bank;
Transaction/s	means any existing or proposed transaction or arrangement with the Bank , save and except the following:- <ul style="list-style-type: none"> (a) Exempted Credit Transactions; (b) Transactions which are not normally regarded as related party transactions as set out under Chapter 10 of the MMLR; and (c) Any transaction which a director or his Associated Party cannot reasonably be expected to derive a benefit or suffer a detriment from the transaction or arrangement in a way that will place the said Director in a position of conflict.
Transacting Party	means a party involved in a Transaction with the Bank (including existing customers and vendors of the Bank).

- 2.2 Except where the context otherwise requires,
- a) words denoting the singular include the plural and vice versa; and
 - b) references to any gender include the other gender.

3.0 Guiding Principles

- 3.1 A conflict of interest occurs when a Director's personal interest conflicts with his responsibility to act in the best interest of the Bank.
- 3.2 In the context of this Policy, the term conflict of interest refers to:-
- (a) a direct or indirect interest (via his Associated Party) of a Director; and
 - (b) an actual or potential conflict of interest.

These conflict situations present the risk that Directors might make a decision based on or affected by these influences rather than in the best interest of the Bank.

- 3.3 When conflict of interest arises, it must be addressed and managed effectively by the Board in accordance with this Policy.

4.0 Circumstances which may give rise to Conflict of Interest

The circumstances which may give rise to situations of conflict of interest are as follows:-

- (a) Transactions which involves the interest of a Director and/or his Associated Party; and
- (b) Benefits offered to and/or received by a Director.

5.0 Disclosure of Interest in a Transaction

- 5.1 An Interested Director in a Transaction shall, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest in the Transaction.
- 5.2 An Interested Director in a Transaction must make the disclosure by way of a general notice to the Board and the Secretary:-
- (a) as soon as practicable after being aware of his interest in the Transaction; and
 - (b) if the Transaction is being deliberated at a Board meeting, before the commencement of that deliberation.
- 5.3 Such notice should include sufficient information of the nature and extent of the conflict for the Board's information and/or consideration.
- 5.4 To facilitate the process of disclosure of directors' interest in a Transaction, all Directors are required to furnish details of Associate Parties as required in the form attached hereto as Appendix 1 and to submit the completed form to the Secretariat upon their appointment as a Director.
- 5.5 All Directors are further obliged to inform the Secretariat of any changes to be made to the list of their Associated Parties as soon as possible.

6.0 Change in Circumstances

- 6.1 All Directors are obliged to inform the Board of any change in his circumstances that may give rise to conflict of interest in respect of any Transaction.
- 6.2 The disclosure to the Board of such changes are to be made in the same manner as set out under Section 5 above and must include sufficient explanation as to the nature of interest that has changed for the Board's information and/or further consideration.

7.0 Benefits received by a Director

- 7.1 A Director who has been offered or has received a Benefit must not accept the Benefit unless he has first disclosed the same to the Board, describing among others, the nature and the estimated value of such Benefit. Upon such disclosure being made, the Board may at their sole discretion either:-
- (a) request the said Director to decline the offer or to return the Benefit (as the case may be); or
 - (b) to allow the Director to accept the Benefit, either with or without conditions imposed.
- 7.2 The following exceptions to Section 7.1 would apply:-
- (a) Benefits offered to and/or received not in his capacity as a Director; OR
 - (b) the estimated value of such Benefit offered to and/or received by a Director is not more than RM500.

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7.3 The Board may from time to time establish further exceptions to Section 7.1 as the Board deems fit and reasonable under the circumstances.

8.0 Board Proceedings

8.1 An Interested Director shall not be present at any board meeting:-

(a) when a Transaction involving his interest or

(b) when the Benefit that he has disclosed;

is being deliberated by the Board.

8.2 All disclosures of conflict of interest are to be recorded in the minutes of meeting of the Board or in the written resolution of Directors. The Secretariat shall be responsible for maintaining updated records on each Director's conflicts of interest.

9.0 Compliance and Review of Policy

9.1 Compliance with this Policy is the responsibility of each individual Director as well as the Board as a whole.

9.2 Compliance to the provisions of this Policy shall be monitored from time to time by the ACB.

10.0 Non-Compliance with Policy

10.1 Any Director who has been found not to have complied with this Policy shall be dealt with in a manner that the Board deems fit under the circumstances.

10.2 All decisions relating to a Director's non-compliance with this Policy shall be made unanimously by the remaining Board members and shall bind the said Director accordingly.

10.3 All decisions made by the Board pursuant to the provisions of this Policy shall be without prejudice to the existing laws, rules and regulations that applies to a Director pertaining to Directors' conflict of interest.

First issued: 23 February 2017

SCHEDULE 1**PARTIES ASSOCIATED WITH DIRECTOR**

1. Parents;
2. Spouse;
3. Child (including adopted child and step-child);
4. Spouse of child;
5. Brother and sister;
6. Spouse of brother and sister;
7. Dependents¹ of Director or his spouse;
8. A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which a Director and/or family member of the Director is a beneficiary;
9. A partner² of a Director or a partner² of person associated with the Director;
10. A firm, partnership, company or any legal entity which is controlled³ by a Director;
11. A firm, partnership, company or any legal entity in which a Director is interested as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
12. Any person for whom a Director and/or family member of the Director is a guarantor;
13. A body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a Director;
14. A body corporate or its directors whose directions, instructions or wishes a Director is accustomed or under an obligation, whether formal or informal, to act;
15. A person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a Director;
16. A person in accordance with whose directions, instructions or wishes a Director is accustomed or is under an obligation, whether formal or informal, to act; and
17. A body corporate in which a Director and/or person associated with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate.

¹ Any person who is financially dependent on the Director or his spouse for livelihood.

² (a) a person with whom a Director or Associated Party is in or proposes to enter into partnership with. "Partnership" refers to a "partnership" as defined in Section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in Section 2 of the Limited Liability Partnerships Act 2012; or

(b) a person with whom a Director or Associated Party has entered or proposes to enter into a joint venture, whether incorporated or not.

³ (a) controls more than 50% of the voting rights of the firm, partnership, company or legal entity;

(b) holds more than 50% of the issued share capital of the firm, partnership, company or legal entity whether directly or indirectly (excluding preference shares);

(c) controls the composition of the board of the firm, partnership, company or legal entity;

(d) has the power to appoint and/or remove all or a majority of the board of directors of the firm, partnership, company or legal entity;

(e) controls the controlling shareholder of the firm, partnership, company or legal entity; or

(f) a person in accordance with whose directions or instructions, a director of the firm, partnership, company or legal entity or its holding company are accustomed to act.