

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5258
COMPANY NAME : Bank Islam Malaysia Berhad
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board"), being the highest authority in Bank Islam Malaysia Berhad ("BIMB"), carries the ultimate responsibility for proper stewardship of the Bank and its subsidiaries ("the Group"). It sets BIMB Group's strategic direction at the highest level to ensure optimisation of shareholders' value and safeguard stakeholders' interest.</p> <p>As part of its duties, safeguarding and optimising shareholders' value, the Board is committed to ensuring adherence to best practices of corporate governance and strives diligently to ensure that they are practised within the Group.</p> <p>The Board's responsibilities and authority are governed by the Board Charter, the Terms of Reference of the Board and its Committees, the Constitution of the Company, Companies Act 2016 ("the Act"), the Islamic Financial Services Act 2013 ("IFSA 2013"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other applicable laws, rules, or regulations.</p> <p>BIMB Group's strategic direction is embedded in its 5-year aspiration of LEAP25. BIMB continues its focus to incorporate principles of Shariah, Value-Based Intermediation ("VBI") and ESG considerations whilst mobilising its six (6) strategic objectives to support and govern BIMB's agenda namely Sustainable Prosperity, Value Based Culture, Community Empowerment, Customer Centricity, Real Economy and Digitalisation. The Board upholds a strong culture of good corporate governance and business integrity in line with ethical values and Islamic principles.</p>

In setting up the strategic direction for the following year, the Board holds board retreat session with the Management to deliberate on and exchange their views on the BIMB Group's strategies and business plan in an informal setting. This board retreat session is conducted annually. The key takeaways from the board retreat session are then tabled to the Board Strategic and Sustainability Committee ("BSSC") for deliberation and consideration to be incorporated in the business plan and budget prior to tabling to the Board.

To ensure that BIMB remains on-track in achieving its strategic goals, the Board assumes the following roles and responsibilities:

- I. Identifies the strategic issues of BIMB Group and set priorities on the action to be taken.
- II. Reviews and approves all strategic matters and business plan of BIMB to ensure alignment in the business direction and strategic objectives.
- III. Reviews and monitors the performance, progress implementation and effectiveness of the strategic direction and business plan based on key performance indicators.

The performance review was conducted on timely basis where the BSSC has been mandated by the Board to closely monitor the progress of the strategic initiatives through the Strategic Management Dashboard and Corporate Scorecard. The BSSC ensures the key performance indicators remain on-track and does not deviate from the Bank's goals and objectives. Noteworthy, the progress on the execution of the strategic initiatives is also monitored and supervised by the Group Management Executive Committee ("GMEC") chaired by the Group Chief Executive Officer ("Group CEO").

To deal more effectively with complex or specialized issues, the Board delegates and entrusts its review function to the following Board Committees established by the Board:

1. Board Audit and Examination Committee ("BAEC");
2. Board Nomination and Remuneration Committee ("BNRC");
3. Board Risk Committee ("BRC");
4. Board Strategic and Sustainability Committee ("BSSC");
5. Board Information Technology Committee ("BITC"); and
6. Board Financing Review Committee ("BFRC").

Details of each Committees are set out in Section B of this report.

Although specific powers are delegated to the Board Committees, the ultimate responsibility for decision making, however, lies with the Board. The Board keeps itself abreast of the key issues and decisions made by the Board Committees through the tabling of report by the respective Chairman of the Board Committees at Board meetings.

The key responsibilities of the Board in setting the strategy for the BIMB for the financial year (“FY”) ended 31 December 2023, include but not limited to the following:

- i. Overseeing the implementation of the Bank’s governance framework, risk and internal control framework.

The Board and the Management are responsible and accountable for the establishment of the Group’s system of risk management and internal control. The Board is also responsible in overseeing the development of the Group’s sustainability and climate related strategies, alignment of priorities and targets with the Group’s long term business strategy, as well as to ensure collective achievement of sustainability goals across the organisation by integrating resilience and sustainability of the Group’s strategy within key business areas.

The above roles are delegated by the Board to the BRC, which is supported by the Management Risk Control Committee (“MRCC”) of the Company. The BRC supports the Board in meeting the expectations on risk management as set out by Bank Negara Malaysia (“BNM”) and oversee the Management’s activities in managing credit risk, market risk, liquidity risk, operational risk (which includes legal risk, compliance risk, Shariah non-compliance risk, IT risk and business continuity risk), sustainability risk (including climate-related risk) and other relevant risk and to ensure that the risk management process is in place and functioning for the Group.

In 2023, BIMB continues to implement its ESG Risk Management Framework in line with its commitment towards banking sustainability. BIMB has identified the ESG risk considerations in its credit assessment process and leverage climate risk stress-testing to enhance the Bank’s capabilities in addressing the impacts of climate change on the Bank and its customers. In 2023, BIMB also has taken the initiative to integrate recovery planning in its existing risk management framework.

	<p>ii. Establishing succession planning.</p> <p>The Board, through the BNRC, has oversight of the succession planning for the Board, Board Committees and Senior Management. Under its TOR, BNRC is to ensure that all candidates appointed to these positions are of sufficient calibre and competence. In this respect, the factors considered by the BNRC include the candidates' profiles, achievements, personalities and suitability for the respective positions.</p> <p>BIMB's current focus on developing internal digital, leadership and professional certification aims to fill people development gaps, helping to upskill and reskill them to keep abreast with the latest requirements of the finance industry. BIMB accelerated digital literacy and adoption through an in-house Digital Upskilling Programme with the intention of nurturing the talent pool.</p> <p>iii. Promoting sustainability through appropriate environmental, social and governance ("ESG") considerations in the Bank's business strategies.</p> <p>The Bank aims to be the leader in offering Shariah ESG total financial solutions and to establish its leadership in social finance and digital banking. BIMB's 5-year aspiration of LEAP25 is to increase the asset size and ESG-rated financing assets, reduce Cost-to-Income ratio, sustain superior industry Return-to-Equity ("ROE"), increase our non-fund based income ("NFB") contribution, create positive social impact and retain high-performing talents. BIMB's targets are anchored by the six (6) pillars namely Sustainable Prosperity, Value Based Culture, Community Empowerment, Customer Centricity, Real Economy and Digitalisation.</p> <p>BIMB has implemented approaches to consider the ESG risk profile of the customers as part of BIMB financing origination process. This move aims to improve BIMB's customers' sustainability, as it aligns with regulators' key global and local efforts in building a resilient financial system.</p> <p>In pursuing sustainability journey and ESG commitment, BIMB continues to expand its green financing portfolio and widening its exposure to new green segments such as energy efficiency, net energy metering, office automation and waste management.</p>
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	<p>BIMB aims to double its Shariah-ESG assets to RM4 billion by the end of 2025 as per its LEAP25 target. In achieving this, BIMB is actively pursuing climate finance by developing targeted products, including low-carbon transition financing for SMEs and ESG-linked financing for corporates embarking on business transformation towards low-carbon operations. As of 31 December 2023, BIMB recorded RM4.5 billion Shariah-ESG asset, surpassed its LEAP25 target of RM4 billion.</p> <p>iv. Promoting and practicing high level of integrity and ethics.</p> <p>BIMB’s success is determined by the high level of integrity and ethics. To maintain a conducive working environment with performance-based culture, BIMB remains committed to act with integrity by adhering to our religious, moral and ethical principles. We also strive to do what is right at all times in accordance with laws and regulations. And finally, we treat each other with respect and honesty.</p> <p>BIMB had launched its inaugural Organizational Anti-Corruption Plan (OACP) 2022-2025 to reflect its ongoing commitment to ensure high conduct, governance and integrity values in all its businesses. This effort is in line with the Government’s requirements as set out in the National Anti-Corruption Plan and our plan reflects the highest standards of integrity in BIMB’s governance model.</p> <p>In 2023, there were seven (7) OACP initiatives that were identified for BIMB’s implementation. The initiatives are in relation to the business (3 initiatives), branch operations (1 initiative) and governance (3 initiatives). As of December 2023, 57% or four (4) of the initiatives had been implemented, while another three (3) were on-going. The implementation status of the OACP initiatives was tabled to the BAEC twice a year for monitoring with the last update provided on 30 November 2023.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors is headed by Tan Sri Dr. Ismail Haji Bakar ("Tan Sri Ismail"), an Independent Non-Executive Director who was appointed as the Chairman of BIMB on 1 August 2020.</p> <p>The Chairman leads the Board by setting the tone at the top and managing the Board's effectiveness by focusing on key matters, emphasising on governance, compliance and strategic objectives of BIMB.</p> <p>The Chairman is responsible for representing the Board to the shareholders and for ensuring the integrity and effectiveness of the governance process of the Board. The Chairman maintains regular dialogue with the Group CEO over all operational matters and shall promptly consult with the Board over any matter that gives him any cause of concern pertaining to the Group.</p> <p>The Chairman sets the pace of the meeting and leads discussions in an effective manner. The Chairman acts as a facilitator at meetings of the Board and promotes a Boardroom environment that allows for constructive expression of views, effective debate and contributions from the Board members to facilitate informed decision making by the Board.</p> <p>The Chairman provides leadership to the Board and plays an important role in encouraging and inculcating a positive culture within the Board. With the Chairman's past experiences in key senior positions in civil service, he is equipped with the appropriate experience to lead the Board, optimising its effectiveness towards meeting the objectives and strategic direction of BIMB.</p> <p>The Chairman, in leading the Board, is responsible for the effective overall functioning of the Board. In fulfilling this role, the Chairman must:</p> <ol style="list-style-type: none">a. ensure that appropriate procedures are in place to govern the Board's operation;b. ensure that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are brought to the Board's attention, and that Directors receive the relevant information on a timely basis;

	<ul style="list-style-type: none"> c. encourage healthy discussion and ensure that dissenting views can be freely expressed and discussed; d. provide leadership to the Board and steer the Board to achieve its objectives; and e. lead efforts to address the Board’s developmental needs. <p>To ensure the effectiveness of the Board, annually, the Chairman will have a one-to-one session with the respective members of the Board to facilitate an open discussion on ideas and feedback on ways to enhance governance practices and growth of BIMB Group.</p> <p>The Chairman’s role and responsibilities has been clearly specified in the Board Charter which is available on the Company’s website at www.bankislam.com.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The position of Chairman and Group CEO are currently held by different individuals. The separation of authority enhances independent oversight of executive management by the Board. It helps to ensure that no one individual has unfettered powers or authority over decision making. This distinction allows for better distribution of responsibilities and accountabilities.</p> <p>Chairman The position of the Chairman is held by Tan Sri Ismail. The Chairman is responsible for the leadership and management of the Board, as well as promoting high ethical standards to ensure the integrity and effectiveness of the governance process of the Board.</p> <p>Group CEO The position of the Group CEO is held by Dato' Mohd Muazzam Mohamed. The day-to-day operations of the Bank are managed by the Group CEO, who is not a Board member. The Group CEO is accountable to the Board for the overall organisation, management and staffing of the Bank and its procedures in financial and operational matters, including conduct and discipline. The Group CEO is also responsible for promoting the Company's culture and standards among the employees of the Company. The authority limits of the Group CEO are stipulated in the Authority Limit Policy ("ALP") duly approved by the Board.</p> <p>The distinct and separate roles and responsibilities of the Chairman and the Group CEO are provided in the Board Charter, which is available on the Company's website at www.bankislam.com.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board is not a member of any Board Committees. In addition, the Chairman did not participate in any BAEC, BNRC or other Board Committees meetings. This allows the Board Committees to discuss independently without being influence by the Chairman of the Board.</p> <p>The Board committees encourage participation from the non-members to attend and provide inputs during deliberation of matters at the respective Board Committees meeting. The Chairman did not participate in any BAEC, BNRC or other Board Committees meeting.</p> <p>The BAEC and BNRC is helmed by Datuk Bazlan Osman. The composition of the BAEC and BNRC can be found in Section B of this report.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by the Group Company Secretary, Maria Mat Said who has a legal background and is qualified to act as company secretary under Section 235(2) of the Act. She is licensed by the Companies Commission of Malaysia ("CCM") and has obtained her practising certificate issued by CCM under Section 241 of the Act. She has approximately 30 years of experience in the banking industry performing mainly legal functions and 25 years as a company secretary.</p> <p>The Company Secretary is responsible in supporting the effective functioning of the Board. In discharging this role, the Company Secretary advises the Board on governance matters and facilitates effective information flows between the Board, the Board Committees and senior management. The roles and responsibilities of the Company Secretary are specified in the Board Charter which is available on the Company's website www.bankislam.com.</p> <p>Based on the Board Effectiveness Evaluation ("BEE") results which was performed by an independent external party and presented to the Board in March 2023, the Company Secretary was commended for providing good support to the Board of Directors. Interview insights indicates that the Company Secretary is highly committed in ensuring excellence in the outworking of the secretarial function, particularly with regard to serving as a governance professional and advocate to the Board. The Board members had unanimously exalted the Company Secretary as being someone whom the Board could rely upon with regard to serving as a conduit between the Board and Management and facilitating robust Board and governance processes. All Directors have direct and unrestricted access to the advice and services of the Company Secretary.</p> <p>The appointment and removal of the Bank's Company Secretary requires the Board's approval.</p> <p>For the year under review, the Company Secretary undertook the following:</p> <ul style="list-style-type: none">• Reviewed the Board Charter and Terms of Reference of the Board and Board Committees and the Management Executive Committees;

	<ul style="list-style-type: none"> • Reviewed the board committees’ composition; • Reviewed the board succession plan; • Reviewed the remuneration and benefits for the Directors and Shariah Supervisory Council members; • Assessed the performance of the Directors whom retiring in the 40th Annual General Meeting; • Proposed appointment of a new Director; • Assessed the fit and proper of the new Director; • Proposed appointment of alternate Director at Bank Islam Trust Company (Labuan) Ltd; • Assessed the potential conflict of interest arising from the appointment of Directors in any organisation other than BIMB; • Prepared the gap assessment on the conflict of interest arising from the new Main Market Listing Requirements (“MMLR”) on the management of the conflict of interest and identified the action plan; • Reviewed the governance status of Bank Islam and its Tier 1 subsidiaries against the relevant laws and guidelines relating to governance; • Established action plan arising from the Board Effective Evaluation exercise; • Monitored the external professional commitment of the Directors and Group CEO and assess on potential conflict of interest and Directors’ commitment; • Issued notices on quarterly basis to refrain the Board of Directors from dealing in the Company’s listed securities based on the targeted date of announcement of the quarterly financial results; • Updated and monitored Directors’ mandatory training and Individual Development Plan (“IDP”) pursuant to Directors’ Training Policy as incorporated in the Board Charter. The IDP consists of a minimum of three (3) trainings on technical knowledge and one (1) training on leadership/ soft skill; • Facilitated Director Induction Program for a new Director namely Dato’ Professor Dr. Noor Inayah Ya’akub; • Participated and reviewed on the production of the Integrated Annual Report; • Organised Directors’ Conference “Harmonising Talent and Governance: Leveraging ESG for Sustainable Retention” which specifically design to provide meaningful engagement and collaboration among all Directors within the BIMB Group; • Organised Board retreat to deliberate on and exchange the Board and Senior Management views on the BIMB Group’s strategies and business plan in an informal setting. <p>The Company Secretary keeps herself abreast of the updates on the company secretarial practice. The list of trainings attended by the Company Secretary can be found in Section B of this Report.</p>
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Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has full and unrestricted access to all information pertaining to BIMB's affairs including, inter alia, the Group's financial results, annual budgets, reviews against business plans and progress reports on corporate developments to enable them to discharge their duties effectively.</p> <p>Schedule Meeting, Notice and Agenda</p> <p>To assist the Board in managing their time schedule, the annual Board Meeting Schedule is prepared and circulated in advance before the end of each calendar year. At least seven (7) days' notice is given prior to each Board and Board Committee meeting. In addition to the scheduled meeting, the Secretary will arrange to convene special meetings upon request from the Chairman/Directors by giving a reasonable notice of the meeting of no less than two (2) working days.</p> <p>BIMB furnishes board materials of all the Board and Board Committee meetings online via the board meeting software used by BIMB at least five (5) days prior to the Board meeting. The board meeting software provides various functionalities which enabled the Directors to access various Company documents, which are uploaded onto the software for convenient reference. With that, the Directors an access the meeting materials and relevant information in a timely and efficient manner, thus improving the Board's performance and overall effectiveness of decision making.</p> <p>A standard format of the executive summary of the meeting papers has been prescribed which include amongst others objective, background, authority for approval, rationale and conclusion. This helps to summarise the presentation thus improving the efficiency of the meeting papers.</p> <p>The Management and the external advisers may be invited to attend the Board meetings as and when necessary, to furnish the Board with explanations on items tabled or to provide clarification on issue(s) that may be raised by any Director(s).</p>

	<p>Minutes</p> <p>The Secretary shall minute the proceedings and resolutions of all meetings. The minutes must record the decisions of the Board and Board Committees, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must also indicate whether any member abstained from voting or excused himself from deliberating on a particular matter. The minutes of meetings shall be submitted to the Board for notification.</p> <p>Action Item</p> <p>The summary of key deliberations, matters arising, and decisions made during meetings are escalated to the Directors and the Management within seven (7) days after the meeting. The Company Secretary will communicate and follow up with the relevant division responsible for any outstanding matters arising from previous meetings and update the Board accordingly.</p> <p>The Management adopts a turn-around-time of 30 days after the meeting date to circulate draft minutes of meetings to the Directors. The minutes are confirmed at the next meeting.</p> <p>Minutes of meetings are properly kept in line with the requirements of relevant law and regulations, for example the Act and Income Tax Act, 1967. Key decisions are made in Board meetings while Circular Resolutions are limited to urgent matters that arise for decisions after the Meetings or to formalise matters which have already been discussed during Board meetings, or where material updates have arose requiring the Board's review and approval.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter of the Company contains broad principles and requirements on the Board's governance in accordance with the principles of good corporate governance as set out in the recommendation and guidelines issued by the relevant regulatory authorities, i.e., BNM, Bursa Securities, Security Commission and the Act. The Board is fully committed in promoting and sustaining a strong culture of good corporate governance and uphold high standards of business integrity and professionalism when carrying out their duties and responsibilities as Directors of BIMB in line with ethical values and Islamic principles.</p> <p>The Board Charter covers the composition of the Board, procedures for convening Board meetings, Directors' remuneration and training, Board evaluation, Directors' Code of Conduct, relationship with shareholders and stakeholders, Board's reserved matters for Board's approval and TOR of the Board Committees. Key matters reserved for the Board's approval include the conduct of the Board, remuneration, operational, planning & investments, financials and other matters pertaining to the Board.</p> <p>In addition to the Board Charter, the Board is also guided by its Terms of Reference ("TOR"), a document which specifies the Board's role, power, duties and functions. The Board Charter and the TOR are dynamic documents that are reviewed and updated from time to time to reflect relevant changes to policies, procedures and processes as well as amendments to rules and regulations. The TOR and Board Charter are subject to review at least once every two (2) years, or when there are material changes to the governance structure, processes or procedures. A copy of the Board Charter is available at the Company's website www.bankislam.com.</p>

	<p>The Board Charter was reviewed three (3) times in 2023, i.e., January, July and October 2023, to reflect the following:</p> <ul style="list-style-type: none"> • Incorporation of recovery planning related clauses; • Incorporation of environment, social and governance (“ESG”) related clauses; • Inclusion of the assessment on conflict of interest (“COI”) in the appointment and re-appointment of Director, assessment on COI in annual Board evaluation, declaration of COI and action by the Board on situation of COI; • Updating of the whistleblowing structure. <p>The revision is to ensure that it remains relevant and consistent with the Board’s objectives, responsibilities, and all the relevant standards of corporate governance, and is updated from time to time to align with regulatory changes.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to maintaining the highest standards of conduct at the workplace and in business engagements. Conducting business with honesty, integrity and absence of any conflict of interest will underpin the Company's relationships with the employees and in the wider community, with all relevant stakeholders.</p> <p>The Bank adopts the Code of Ethics for the Financial Service Industry ("FSI") developed by Financial Services Professional Board ("FSPB") as the minimum standard of conduct expected of its Directors and employees. This Code of Ethics sets out the core ethical principles to which financial institutions and its employees should adhere, both in letter and in spirit, and on which they can rely on for guidance in their decision making and conducts. This Code of Ethics amongst others covers the principle of Competence, Integrity, Fairness, Confidentiality and Objectivity. The Code of Ethics and Code of Conduct are published on the Company's website at www.bankislam.com.</p> <p>The Directors also adhere strictly to the Directors' Code of Ethics and Code of Conduct established by the Company, in carrying out their fiduciary duties and responsibilities. The Directors' Code of Ethics is provided in the Board Charter, which is available on the Company's website at www.bankislam.com.</p> <p>The Directors' Code of Conducts provides principles and standards relating to the Directors' duty to act in the best interest of the Group and the public, and covers areas of Preserving Standard of Conduct and Behaviour, Prohibited Conduct, Conflict of Interest, Misuse of Position, Protecting the Bank's Assets and Property, Pecuniary Embarrassment, Publication and Press Statement, Usage of Social Media, Confidentiality of Customers' Information, Antibribery/Accepting Gifts/Entertainment, Discrimination and Harassment, Dress Code and Raising Unethical Conduct.</p>

	<p>The incorporation of TAAT culture (Think Customer, Act with Integrity, Advance Beyond, and Take Charge) within its workforce compliments BIMB’s Code of Ethics and Code of Conduct.</p> <p>TAAT culture is further complemented with the policies that sets out sound principles and standards of good practises to be observed by the employees and stakeholders such as Group Integrity Kit, Whistleblowing Policy, Group Gift Policy, Group Antibribery and Corruption Statement and Vendor’s Code of Ethics Guideline.</p> <p>A copy of the above policies/guideline are available on Bank Islam’s website www.bankislam.com.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>BIMB Whistleblowing Policy (“WBP”) aims to urge speaking up against wrongdoings. BIMB is committed to ensure the highest standards of ethical, integrity, moral and legal business conduct and practices. BIMB is also committed to transparency and accountability in all aspects of its business and operations. These commitments are aligned with BIMB in championing Shariah values and to maintain the standards of Shariah principles. WBP is also in line with the requirements of Bank Negara Malaysia Corporate Governance Policy (“CG Policy”) and the principles prescribed in the Whistle-blower Protection Act 2010.</p> <p>This policy is to provide an avenue for all employees of BIMB Group and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public who report such allegations.</p> <p>A disclosure of an unethical conduct and malpractice that may cause potential risk to the Group shall include but not limited to the following issues:</p> <ol style="list-style-type: none">i. Bribery, receiving and/or giving kickbacks;ii. Fraud or dishonesty;iii. Abuse of position;iv. Abuse of the Group’s property and information;v. Forgery or alteration of any documents belonging to the Group, its customers, another financial institutions or agents of the Group;vi. Embezzlement or theft;vii. Conflict of interest;viii. Any other actual or suspected breach of any other laws;ix. Breach of the Bank’s Code of Ethics and Conduct and any other policies;x. Breach of BNM policy documents;xi. Abetment to commit any of the above wrongdoing;xii. Detrimental action taken against whistleblower (“WB”), or persons closely associated with WB; and

xiii. Such other matter that may breach the Group’s and/ or subsidiary’s Code of Ethics and Conduct and/ or actions that may damage or negatively impact the Group’s branding.

A WB is encouraged to identify himself/herself when submitting a disclosure report. If the identity is not revealed, the Group has the discretion whether to proceed with the investigation or reject the anonymous disclosure. All concerns and disclosure made through this procedure will be treated in confidence and all effort will be made as not to reveal WB’s identity unless otherwise agreed. The Group shall take all necessary measures to ensure that the identity and personal information of the WB shall be always protected and kept confidential. Upon making the disclosure in good faith, the WB will be protected from any reprisal and/or detrimental action within the Group as a direct consequence of his or her disclosure.

Any disclosure of improper conducts depending on the identity of the person being complained against, shall be made to any of the relevant Designated Person (“DP”) through the email channels as set out in the table below:

Person being reported	Designated Person(s) and email address
<u>Tier 1</u> Any member of the Board of Directors (“BOD”) and Shariah Supervisory Council (“SSC”)	Chairman Bank Islam chairman@bankislam.com.my
<u>Tier 2</u> 1. Chairman BOD 2. Group CEO 3. Group Chief Integrity & Governance Officer (“GCIGO”) 4. Any member of Integrity & Governance Department (“IGD”)	Senior Independent Director SID@bankislam.com.my
<u>Tier 3</u> Employees of the Group excluding BIMB Securities Sdn Bhd (“BIMBSEC”) and BIMB Investment Management Berhad (“BIMBINVEST”)	1. Senior Independent Director 2. GCIGO whistle@bankislam.com.my or online submission through Bank’s corporate website: https://cif.bankislam.com.my/WB/

For disclosure against the Group employees including BIMBSEC and BIMBINVEST, the disclosure can also be made via secured Integrity Hotline at 1-800-18-0201 attended personally by GCIGO.

A WB who wishes to withdraw his/her disclosure is required to write to the respective DP as stated above, together with supporting reason(s) for the withdrawal.

	<p>All documents relating to whistleblowing, i.e., whistleblowing reports, investigation documents, etc. shall be kept at a secured place by the GCIGO.</p> <p>Alternatively, a WB may also lodge a report to Bank Negara Malaysia, Polis DiRaja Malaysia, Malaysian Anti-Corruption Commission or any other enforcement agency, if he/she so wishes.</p> <p>The Policy is available on BIMB's website www.bankislam.com.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>BIMB had developed and implemented a sustainability governance structure to provide oversight and strategic direction over the Group's sustainable finance initiatives. On 30 October 2022, BIMB had launched its ESG Risk Management Framework in line with its commitment towards banking sustainability. BIMB had started to embed ESG risk considerations in its credit assessment process and leverage climate risk stress-testing to enhance the Bank's capabilities in addressing the impacts of climate change on the Bank and its customers. While the ESG Risk Framework allows us to effectively identify, manage, and monitor ESG risk across our business, the Framework is part of an overall Sustainability Plan and Roadmap that guides our actions as a financial institution in implementing sustainable finance.</p> <p>The Board has delegated its responsibility on the sustainability strategic matters to BSSC and sustainability risk to BRC. The BRC is responsible to oversee the Management's activities in managing the risk and credit assessment framework for completeness of risk assessment perspective whereby the BSSC will be responsible on the overall governance oversight on the implementation of the Sustainability Plan of BIMB.</p> <p>At the Management level, BIMB had established the Management Sustainability Committee ("MSC") to provide governance and guidance on BIMB Group's sustainability related matter and the organisation's implementation of the Sustainability Plan. The MSC reports to the BSSC that provides strategic direction and oversight on sustainability.</p> <p>The BRC and Management Risk Control Committee ("MRCC") provides oversight and strategic direction on the Group's ESG Risk Framework that focuses on how BIMB manages and mitigates key ESG risks and impacts including climate change, environmental and social risks across its portfolio.</p>

	<p>The MSC is chaired by the Group CEO, comprising relevant members of the Management team of BIMB heading various divisions such as Business Units, Credit and Risk Management, Strategic Planning, Operations, Shariah, Social Finance and Group Corporate Communication. BIMB believes in setting the right tone from the top in embedding a culture of sustainability and integrating ESG throughout the Group's operations.</p> <p>BIMB had developed its Sustainability Plan for BIMB Group to strengthen its overall ESG commitment. The Sustainability Plan is focused on five (5) commitments, i.e., Mitigate Exposure to High Sustainability Risk Sectors by FY2030, Double Shariah-ESG assets to reach RM4 billion by FY2025, achieve a carbon neutral position in operational conduct by 2030, Advocate real economy & nurture community upward mobility through entrepreneurship, ecosystem play and social finance and Embody Value-based Culture in our People.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board ensures that there is an effective governance framework for sustainability within the Group, including the development of the Group’s sustainability and climate related strategies taking into account the economic, ESG considerations, priorities and targets.</p> <p>The sustainability strategies and priorities are currently being reported externally via the annual report. Internally, quarterly and monthly updates are being reported to the MSC and MRCC, respectively, then escalated to the BRC and BSSC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors are encouraged to attend trainings that are relevant to enable them to discharge their responsibilities, and one of the key topics is sustainability issues that are relevant to the company and its business.</p> <p>During the year under review, BIMB had organised its Directors Conference where all Directors within BIMB Group took part in this event. With Governance and Sustainability as the theme, the 2023 Directors' Conference "Harmonising Talent and Governance: Leveraging ESG for Sustainable Retention" served as the platform for providing meaningful engagement and collaboration among all Directors within the Group, providing them with a dedicated space to exchange ideas, insights, and best practices, thereby cultivating a culture of collective learning and continuous improvement in governance practices. Amongst the topics covered were: (i) the alignment of Islamic Finance with ESG; (ii) an overview of the ESG regulatory landscape and the impact on the Group; (iii) integrating leadership with Islamic values and sustainability; and (iv) succession and retention of talents. In addition to the in-house training, the Directors consistently enhance their understanding by attending training organised by external parties on ESG covering the areas of sustainability, climate-related issues, and other relevant areas.</p> <p>At the BSSC meeting, the Committee discussed and regularly updated on the progress of the Sustainability Plan for BIMB and the Group.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The BSSC assists and facilitates the Board in overseeing and advising the management to ensure that the Group's strategies, goals and principles on sustainability are in accordance with the Group's sustainability and climate change strategy.</p> <p>On sustainability governance and reporting oversight roles, the BSSC is assisted by the MSC established at the management level. The BSSC is responsible for providing an overall strategic direction for sustainability related matters, aligned with the sustainability targets to the overall goals of the Group. It also oversees the business plans and key initiatives of BIMB Group in relation so economic, environmental, social and governance considerations underpinning sustainability.</p> <p>For the FYE2023 BEE, BIMB has incorporated the assessment in respect of the alignment of business and sustainability goals, the integration of ESG consideration and perspective into BIMB's operations and products with a focus on sustainability as a core principle, the integration of ESG factors for decision making and the incorporation of ESG metrics into the compensation structure to evaluation performance of the Board on these areas.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>BIMB has appointed the Group Chief Credit Officer (“GCCO”) and Group Chief Risk Officer (“GCRO”) to spearhead the embedment of ESG, incorporating climate risk in credit assessment process and to put in place a broad-based framework, in collaboration with Risk Management Division.</p> <p>BIMB has established the MSC chaired by the Group CEO on 29 October 2021 to provide governance and guidance on BIMB Group’s sustainability related matter and the organisation’s implementation of the Sustainability plan. Later in May 2023, the Climate Risk Committee (“CRC”) was established to oversee the management of climate related risks. The CRC is chaired by GCRO with GCCO as the Vice Chairman.</p> <p>Whilst the GCCO and GCRO, being the management personnel being responsible for sustainability risk (including climate-related risk), the GCEO is responsible for sustainability strategic matters. These are the three (3) key positions within BIMB, that oversee sustainability in BIMB, and they are also members of the GMEC.</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The BNRC recognizes the importance of the Board composition to be refreshed periodically. The revision is to ensure that the Board comprises the right talent in terms of skills and experience, in order to effectively discharge the Board's roles and responsibilities.</p> <p>Amongst the primary duties and responsibilities of the BNRC stipulated in the TOR are as follows:</p> <ol style="list-style-type: none">I. Review the structure, size and composition of the Board and make recommendations to the Board on any adjustments that are deemed necessary including in terms of the appropriate size and skills, and the balance between Executive Directors, Non-Executive Directors ("NED") and Independent Directors regularly.II. Perform the fit and proper assessment on the nominees for Directorship, membership in Board committees and SSC, the Group CEO and key senior management and make appropriate recommendation to the Board. <p>The Board Charter stipulates that the Board is required to regularly review succession plan at least once every two (2) years for the Board to address any vacancies and to provide the Board with the opportunity to consider and reassess its membership and to refresh the Board composition if and when the need arises. The Board Charter stipulates the maximum age limit of 70 and any Board members should not continue beyond the maximum age of 70.</p> <p>During the FY2023, the BNRC had conducted the following reviews in relation to the composition of the Board and its Board Committee:</p> <ol style="list-style-type: none">I. Re-appointment of Tan Sri Dr. Ismail Haji Bakar as the Chairman/ INED;II. Re-appointment of Nuraini Ismail as INED;III. Appointment of Syed Hamadah Syed Othman as new BIMB's Director; andIV. Review of Board succession plan;V. Re-election of Directors during the 40th AGM;

	<p>VI. Appointment of Datuk Bazlan as a Senior Independent Director and review to the Board Committees' composition.</p> <p><u>Directors' Retirement/Re-election</u></p> <p>The Constitution of BIMB provides that at every annual general meeting of BIMB, one-third of the Directors other than the Managing Director are subject to retirement by rotation. The Directors to retire shall be those who have been longest in office since their last election. The retiring Directors are eligible for re-election. Directors who are appointed as additional new Directors or to fill casual vacancies during the year are eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the annual general meeting.</p> <p>The BNRC reviews the tenure of Directors in discussions for the reappointment of Directors, their re-election at the AGM and in succession plan review.</p> <p>In reviewing the tenure of Directors, the BNRC takes into consideration their performance based on the peer assessment conducted under the annual Board Evaluation exercise. Their contribution to the Board as well as their participation during the Board and Board Committee deliberations are also considered. To facilitate the BNRC on the appointment and re-appointment of Directors, BIMB has established a set of criteria in evaluating the fit & proper of a Director i.e., necessary skills and experience, character and financial standing and commitment and contribution.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>As of 31 December 2023, the Board has nine (9) members, comprising eight (8) INED and one (1) Non-Independent Non-Executive Director ("NINED"). Hence, 89% of the Board members are Independent Directors.</p> <p>There were changes in the Board composition in 2024 as follows:</p> <ul style="list-style-type: none">I. The appointment of Syed Hamadah Syed Othman, NINED on 1 January 2024; andII. The retirement of Azizan Ahmad, INED on 2 January 2024. <p>With the said changes, the Board remained with nine (9) members, with seven (7) INEDs and two (2) NINED. Based on the latest result of the annual Board evaluation undertaken, the Board is satisfied that all INEDs have met the independence criteria and are able to act independently.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>									
Application	: Adopted								
Explanation on adoption of the practice	: The Company has a policy that limits an Independent Director's tenure to a maximum of nine (9) years. An independent Director who has served for nine (9) years may, subject to the shareholders' and BNM's approval, continue to serve the Company and re-designated as a non-independent Director. As of 31 March 2024, none of the Independent Directors have exceeded nine (9) years tenure as follows: <table border="1" data-bbox="646 1025 1326 1176"><thead><tr><th>Year of Services</th><th>No of Independent Directors</th></tr></thead><tbody><tr><td>1 year - 3 years</td><td>5</td></tr><tr><td>4 years – 6 years</td><td>3</td></tr><tr><td>7 years – 9 years</td><td>1</td></tr></tbody></table> The policy which limits the tenure of BIMB's Independent Director is provided in paragraph 6.2.3 of the Board Charter, which is available at the Company's website www.bankislam.com .	Year of Services	No of Independent Directors	1 year - 3 years	5	4 years – 6 years	3	7 years – 9 years	1
Year of Services	No of Independent Directors								
1 year - 3 years	5								
4 years – 6 years	3								
7 years – 9 years	1								

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application :	Applied																																																													
Explanation on application of the practice :	<p>The Board has implemented a formal and transparent process for the nomination and appointment of new Directors and Management, via the BNRC.</p> <p>The BNRC plays a vital role in ensuring the balance in the composition and diversity of the Board is achieved. The BNRC supports the Board in ensuring the Board composition consists of diverse individual with the requisite skill, experience, age and gender to offer greater depth and breadth to the Board.</p> <p>The table below shows the skill set held by the Directors of BIMB:</p> <table border="1"> <thead> <tr> <th>Skills/ Expertise</th> <th>No. of Directors</th> </tr> </thead> <tbody> <tr> <td>Banking</td> <td>3</td> </tr> <tr> <td>Risk Management</td> <td>6</td> </tr> <tr> <td>Economy</td> <td>2</td> </tr> <tr> <td>Accounting, Finance and Treasury</td> <td>5</td> </tr> <tr> <td>Information Technology & Digitalisation</td> <td>2</td> </tr> <tr> <td>Management, Leadership & Strategy</td> <td>9</td> </tr> <tr> <td>Legal</td> <td>1</td> </tr> </tbody> </table> <p>As of 31 March 2024, the Board's demographics in terms of nationality, age and gender are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Age</th> <th colspan="2">Gender</th> </tr> <tr> <th>30 – 39</th> <th>40 – 49</th> <th>50 – 59</th> <th>60 - 69</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>0</td> <td>0</td> <td>3</td> <td>6</td> <td>6</td> <td>3</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Race/Ethnicity</th> <th colspan="2">Nationality</th> </tr> <tr> <th>Malay / Bumiputera</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreigner</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>9</td> <td>0</td> <td>0</td> <td>0</td> <td>9</td> <td>0</td> </tr> </tbody> </table>						Skills/ Expertise	No. of Directors	Banking	3	Risk Management	6	Economy	2	Accounting, Finance and Treasury	5	Information Technology & Digitalisation	2	Management, Leadership & Strategy	9	Legal	1		Age				Gender		30 – 39	40 – 49	50 – 59	60 - 69	Male	Female	Number of Directors	0	0	3	6	6	3		Race/Ethnicity				Nationality		Malay / Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner	Number of Directors	9	0	0	0	9	0
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A Director is expected to give his/her commitment in discharging his/her duties as BIMB's Director effectively. In this regard, each Director is required to ensure that the number of his/her professional commitment is maintained at the acceptable level so that the Director will be able to give his/her full commitment to the Bank. In BIMB, Corporate Secretarial kept record the number of external professional commitments ("EPC") held by the Directors. The EPC must not be more than ten (10) with the number of directorships in listed companies should be limited to not more than five (5).

BIMB has conducted the assessment on the Directors' time commitment and conflict of interest. The assessment covers the ability of the Directors to devote time as a board member to attend meetings as well as to engage in the affairs of Bank Islam, having factored outside obligations including concurrent positions held across listed issuer and non-listed issuers (including non-profit organisations) and the areas of potential conflict of interest taking into account the nature of the business, the Director's role and mitigation of conflict of interest. Based on the assessment, all Directors complied with the 75% attendance requirement in 2023, in line with the CG Policy issued by Bank Negara Malaysia ("BNM"). Whilst the Directors' time commitment is still acceptable as evidenced by their attendance record, the Directors are mindful in managing their number of EPCs to be in line with the Board Charter.

The assessment also revealed that there is no conflict of interest, except as connected party where the Directors concerned will declare their conflict interest and will not deliberate nor participate in the deliberation at the Board or Board Committees. This assessment ensures there will not be any appointment of a Director that may cast doubt on the integrity and governance of BIMB.

There is a formal and transparent process for the appointment of a Director. The BNRC, which has been delegated by the Board to oversee the process, will consider all proposals for the appointment of new Directors. The selection will focus on the experience and skills whilst adhering to the Company's Fit and Proper Criteria as indicated in the Board Charter.

The BNRC is guided by the following qualitative and quantitative criteria when assessing the suitability of Director for nomination:

- Probity, personal integrity and reputation that can be demonstrated through personal qualities such as honesty, integrity, diligence, independence of mind and fairness;
- Competency and capability demonstrated by a person who possesses the relevant knowledge, experience and ability to understand the technical requirements of the business;
- Financial integrity demonstrated by a person who manages his own financial affairs properly and prudently; and
- Restriction on external professional commitment.

To facilitate the BNRC and the Board in the appointment or re-appointment of Directors, BIMB has established a set of criteria in evaluating the fit and proper of its Directors as follows:

	<ul style="list-style-type: none"> • Necessary skill and experience to address identified skill gap within the Board’s composition; • Character and financial standing; • Commitment and contribution; and • No conflict of interest that cannot be mitigated. <p><u>Management</u> BIMB gives due regard to diversity in skill, age, gender and ethnicity in the appointment of Management. The demographics of the Management for the year under review are as follows:</p> <table border="1" data-bbox="432 622 1426 775"> <thead> <tr> <th></th> <th colspan="4">Age</th> <th colspan="2">Gender</th> </tr> <tr> <th></th> <th>30 – 39</th> <th>40 – 49</th> <th>50 – 59</th> <th>60 - 69</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Number of Management</td> <td>0</td> <td>6</td> <td>9</td> <td>0</td> <td>11</td> <td>4</td> </tr> </tbody> </table> <table border="1" data-bbox="432 808 1426 992"> <thead> <tr> <th></th> <th colspan="4">Race/Ethnicity</th> <th colspan="2">Nationality</th> </tr> <tr> <th></th> <th>Malay / Bumiputera</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreigner</th> </tr> </thead> <tbody> <tr> <td>Number of Management</td> <td>13</td> <td>1</td> <td>1</td> <td>0</td> <td>15</td> <td>0</td> </tr> </tbody> </table>		Age				Gender			30 – 39	40 – 49	50 – 59	60 - 69	Male	Female	Number of Management	0	6	9	0	11	4		Race/Ethnicity				Nationality			Malay / Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner	Number of Management	13	1	1	0	15	0
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>In considering new appointments to the Board, the Board through the BNRC takes into account the corporate leadership skills, experience and expertise required to advance the strategic direction of the Bank. The BNRC ensures that the Board has the right balance of skills, experience, independence and business knowledge necessary to discharge its responsibilities in keeping with the highest standards of governance while providing meaningful contributions to the business of the Bank.</p> <p>The Bank maintains a formal and transparent procedure for the appointment of new Directors. The search for potential Directors may also be made through engagement of an independent recruitment firm or recommendations from existing Board members or Management and through external sources such as the Directors' Registers by FIDE FORUM, BNM, and 30% Club Malaysian Chapter in identifying suitable qualified candidates to fill the vacant positions.</p> <p>In its selection of suitable candidates, the BNRC determines whether the candidates satisfy the requisite skills and core competencies in accordance with the Bank's Policy on Fit and Proper Criteria for Key Responsible Persons, BNM CG Policy, MCG 2021 and BNM's Policy Document on Fit and Proper Criteria. Once a potential candidate has been shortlisted for recommendation, the Group Company Secretary will conduct comprehensive background checks, including checks on reputation and integrity.</p> <p>All potential candidates are first considered by the BNRC, taking into account the mix of skills, competency, experience, integrity, personal attributes and time commitment required to effectively discharge his/her role as a Director. In fact, the BNRC will have an interview session with the candidate to gauge the suitability of the candidate. Following the selection by the Board, an application for the proposed appointment as a Director is submitted to BNM for approval and the term of appointment shall be as specified by BNM.</p>

	<p>Furthermore, the Board has started the effort in establishing its succession plan by identifying a pool of potential candidates to be considered as the Directors of the Company. The database of potential candidates comprised various skill sets, diversity of gender and age to ensure that the Board will have a steady pool of talent whenever there is a need to refresh its composition. The pool of potential candidates is collated from various independent sources including FIDE FORUM, 30% Club Malaysian Chapter, key operating subsidiaries, and internal sources.</p> <p>For the year under review, Dato' Professor Dr. Noor Inayah Ya'akub was appointed as an INED effective from 7 April 2023. Whilst Syed Hamadah Syed Othman was appointed as a new NINED on 1 January 2024.</p> <p>The roles and responsibilities of the BNRC are specified in the BNRC's TOR which is available at the Company website www.bankislam.com.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The profile of each Director is set out in the Annual Report, Section B of this report and on BIMB's website. Details provided in the profiles include, among others, areas of expertise, length of services, their current and past directorships within and outside BIMB Group.</p> <p>In compliance with the Listing Requirements issued by Bursa Securities, the following explanatory notes have been included in the Notice of AGM, to accompany resolutions for the re-appointment of Directors who are due to retire and have offered themselves for re-election pursuant to the Constitution of the Company:</p> <ol style="list-style-type: none"> I. Satisfactory findings in respect of the performance and contribution through the BEE rating conducted prior to general meetings to approve their re-election. II. Fulfilment in terms of suitability and propriety assessment conducted pursuant to the Fit and Proper Policy issued by BNM. III. In respect of INEDs, fulfilment of the independence criteria prescribed in the Listing Requirements, the BNM CG Policy and the Board Charter. <p>The explanatory notes also include the Board's endorsement for the re-appointment of retiring Director for re-election. Any retiring Director, who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>During the FYE2023, the BNRC was chaired by Azizan Ahmad, the Senior Independent Director of BIMB.</p> <p>Following the retirement of Azizan Ahmad on 2 January 2024, Datuk Bazlan Osman was appointed as a Senior Independent Director of BIMB. Consequently, the composition of the BNRC was revised where Datuk Bazlan Osman was appointed as the new BNRC Chairman on 2 January 2024.</p> <p>Datuk Bazlan Osman's profile can be found in Section B of this report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>During the FY2023, the Company has six (6) male Directors and three (3) female Directors. The female Directors are Mashitah Haji Osman, Nuraini Ismail and Dato' Professor Dr. Noor Inayah Ya'akub. The female representation at the Board level is 33%, exceeding the 30% target under the MCCG 2021.</p> <p>The Board believes that the women Directors could add value to Board discussions, through their unique aspects, approaches and ideas that makes the Board progressive and effectively contribute to the growth of BIMB. The Board will continue to ensure the diversity in gender to be upheld by ensuring minimum 30% women Directors on the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	: Applied
Explanation on application of the practice	<p>The Board supports boardroom gender diversity as recommended under the MCCG 2021, by taking various steps to ensure women candidates are considered in the selection of Board members and Management. BIMB recognises that advancing gender equality throughout business operations and value chains can tap better talent, higher productivity, better organisational effectiveness and overall corporate success. The Board is committed to ensuring that the Directors of the Company possess a broad balance of skills, knowledge, experience, background and independence, as the synergy of such diversity could create a powerful and dynamic Board. Amongst the factors considered in the Directors' succession plan include the requirement on 30% women Directors.</p> <p>The Board, through BNRC, will review the appropriate proportion of female to male Directors on the Board when considering the appointment of new Directors to the Board. The selection criteria for a Director will be based on an effective blend of competencies, skills, extensive experience and knowledge necessary for the Board to discharge its responsibilities.</p> <p>In this regard, the BNRC takes the following steps to ensure women's participation on Board:</p> <ol style="list-style-type: none">I. Assess the appropriate mix of diversity including gender, ethnicity and age, candidates' skills, knowledge, expertise and experience required on the Board and identify the existing gap, if any.II. Adhere to the recruitment procedures of BIMB and develop a list of candidates which shall always include diverse candidates and in any Director search; whenever reasonably possible, priority will be given to the appointment of a woman Director to fill a Directorship vacated by a retiring or resigning woman Director.III. Interview and evaluate the candidates; thereafter, recommendation be made to the Board in relation to appointments by ensuring that an appropriate mix of diversity, skills, knowledge, expertise and experience on the Board shall be maintained from time to time.

	<p>IV. Review and assess the boardroom diversity on a regular basis. Any gap that occurred in relation thereto shall be reported to the Board.</p> <p>BIMB is committed in promoting gender diversity and inclusion in the workplace. BIMB’s commitment to diversity, equity, and inclusion (“DEI”) is at the heart of its strategic vision and core values. This is supported by the fact that BIMB currently comprised 33% women Director in its Board composition. In addition, 31% of BIMB’s GMEC members are women. BIMB is shaping the future with gender equity at its core, leveraging merit-based strategies to ensure women's empowerment and representation at every organisational level.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>							
Application	: Applied						
Explanation on application of the practice	: <p>The Board of BIMB undertakes a formal and objective annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director.</p> <p>During the FY2022, BIMB had engaged an external consultant namely KMPG Management and Risk Consulting Sdn Bhd (“KPMG MRC”) to undertake the BEE to evaluate performance of individual Directors, Board Committees and the Board as a whole. The assessment criteria in the Assessment Forms were tailored to the specific needs and nuance of BIMB, having taken into account the relevant regulatory provisions as well as emerging and leading practices.</p> <p>For FY2023, the BEE was conducted internally, facilitated by the Group Corporate Secretarial, via an online platform with an enhancement which incorporates the assessment undertaken by the external consultant in the FY2022 BEE.</p> <p>The BEE covered the following scope:</p> <table border="1"> <thead> <tr> <th></th> <th>Areas of Assessment</th> </tr> </thead> <tbody> <tr> <td>Part 1: Overall Assessment</td> <td> <ul style="list-style-type: none"> I. Board structure II. Board operations and interaction III. Board communication IV. Board roles and responsibilities V. Board Committees’ function </td> </tr> <tr> <td>Part 2: Peers’ Assessment</td> <td> <ul style="list-style-type: none"> I. Contribution to interaction II. Quality of input III. Understanding of role IV. Independent Directors’ role V. Role of the Chairman of the Board and Board Committees </td> </tr> </tbody> </table>		Areas of Assessment	Part 1: Overall Assessment	<ul style="list-style-type: none"> I. Board structure II. Board operations and interaction III. Board communication IV. Board roles and responsibilities V. Board Committees’ function 	Part 2: Peers’ Assessment	<ul style="list-style-type: none"> I. Contribution to interaction II. Quality of input III. Understanding of role IV. Independent Directors’ role V. Role of the Chairman of the Board and Board Committees
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- VI. Probity
- VII. Personal integrity
- VIII. Financial integrity and reputation
- IX. Time commitment

Overall, the result of the BEE was positive with an improvement in the total score from 80% in FY2022 to 86% in FY2023. This indicates that the Board, Board Committees and individual Directors were effective in discharging their duties. The overview of the results is highlighted below:

	FY2023	FY2022 (by KPMG MRC)
Overall Assessment	84%	75%
Peers Assessment	88%	87%
TOTAL SCORE	86%	80%

Key highlights from the FY2023 BEE included the following:

1. **Training and Development:** Enhanced training and development initiatives implemented;
2. **Committee Effectiveness:** Committees demonstrating effective task fulfilment;
3. **Board Meeting Frequency and Length:** optimal frequency and duration of board meetings;
4. **Management Access:** Improved access to Management;
5. **Role Understanding:** Enhanced role clarity among Board Members;
6. **Risk Management Procedures:** Robust risk management procedures implemented;
7. **Committee Member Adequacy:** Appropriate number of members in Board Committees;
8. **Committee Focus:** Focused committees aligning with Terms of Reference;
9. **Clarity in Recommendations:** Clear resolutions and recommendations from Board Committees; and
10. **Proactive Board Committees Chairman:** Proactive Chairman ensuring Board attention to key issues.

Several areas have been identified as key improvement markers arising from the FY2023 BEE exercise. The key improvement markers are in relation to the administrative matters, talent management, strategic planning, risk management, technology and innovation as well as culture and compliance.

Upon completion of the evaluation, the results are compiled by the Group Company Secretary for the BNRC's deliberation and recommendation to the Board for approval of any action plan required. The Chairman later has a one-to-one session with each Director to discuss on ideas to further improve the effectiveness of the Board. The session is facilitated by the Group CEO and Group Company Secretary.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's remuneration structure for Directors which is aligned to BIMB's strategic objectives, allows BIMB to attract, motivate and retain high calibre talent. The design of BIMB's fees architecture complies with regulatory requirements, embraces market practices and trends.</p> <p>The Board has established a formal and transparent Directors' Remuneration Framework which comprises retainer fees, meeting allowances and benefits in kind. The last review of the Directors' remuneration was carried out in 2023 and approved by the shareholders at the 40th AGM on 26 May 2023. The review of the Directors' remuneration is to ensure that it remains relevant and competitive with the industry. This review is undertaken every three (3) years and takes into account comparison against the industry peers.</p> <p>The following are the factors considered in the setting of NED remuneration to ensure there is an equitable remuneration for the role, effort and risk:</p> <ol style="list-style-type: none">I. The number of meetings attended as an indicator of a NED's contributions;II. A meeting fee rate based on a comparable rate that the market pays for a talent with similar calibre and expected contributions;III. The fixed fee (retainer fee) and the meeting fee (sitting fee) component are determined in such manner that the NEDs were recognised for their preparation and contributions at meetings including meetings with BNM. Fixed fee would be determined by taking into account the NED's expected time spent on Board's education, networking and engagement with stakeholders;IV. Rate for all meeting fees is standardized for all Board and Board Committee meetings to recognize the value of each member's contributions;

V. The Chairman of the Board and the Board Committees are remunerated at a premium given the additional role that they play in leading, guiding and managing the Board and the Board Committees; and

VI. The remuneration is paid in a timely manner and periodically.

The Directors of BIMB are remunerated as follows:

a) Fees and Other Emoluments

NEDs are remunerated by way of monthly fees, a sitting allowance and other emoluments. Fees payable to NEDs are subject to advanced Shareholders' approval at the Annual General Meeting.

b) Benefits in Kind

Other benefits such as Directors' Health and Medical Benefit together with Group Term Family Takaful Plan.

The BNRC has established a remuneration framework for the NED, which is subject to periodic review, i.e., once every three (3) years. The remuneration framework is as follows:

	RETAINER FEES (PER ANNUM)	
	CHAIRMAN (RM)	MEMBER (RM)
BOARD	240,000.00	72,000.00
BRC	90,000.00	72,000.00
BAEC	48,000.00	36,000.00
BNRC	18,000.00	12,000.00
BFRC	24,000.00	18,000.00
BITC	24,000.00	18,000.00
BSSC	24,000.00	18,000.00

	SITTING FEES (PER ANNUM)	
	CHAIRMAN (RM)	MEMBER (RM)
Board and Board Committees	5,000.00	3,000.00

Note: Shareholders' approval was obtained on 26 May 2023 in respect of the above remuneration framework.

The details of the total remuneration of the Directors in aggregate with categorisation into appropriate components for the year under review is presented in the explanation on the application of Practice 8.1 of this report. The Management and key Material Risk Taker remuneration framework has also been reviewed by the BNRC and approved by the Board, the particulars of which are elaborated in Section B of this report.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The BNRC is a combined function established and delegated by the Board with the authority to develop and implement formal and transparent procedures in relation to:</p> <ol style="list-style-type: none">I. The appointment of Director and Management, the assessment on effectiveness of individual Directors and the Board as a whole as well as the performance of the Management;II. Review and recommendation to the Board on the overall remuneration policy for Directors, Shariah Supervisory Council ("SSC") and Management and to ensure appropriate incentives to encourage enhanced performance and remuneration that commensurate with their contribution and level of responsibilities. <p>The remuneration structure for the NEDs takes into consideration the relevant factors which include the function, workload, responsibilities and time spent for the preparation of the Board and Board Committees meeting. The remuneration structure also takes into account the number of days taken for the preparation and time spend for the meeting with BNM. A premium is given to the Chairman of the Board and the Board Committees in view of his/her additional role in leading, guiding and managing the Board and the Board Committee meetings. The remuneration includes monthly fees, meeting allowances and other emolument/benefits such as leave passage, medical, car allowance and takaful cover.</p> <p>Among the key activities of the BNRC during financial year under review in relation to remuneration review are as follows:</p> <ol style="list-style-type: none">I. Reviewed and recommended the remuneration and Benefits of Directors and SSC members;

	<p>II. Reviewed and recommended the Token of Appreciation and Farewell Gift to the Directors and SSC members;</p> <p>III. Reviewed and recommended the Performance Appraisal for FY2022.</p> <p>BIMB’s Remuneration Policy for Senior Management Team (SMTs) and Material Risk Taker (MRTs) applies to all SMTs and MRTs within the Bank to promote transparent and adequate remuneration. The Policy sets forth appropriate governance around the total rewards of the Company’s SMTs/MRTs for their contribution to the Bank, taking into account their roles and responsibilities from the perspective of performance excellence, risk management, compliance and sustainability. Details of the Remuneration Policy for SMTs and MRTs is available under Section B of this report.</p> <p>The TOR of the BNRC is available on the Company’s website www.bankislam.com.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	Details of the remuneration received by the Directors from BIMB and Group for the financial year under review are set out as follows:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dr. Ismail Haji Bakar	Independent Director	200,000.00	Input info here	Input info here	Input info here	80,000.00	185,000.00	465,000.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	465,000.00
2	Azizan Ahmad	Independent Director	198,000.00	Input info here	Input info here	Input info here	74,000.00	215,000.00	487,000.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	487,000.00
3	Datuk Nik Mohd Hasyudeen Yusoff	Non-Executive Non-Independent Director	180,500.00	Input info here	Input info here	Input info here	75,000.00	188,000.00	443,500.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	443,500.00
4	Mohd Yuzaidi Mohd Yusoff	Independent Director	181,000.00	Input info here	Input info here	Input info here	108,839.77	155,000.00	444,839.77	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	444,839.77
5	Mashitah Haji Osman	Independent Director	99,000.00	Input info here	Input info here	Input info here	65,000.00	123,000.00	287,000.00	27,000.00	Input info here	Input info here	Input info here	Input info here	32,500.00	346,500.00
6	Mohd Asri Awang	Independent Director	154,500.00	Input info here	Input info here	Input info here	65,000.00	123,000.00	342,500.00	36,000.00	Input info here	Input info here	Input info here	Input info here	35,000.00	413,500.00
7	Datuk Bazlan Osman	Independent Director	141,000.00	Input info here	Input info here	Input info here	61,000.00	123,000.00	325,000.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	325,000.00
8	Nuraini Ismail	Independent Director	120,000.00	Input info here	Input info here	Input info here	65,000.00	87,000.00	272,000.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	272,000.00
9	Dato' Professor Dr. Noor Inayah Ya'akub	Independent Director	91,500.00	Input info here	Input info here	Input info here	25,000.00	60,000.00	176,500.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	176,500.00
10	Dato' Sri Amrin Awaluddin	Non-Executive Non-Independent Director	24,000.00	Input info here	Input info here	Input info here	65,000.00	12,000.00	101,000.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	101,000.00

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure																														
Explanation on application of the practice	:																															
Explanation for departure	:	<p>The Board is of the view that the disclosure of the remuneration of the top five (5) Management members on a named basis in bands of RM50,000 as required under this practice is not in the Company's best interest considering the competitive market for talent in the industry.</p> <p>The top five (5) Senior Management's annual remuneration is disclosed, as follows:</p> <table border="1"> <thead> <tr> <th>Range of remuneration</th> <th>Number of Senior Management (C-Suite)</th> </tr> </thead> <tbody> <tr> <td>RM1,500,000 – RM1,550,000</td> <td>1</td> </tr> <tr> <td>RM1,550,001 – RM1,600,000</td> <td>1</td> </tr> <tr> <td>RM1,600,001 – RM1,650,000</td> <td>1</td> </tr> <tr> <td>RM1,650,001 – RM1,700,000</td> <td>-</td> </tr> <tr> <td>RM1,700.001 – RM1,750,000</td> <td>-</td> </tr> <tr> <td>RM1,750.001 – RM1,800,000</td> <td>1</td> </tr> <tr> <td>RM1,800.001 and above</td> <td>1</td> </tr> <tr> <td>Total</td> <td>5</td> </tr> </tbody> </table> <p>The remuneration component is as follows:</p> <table border="1"> <thead> <tr> <th>Element</th> <th>No. of SMTs and RMTs</th> <th>Total Amount (RM)</th> </tr> </thead> <tbody> <tr> <td>Salary/ Fixed Allowance / Bonus</td> <td>5</td> <td>7,955,883</td> </tr> <tr> <td>Benefits-in-kind and Other Emoluments</td> <td>5</td> <td>1,813,403</td> </tr> <tr> <td>Total</td> <td></td> <td>9,769,286</td> </tr> </tbody> </table>	Range of remuneration	Number of Senior Management (C-Suite)	RM1,500,000 – RM1,550,000	1	RM1,550,001 – RM1,600,000	1	RM1,600,001 – RM1,650,000	1	RM1,650,001 – RM1,700,000	-	RM1,700.001 – RM1,750,000	-	RM1,750.001 – RM1,800,000	1	RM1,800.001 and above	1	Total	5	Element	No. of SMTs and RMTs	Total Amount (RM)	Salary/ Fixed Allowance / Bonus	5	7,955,883	Benefits-in-kind and Other Emoluments	5	1,813,403	Total		9,769,286
Range of remuneration	Number of Senior Management (C-Suite)																															
RM1,500,000 – RM1,550,000	1																															
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Salary/ Fixed Allowance / Bonus	5	7,955,883																														
Benefits-in-kind and Other Emoluments	5	1,813,403																														
Total		9,769,286																														

	As an alternative to the recommended practice, the Board has opted to disclose a qualitative and quantitative disclosure of the Bank's remuneration framework for SMTs and RMTs as highlighted above.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>During the year under review, the BAEC was chaired by Datuk Bazlan Osman, an INED. He is not the Chairman of the Board.</p> <p>Datuk Bazlan Osman is a member of the Malaysian Institute of Accountant (MIA) and a fellow of Association of Chartered Certified Account (ACCA) United Kingdom. He brings with him the relevant expertise in the areas of finance and accounting. Such expertise has facilitated Datuk Bazlan Osman to effectively discharge his roles and responsibilities as the Chairman of the BAEC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The TOR of BAEC stipulates that any former partner of BIMB's external auditors (including those providing advisory services, tax consulting etc.) who are appointed to the Board, he/she must observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.</p> <p>As at the date of this report, the BAEC comprises three (3) members and none of them are former key audit partners.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>BIMB has in place a process to consider the appointment/re-appointment of External Auditors, which is in line with BNM's Policy on External Auditors. The process requires the BAEC to assess the External Auditors' compliance with qualification criteria set out by BNM, which includes evaluating the independence, objectivity, audit approach, added value and performance of the External Auditors. Accordingly, the areas assessed include:</p> <ul style="list-style-type: none">• Level of knowledge, capabilities experience and quality of previous work;• Level of previous work;• Level of engagement with the BAEC;• Ability to provide constructive observations and recommendations;• Appropriateness of audit approach and the effectiveness of audit planning;• Timeliness of audit deliverables; and• Non-audit services rendered by the External Auditors so that it does not impede their independence. <p>Some of the activities of the BAEC in relation to the external auditors in FY2023 include:</p> <ul style="list-style-type: none">• Reviewed and deliberated the External Auditor's 2023 Audit Plan encompassing the audit approach, the areas of audit emphasis and audit fees.• Reviewed and deliberated the External Auditors' reports on:<ul style="list-style-type: none">✓ the audited financial statements for the financial year ended 31 December 2022, which include the key focus areas of the audit and internal controls matters, on 25 January 2023;✓ Transparency Report which revealed how the Assurance Practice of the external auditors' places audit quality at the center of everything it does; and✓ limited review of the unaudited financial statements for the financial period ended 30 September 2023, on 24 October 2023.

- Evaluated the independence and objectivity of the External Auditors by reviewing the fees and the list of non-audit services provided by the External Auditors to BIMB and the Group.

- Reviewed and recommended to the Board the reappointment of External Auditors. The BAEC will evaluate based on the performance, independence and suitability of the external auditors. It also covers the assessment on the External Auditor’s ability in meeting Bank Islam’s requirements, business insights and ideas, service efficiency and effectiveness as well as value management.

In reviewing the performance, independence and suitability of the external auditors, the BAEC reviewed the qualifications and the experiences of the audit team as well as conducted an assessment on the effectiveness and the performance of the External Auditors and other areas such as the scope of the audit, their independence and objectivity, audit fees and audit experience.

The BAEC at its meeting held on 29 January 2024 conducted its annual assessment on the External Auditors in accordance with BNM Policy on External Auditors for the Appointment/Re-appointment of External Auditors. In its assessment, the BAEC concluded that the External Auditors has performed satisfactorily in the following areas:

- Showed a genuine interest in the Company’s success and business;
- Showed good understanding of the business;
- Demonstrated a comprehensive and up to date understanding with industry issues and developments;
- Demonstrated a high degree of tact, courtesy and professionalism;
- Always keep abreast with any industry/technical developments; and
- Showed effective coordination of audit.

The BAEC is of the view that the External Auditors had provided adequate resources to perform the audit and had demonstrated that they possessed the necessary skills, knowledge and experience to perform the audit to the Company’s expectations.

Based on the above assessment, the BAEC has expressed its satisfaction and recommended for the re-appointment of the External Auditors. The Board has approved the same on 30 January 2024. The assessment covered Messrs. PricewaterhouseCoopers’s (“PwC”) ability in meeting BIMB’s requirements, governance, efficiency, and effectiveness in planning and conducting the audit.

Being satisfied with PwC’s performance in FYE2023, their technical competency and audit independence as well as fulfilment of criteria as set out in the guideline for appointment/re-appointment of external auditors, the BAEC recommended the re-appointment of Messrs. PwC as the External Auditors for the financial year ending 31 December 2024. The shareholders’ approval is sought at the upcoming 41st Annual General Meeting of BIMB.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>During the year under review, the BAEC solely comprised of Independent Directors as follows:</p> <ol style="list-style-type: none">1. Datuk Bazlan Osman (Chairman – INED);2. Nuraini Ismail (INED);3. Dato' Professor Dr. Noor Inayah Ya'akub (INED) – Appointed w.e.f. 7 April 2023;4. Mohd Yuzaidi Mohd Yusoff (INED) – Ceased to be a member w.e.f. 7 April 2023. <p>The changes in the BAEC composition, members profile and their roles and responsibilities are disclosed under Section B of this Report.</p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application :	Applied														
Explanation on application of the practice :	All members of the BAEC have vast working experience with the requisite knowledge and skills from various industries. The members are able to understand matters under the purview of the BAEC. In addition, they are also able to provide check and balance in areas of financing reporting, internal and external audit reports and the state of the BIMB and Group's risk and internal control environment by constructively challenging the management and probing on the matters tabled to the BAEC. In 2023, the skills set among the BAEC members is tabulated below:														
	<table border="1"><thead><tr><th>No</th><th>Name</th><th>Qualification</th><th>Area of Expertise</th></tr></thead><tbody><tr><td>1</td><td>Datuk Bazlan Osman <i>Chairman</i></td><td><ul style="list-style-type: none">Fellow, Association of Chartered Certified Accountants (ACCA), United KingdomMember, Malaysian Institute of Accountants (MIA)Diploma in Accounting, Polytechnic of North London, United Kingdom</td><td><ul style="list-style-type: none">FinanceAccountingGovernance</td></tr><tr><td>2</td><td>Nuraini Ismail <i>Member</i></td><td><ul style="list-style-type: none">Fellow, Association of Chartered Certified Accountants (ACCA), United Kingdom</td><td><ul style="list-style-type: none">FinanceCorporate FinanceAudit and GovernanceFinancial Risk ManagementTreasury</td></tr></tbody></table>	No	Name	Qualification	Area of Expertise	1	Datuk Bazlan Osman <i>Chairman</i>	<ul style="list-style-type: none">Fellow, Association of Chartered Certified Accountants (ACCA), United KingdomMember, Malaysian Institute of Accountants (MIA)Diploma in Accounting, Polytechnic of North London, United Kingdom	<ul style="list-style-type: none">FinanceAccountingGovernance	2	Nuraini Ismail <i>Member</i>	<ul style="list-style-type: none">Fellow, Association of Chartered Certified Accountants (ACCA), United Kingdom	<ul style="list-style-type: none">FinanceCorporate FinanceAudit and GovernanceFinancial Risk ManagementTreasury		
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		<ul style="list-style-type: none"> Member, Malaysian Institute of Accountants (MIA) 	
3	Prof. Dato' Dr. Noor Inayah Ya'akub <i>Member (Appointed on 7 April 2023)</i>	<ul style="list-style-type: none"> PhD in Law, University of Manchester, United Kingdom LLM (Master of Law), University of Bristol, United Kingdom Bachelor of Shariah Law (Hons) Degree, International Islamic University Malaysia Bachelor of Law (Hons) Degree, International Islamic University Malaysia Matriculation Centre (Law), International Islamic University Malaysia 	<ul style="list-style-type: none"> Legal Shariah
4	Mohd Yuzaidi Mohd Yusoff <i>Member (Ceased to be a member on 7 April 2023)</i>	<ul style="list-style-type: none"> Master of Science, Business Administration, San Diego State University, United States of America Bachelor of Science, Computer Science, Northern Illinois University, United States of America 	<ul style="list-style-type: none"> Information Technology/ Digital Strategic Planning Risk and Quality Management Business Process Management

The Board reviews the performance and assesses the terms of office of the BAEC and its members through an annual Board Committee evaluation in accordance with Paragraph 15.20 of the Bursa Securities Listing Requirements. Based on the Board Evaluation FY2023, the BAEC was rated 80% on its overall performance in terms of composition and succession plan, governance, meeting administration and conduct, group synergy and reporting line, oversight of financial reporting process, internal controls and audit processes and oversight of special audits and investigations.

The BAEC members are expected to devote sufficient time to attend relevant training and continuous professional development programmes to keep themselves abreast of the introduction of new accounting and auditing standards, practices and rules. In addition, when there are changes to or adoption of new provisions of the Malaysian Financial Reporting Standards ("MFRS"), members will be briefed on such matters by the external auditors.

Explanation : for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its overall responsibility and oversight in establishing a sound risk management and internal control system in the Group as well as reviewing its adequacy, integrity, and effectiveness. Such a system is designed to manage the Group's risk appetite within the established risk tolerance set by the Board and the Management, minimise the risk of failure rather than total elimination of risks to achieve the Group's business objectives. Acknowledging that the system only provides reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud; controls and processes have been put in place to contain the limitations inherent in the system such as human error and potential impact of external events beyond the Management's control.</p> <p>The Board constantly keeps abreast with developments in areas of risk and governance. The Board is assisted by the BRC which has been delegated with primary oversight responsibilities on the Group's risk management and internal control systems. The Board is also supported by the BAEC which provides independent oversight of the Group's reporting process and internal control systems that facilitates appropriate checks and balances within the Group. Periodic summary reports are provided by the Committees to keep the Board informed of their work, key deliberations and decisions on delegated matters.</p> <p>The Board is of the view that the internal control framework that has been instituted throughout BIMB is sufficient to safeguard the shareholder's investment, customers' interest and BIMB's assets. The governance structure established further ensures that there is effective oversight of risks and internal controls in the Group at all levels. The Board remains responsible for the governance of risk and internal control, as well as all the actions of the Board Committees with regard to the execution of the delegated oversight responsibilities. Reviews are continuously carried out to ensure effectiveness of the system.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	: Applied					
Explanation on application of the practice	<p>The Board recognises that sound risk management and internal control forms an integral part of the Group's business operations and decision-making process and are critical in ensuring the Group's success and sustainable growth.</p> <p>The Enterprise Risk Management ("ERM") Framework is the foundation of the control mechanisms within the Group. It consists of an ongoing process to identify, assess, measure, manage, control and report material risks affecting the achievement of the Group's strategic business objectives.</p> <p>The key elements of the internal control system which is guided by the Group's ERM framework consists of the following:</p> <ol style="list-style-type: none"> Risk Governance The Group's risk governance provides a formalised, transparent and effective governance structure that promotes the active involvement of the Board and Senior Management in the risk management process to ensure a uniform view of risk across the Group. The following Risk Committees have been established to facilitate the implementation of the Risk Management Framework. <table border="1" style="margin-left: 40px; margin-top: 10px;"> <tr> <td style="text-align: center;">Board of Directors</td> </tr> <tr> <td style="text-align: center;">Board Committees</td> </tr> <tr> <td style="text-align: center;">Board Financing Review Committee ("BFRC") Board Risk Committee ("BRC")</td> </tr> <tr> <td style="text-align: center;">Management Committees</td> </tr> <tr> <td style="text-align: center;">Management Risk Control Committee ("MRCC") Operational Risk Control Committee ("ORCC") Recovery Management Committee ("RMC") Data Management Committee ("DMC") Climate Risk Committee ("CRC") Financing Committees Business Continuity Management Committee ("BCMC") Asset & Liability Management Committee ("ALCO")</td> </tr> </table> 	Board of Directors	Board Committees	Board Financing Review Committee ("BFRC") Board Risk Committee ("BRC")	Management Committees	Management Risk Control Committee ("MRCC") Operational Risk Control Committee ("ORCC") Recovery Management Committee ("RMC") Data Management Committee ("DMC") Climate Risk Committee ("CRC") Financing Committees Business Continuity Management Committee ("BCMC") Asset & Liability Management Committee ("ALCO")
Board of Directors						
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The Group's risk governance approach is premised on the 3-lines of Defence Approach by placing accountability and ownership of risks to where they arise while maintaining the level of independence among risk taking unit, risk controls units and independent assurance unit in managing risk. The 3-lines of Defence Approach are as follows:

- (a) Risk Owner or Risk Taking Units – Responsible for ongoing oversight of risk and control at day to day work level and promoting strong risk culture within business/ support unit;
- (b) Risk Control Units – Responsible for establishing and maintaining Risk Management framework, developing Risk Management Tools, assessing, monitoring, reporting and controlling risk, and promoting risk awareness across the Group;
- (c) Internal Audit – Responsible for providing independent assurance to the Board and Management that Risk Management Processes and Tools are effectively implemented.

2. Risk Appetite

The risk appetite defines the levels of risk that the Group is willing to assume within its risk capacity. It is a critical component of the Group's ERM Framework, which enables the Board and Management at all levels to communicate, understand and assess the types and levels of risks that the Group is willing to accept in pursuit of its strategic and business goals while taking into consideration the constraints under a stressed environment. The Group's risk appetite has been integrated into its Corporate Direction and Business Plan and remains dynamic and responsive to the changing external and internal drivers such as the business and market conditions.

3. Risk Management Process

A standard risk management process has been adopted by the Group to ensure that Groupwide risks are properly identified and managed across all products and activities undertaken in a structured, systematic and consistent manner.

4. Stress Testing

The Group undertakes periodical stress tests across its entire portfolio of credit, market, liquidity and non-financial risk in order to ensure that the Group remains viable even under severe, i.e., exceptional but plausible stress conditions. Under specific circumstances, ad-hoc stress tests may also be conducted to assess the impact of observed deterioration in its business environment which the Group has not taken into account.

	<p>The Group also considers emerging risks and other stress events that could materialise over the next one (1) to three (3) years (if any). The Group will then assess the potential impact of such events at various levels of severity and deliberate the outcome at Management and Board committees.</p> <p>5. Risk and Compliance Culture Risk and compliance culture is a vital component in strengthening risk governance and forms a fundamental principle of strong risk management. It is key to the long-term effectiveness of the Group’s risk management strategy. As encapsulated in the Group’s Risk Management Tagline, “Managing Risk is Everyone’s Business”, building a strong risk and compliance culture is the responsibility of the Board, Management and all employees of the Group.</p> <p>The key elements of the internal control system for effective governance and oversight of internal controls include amongst others the following:</p> <ol style="list-style-type: none"> 1. Organisational Structure An organisation structure with clearly defined lines of responsibility and accountability has been established in line with the business and operating requirements to support a strong control environment. 2. Annual Business Plan and Budget All key operating divisions are involved in the preparation of the annual business plan and budget taking consideration the established risk appetite. 3. Authority Limits The authority limits outline the approving authority and the approving limits to the respective Management Committees as well as to the relevant Head of Division. 4. Oversight by the BAEC To assist the Board in ensuring a reliable and transparent financial reporting process and internal control system are in place within the Group and provide an independent oversight on the effectiveness of the internal control and external audit functions. 5. Oversight by the BRC To assist the Board in ensuring that a sound and robust risk management framework as expected by BNM is in place and effectively implemented. The BRC provides an independent oversight on the Management’s activities in managing credit risk, market risk, liquidity risk, operating risk (which includes legal risk, compliance risk, Shariah noncompliance risk, IT risk and business
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	<p>continuity risk), sustainability risk (including climate related risk) and other relevant risk.</p> <p>6. Oversight by Other Board Committee To assist the Board in discharging its overall governance responsibilities and oversight functions. These Board Committees are the BNRC, the BFRC, the BSSC and the BITC. The delegation of these Board Committees is within the scope defined in their respective Terms of Reference.</p> <p>7. Management Executive Committees To assist and support the various Board Committees in overseeing the relevant areas of business operations and controls.</p> <p>The Board has disclosed the key features of its risk management and internal control system in the Statement on Risk Management and Internal Control in BIMB’s Integrated Annual Report 2023.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The BRC was established to support the Board in meeting the expectations on risk management as set out by BNM and oversee the Management's activities in managing credit risk, market risk, liquidity risk, operational risk (which includes legal risk, compliance risk, Shariah non-compliance risk, IT risk and business continuity risk), sustainability risk (including climate-related risk) and other relevant risk and to ensure that the risk management process is in place and functioning for BIMB Group.</p> <p>As of 31 December 2023, the BRC consists of four (4) members, of whom three (3) members (including the Chairman) are Independent Non-Executive Director ("INED").</p> <ol style="list-style-type: none">1. Azizan bin Ahmad (Chairman/INED);2. Mohd Yuzaidi bin Mohd Yusoff (INED);3. Mohd Asri bin Awang (INED); and4. Datuk Nik Mohd Hasyudeen bin Yusoff (NINED). <p>On 2 January 2024, Azizan Ahmad retired from BIMB. With the retirement of Azizan Ahmad, the composition of the BRC has been revised where Mohd Yuzaidi Mohd Yusoff was appointed as the Chairman of BRC. The revised composition of the BRC is as follows:</p> <ol style="list-style-type: none">1. Mohd Yuzaidi bin Mohd Yusoff (Chairman/ INED);2. Mohd Asri bin Awang (INED); and3. Datuk Nik Mohd Hasyudeen bin Yusoff (NINED). <p>The BRC is responsible to ensure that the risk management functions within the Group are effectively discharged. The BRC assists the Board in among others, formulating risk management policies and framework, reviewing risk profile and strategies of the Group, setting risk appetite and ensuring a "Managing Risk is Everyone's Business" culture is embedded in the Group.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	: Applied
Explanation on application of the practice	<p>The Internal Audit (“IA”) function is established by the Board to provide an independent assessment and objective assurance that the risk management process, internal controls and governance practices of BIMB and its Group are operating satisfactorily and effectively and are in line with the Group’s goals and objectives.</p> <p>BIMB’s IA function is carried out by an in-house internal audit function, the Group Internal Audit Division (“GIAD”), which is led by the Group Chief Internal Auditor, namely, Zalfitri Abd Mutalip. The GIAD is independent of the activities or operations of other operating units in the Group. To maintain its independent and professional care in conformance with the Institute of Internal Auditors’ International Professional Practices Framework and the Internal Audit Charter, the GIAD reports functionally to the Board through the BAEC and administratively to the Group CEO.</p> <p>The BAEC oversees the performance and effectiveness of the IA function based on the approved key performance indicators, assesses the competency and experience of the IA staff as well as the adequacy of resources for the IA to carry out its work effectively. The BAEC also ensures that the IA staff have the authority to discharge their role objectively and independently, free from any bias or conflict of interest. The principal responsibility of the IA is to evaluate the adequacy and effectiveness of the system of risk management and internal control implemented by the Group and to assess whether the risks that may hinder the Group from achieving its objectives are adequately identified, evaluated, managed and controlled. It provides risk based and objective assurance, advise and insight to enhance and protect organisational values and assist the Management to achieve its objectives.</p> <p>To ensure effective management and independence of the GIAD’s function, the BAEC is empowered by its TOR to:</p> <ol style="list-style-type: none">i. Establish an internal audit function which reports directly to the BAEC;ii. Oversee that the internal audit function has an appropriate standing within BIMB Group and have access to the BAEC at all times;

- iii. Review and assess the effectiveness of the internal audit function;
- iv. Review and approve the audit scope and the audit plan, procedures and frequency of the audit programme;
- v. Ensure adequate and technically competent resources for effective discharge of responsibilities;
- vi. Review key audit reports and ensure appropriate necessary corrective actions have been taken by management in timely manner to address control weaknesses, policies and other problems identified by the internal audit and other control functions; and
- vii. Assess the performance and decide on the transfer or dismissal of the Chief Internal Auditor.

In year 2023, the audit covered during the financial year includes, but is not limited to Investigation, Head Office, Credit Audit, Information System, Branch/BDC/Ar-Rahnu, Shariah, Regional Office and BIMB's Subsidiaries. During the financial year under review, GIAD completed a total of 160 audits, based on the average staff strength of 40 auditors. GIAD also completed a total of 18 investigation reports.

The scope of the Internal Audit Report covers improvement opportunities, audit findings/observations, root cause, management responses and corrective actions in areas with significant risks and internal control deficiencies. All Internal Audit Reports on the Company and its wholly owned subsidiaries are tabled to the BAEC for deliberation. The Management is present at the BAEC meetings to respond and provide feedback on the progress of business process improvement opportunities identified by GIAD. The Minutes of the BAEC meetings are subsequently tabled to the Board for notification.

Upon completion of the audit exercise, GIAD will issue the Audit Visit Feedback survey to all the auditable entities. The Audit Visit Feedback Survey form is used to gauge the auditee's assessment on the audits performed related to (1) management of audit process; (2) professionalism/proficiency of internal auditors; and (3) audit deliverables; as well as overall comments and rating on the overall audit experience by the auditee. Feedback received from 71 respondents as of 31 December 2023 showed that 59% of the auditees rated their audit experience as "Very Beneficial" while the remaining 41% as "Beneficial". No adverse comments were received from the auditees.

The report on Audit Performance for FY2022 and 1st Half FY2023 were presented at the 01/2023 BAEC and 04/2023 BAEC meetings on 25 January 2023 and 25 July 2023, respectively. The Audit Plan for FY2023 was presented at the 06/2023 BAEC meeting on 30 November 2023.

Out of the RM48,800.00 Staff Training Expenditure ("STE") utilized as of 31 December 2023, 30% was on soft skill, 28% each on digital skill and technical skill and the balance of 14% on leadership skill.

	As of 31 December 2023, the total overhead cost incurred by GIAD was RM9,693,652 (Financial Year 2022: RM8,554,594).	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has, through the BAEC, disclosed with sufficient explanation and details in the BAEC Report in BIMB's Integrated Annual Report 2023 the following information:</p> <p>1. Independence of Internal Audit ("IA") Personnel</p> <p>The Group Internal Audit Division ("GIAD") of BIMB Group established by the Board is organised inhouse on a Group basis under the leadership of the Group Chief Internal Auditor ("GCI"). Such function is to provide independent and objective assurance to the Board and Management on the quality and effectiveness of BIMB Group internal control, risk management and governance system and processes, thereby helping the Board and Management protect their organisation and its reputation.</p> <p>To ensure its independence, the GCI reports administratively to the Group CEO but is accountable functionally and directly to the BAEC and ultimately to the Board to maintain the requisite independence and objectivity specified in the Audit Charter.</p> <p>The GIAD is committed to provide an independent, objective assurance and advisory services that will add value and improve the Bank's operation and free from interference in determining the scope of internal auditing, performing work and communicating results. The IA shall adhere to the Institute of Internal Auditors' Code of Ethics.</p> <p>2. Internal Audit Resources</p> <p>As of 31 December 2023, the GIAD has a staff strength of 40 auditors, all of whom are equipped with the relevant experience and qualifications. In addition, all 40 auditors have obtained the required certification, namely, Certification for Bank Auditors ("CBA")/ Certified Information System Auditor ("CISA") and/or</p>

	<p>CIAFIN. The number of staff and the certification that they are pursuing in FY2023 are as follow:</p> <ul style="list-style-type: none"> • Certification for Bank Auditors (“CBA”) by AICB – four (4) staff • Bank Audit Practices (“BKA”) by AICB – four (4) staff • Certified in Cybersecurity by ISC – four (4) staff • AQIF/ IQIF / CQIF Certification by IBFIM – two (2) staff • Certified Information System Auditor (CISA) by ISACA – two (2) staff • Professional & Ethics by AICB – one (1) staff • Certified Cloud Auditing Knowledge by ISACA – one (1) staff • Certified Shariah Advisor by ASAS – one (1) staff <p>In year 2023, all auditors completed the following:</p> <ul style="list-style-type: none"> • Minimum 16 hours training; • Four (4) learning categories (i.e., Technical, Leadership, Soft and Digital Skill) for Individual Development Plan (IDP) requirement; and <p>3. Name and Qualification of the Group Chief Internal Auditor</p> <p>The IA function of the Group is led by Zalfitri Abd Mutalip, who was appointed as Acting Head of GIAD on 1 June 2017 and subsequently as the Group Chief Internal Auditor on 1 January 2019. Zalfitri Abd Mutalip holds a degree in Bachelor of Science in Business Administration (Finance), a Certificate in Internal Auditing for Financial Institution (“CIAFIN”) and is a Chartered Professional in Islamic Finance (“CPIF”). He has over twenty (20) years’ experience in auditing in the financial and banking industry.</p> <p>4. Internal Audit Framework</p> <p>The annual audit plan is reviewed and approved by the BAEC prior to the start of each financial year. The audit plan adopts a risk-based approach in determining the auditable units and frequency of the audits which focussed on the following three (3) components:</p> <ul style="list-style-type: none"> • Impact and likelihood of the inherent risk; • Known quality of respective controls or risk mitigants in place; and • Existence of effective risk transfer and loss impact reduction practices in minimizing potential losses from negligence or fraud. <p>The risk assessment of the audit universe took into consideration of the emerging risks, BIMB Group’s risks profile and SWOT analysis of GIAD. Selected parameters are used to risk assess the audit universe and rank them into audit priority i.e., low, medium and high. The audit plan is then drawn-up to focus on high and</p>
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	<p>medium risk areas based on the risk assessment of the audit universe. Regulatory/ mandatory and critical systems audits are included in the audit plan regardless of their risk rating/ audit priority. The selection of audit entities will also be made based on ensuring that each entity is audited at least once every 3 years.</p> <p>GIAD adopts the standards and principles outlined in the Internal Control Framework of Committee of Sponsoring Organization of the Treadway Commission and the objectives set by the Institute of Internal Auditors' International Professional Practices Framework which comprises the core principle for the Professional Practice of Internal Auditing, the definition of Internal Auditing and Code of Ethics.</p> <p>The results of the audit conducted, including its risks, root cause and recommendations are reported to the BAEC on a regular basis. Resolution of the audit findings and recommendations are performed by the Management and closely monitored by IAD and observed by the Management Audit Committee ("MAC") whose members comprised of Management members. In addition, Shariah audit reports including their findings, risks, root cause and recommendations are notified and deliberated at the Shariah Supervisory Council meetings.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of timely, complete, accurate and equal dissemination of information with regard to BIMB and its Group's performance and other matters affecting Shareholders' interest, investors and the general public.</p> <p>1. <u>Investor Relations ("IR") Department</u> The IR Department is set up as a strategic role towards enabling effective interaction between BIMB and its various stakeholders (i.e., shareholders, potential investors, financial analysts, financial mainstream media and etc) and building confidence and maintaining strong transparent relationships with the investing community. BIMB is committed in providing effective and open communication so that investors and potential investors could make an informed investment decision and for the public at large to have a clear understanding of the Group and its objectives.</p> <p>Stakeholders can channel any concerns or feedback to BIMB's IR through email at investor@bankislam.com.my.</p> <p>2. <u>Communication Platform</u> BIMB makes use of various platforms to effectively engage the Shareholders and the investment community, with emphasis on timely, accurate, fair and transparent disclosure of information. BIMB's communication platforms include the following:</p> <ul style="list-style-type: none">• Annual general meetings;• Briefings on financial results;• Regular engagements with analysts, investors and media; and• BIMB's Corporate Website. <p>BIMB does not respond to rumours or market speculation. Clarifications would however be made promptly through announcements to Bursa Securities, where necessary.</p>

	<p>3. <u>Financial Results</u> BIMB consolidated unaudited quarterly and audited annual financial results are released within the stipulated regulatory timeline to Bursa Securities, together with the accompanying press releases.</p> <p>During the year under review, the annual audited account and quarterly financial results were announced to the public within the stipulated time as required by Bursa Securities.</p> <p>4. <u>Annual Report</u> One of the most important methods of communication to Shareholders is through the BIMB’S Annual Report (“AR”), which contains comprehensive details about the financial results and overall performance of the BIMB and its Group of Companies. The AR also act as a one-stop information centre on the Group with respect to financial achievement (historical), its Board and Senior Management, the Group’s strategies, operations, policies adopted and its ESG responsibilities.</p> <p>5. <u>General Meetings</u> The General Meeting is regarded as the main forum for dialogue and communication during which Shareholders and investors to raise questions on the agendas proposed for approval by the Board. As active participation from the shareholders is greatly encouraged, the Board and Management place much emphasis to answer as many questions posed as possible with concise answers.</p> <p>Questions from the Minority Shareholders Watch Group (“MSWG”) or other shareholders on pertinent governance issues raised prior to the meeting as well as BIMB’s response to the same are shared with all shareholders during the meeting. Minutes of the meeting including significant matters discussed are also disclosed on BIMB’s website www.bankislam.com</p> <p>6. <u>BIMB’s Corporate Website (www.bankislam.com)</u> This represents another channel of communication with stakeholders and acts as an effective platform to disseminate comprehensive information on BIMB and its Group to the public at large. Apart from providing the AR, the corporate website has the following additional information with the aim to provide better understanding of BIMB’s business to its stakeholders:</p> <ul style="list-style-type: none"> • BIMB’s current share price; • Constitution; • Board Charter; • TOR of the Board and Board Committees; • Corporate Governance structure and framework; • Group Integrity and Governance policies; • BIMB product and operations;
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	<ul style="list-style-type: none"> • Bursa Securities announcements on corporate transactions and quarterly result; • Latest corporate news including media releases, investor relations materials and engagements with analysts; and • Notice, administrative guide and minutes of the general meeting and questions & answers discussed at general meetings. <p>7. <u>Social Media Platform</u> Leveraging on technology, BIMB also uses established and trusted social media platforms namely Facebook (https://www.facebook.com/BankIslamFB) and Instagram (https://www.instagram.com/bankislam) with strict monitoring in place to engage with its stakeholders.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>BIMB’s integrated reporting process, as well as the contents of this report are guided by the principles and requirements of the following:</p> <ul style="list-style-type: none"> • Value Reporting Foundation (“VRF”); • MCGG 2021 by Securities Commission Malaysia; • Companies Act 2016; and • Bank Negara Malaysia CG Policy. <p>The report provides a complete and balanced review of primary activities of the Group, namely the overall performance and the delivery of initiatives towards achieving BIMB goals, providing material information relating to BIMB strategy and business model, operating environment, material risks, stakeholder interests, performance, governance and prospects.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of the 40th AGM was circulated on 25 April 2023 for the AGM held on 26 May 2023, to ensure that 28 days' notice was given to the shareholders, well in advance of the 21-day requirement under the Act and Listing Requirements of Bursa Securities. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives or proxies. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>The Notice of the 40th AGM, including the details of the business to be transacted, was sent to shareholders by way of letter to inform that the Proxy Form and Administrative Guide for the AGM which was scheduled on 26 May 2023 had been published on BIMB's website. These documents, together with the Integrated Annual Report 2022 and Corporate Governance Report 2022 were also made available at www.bankislam.com and Bursa Securities at www.bursamalaysia.com. The Notice of the 40th AGM was also published in a nationally circulated newspaper, for wider dissemination, to encourage shareholders' participation.</p> <p>Each item of the special business proposed in the Notice of the 40th AGM was accompanied by an explanatory statement, to facilitate better understanding and enable shareholders to make an informed decision, when exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All nine (9) Directors attended and participated in the 40th AGM of the Company held on 26 May 2023, which was conducted online using Online Meeting Platform at https://meeting.boardroomlimited.my provided by Boardroom Share Registrars Sdn Bhd (“Boardroom”), 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan.</p> <p>The Group CEO, Company Secretary, Group CFO, Group Signing Partner of PwC, the External Auditors’ Partner, the Poll Administrator and the Scrutineer also attended and participated in the virtual 40th AGM of BIMB, together with the Management Members.</p> <p>The proceedings of the 40th AGM included the presentation by the Group CEO on the business performance and prospect of the Group for the FYE 31 December 2022, a presentation on the detailed responses to questions raised by the MSWG prior to the aforesaid AGM and a Q&A session during which the Chairman invited the shareholders to use the query box facility to submit questions (real time) during the meeting, pertaining to the Company’s financial statements and other items for adoption at the meeting, before presenting the resolutions and putting them forward for voting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>For the 40th AGM held on 26 May 2023, BIMB continued to leverage on technology in accordance with Section 327(1) and (2) of the Companies Act 2016 and SC's Guidance and Frequently Asked Questions ("FAQs") on the Conduct of General Meetings for Listed Issuers dated 7 April 2022.</p> <p>BIMB appointed Boardroom as the Poll Administrator to conduct the polling process and SKY Corporate Services Sdn Bhd as the Scrutineers to verify the poll results.</p> <p>(a) <u>Remote shareholders' participation at the 40th AGM</u> With the RPEV facilities implemented by Boardroom, a shareholder has the right as a member of the Company to participate remotely (including pose questions to the Board and/or Management of the Company) and vote via electronic voting at the 40th AGM. The registration for attendance was opened from Monday, 25 April 2023 at https://investor.boardroomlimited.com until such time before the voting session ended at the 40th AGM on Friday, 26 May 2023. The detailed procedures of the 40th AGM were provided to shareholders in the Administrative Guide.</p> <p>For first time registration to participate in RPEV, the shareholder was required to register online with Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com. The registration would be verified and approved within one business day and an email notification would be provided. If the shareholder was already a user with Boardroom Smart Investor Online Portal, he/she could log in with his/her username and password to submit the request to participate remotely via live streaming and online remote voting. The email notification confirming the registration for RPEV was then sent by Boardroom, after its verification based on the General Meeting Record of Depositors ("ROD") as of 19 May 2023 and upon the cut-off date and time for proxy form submission.</p>

	<p>(b) <u>Voting in absentia</u> Shareholders logged in with their usernames and passwords at https://meeting.boardroomlimited.my and participated remotely via live streaming at the 40th AGM. A short video by Boardroom was played to demonstrate to the members, corporate representatives and proxies, who were present at the 40th AGM, on the process for online voting. The voting session had commenced from the start of the Meeting at 10.00 a.m. until the close of the voting session as announced by the Chairman.</p> <p>Once the poll voting was closed, SKY Corporate Services Sdn as the Scrutineers, verified and validated the poll results for each resolution, which included votes in favour and against, upon which the Chairman of the 40th AGM declared that all the resolutions had been carried. The poll results were also announced by BIMB via Bursa LINK on the same day for the benefit of all shareholders.</p> <p>BIMB, together with Boardroom, ensure that good cyber hygiene practices are in place including the data privacy and security to prevent cyber threats at the AGM. Boardroom declared that client data has never been used for quality assurance purposes and is not retained beyond the purpose of processing client's proxy forms for the conduct of the general meetings.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>During the 40th AGM held on 26 May 2023, the Chairman of the Meeting, Board members and Management participated physically, whilst shareholders were in a fully virtual general meeting.</p> <p>The Chairman of the Board chaired the 40th AGM in an orderly manner. Prior to tabling the agenda of the 40th AGM, the shareholders were briefed by the Group CEO on the business performance and prospect of the Group for the FYE 31 December 2022. In addition, the Group CEO shared the detailed responses to questions raised by the MSWG and Permodalan Nasional Berhad ("PNB").</p> <p>The Virtual Meeting Portal was opened for login one (1) hour before the commencement of the meeting. Upon logging in, shareholders were allowed to use the messaging window facility via the Virtual Meeting Portal to submit their questions.</p> <p>The Board endeavoured to provide clear and meaningful responses to questions posed to them by the shareholders at the 40th AGM. The questions posed by the shareholders and the answers provided by the Group CEO during the 40th AGM were uploaded to the Company's website. The MSWG's Q&A presented during the 40th AGM was also available on the Company's website.</p> <p>All resolutions set out in the Agenda of the 40th AGM were conducted by way of a poll using the RPEV facilities. The Board also encouraged active participation by the shareholders and investors during the AGM.</p> <p>The shareholders who participated through RPEV facilities were also able to cast their votes online.</p>
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>Boardroom was engaged to provide the webcasting and virtual meeting which included, amongst others, the audio and visual support services to broadcast the proceedings of the 40th AGM virtually. It was live streamed for access via the online meeting platform at https://meeting.boardroomlimited.my</p> <p>Boardroom, as the Poll Administrator had verified the eligibility of the shareholders/corporate representatives/proxies to attend the 40th AGM based on the General Meeting Record of Depositors as of 19 May 2023 and upon the cut-off date and time for the form of proxy submission. This online meeting platform was secured exclusively for the members with approved registration for the RPEV at the 40th AGM.</p> <p>During the live streaming of the 40th AGM, the questions posed by the shareholders at https://investor.boardroomlimited.com would be published to the Board and Management. Prior to the 40th AGM, shareholders may submit questions in advance at https://investor.boardroomlimited.com. Questions posed by shareholders were captured and transmitted to BIMB for action and response.</p> <p>The Board and Management had sufficient time to prepare for relevant answers to the Q&A received earlier. This enabled BIMB to manage the Q&A session smoothly and efficiently. Each question was displayed on the screen as and when the Group CEO responded to the respective questions in an orderly manner.</p> <p>This is in line with the SC's Guidance which provides that Members shall be allowed to cast their votes remotely and contemporaneously (live) during the proceeding of the general meeting.</p>

	The poll results were verified by the Independent Scrutineers, SKY Corporate Services Sdn Bhd and were announced to the shareholders, corporate representatives and proxies present by displaying the results on the screen as the Chairman declared that all resolutions were duly passed.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 40th AGM dated 26 May 2023, which were duly confirmed and signed by the Chairman of the AGM, together with the Group CEO's presentation materials, MSWG's Q&A and Key Matters discussed, were posted on BIMB's website within 30 business days from the date of the 40th AGM. All questions posed by the shareholders via the Boardroom Smart Investor Portal, had been checked and verified internally with the records after the 40th AGM, to ensure that all questions had been responded to during the meeting or via email after the meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

BOARD OF DIRECTORS

Board of Directors' Profile as of 31 March 2024

Tan Sri Dr. Ismail Haji Bakar *Chairman/ Independent Non-Executive Director*

Age: 64 years old

Gender: Male

Nationality: Malaysian

Date of Appointment: 1 August 2020

ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)

- Bachelor of Economics, B, Econs (Hons) in Applied Economics, University of Malaya;
- Diploma in Public Administration, National Institute of Public Administration (INTAN);
- Master of Business Administration, University of Hull, United Kingdom;
- PHD, University of Hull, United Kingdom.

AREAS OF EXPERTISE

- Economic
- Financial Management

MEMBERSHIP OF BOARD COMMITTEES

Nil

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

Listed Entity/ Entities (Other than Bank Islam)

- Chairman, Johor Plantations Berhad
- Chairman, KPJ Healthcare Berhad

Other Public Company/ Companies

Nil

Appointment(s)

- Chairman, the Enforcement Agency Integrity Commission
- Deputy Chairman, Johor Corporation

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

- Chairman, Kulim (Malaysia) Berhad;
- Director, Malaysia Airport Holdings Berhad
- Chairman, Bintulu Port Holdings Berhad
- Chairman, Malaysia Rail Link Sdn Bhd
- Director, Bank Negara Malaysia
- Chairman, Kumpulan Wang Persaraan
- Chief Secretary to the Government of Malaysia;
- Secretary General at the Ministry of Finance;

- Secretary General of the Ministry of Agriculture & Agro Based Industry;
- Secretary General of the Ministry of Transport;
- Director of National Budget, National Budget Office, Treasury, the Ministry of Finance;
- Director of National Strategic Unit, Treasury, the Ministry of Finance;
- Deputy Secretary General (Policy), the Ministry of Defence;
- Senior Advisor to the Executive Director (SEA Group), the World Bank;
- Head of Section, Government Procurement, the Ministry of Finance;
- Head of Planning, Research and Policy, Government Procurement, the Ministry of Finance;
- Principal Assistant Secretary, Economic and International Division (Public Finance Section), the Ministry of Finance;
- Assistant Secretary, Economic and International Division (Capital Market, Money Market and Banking Section), the Ministry of Finance;
- Assistant Secretary, Economic and International Division (External Trade and Balance and Payment), the Ministry of Finance;
- Assistant Director, Anti Narcotic Task Force;
- Assistant Secretary, Contract and Supply Division, the Ministry of Finance.

ATTENDANCE DURING THE FINANCIAL YEAR 2023

BOD	BAEC	BRC	BNRC	BFRC	BSSC	BITC
Chairman 12/12 (100%)	-	-	-	-	-	-

Datuk Nik Mohd Hasyudeen Yusoff *Non-Independent Non-Executive Director*

Age: 58 years old

Gender: Male

Nationality: Malaysian

Date of Appointment: 1 October 2016

ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)

- Member, Malaysian Institute of Accountants (MIA)
- Fellow, CPA Australia
- Advanced Business Management Program, IMD International, Switzerland
- Bachelor of Business, Curtin University of Technology, Australia

AREAS OF EXPERTISE

Accounting

MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Financing Review Committee
- Chairman, Board Strategic and Sustainability Committee (Re-designated as Chairman w.e.f. 2 January 2024)
- Member, Board Risk Committee
- Member, Board Nomination and Remuneration Committee

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

Listed Entity/ Entities (Other than Bank Islam)

Independent Non-Executive Director, Petron Malaysia Refining & Marketing Bhd

Other Public Company/ Companies

Director, USAS Berhad

Appointment(s)

- Director, Malaysia Professional Accountancy Centre
- Director, Program Pertukaran Fellowship Perdana Menteri Malaysia
- Director, The Pyes Sdn Bhd

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

- Group Managing Director and Chief Executive Officer, Lembaga Tabung Haji
- Executive Director, Market and Corporate Supervision, Securities Commission Malaysia
- Executive Chairman, Audit Oversight Board, Securities Commission Malaysia
- Chief Executive Officer, Inovastra Sdn Bhd
- Chairman, Khairuddin, Hasyudeen & Razi, Chartered Accountants

ATTENDANCE DURING THE FINANCIAL YEAR 2023

BOD	BAEC	BRC	BNRC	BFRC	BSSC	BITC
Member 12/12 (100%)	-	Member 15/15 (100%)	-	Chairman 12/12 (100%)	Member 6/6 (100%)	-

Datuk Bazlan Osman *Senior Independent Non-Executive Director*

Age: 60 years old

Gender: Male

Nationality: Malaysian

Date of Appointment: 7 January 2022

ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)

- Fellow, Association of Chartered Certified Accountants (ACCA), United Kingdom;
- Member, Malaysian Institute of Accountants (MIA);
- Diploma in Accounting, Polytechnic of North London, United Kingdom.

AREAS OF EXPERTISE

- Finance
- Accounting
- Governance

MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Audit and Examination Committee
- Chairman, Board Nomination and Remuneration Committee (Appointed w.e.f 2 January 2024)
- Member, Board Information Technology Committee

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)**Listed Entity/ Entities (Other than Bank Islam)**

- Independent Non-Executive Director, Bursa Malaysia Berhad
- Independent Non-Executive Director, Syarikat Takaful Malaysia Keluarga Berhad
- Chairman/Independent Non-Executive Director, FIMA Corporation Berhad

Other Public Company/ Companies

Nil

Appointment(s)

Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

- Director, Malaysia Professional Accountancy Centre
- President, Malaysia Institute of Accountants
- Chair, ACCA Malaysia Advisory Committee
- Ex-Officio, Financial Reporting Foundation
- Director, Glomac Berhad
- Chairman, GITN Sdn Bhd (wholly-owned subsidiary of Telekom Malaysia Berhad)
- Director, Citibank Berhad
- Board Member, Universiti Utara Malaysia
- Executive Director, Telekom Malaysia Berhad
- Acting Group Chief Executive Officer, Telekom Malaysia Berhad
- Deputy Group Chief Executive Officer, Telekom Malaysia Berhad
- Group Chief Financial Officer, Telekom Malaysia Berhad
- Director, Malaysia Digital Economy Corporation Sdn Bhd
- Director, Labuan Reinsurance (L) Ltd
- Board Commissioner, PT XL Axiata Tbk
- Chief Financial Officer, Celcom Malaysia Berhad
- Senior Vice President, Corporate Finance & Treasury, Celcom Malaysia Berhad
- Director, Nationwide Express Holdings Berhad
- Senior Vice President, Finance and Company Secretary, Kumpulan Fima Berhad
- Manager, Accounting & Financial Control, American Express (M) Sdn Bhd
- Finance at Corporate Office, Kuala Lumpur, Melaka and Singapore, Sime Darby Group
- Auditor, Messrs. Hanafiah Raslan & Mohamad

ATTENDANCE DURING THE FINANCIAL YEAR 2023

BOD	BAEC	BRC	BNRC	BFRC	BSSC	BITC
Member 12/12 (100%)	Chairman 9/9 (100%)	-	-	-	Member 6/6 (100%)*	Member 7/7 (100%)

*Note: Ceased to be a member w.e.f 2 January 2024

Mohd Yuzaidi Mohd Yusoff *Independent Non-Executive Director***Age:** 61 years old**Gender:** Male**Nationality:** Malaysian**Date of Appointment:** 1 July 2019**ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)**

- Master of Science, Business Administration, San Diego State University, United States of America
- Bachelor of Science, Computer Science, Northern Illinois University, United States of America

AREAS OF EXPERTISE

- Information Technology/ Digital
- Strategic Planning
- Risk and Quality Management
- Business Process Management

MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Risk Committee (Re-designated as Chairman w.e.f. 2 January 2024)
- Chairman, Board Information Technology Committee
- Member, Board Strategic and Sustainability Committee (Re-designated to member from Chairman w.e.f. 2 January 2024)

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)**Listed Entity/ Entities (Other than Bank Islam)**

Independent Non-Executive Director, PETRONAS Dagangan Berhad

Other Public Company/ Companies

- Independent Non-Executive Director, Prudential Assurance Malaysia Berhad
- Director, Muslim Professionals Forum Berhad

Appointment

Member, ICDM

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

- Board of Trustee, PADU Corporation
- Independent Non-Executive Director, Malaysia Digital Economy Corporation Sdn Bhd
- Group Chief Strategy and Corporate Governance Officer, PST Ventures Sdn Bhd
- Co-Founder and Managing Director, Clear Minds Sdn Bhd
- Senior Manager, Accenture

ATTENDANCE DURING THE FINANCIAL YEAR 2023

BOD	BAEC	BRC	BNRC	BFRC	BSSC	BITC
Member 12/12 (100%)	Member 2/2 (100%)*	Member 15/15 (100%)	-	-	Chairman 6/6 (100%)	Chairman 7/7 (100%)

Note: Ceased to be a member w.e.f 7 April 2023

Mashitah Haji Osman *Independent Non-Executive Director*

Age: 66 years old

Gender: Female

Nationality: Malaysian

Date of Appointment: 1 October 2020

ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)

- Bachelor of Business Administration (Hons), Universiti Kebangsaan Malaysia
- Master of Business Administration, University College of Wales Aberystwyth, United Kingdom

AREAS OF EXPERTISE

Corporate and Corporate Investment Banking

MEMBERSHIP OF BOARD COMMITTEES

- Member, Board Strategic and Sustainability Committee
- Member, Board Financing Review Committee

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)**Listed Entity/ Entities (Other than Bank Islam)**

Independent Non-Executive Director, Radiant Globaltech Berhad

Other Public Company/ Companies

Independent Non-Executive Director, BIMB Investment Management Berhad (a wholly-owned subsidiary of Bank Islam)

Appointment

Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- Chief Operating Officer in Business, Bank Muamalat Malaysia Berhad
- Director/ Head, Corporate Investment Banking, Bank Islam Malaysia Berhad
- First Senior Vice President/ Senior General Manager, RHB Sakura Merchant Bankers Bhd
- General Manager/Head, Islamic Finance (Islamic Capital Markets), RHB Sakura Merchant Bankers Bhd
- Member, RHB Capital Syariah Council, RHB Sakura Merchant Bankers Bhd
- Unit Head of Institutional and Islamic Financing, Corporate Banking, RHB Sakura Merchant Bankers Bhd
- Officer to Senior Manager, Corporate Banking, RHB Sakura Merchant Bankers Bhd

ATTENDANCE DURING THE FINANCIAL YEAR 2023

BOD	BAEC	BRC	BNRC	BFRC	BSSC	BITC
Member 11/12 (92%)	-	-	-	Member 12/12 (100%)	Member 6/6 (100%)	-

Mohd Asri Awang *Independent Non-Executive Director*

Age: 67 years old

Gender: Male

Nationality: Malaysian

Date of Appointment: 1 October 2021

ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)

BA (Economics), Macquaire University Sydney, Australia

AREAS OF EXPERTISE

- Treasury
- Banking
- Capital Markets
- Enterprise Risk Management

MEMBERSHIP OF BOARD COMMITTEES

- Member, Board Risk Committee
- Member, Board Financing Review Committee

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)**Listed Entity/ Entities (Other than Bank Islam)**

Nil

Other Public Company/ Companies

Nil

Appointment

Director, BIMB Securities Sdn Bhd (a wholly-owned subsidiary of Bank Islam)

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- Chief Operating Officer, Bank Muamalat Malaysia Berhad
- Chief Risk Officer, Bank Muamalat Malaysia Berhad
- Executive Vice President, Wholesale Banking, Bank Muamalat Malaysia Berhad
- Chief Executive Officer Malaysian Rating Corporation Berhad
- Head, Group Corporate Services, Amanah Capital Partners Berhad/ MIDF Berhad
- CEO Designate, Malaysian Financial Guarantee Insurance, Amanah Capital Partners Berhad
- General Manager, Treasury and Southern Region, BSN Commercial Bank (M) Berhad
- Chief Executive Officer, Kewangan Bersatu Berhad
- Country Treasurer, Chase Manhattan Bank, Kuala Lumpur
- Assistant General Manager, Funds Management, Amanah Merchant Bank Berhad
- Senior Manager, Treasury, Amanah Chase Merchant Bank Berhad
- Money Market & Foreign Exchange Trader, Bank Bumiputra Malaysia Berhad

ATTENDANCE DURING THE FINANCIAL YEAR 2023

BOD	BAEC	BRC	BNRC	BFRC	BSSC	BITC
Member 12/12 (100%)	-	Member 15/15 (100%)	-	Member 12/12 (100%)	-	-

Puan Nuraini Ismail *Independent Non-Executive Director***Age:** 61 years old**Gender:** Female**Nationality:** Malaysian**Date of Appointment:** 7 January 2022**ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)**

- Fellow, Association of Chartered Certified Accountants (ACCA), United Kingdom
- Member, Malaysian Institute of Accountants (MIA)

AREAS OF EXPERTISE

- Finance
- Corporate Finance
- Audit and Governance
- Financial Risk Management
- Treasury

MEMBERSHIP OF BOARD COMMITTEES

- Member, Board Audit and Examination Committee
- Member, Board Nomination and Remuneration Committee

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)**Listed Entity/ Entities (Other than Bank Islam)**

- Independent Non-Executive Director, GDEX Berhad
- Independent Non-Executive Director, LBS Bina Group Berhad

Other Public Company/ Companies

Independent Non-Executive Director, MCIS Insurance Berhad

Appointment

- Director, IIUM Holdings Sdn Bhd
- Chairman, IIUM Educare Sdn Bhd
- Director, Daya Bersih Sdn Bhd

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- Vice President Treasury, Finance, PETRONAS
- Senior General Manager, Group Treasury, PETRONAS
- General Manager, Finance and Accounts Services, Malaysian International Trading Company
- General Manager, Commercial Services, Malaysian International Trading Company
- Senior Manager Finance and Accounts Services, Malaysian International Trading Company
- Manager Value Based Management, PETRONAS
- Manager Planning and Budgeting, PETRONAS
- Manager Group Budget, PETRONAS
- Manager Accounts Services, PETRONAS
- Senior Executive, Accounts Services, PETRONAS
- Corporate Planning Executive, Maybank Finance
- Loans Rehabilitation Executive, Bank Bumiputera Berhad
- Corporate Finance Executive, Bumiputera Merchant Bankers
- Audit Team Leader, Azman Wong & Salleh
- Executive, Accountants General Office

ATTENDANCE DURING THE FINANCIAL YEAR 2023

BOD	BAEC	BRC	BNRC	BFRC	BSSC	BITC
Member 12/12 (100%)	Member 9/9 (100%)	-	Member 7/7 (100%)	-	-	-

Dato' Professor Dr Noor Inayah Ya'akub *Independent Non-Executive Director*

Age: 54 years old

Gender: Female

Nationality: Malaysian

Date of Appointment: 7 April 2023

ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)

- PhD in Law, University of Manchester, United Kingdom;
- LLM (Master of Law), University of Bristol, United Kingdom;
- Bachelor of Shariah Law (Hons) Degree, International Islamic University Malaysia;
- Bachelor of Law (Hons) Degree, International Islamic University Malaysia;
- Matriculation Centre (Law), International Islamic University Malaysia;
- Qualified Advocate & Solicitor, High Court of Malaya and Syariah Court;
- Syarie Lawyer State of Negeri Sembilan;

- Advanced Certificate for Leaders in Education, Innovation and Strategy for the future of Higher Education, School of Executive Education, Cambridge Judge Business School, University of Cambridge

AREAS OF EXPERTISE

- Legal
- Shariah

MEMBERSHIP OF BOARD COMMITTEES

- Member, Board Audit and Examination Committee;
- Member, Board Information Technology Committee

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

Listed Entity/ Entities (Other than Bank Islam)

Nil

Other Public Company/ Companies

- Chairman, AmanahRaya Trustee Berhad;
- Director, Amanah Raya Berhad

Appointment

- President & Vice Chancellor, Infrastructure University Kuala Lumpur;
- Board of Trustee Yayasan Wakaf Malaysia;
- Chairman, Syariah Committee Yayasan Wakaf Malaysia;
- Member of Majlis Fatwa, State of Penang

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- Professor of Law, Universiti Kebangsaan Malaysia
- Rector, Professional College of BaitulMal, Majlis Agama Islam Wilayah Persekutuan
- Dean, Faculty of Business & Accountancy, UNISEL
- Seconded, ISIS Innovation Centre, University of Oxford
- Main consultant for Waqf land, Housing and Local Government Ministry
- Syura Committee Member, Majlis Agama Islam Pulau Pinang
- Visiting Professor, University of Taylor
- Visiting Scholar, Kyoto University
- Visiting Scholar, University of Andalas
- Professor of Law and Syariah, Putra Business School
- Honorary Professor, University Sains Malaysia
- Member to BaitulMal & Development, Majlis Agama Islam Selangor
- Director, Corporate Planning, University Kebangsaan Malaysia

ATTENDANCE DURING THE FINANCIAL YEAR 2023

BOD	BAEC	BRC	BNRC	BFRC	BSSC	BITC
Member 7/8 (87%)	Member 7/7 (100%)	-	-	-	-	Member 5/6 (83%)

Syed Hamadah Syed Othman *Non-Independent Non-Executive Director*

Age: 53 years old

Gender: Male

Nationality: Malaysian

Date of Appointment: 1 January 2024

ACADEMIC/ PROFESSIONAL QUALIFICATION/ MEMBERSHIP(S)

- Fellow of the Faculty and Institute of Actuaries, United Kingdom;
- Fellow of the Actuarial Society, Malaysia;
- Bachelor of Science, Actuarial Mathematics & Statistic, Heriot-Watt University, Edinburgh, United Kingdom
- Scottish Higher Education Certificate, Clydebank College, United Kingdom

AREAS OF EXPERTISE

- Risk Management
- Investment, Insurance, Takaful

MEMBERSHIP OF BOARD COMMITTEES

Nil

PRESENT DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

Listed Entity/ Entities (Other than Bank Islam)

Non-Independent Non-Executive Director, TH Plantations Berhad

Other Public Company/ Companies

Nil

Appointment

- Group Managing Director & Chief Executive Officer of Lembaga Tabung Haji
- Board of Trustee, Yayasan Tabung Haji
- Director, TH Properties Sdn Bhd
- Board member, Private Pension Administrator Malaysia
- Director, Actuarial Partners Consulting Sdn Bhd

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- Chief Executive Officer, Retirement Fund Inc. (KWAP)
- Senior Partner, Actuarial Partners Consulting Sdn Bhd
- Consulting Actuary, Mercer Zainal Consulting Sdn Bhd
- Technical Analyst, PETRONAS Trading Corporation Sdn Bhd

Changes of Board of Directors as of 31 March 2024:

- Dato' Sri Amrin Awaluddin (Non-Independent Non-Executive Director) retired on 5 May 2023;
- Syed Hamadah Syed Othman (Non-Independent Non-Executive Director) appointed on 1 January 2024;
- Azizan Ahmad (Independent Non-Executive Director) retired on 2 January 2024.

Roles and Responsibilities of the Board

The Board has the overall responsibility for promoting the sustainable growth and financial soundness of the BIMB Group for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decision on the Bank, its subsidiaries, its stakeholders and the general public.

The key roles and responsibilities of the Board are as follows:

- Oversee the implementation of BIMB's governance framework, risk and internal control framework and periodically review whether these remain appropriate and relevant;
- Oversee BIMB's compliance with any regulatory requirements as imposed by the relevant regulatory authorities;
- Promote a sound corporate culture within the Group which reinforces high level of integrity and ethical practices, prudent and professional behaviour and cultivate a transparent culture towards anti-bribery and corruption;
- Promote sustainability through appropriate environmental, social and governance considerations in the Group's business strategies; and
- Ensure that there is an appropriate succession plan for members of the Board and the Senior Management.

The detailed roles and responsibilities of the Board of Directors are set out in its Terms of Reference, which was last reviewed on 28 July 2023 and is available on the Company's website at www.bankislam.com.

BOARD OF DIRECTORS		
Number of Meetings held in 2023		12
	Meeting Attendance	%
Tan Sri Dr. Ismail Haji Bakar Independent Non-Executive Director / Chairman	12/12	100%
Datuk Bazlan Osman Senior Independent Non-Executive Director	12/12	100%
Datuk Nik Mohd Hasyudeen Yusoff Non-Independent Non-Executive Director	12/12	100%
Mohd Yuzaidi Mohd Yusoff Independent Non-Executive Director	12/12	100%
Mashitah Haji Osman Independent Non-Executive Director	11/12	91.7%
Mohd Asri Awang Independent Non-Executive Director	12/12	100%
Nuraini Ismail Independent Non-Executive Director	12/12	100%
Prof. Dato' Dr. Noor Inayah Ya'akub Independent Non-Executive Director <i>Appointed as a member on 7 April 2023</i>	7/8	87.5%
Dato' Sri Amrin Awaluddin Non-Independent Non-Executive Director <i>Retired on 5 May 2023</i>	4/5	80%
Azizan Ahmad Senior Independent Non-Executive Director <i>Retired on 2 January 2024</i>	12/12	100%
Syed Hamadah Syed Othman Non-Independent Non-Executive Director <i>Appointed as a member on 1 January 2024</i>	-	-

Board Activities in 2023

The Board activities during the year under review can be found in the Annual Report of BIMB.

BOARD COMMITTEES

BOARD AUDIT & EXAMINATION COMMITTEE ("BAEC")		
Number of Meetings held in 2023		9
	Meeting Attendance	%
Datuk Bazlan Osman Independent Non-Executive Director / Chairman	9/9	100%
Nuraini Ismail Independent Non-Executive Director	9/9	100%
Prof. Dato' Dr. Noor Inayah Ya'akub Independent Non-Executive Director <i>Appointed on 7 April 2023</i>	7/7	100%
Mohd Yuzaidi Mohd Yusoff Independent Non-Executive Director <i>Ceased to be a member on 7 April 2023</i>	2/2	100%

The BAEC assists the Board in ensuring a reliable and transparent financial reporting process and internal control system are in place within the Group and provide an independent oversight on the effectiveness of the internal and external audit functions.

The key roles and responsibilities of the BAEC are as follows:

- Review and ensure that the financial statements comply with applicable financial reporting standards;
- Review the accuracy and adequacy of the Chairman statement in the Directors' report, corporate governance disclosures, interim financial reports and preliminary announcements in relation to the preparation of financial statements;
- Establish an internal audit function which reports directly to the BAEC;
- Review and assess the effectiveness of the internal audit function and ensure compliance with BNM's revised New Guidelines on Internal Audit Function of Licensed Institution requirements;
- Review reports on frauds and non-fraud related irregularities;
- Review the effectiveness of internal controls and risk management processes; and
- Oversee the External Auditors function.

The detailed roles and responsibilities of the BAEC as set out in its Terms of Reference which was last reviewed on 9 October 2023 and is available on the Company's website at www.bankislam.com

BAEC Activities in 2023

The BAEC activities during the year under review can be found in the Annual Report of BIMB.

BOARD RISK COMMITTEE ("BRC")		
Number of Meetings held in 2023		15
	Meeting Attendance	%
Azizan Ahmad Senior Independent Non-Executive Director <i>Retired on 2 January 2024</i>	15/15	100%
Mohd Yuzaidi Mohd Yusoff Independent Non-Executive Director <i>Appointed as the Chairman on 2 January 2024</i>	15/15	100%

Datuk Nik Mohd Hasyudeen Yusoff Non-Independent Non-Executive Director	15/15	100%
Mohd Asri Awang Independent Non-Executive Director	15/15	100%

The BRC is to support the Board in meeting the expectations on risk management as set out by Bank Negara Malaysia (BNM) and oversee the Management's activities in managing credit risk, market risk, liquidity risk, operational risk (which includes legal risk, compliance risk, Shariah non-compliance risk, IT risk and business continuity risk), sustainability risk (including climate-related risk) and other relevant risk and to ensure that the risk management process is in place and functioning for BIMB Group.

The key responsibilities of the BRC include, amongst others, as follows:

- a) Review and recommend risk management strategies, policies and risk appetite for BIMB Group for the Board's approval;
- b) Review and assess adequacy of risk management and other operational policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively for BIMB Group;
- c) Review the implementation of capital management in line with the Capital Adequacy Framework for Islamic Bank (CAFIB) Guidelines issued by BNM;
- d) Oversee the development and implementation of stress testing programme in line with the Stress Testing policy document issued by BNM;
- e) Oversee and control the implementation of the Internal Capital Adequacy Assessment Process (ICAAP);
- f) Oversee and review the effectiveness of BIMB Group's Compliance programmes and implementation of the programmes; and
- g) Review and take note of the Shariah non-compliance event and approve rectification plan of such event prior to submission of the same to BNM within the stipulated timeframe.

The detailed roles and responsibilities of the BRC are set out in its Terms of Reference, which was last reviewed on 28 July 2023 and is available on the Company's website at www.bankislam.com.

BRC Activities in 2023

The BRC activities during the year under review can be found in the Annual Report of BIMB.

BOARD NOMINATION & REMUNERATION COMMITTEE ("BNRC")		
Number of Meetings held in 2023		7
	Meeting Attendance	%
Azizan Ahmad Senior Independent Non-Executive Director <i>Retired on 2 January 2024</i>	7/7	100%
Datuk Nik Mohd Hasyudeen Yusoff Non-Independent Non-Executive Director	7/7	100%
Nuraini Ismail Independent Non-Executive Director	7/7	100%
Datuk Bazlan Osman Senior Independent Non-Executive Director <i>Appointed as the Chairman on 2 January 2024</i>	-	-

The BNRC assists the Board on the process for nomination, remuneration and succession plan of the Board, Board Committees, SSC, the Chief Executive Officer and key Senior Management personnel of BIMB. The BNRC also provides oversight on the Group succession plan and appointment of Directors and Chief Executive Officers of its subsidiaries.

The key responsibilities of the BNRC include, amongst others, the following:

- a) Review the structure, size and composition of the Board and make recommendations to the Board on any adjustments that are deemed necessary;
- b) In consultation with the Chairman, regularly or at least once a year, review the performance of individual Directors, SSC members, the Managing Director/ Chief Executive Officer and key senior management; and
- c) Review and recommend to the Board the overall remuneration policy for Directors, SSC members, Group CEO, key management personnel.

The detailed roles and responsibilities of the BNRC are set out in its Terms of Reference, which was last reviewed on 28 July 2023 and is available on the Company's website at www.bankislam.com.

BNRC Activities in 2023

The BNRC activities during the year under review can be found in the Annual Report of BIMB.

BOARD FINANCING REVIEW COMMITTEE ("BFRC")		
Number of Meetings held in 2023		13
	Meeting Attendance	%
Datuk Nik Mohd Hasyudeen Yusoff Non-Independent Non-Executive Director	13/13	100%
Mohd Asri Awang Independent Non-Executive Director	13/13	100%
Mashitah Haji Osman Independent Non-Executive Director	13/13	100%
Azizan Ahmad Senior Independent Non-Executive Director <i>Retired on 2 January 2024</i>	13/13	100%

The BFRC reviews financing and/or investment proposals and has the authority to veto financing and/or investment approved by the Financing Committee 'A' and/or Underwriting & Investment Committee of the Management based on the limits determined by the Board and exercise the authority delegated by the Board to approve any investment or financing/credit related proposals for connected party/ related party transactions.

BFRC Activities in 2023

The BFRC activities during the year under review can be found in the Annual Report of BIMB.

BOARD STRATEGIC AND SUSTAINABILITY COMMITTEE (“BSSC”)		
Number of Meetings held in 2023		6
	Meeting Attendance	%
Mohd Yuzaidi Mohd Yusoff Independent Non-Executive Director	6/6	100%
Datuk Nik Mohd Hasyudeen Yusoff Non-Independent Non-Executive Director	6/6	100%
Mashitah Haji Osman Independent Non-Executive Director	6/6	100%
Datuk Bazlan Osman Independent Non-Executive Director <i>Ceased to be a member on 2 January 2024</i>	6/6	100%

The BSSC assists the Board to oversee, supervise and monitor the implementation of identified key strategic matters and any corporate exercises involving the Bank and its subsidiaries that the Board has endorsed or approved.

The key responsibilities of the BSSC include, amongst others, the following:

- a) Identify the strategic issues of BIMB Group and set priorities on the actions to be taken;
- b) Review and make the necessary recommendations to the Board, on any proposals or strategies in relation to the key strategic matters of BIMB Group;
- c) Review any corporate exercises, i.e., the potential benefits and the objectives of the proposals, and to make the necessary recommendation(s) to the Board; and
- d) Review the details on the corporate exercise structure, approach, pricing (if relevant), the timeline and deadlines and make the necessary recommendation(s) to the Board.

The detailed roles and responsibilities of the BSSC are set out in its Terms of Reference, which was last reviewed on 28 July 2023 and is available on the Company’s website at www.bankislam.com.

BSSC Activities in 2023

The BSSC activities during the year under review can be found in the Annual Report of BIMB.

BOARD INFORMATION TECHNOLOGY COMMITTEE (“BITC”)		
Number of Meetings held in 2023		7
	Meeting Attendance	%
Mohd Yuzaidi Mohd Yusoff Independent Non-Executive Director	7/7	100%
Datuk Bazlan Osman Independent Non-Executive Director	7/7	100%
Dato’ Professor Dr. Noor Inayah Ya’akub Independent Non-Executive Director <i>Appointed as a member on 7 April 2023</i>	5/6	83.3%
Azizan Ahmad Independent Non-Executive Director <i>Ceased to be a member on 7 April 2023</i>	1/1	100%

The BITC assists the Board to oversee the implementation of strategies of Information Technology (IT) and digitalisation activities of the Bank and its subsidiaries including e-banking initiatives of the Bank.

The key responsibilities of the BITC include, amongst others, the following:

- a) Review and recommend to the Board, strategies, policies and framework related to IT and digitalisation activities of BIMB Group including e-banking services of BIMB;
- b) Review and recommend to the Board, IT blueprint inclusive of IT Security in line with the IT strategies for BIMB's Group; and
- c) Review any proposals relating to IT and digitalisation initiatives of BIMB Group before recommending to the Board.

The detailed roles and responsibilities of the BITC are set out in its Terms of Reference, which was last reviewed on 30 January 2023 and is available on the Company's website at www.bankislam.com.

BITC Activities in 2023

The BITC activities during the year under review can be found in the Annual Report of BIMB.

DIRECTOS' TRAINING ATTENDED IN 2023

NO	DIRECTORS	TRAINING PROGRAMMES
1.	Tan Sri Dr. Ismail Haji Bakar	<ol style="list-style-type: none"> 1. Emulate Prophetic Leadership 2. Ethical Leadership Helps Shape Organizational Values & Cultures 3. Corporate Stewardship Forum 4. A Delicate Balance- Board and Management Relationship 5. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG for Sustainability Retention) 6. AML/CFT & TFS
2.	Datuk Bazlan Osman	<ol style="list-style-type: none"> 1. Invest Malaysia 2023 - Reshaping Malaysia's Narrative 2. Cloud Adoption - Overview and Trends 3. Invest Malaysia 2023 Series 2 4. Malaysian Institute of Accountants Conference 2023 5. Emulate Prophetic Leadership 6. Ethical Leadership Helps Shape Organizational Values & Cultures 7. Malaysia Insolvency Hybrid Conference 2023- Malaysia- Recession or Opportunities On The Horizon 8. Invest Malaysia 2023 Special Series - Part 1: Flagship Catalyst Projects and Initiatives 9. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG For Sustainability Retention) 10. The Arrival of ISSB Standards and Continued Relevance Of Integrated Reporting 11. East Malaysia Palm Oil & Lauric Oil Conference 12. Navigating Sustainability Reporting in The Banking Industry 13. Global Market & Economic Outlook by CIMB Research 14. Global Capital Market Trends & Opportunities by Macquarie 15. 18th Kuala Lumpur Finance Forum (KLIFF 2023) Harnessing Islamic Finance for A Sustainable Future 16. IFAC Sustainability Virtual Summit-Asia Pacific

		<ul style="list-style-type: none"> 17. Khazanah Megatrends Forum 2023 18. Financial Fraud & Scams 19. Malaysia Carbon Market Forum Empowering Climate Actions 20. Board Oversight of Climate Risks And Opportunities 21. Conflict Of Interest and Governance Of COI 22. CelcomDigi My5g CEO Roundtable 23. AML/CFT & TFS 24. TRATAX Webinar 2024 National Budget 25. Accenture Ai Ascend 2023: Transcend Boundaries Elevate Possibilities 26. Board Development Program- Guardians Of Integrity: Elevating Board Oversights In Anti-Fraud, Bribery And Corruption 27. Board Leadership Series 2023 - Empowering Change Through Diversity, Equity and Inclusion (Dei) 28. Mandatory Accreditation Programme Part II: Leading For Impact 29. Fima Summit 2023 - Recent Changes to Bursa's Listing Requirement - Conflict of Interest & RPT/RRPT; Climate Reporting And Carbon Market & Management 30. IFAC Thought Leadership Seminar 31. CRMSA & Security Awareness Training 32. E - Invoice 33. Cybersecurity Awareness 34. Capacity Building Workshop on ESG And Corporate Greenhouse Gas Accounting and Reporting
3.	Datuk Nik Mohd Hasyudeen Yusoff	<ul style="list-style-type: none"> 1. Advanced Course in Maqasid Methodology 2. Coffee With Compliance - Fine2BHonest 3. Emulate Prophetic Leadership 4. Ethical Leadership Helps Shape Organizational Values & Cultures 5. MIA International Accountants Conference 2023 6. IFAC Sustainability Virtual Summit-Asia Pacific 7. JC3 Journey to Zero 2023 Conference 8. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG for Sustainability Retention) 9. AML/CFT & TFS
4.	Mohd Yuzaidi Mohd Yusoff	<ul style="list-style-type: none"> 1. FIDE: Can America Stop China's Rise? Will Asean Be Damaged? 2. Economist Impact - 2nd Sustainability Week Asia 3. BNM- FIDE Forum Roundtable on Licensing and Regulatory Framework for Digital Insurers and Takaful Operators Exposure Draft 4. FTSE4GOOD ESG Rating for All PLCs 5. Digital Economy Special Interest Group 6. PDB Setel Growth Session with Mckinsey- Mobility and EV 7. SCxSC Grow Fintech Conference 2023 8. Sustainability (FTSE4GOOD & TCFD) 9. Modernising Data Governance- What Should Boards Focus on Now? 10. Fide Forum- Understanding the Impact of Digital Transformation in The Financial Industry" What Board Members Need To Know 11. Energy Asia 2023

		<ul style="list-style-type: none"> 12. Can Corporations Achieve It All by Operationalising Sustainability 13. IDC & Back base Leadership Banking Insights Forum 2023 14. Bridging The Gap: Metaverse, Board of Directors, Net Zero & NFT 15. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG for Sustainability Retention) 16. Board's Role in Value Creation 17. IERP Global Conference 2023 18. FIDE: Engagement Lunch with Nomination Committee Chairs 19. Petronas Board Conversation Series #Q2 2023- Sustainability Transparency & Disclosure 20. Leadership And Management: Leading Organizations and Change 21. What Amounts to A Conflict Of Interest? 22. AML/CFT & TFS 23. E- Invoice 24. Cybersecurity Awareness 25. 3rd Islamic Fintech Leaders Summit 2023 26. PERONAS Board Excellence: Continuous Education - Conflict of Interest 27. Singapore Fintech Festival (SFF) 2023 28. ICDM Training-Chairman's Masterclass: Driving Sustainability from The Chair
5.	Mashitah Haji Osman	<ul style="list-style-type: none"> 1. Ethical Leadership Helps Shape Organizational Values & Cultures 2. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG for Sustainability Retention) 3. Suite Talk: Strengthening Islamic Capital Market Proposition Through Fintech 4. CMDP Module 1: Directors as Gatekeepers or Market Participants 5. CMDP Module 2b: Business Challenged and Regulatory Expectations- What Directors Need to Know (Fund Management) 6. CMDP Module 3: Risk Oversight and Compliance - Action Plan for Board of Directors 7. CMDP Module 4: Emerging and Current Regulatory Issues in The Capital Market 8. AML/CFT & TFS 9. E- Invoice 10. Cybersecurity Awareness
6.	Mohd Asri Awang	<ul style="list-style-type: none"> 1. Risk Management Committee – Banking Sector 2. Emulate Prophetic Leadership 3. Ethical Leadership Helps Shape Organizational Values & Cultures 4. Bridging The Gap: Metaverse, Board of Directors, Net Zero & NFT 5. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG for Sustainability Retention) 6. A Delicate Balance- Board and Management Relationship 7. AML/CFT & TFS 8. E- Invoice 9. Cybersecurity Awareness
7.	Nuraini Ismail	<ul style="list-style-type: none"> 1. Crisis Management & Negotiation 2. Emulate Prophetic Leadership

		<ol style="list-style-type: none"> 3. Ethical Leadership Helps Shape Organizational Values & Cultures 4. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG For Sustainability Retention) 5. Mandatory Accreditation Programme Part II: Leading For Impact 6. LBS Training Detecting & Deferring Financial Statements Fraud 7. Fide Module A: Insurance 8. Fide Module B: Insurance 9. What Amounts Conflict of Interest by Directors 10. AML/CFT & TFS 11. ESG and Islamic Finance 12. E- Invoice 13. Cybersecurity Awareness
8.	<p>Dato' Professor Dr. Noor Inayah Ya'akub <i>Appointed on 7 April 2023</i></p>	<ol style="list-style-type: none"> 1. Bursa Malaysia Mandatory Accreditation Programme 2. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG for Sustainability Retention) 3. Islamic Finance for Board of Directors 4. Program Pembangunan Dan Pemantapan Kepimpinan Bersama Institusi Pendidikan Tinggi Swasta (MyLeader) 5. IIAM and MIA 2023 Audit Committee Conference (Implication of Malaysia's Updated Sustainable Investment Guidelines for the Audit Committee) 6. AML/CFT & TFS 7. E- Invoice 8. Cybersecurity Awareness
9.	<p>Azizan Ahmad <i>Retired on 2 January 2024</i></p>	<ol style="list-style-type: none"> 1. Ethical Leadership Helps Shape Organizational Values & Cultures 2. Directors Conference 2023 Bank Islam Group (Harmonizing Talent and Governance: Leverage ESG for Sustainability Retention) 3. AML/CFT & TFS 4. E- Invoice 5. Cybersecurity Awareness

Training for Syed Hamadah Syed Othman is not applicable as he was appointed to the Board of BIMB on 1 January 2024.

TRAINING ATTENDED BY COMPANY SECRETARIES IN 2022

NO	NAME	TRAINING PROGRAMMES
1	Maria Mat Said	<ol style="list-style-type: none"> 1. Bank Islam Leadership Acumen Development Programme (BILAD) - Parcel 7 2. Mudahkah Mengurus Manusia? 3. Bank Islam Outsourcing 4. Virtual SSM National Conference 2023 5. Corporate Governance Case Studies 6. Secretarial Practice Workshop Series - Raising of Capital & Capital Maintenance 7. Don't Get Hooked: Mastering the Art of Phishing Defence 8. DS / FHO / Digital Psychology 9. Empowering Yourself and Your Family

		10. Virtual Launch Bank Islam Live Well Programme 11. Operational Risk Awareness: Operational Risk 12. Operational Risk Awareness - Operational Risk Tools and Process 13. Operational Risk Awareness – Shariah Risk 14. Operational Risk Awareness: FRAUD 15. Operational Risk Awareness: Business Continuity Management 16. Philosophy & Fundamentals of Shariah for Islamic Finance 17. Information Security Awareness 18. Preserving Banking and Information Secrecy and Confidentiality 19. Anti-money Laundering/ Countering Financing of Terrorism (AML/CFT)
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INTERNAL CONTROL FRAMEWORK

The Internal Control Framework is set out in the Statement of Risk Management and Internal Control in the Integrated Annual Report of BIMB.

REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

Board of Directors

BIMB's remuneration structure for Directors which is aligned to our strategic objectives, allows us to attract, motivate and retain high calibre talent. The design of our fees' architecture complies with regulatory requirements, embraces market practices and trends.

The Board has established a formal and transparent Directors' Remuneration Framework which comprises Directors' fees, sitting fees and benefits in-kind. Review of the Directors' remuneration is carried out every three (3) years to ensure that it remains relevant and competitive with the industry. The remuneration framework for the NEDs is as follows:

	Total Amount (per annum) (RM)						
	BOARD	BRC	BAEC	BNRC	BFRC	BITC	BSSC
Chairman	240,000.00	90,000.00	48,000.00	18,000.00	24,000.00	24,000.00	24,000.00
Member	72,000.00	72,000.00	36,000.00	12,000.00	18,000.00	18,000.00	18,000.00

Sitting Fee (per meeting) (RM)	
Chairman	Member
5,000.00	3,000.00

Other Emoluments (per annum) (RM)				
	Allowance	Medical	Leave Passage	Token of Appreciation
Chairman	120,000	18,000	30,000	55,000**
Member	24,000*	18,000	25,000	45,000

*Only for Senior INED

**includes Chairman of the Board Committee

Details of the remuneration received by the Directors from BIMB and the Group in the financial year ended 31 December 2023 are set out under Practice 8.1 of Section A of this report.

Senior Management and Other Material Risk Takers

Remuneration Policy

BIMB Remuneration Policy sets out the principles and philosophies to promote transparent and adequate remuneration for the Bank's Senior Management Team (SMT) and Material Risk Takers (MRTs) while encouraging behaviours that strengthen the long-term financial strength of the BIMB. The policy set forth appropriate governance around the Total Rewards of BIMB's SMT/MRTs for their contributions to BIMB keeping in view the roles and responsibilities of these individuals from the respective of performance excellence, risk management, compliance and sustainability.

This policy takes into consideration BIMB's overarching principles on driving performance for all employees through the utilisation of a "Total Cash" benchmark to determine a fair and just remuneration, through the determination of Variable Pay components for the performance year under review.

As a general principle, employees shall be identified as having a material impact on BIMB's risk profile if they meet one or more of the criteria set out herein. These include:

- Group Chief Executive Officer
- Employees who are of General Manager rank and/or report directly to the GCEO (exclude Special Assistance to CEO, Secretary and Driver)
- MRTs include the management group who has significant influence over the Bank's decision-making process and/or whose business activities are identified as having material impact on the risk profile or the Bank.
- MRTs include Employees who have been remunerated total compensation of RM500,000 per annum or more in the proceeding financial year.

Remuneration Philosophy and Structure

BIMB adheres to an overarching philosophy for the remuneration of those under its employ, which is inclusive of its SMT/MRTs. BIMB's remuneration philosophy represents the fundamental principles for facilitating achievement of business goals, governing good performance through appropriate levels of remuneration, cultivating the designed behaviours and is a key input to the Bank's Employee Value Proposition (EVP).

BIMB's Remuneration Philosophy may be specific/exclusive to individual components of remuneration and is:

- Consistently competitive with target market comparators with approval from the Board
- Disproportionate in positively awarding strong performance, with significant incentives for superior talent relative to a competent individual.

In achieving the above, BIMB may interpret the levers of Pay Approach, Pay Positioning, Pay Communication, Pay Market and Pay Parity at its discretion.

BIMB ensures SMT/RMTs remuneration reflects the time horizon of risk by adopting a multi-year framework for pay out schedules (e.g., share/share plans, deferred cash plans) in driving the individual's performance while mitigating any possible financial risk. An appropriate pay mix for the Bank's separate functions will be calibrated, keeping in view the nature and responsibility of the function.

Components of Remuneration

BIMB reward principles are made up the following components. Fixed pay consists of base salary and fixed allowances that are pegged to the market value of the job. Variable pay rewards employees based on the performance of the Bank and the employee's individual performance.

Remuneration Component	Approach
<p>Base Salary Basic wage paid to an employee as guarantee for service/work rendered to the company</p>	<p>Individually determined upon hire/annual increment/revision of contract, subject to the employee's existing grade/level/band within BIMB, and a proprietary Salary Structure / Framework / Band which corresponds to the aforementioned grade/level/band.</p> <p>The Salary Structure is to be reviewed periodically, constructed with principles of market competitiveness, sustainability & contextual accuracy for the Company's objectives and talent needs at time of design.</p>
<p>Fixed Allowance(s) Guaranteed cash paid under various classifications to compensate for miscellaneous job-related expenses</p>	<p>Collectively provided, subject to the employee's individual Grade Category/ broad classification</p>
<p>Benefits Non-wage remuneration provided in addition to other cash compensation</p>	<p>Collectively provided, subject to the employee's individual Grade Category/ broad classification</p>
<p>Variable Pay Annual non-guaranteed, performance- based cash payments/bonus and profit-sharing awards</p>	<p>Individually determined, subject to the employee's corresponding grade/level/ band, calculated through BIMB's formal performance appraisal process and performance management framework.</p> <p>The framework considers the relevance and importance of talent retention, internal equity, governance and risk management, cascaded from an overarching corporate KPI.</p> <p>The framework will clearly determine each department's annual goals and targets and is to be formally recorded within the Bank systems/documentation at the beginning of each fiscal year, and tracker periodically throughout the year.</p> <p>Any amount of bonus paid out to SMT/MRT will be subject to a deferred cash mechanism, to be deferred over a period of years as so determined at the discretion of the Board Nomination & Remuneration Committee, with approval from the Board.</p>
<p>Long-Term Incentive Rewards system designed to enhance individual long-term performance by providing rewards tied to the Bank's annual performance and/or growth</p>	<p>Individually determined upon hire/annual increment/revision of contract, subject to the employee's existing grade/level/band within BIMB and its desired market Total Cash competitiveness through annual benchmarking.</p>

	The Total Cash market benchmark will serve as the target threshold/limit to/ceiling of Total Cash for the Bank's employees in view of awarding employees fairly in relation to the ideal market position. This philosophy is driven by elements of talent retention, internal equity, governance and risk management.
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Deferred Cash Mechanism & Pool Setting Approach

i. Total Cash Benchmark

Variable Pay in the form of Performance Bonus or equivalent Short-Term Incentive may be awarded to the Bank's SMT/MRTs as compensation for driving superior performance throughout the performance year or term of employment. The Total Cash Benchmark is utilised in spirit of equitable/fair variable compensation and aims to negate the effects of pay discrepancies between individuals within BIMB's SMT/MRTs of comparable roles.

ii. Determination of Amount Deferred

The deferment of payment of a portion of variable pay will be adopted in view of managing any financial risk associated with SMT/MRTs compensation, while adhering to necessary compliance with legislations set forth by Bank Negara Malaysia.

The amount to be deferred will be calculated by using the tax table deferral approach. Any amount of bonus paid out to SMT/MRT gets deferred at staggered rates over a period of 2 years, and at the discretion of the Board Nomination & Remuneration Committee and approved by the Board. Tax table deferral approach applies higher deferral rates to incremental variable pay.

iii. Pool Setting Approach

Funding of BIMB's determined Variable Pay and the subsequent Cash Deferral for the SMT/MRTs, where applicable, is simulated taking into account market competitiveness, funding rates and overall affordability. Variable Pay pool determination may further be moderated based on BIMB's performance with approval from the Board Nomination & Remuneration Committee. Further additions to individual's Variable Pay may be subject to discretion of the Group CEO within the limits of the overall pool.

Governance

The SMT/RMTs remuneration reflects the risk time horizon of BIMB and taking into account of the potential for financial risk to crystallise over a longer period of time. Hence, BIMB adopts a multi-layer framework for pay out schedules which allows adjustment on SMT/RMTs remuneration through malus/clawback provision.

- Malus provisions apply to both the Bonus Plan and Long-Term Incentive Plan. Malus is the forfeiture of deferred bonus not yet paid out because of the occurrence of one or more circumstances.
- Clawback is the recovery of bonus already paid out under the Bonus Plan or Long-Term Incentive Plan because of the occurrence of one or more circumstances.

