POLICY OF BOARD CHARTER

1.0 INTRODUCTION

1.1 AEON Credit Service (M) Bhd. ("The Company") and its subsidiaries (collectively refer as "The Group") are committed to maintaining the highest standards of corporate governance, integrity, and transparency. In line with this commitment, the Group has established a comprehensive Board Charter to outline the roles, responsibilities, and functions of the Board of Directors ('BOD", or "the Board"). This Charter ensures that the Board operates effectively and efficiently in guiding the strategic direction of the Company and the Group, safeguarding stakeholders' interests, and maintaining robust governance practices.

2.0 PURPOSE

2.1 The policy serves to establish comprehensive guidelines on the accountability of the Board towards shareholders and other stakeholders for the proper corporate governance and performance of the Group, and its commitment to strengthen the Group's long-term sustainability and organizational effectiveness.

2.2 The Board Charter sets out, among others, the authority and principal role of the Board as well as the demarcation of the roles, terms of reference together with responsibilities and powers of the Board, various Board Committees and Key Senior Management of the Group. In addition, the Board Charter also serves as a general statement of intent on how the Board discharges its duties and responsibilities and assesses its own performance and of its individual Directors.

2.3 This Charter incorporates the Malaysian Code on Corporate Governance ("MCCG"), Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("MMLR") on corporate governance, provisions of the Company's Constitution and requirements of the Companies Act 2016 as far as the duties and responsibilities of Directors are concerned.

2.4 This Board Charter has been endorsed by the Board and is subject to review by the Board periodically, to ensure its relevance and compliance.

3.0 SCOPE

3.1 The policy set out in this document shall be applicable to the BOD of the Group unless stated otherwise, subject to adoption of specific requirements under this policy document by the BOD of the Group.

3.2 The policy covers the following areas:

a. Roles, Responsibilities and Functions of Board and Board Committee;

b. AEON's Purpose, Code of Ethics and Conducts, Risk Management, Board Succession Planning and Investor Relations;

c. Directors' Terms of Service, Assessment and Other Matters; and

d. Board Meetings

4.0 POLICY

4.1 Purpose of the Charter

This Board Charter serves as a source reference, providing insights to Board members and assist the Board in the performance of their fiduciary duties as Directors of the Group. It will also assist the Board in the evaluation of its own performance and of its individual Directors.

4.2 Roles and Functions of Board & Board Committees

4.2.1 Board Composition

a. **Number of Directors**

i. The Constitution specifies that the number of Directors shall not be less than two (2) nor more than twenty (20). The Board has power under the Constitution to appoint a Director to fill a casual vacancy or as an additional Director; and

ii. In the event of any vacancy in the BOD resulting in non- compliance with MMLR, a listed issuermust fill the vacancy within 3 months.

b. **Independence and Composition**

i. The Board should be of a size and composition with the benefit of diversity in skills, based on objective criteria, experience, age, cultural background and gender, perspectives and skills that are conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Group;

ii. The Board shall endeavour to have at least 30% composition of women Directors on the board;

Note: The Board discloses the Group's policy on gender diversity for the Board and Senior Key Management in Integrated Annual Report.

iii. In accordance with Paragraph 15.02 of the MMLR of Bursa Malaysia at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, must be Independent Directors; if the number of Directors is not three (3) or a multiple of three (3), then the number nearest one of third (1/3) must be used. The vacancy must be filled within three (3) months;

iv. Notwithstanding the minimum requirements of MMLR, majority of the Board shall comprise Independent Directors in line with the Principal A of MCCG to support objective and independent deliberation, review and decision-making as well as effective oversight of Key Senior Management; and

v. The Chairman must be a Non-Executive member of the Board and shall not be a member of any of the Board Committees.

4.2.2 Roles of the Board

a. The Board is the ultimate decision-making body of the Group, with the exception of matters requiring shareholders' approval. It sets the vision and strategic direction of the Group. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Group and enforces standards of accountability, all with a view to enabling Key Senior Management to execute its responsibilities effectively and efficiently.

The Managing Director & Chief Executive Officer ("MD & CEO") may delegate specific responsibilities to members of the management team, including the Deputy Chief Executive Officer ("DCEO"), where appropriate, while retaining overall accountability to the Board.

b. The Board has overall responsibility for putting in place a framework of good corporate governance within the Group, including the processes for financial reporting, risk management, internal control, conflict of interest, compliance, anti-corruption, whistle-blowing, governance processes and long-term sustainability (including climate change). This also includes oversight of matters relating to Anti-money Laundering, Counter Financing of Terrorism, Counter Proliferation Financing, Targeted Financial Sanctions, and Fraud Risk Management.

Board members bring their independent judgement, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.

c. The Board has adopted a schedule of matters specifically reserved for its approval which include, amongst others, reviewing and approving the following:-

i. Business strategy and annual business plan/ budget;

ii. Enterprise-wide risk management framework ("ERMF") and risk strategy and oversight of material and emerging risks facing by the Group;

iii. Raising or restructuring of equity or debt capital and bank borrowings;

iv. New investments, divestments, establishment of subsidiaries or joint ventures, and any other corporate exercise which requires approval of shareholders;

v. Acquisition or disposal of significant assets outside the ordinary course of business;

vi. Acquisition of equipment or assets exceeding threshold under Key Senior Management approval;

vii. Resolution of any conflict of interest related to a substantial shareholder or a Director;

viii. Approval of related party transactions, subject to approval of shareholders where necessary;

ix. Unaudited quarterly financial results and audited Annual Financial Statement;

x. Appointment of new Directors, including setting the relevant terms of service and level of remuneration, subject to approval of shareholders where necessary;

xi. Ensuring regulatory compliance; and

xii. Declaration of dividends, subject to approval of shareholders where necessary.

d. The principal responsibilities of the Board in line with MCCG's requirements are as follows:-

i. Review the Group's long-term strategic plans;

ii. Provide clear objectives and policies to Key Senior Management for operations;

iii. Oversee the conduct and proper management of the Group's businesses;

iv. Review and approve the Group's annual budget and business plan;

v. Ensure establishment of appropriate risk management framework and risk strategy as well as adequate management information and internal control system of the Group;

vi. Ensure compliance by the Group with relevant laws and regulations;

vii. Approve transactions and activities outside the discretionary powers of Key Senior Management, subject to shareholders' approval where necessary; and

viii. Ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.

e. Certain principal responsibilities of the Board mentioned have been delegated by the Board to several Board Committees, in line with MCCG and best corporate governance practices. While the Board Committees have the authority to examine particular issues, they will report to the Board with their decisions and/ or recommendations and the ultimate responsibility on all matters lies with the entire Board.

4.2.3 Roles of Directors

The principal roles of Directors include, amongst others:

a. Review the business strategy and plans of the Group;

b. Oversee the conduct of the Group's business to evaluate whether the business is being properly managed;

c. Oversee succession planning for Key Senior Management personnel of the Group, including appointing, training, fixing the compensation of and, where appropriate, replacing Key Senior Management personnel;

d. Review the investor relations programme and shareholder communication policy of the Group;

e. Review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

f. Ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Director has abstained from voting or deliberating on a particular matter; and

g. Oversee and stay informed about climate-related developments, including understanding and evaluating climate-related risks and opportunities when assessing the Group's strategies and business plan.

4.2.4 Roles of Independent Directors and Non-Executive Directors

a. The Independent Non-Executive Directors are independent of management and free from any business or other relationships that could materially interfere with the exercise of their independent judgment. They ensure that the interests of all shareholders are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

b. The Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business transaction or other relationships with the Group so as to ensure that they exercise their independent judgment and act in the best interest of the Group.

c. The role of Independent Directors is to constructively challenge and review proposals on strategy include, inter alia:

i. To make independent assessment of the information, reports or statements, having regard to the Directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the Key Senior Management's proposals at meetings;

ii. To devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trend, and enable them to sustain their active participation in Board deliberations; and

iii. Act as a channel of communication between Key Senior Management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

4.2.5 Separation of position of Chairman and MD & CEO

To ensure balance of authority, increased accountability and a greater capacity forindependent decision-making, the roles of Chairman and MD & CEO are distinct and separate with a clear division of responsibilities between the

Chairman and the MD & CEO, so that no individual dominates the decision-making process.

4.2.6 Roles of Chairman

a. The Board is led by a Chairman who is responsible for the leadership and management of the Board and ensuring the Board and its Committees function effectively. The Chairman assumes the formal role of a leader and chairs all Board Meetings, leads discussions among Directors and provides leadership to the Board in its oversight of management.

b. The Chairman facilitates the flow of information between Key Senior Management and the Board, and confirms the agenda for each Board Meeting. Other key roles of a Chairman are to ensure, among others:

i. The smooth functioning of the Board, the governance structure and inculcating positive culture in the Board;

ii. Guidelines and procedures are in place to govern the Board's operations and conduct;

iii. The training and development needs of the Board members are reviewed and addressed;

iv. Providing leadership for the Board so that the Board can perform its responsibilities effectively;

v. Ensuring that Board members receive complete and accurate information on all matters in the Board Meeting agenda in a timely manner;

vi. Leading Board Meetings and discussions;

vii. Encouraging active participation and allowing dissenting views to be freely expressed;

viii. Managing the interface between Board and Key Senior Management;

ix. Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;

x. Leading the Board in establishing and monitoring good corporate governance practices in the Group; and

xi. Representing the Group externally and overseeing public relations activities together with MD & CEO.

4.2.7 Roles of MD & CEO

a. The MD & CEO assumes the overall responsibility for the implementation of the Group's strategy and in carrying out the Board's directions, managing the businesses of the Group and driving performance within strategic goals and commercial objectives.

The MD & CEO leads the Management team in carrying out the corporate strategy and vision of the Group. The MD & CEO is accountable to the Board for the day-to-day management and operations of the Group's business.

b. The key roles of MD & CEO include, among others:

i. Developing objective, vision, strategic direction and business targets;

ii. Ensuring strategies and corporate policies are effectively implemented;

iii. Ensuring Board decisions and directions are implemented;

iv. Establishing appropriate organization structure of the Group to implement short and long term business plans;

v. Providing strong leadership to the Management team and employees of the Group;

vi. Keeping the Board fully informed of all important aspects of the Group's operations and ensuring sufficient information is distributed to Board members;

vii. Establishing strong Management team with effective succession planning and talent retention strategy; and

viii. Ensuring the day-to-day business affairs of the Group are effectively and efficiently managed.

4.2.8 Roles of DCEO

a. The DCEO shall assist the MD & CEO in the management, administration, and oversight of the Group's business and operations, and shall perform such duties and responsibilities as may be delegated by the MD & CEO from time to time.

b. The DCEO shall support and oversee the execution of the Group's strategy, operational plans, and key initiatives, and shall be responsible for specific portfolios or functions as assigned by the MD & CEO.

c. In the absence or unavailability of the MD & CEO, the DCEO may assume such responsibilities of the MD & CEO as may be authorised by the Board or delegated by the MD & CEO, subject at all times to:

i. the applicable authority limits;
ii. approved policies and governance frameworks of the Group

d. The DCEO shall report directly to the MD & CEO and shall be accountable through the MD & CEO to the Board for the performance and outcomes of the areas under his or her oversight.

4.2.9 Roles of Senior Independent Non-Executive Director

a. The Board has appointed a Senior Independent Director who serves as the designated point of contact between shareholders and other stakeholders with the Independent Directors/ Chairman, to whom shareholders' and other stakeholder's concerns or queries may be raised, as an alternative to the formal channel of communication with shareholders and other stakeholders, especially on sensitive issues.

b. The key roles of Senior Independent Director include, amongst others:-

i. Acting as a sounding board for the Chairman;

ii. Ensuring all Independent Directors have opportunity to input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by Key Senior Management that is necessary or appropriate for the Independent Directors to perform their duties effectively;

iii. Consulting the Chairman regarding Board Meeting schedules to ensure the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;

iv. Serving as the principal conduit between the Independent Directors and the Chairman; and

v. Serving as a designated contact for consultation and direct communication with shareholders and other stakeholders on areas that cannot be resolved through the normal channels of contact with the Chairman.

c. The Board has provided an avenue for shareholders' queries to be sent directly to the Senior Independent Director named in the Group's Integrated Annual Report at eSID@aeoncredit.com.my, or by mail to Level 18, UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

4.2.10 Roles of Board Committees

a. The Board delegates specific responsibilities to the Board Committees comprising:-

i. **Audit Committee ("AC")**

The key responsibilities of AC are to ensure reliability and integrity of the Group's financial accounting and reporting, conflict of interest disclosure and monitoring of internal control processes within the Group. The AC reviews the quarterly results, Annual Financial Statements, Integrated Audit Reports which include but are not limited to observations pertaining to internal controls, as well as related party transactions and conflict of interest situation.

ii. **Nomination & Remuneration Committee ("NRC")**

The NRC establishes and reviews policies for appointing and re-appointing Directors and Board Committee members. It oversees Director nominations, conducts Fit and Proper assessments, evaluates Director performance, and recommends the Board's structure, size, and composition. The NRC also determines training needs for Directors and advises on relevant programs.

Additionally, the NRC reviews and recommends the Company's organizational structure and remuneration policies to attract and retain Directors. It evaluates and proposes annual remuneration packages for Directors and Key Senior Management and ensures fair and competitive compensation practices.

iii. **Board Risk Committee ("BRC")**

The BRC's primary responsibilities are to assist the Board in discharging its governance and oversight responsibilities for risk management; reviewing the adequacy and effectiveness of risk management strategies, risk appetite, risk tolerance, Risk Management Framework, processes and practices; overseeing material and emerging risks affecting the Group, including regulatory and compliance risks; and for reviewing sustainability related matters, including Climate Action, Sustainability Framework, material sustainability risks, material sustainability matters, sustainability performance and reporting.

b. Chairman of the Board cannot be the member of the Board Committees.

c. The said Committees operate within clearly defined roles and responsibilities as set out in the Terms of Reference ("TOR") of each of the Committees.

d. The Chairpersons of the AC, NRC and BRC report to the Board on matters addressed in their respective Board Committee Meetings including their deliberations, findings and recommendations. Minutes of the AC, NRC and BRC are presented at the Board Meetings for further discussion and direction. While these Committees have the authority to deliberate on delegated matters, all decisions and/ or recommendations are brought to the Board's attention, which is collectively responsible for the final decisions.

4.3 Governance, Ethics, and Stakeholder Engagement

4.3.1 AEON's Purpose and AEON Management Fundamental Principles

a. The Board, Management and employees of the Group are guided by AEON's Purpose and AEON Management Fundamental Principles. Within the AEON Management Fundamental Principles are the new ideals and values framework, named AEON Foundational Ideals, and the AEON Group Future

Vision. These two elements, alongside the Purpose, serve as the key pillars in providing long-term guidance for the Group.

b. The Board, together with Key Senior Management, upholds high standards of integrity and equitable conduct, fostering positive relationships with customers, business partners, staff, and regulatory bodies across the regions where the Group operates.

4.3.2 Code of Ethics and Conducts

The Board recognizes and formally adopts the Group's Code of Ethics and Conduct ("the Code") as the governing document that sets the ethical framework for all Directors, officers, and employees. This Code reflects AEON's core values and commitment to integrity, fairness, and responsible business conduct. The Board shall oversee the implementation of the Code and lead by example in upholding the standards set out in the Code and support a culture of accountability across the Group.

a. **Code of Ethics and Conducts for the Board**

i. The Board of Directors adhere to the Code, which complements ***The Code of Ethics for Company Directors and Company Secretary*** issued by the Companies Commission of Malaysia ("CCM") and the Securities Commissions ("SC").

ii. The Code provides guidance for proper standards of conduct, sound and prudent business practices as well as standard of ethical behaviour for Directors, based on principles of integrity, responsibility, sincerity and corporate social responsibility. In line with their fiduciary responsibilities, all Directors are required to exercise their duties with integrity, diligence, and professionalism in accordance with the Code:

- Directors must exercise their powers in good faith and for a proper purpose, prioritizing the best interests of the Company and the Group. Where appointed as a shareholder representative, a Director must place the interests of the Company above those of their nominator in the event of a conflict.
- Directors must apply reasonable care, skill, and diligence based on their role, responsibilities, and expected standards. This includes maintaining a sound understanding of the business, staying informed on relevant developments, preparing for meetings, constructively contributing to discussions, and ensuring decisions and any dissenting views are clearly minuted.

In supporting ethical leadership and effective decision-making, the following areas form an integral part of the Board's expected conduct and oversight responsibilities:

- **Fair Treatment of Financial Customers ("FTFC")**

  The Board is responsible for setting the tone from the top to ensure reasonable standards of fair dealing, including by:

  - Working with Key Senior Management to promote a sound corporate culture within the Group which reinforces ethical, prudent and professional conduct and behaviour;
  - Demonstrating commitment to FTFC, including the fair treatment of vulnerable consumers through actions, communications and measures to achieve FTFC outcomes;
  - Approving relevant policies to achieve FTFC outcomes; and
  - Ensuring appropriate reflection of FTFC in the Group's business strategies and operations.

- **Managing Conflict of Interest**

  The Group shall establish policies and procedures to manage direct or indirect, actual, perceived or potential conflict of interest ("COI"), including:

  - COI between any Director and the Group, or between the Company and its subsidiaries.
  - Directors must not accept or offer benefits by virtue of their position, unless permitted under the Group's Code of Conduct and compliant with applicable laws.
  - All Directors are required to submit a COI self-declaration on a semi-annual basis, or on an ad-hoc basis where applicable.
  - All COI disclosures are reviewed and assessed by the AC and subsequently escalated to the Board for consideration.
  - Any Director with a COI must abstain from deliberations and decision-making related to the matter.

- **Reliance on Information Provided by Others**

  - In discharging their duties, Directors may reasonably rely on information, advice, and reports from:
  - Officers of the Group believed to be competent and reliable;
  - Professionals or experts retained by the Group within their area of expertise;
  - Other Directors, or Board Committees within their authority. Such reliance must be made in good faith and after reasonable assessment, considering the Director's knowledge of the Group and the complexity of its operations.

b. **Whistle-blowing Channel**

i. The Group has also established a whistle-blowing channel called **AEON Hotline** for communication or feedback from staff on unethical practices, illegal activities, breach of regulations, financial/ accounting fraud etc. The AEON Hotline, an intranet communication channel, is currently available through any staff workstation at all subsidiaries and branches of the Group nationwide. The issues raised through the AEON Hotline are investigated and resolved with strict confidentiality by Key Senior Management of the Group.

ii. Any concerns on illegal, unethical or questionable practices can be communicated in confidence by the whistleblower without the risk of reprisalto eSID@aeoncredit.com.my for further investigation and action.

c. **Anti-Bribery and Corruption Policy**

The Group has in place an Anti-Bribery and Corruption Policy which sets out the Group's policies to mitigate risk of acts of bribery and/ or corruption in line with Section 17A of the Malaysia Anti-Corruption Commission Act 2009. The policy applies to all employees and external stakeholders when dealing with the Group, in order to observe and uphold the Group's zero tolerance policy on bribery and corruption.

4.3.3 Risk Management

a. The Board has established a system of internal control that enables business to be transacted and risk taken without exposing itself to unacceptable potential losses or reputational damage through the ERMF. The ERMF is the overarching framework that sets out the Group's approach to internal governance and establishes the mechanisms and processes by which the Board directs the organisation, through setting the tone and expectations from the top, delegating its authority and monitoring compliance.

b. The purpose of the ERMF is to identify and set minimum requirements in respect of the main risks to achieving the Group's strategic objectives and to provide reasonable assurance that internal controls are effective. The key elements of the Group's system of risk management and internal control are set out in the risk management control frameworks relating to each of the Group's key risks in the organisation operational risk framework, including climate-related risk. The ERMF is reviewed by the Risk & Compliance Committee ("RCC"), BRC and Board annually.

4.3.4 Board Succession Planning

a. The Group's Board Succession Planning can be categorized into three (3) types, which are as follows:-

i. **Short-Term/ Contingency Succession Planning** – Involves an immediate response to unexpected exits to ensure continuity in leadership.

ii. **Medium-Term Succession Planning** – Focuses on orderly replacement when a Director intends to retire, ensuring a smooth transition.

iii. **Long-Term Succession Planning** – Involves a holistic view of the Board's size, composition and long-term diversification, considering the following three (3) elements:

- Delivery of the Group's strategy and objectives;
- Skills needed for now and future; and
- Independence expiry and transition requirement.

b. The framework of the Group's Board succession planning is aligned with the Group's long-term strategy and goals, and reflects best practices and guidelines from the MCCG and MMLR to ensure overall effectiveness and sustainability. The Board succession planning considers the following criteria:

i. Board Independence – Comprising 50% Independent Directors;

ii. Gender Diversification – 30% Female Directors;

iii. Age Diversification – Age limit of 75 years old;

iv. Cultural and Ethnic Diversification; and

v. Skillsets and Experience.

c. To ensure the continuous effectiveness and leadership of the Board, the following procedures are in place for Board succession planning:

i. Annual Review Assessment
The Board's status will be reviewed annually by the NRC by referring the outcome or the reporting from the Board Effectiveness Evaluation ("BEE") exercise which to be carried out in yearly basis. This review helps identify any gaps or areas for improvement to maintain a balanced and effective Board.

ii. Talent Pool Management
The outcome of the BEE guides the development of the talent pipeline by ensuring the Board's composition aligns with future needs, verifying Directors' qualifications, identifying improvement areas, and planning for upcoming vacancies.

iii. Director Sourcing Management
If the NRC anticipates a Director position to become vacant within twelve (12) months, nominees will be recommended to the Board by the NRC and Human Resources & Admin Division ("HRAD") will source candidates. Following MCCG guidelines, the selection process includes Directors'

registries, industry associations, open advertisements, and referrals. If only Director recommendations are used, the NRC must justify this single source of recommendation. All candidates will be fairly and transparently assessed.

4.3.5 Investor Relations and Shareholder Communication

a. The Board shall maintain an effective communications policy that enables both the Board and Key Senior Management to communicate effectively with its shareholders, stakeholders and the general public.

b. It is the role of the Board to ensure that the Annual General Meeting ("AGM")/ Extraordinary General Meeting ("EGM") of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. All the Directors shall attend the AGM/ EGM unless with valid justifications for non- attendance.

c. The Board will focus its efforts on the following best practices to enhance the effectiveness of the AGM/ EGM:

i. Conduct a business presentation with a question-and-answer session, where appropriate and if required;

ii. Ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;

iii. Inform shareholders of their rights to demand for a poll vote at the commencement of general meetings subject to the Company's Constitution;

iv. For election of Directors, ensures that the notice of meeting state which Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in Board Committee and the fact that a particular Director is independent; and

v. Ensue that the Chairman provides reasonable time for discussion at the meeting.

d. The main channels of Investor Relations and shareholder communication deployed are as follows:

i. Release of quarterly results announcement and other corporate disclosures including announcement in relation to the director's matter to BMSB, which are available from BMSB's website;

ii. Updates on the Group's activities, product launching and operations are also disseminated through meetings with, and presentations to, analysts, fund managers and investors as well as through press releases and press conferences from time to time;

iii. Integrated Annual Report sent to shareholders containing comprehensive information on financial performance and various other areas of interest to

shareholders;

iv. AGM of the Company which has been the main forum of dialogue for shareholders to raise their concerns and provide feedback to the Board on the Group's performance and direction; and

v. Investor relations and corporate information are also made available on the Company's website at www.aeoncredit.com.my while a dedicated e-mail address for investor relations' enquiries or feedback at ir_info@aeoncredit.com.my is also available.

e. Feedback received from shareholders and other stakeholders shall be given due consideration by the Group when making business decisions.

4.4 Directors' Terms of Service, Assessment and Other Matters

4.4.1 Appointment to the Board

a. The NRC is responsible for identifying and nominating suitable candidates for appointment to the Board for approval, while recognising the right of shareholders to nominate candidate(s) to the Board, either to fill vacancies or as addition to meet the changing needs of the Group.

b. In identifying candidates for appointment of Directors, the Board does not rely solely on recommendations from existing Board members, Key Senior Management or major shareholders. The Board shall endeavour to utilise independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing Directors, Key Senior Management or major shareholders, the NRC should explain why these source(s) suffice and other sources were not used.

c. Before recommending an appointment to the Board, the NRC shall consider requirements in terms of Board diversity, mix of skills and core competencies (refer to paragraph 4.4.6 below) as well as time commitment of the candidate and any conflict of interest affecting the appointment. The Chairman of the NRC shall carry out Fit and Proper assessment as well as interact with the proposed candidate(s) subsequent to preliminary assessment of suitability by the NRC based on the following aspects:

i. Specific knowledge, skill and working experience and achievements of the candidate;

ii. Training attended by the candidate;

iii. Time commitment by the candidate;

iv. Independence and conflicts of interest; and

v. External directorships of the candidate.

d. In relation to a proposed candidate who is a former officer, advisor or transacting party of the Group, a three (3) year cooling-off period is required from cessation of such relationship before the Group is able to consider appointment of such candidate to the Board.

e. The following Fit and Proper criteria are to be considered in assessing the suitability of the candidate for appointment to effectively discharge his/ her role as a Director:

i. **Probity, personal integrity and reputation**, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness;

ii. **Competence and capability**, where the candidate must have the skills, working experience, capability and commitment necessary to carry out the role; and

iii. **Financial integrity**, where the candidate must manage his/ her debts or financial affairs prudently.

f. The process for identifying and nominating new candidates for appointment as a Director entails the following steps:

i. Identification of skills required;

ii. Selection and short listing of candidates identified through various sources, having consideration of need for Board diversity;

iii. Fit and Proper assessment by the NRC on shortlisted candidate(s);

iv. Interview/ interaction with candidate(s) by the NRC or Chairman of the NRC;

v. NRC deliberation and confirmation that the recommended candidate is fit and suitable for the Board role;

vi. Recommendation by NRC for Board approval; and

vii. Decision by Board on recommended appointment.

g. The Board should ensure shareholders have the information they require making 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 interest of the Group 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.

4.4.2 Directors appointed should be able to devote the required time to serving the Board effectively. The Board should consider the existing Board positions held by a Director, including on Board of non-listed Companies. Any appointment that may cast doubt on the integrity and governance of the Group should be avoided.

4.4.3 Restriction on Directorships

a. Any Director of the Group is permitted to serve as a Director in a maximum of five (5) other listed companies, in accordance with applicable regulatory requirements and governance best practices.

b. Each Director shall, at the time of appointment and on an ongoing basis, confirm that he or she is able to devote sufficient time and attention to effectively discharge his or her duties and responsibilities to the Board, taking into account all existing directorships, principal commitments, and other professional obligations.

c. In addition, upon accepting any new directorship, the Director shall ensure that the Chairman is notified and shall submit the relevant details of the appointment to the Company Secretary for COI assessment by completing the External Appointment Acceptance Declaration Form (CPD-COI-FRM02).

d. Where an external directorship gives rise to an actual, potential, or perceived COI, the Director shall promptly declare such COI in accordance with this Policy, and the Board shall determine the appropriate course of action, which may include the implementation of safeguards, restrictions on participation in deliberations, or such other measures as deemed necessary to safeguard the interests of the Group.

4.4.4 Term of Appointment

a. Each year, all the Directors shall retire from office at the AGM and, if eligible, may offer themselves for re-election at the AGM. A retiring Director shall retain office until the close of the meeting at which he/ she retires.

b. Directors appointed during a financial year hold office until the next AGM and, if eligible, may offer themselves for re-election at the AGM.

c. A Director who does not offer himself/ herself for re-election shall retire at the conclusion of the AGM.

4.4.5 Tenure of Independent Directors

a. The tenure of service of Independent Directors shall generally be for maximum period of nine (9) years in line with MCCG. However, upon completion of the nine years, an Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director.

Note: 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.

b. In the event that the affected Director is to remain designated as an Independent Director beyond the period of nine (9) years, the NRC's recommendation and annual shareholders' approvals based on appropriate justification is required at the Company's AGM in the manner set out in the MCCG. The considerations that should be contained in the justification are as follows:

i. The assessment performed to evaluate the independence of the said Independent Director;

ii. The outcome of the assessment and the bases for arriving at that outcome;

iii. A statement by the Board on the suitability of the Independent Director to perform his or her duties without being subjected to undue influence; and

iv. Additional considerations such as the possession of knowledge, skills, experienceand commitment displayed by the said Independent Director.

c. The NRC shall undertake assessment of the independence of the Independent Directors upon admission, annually and as needed.

4.4.6 Board Diversity, Mix of Skills and Core Competencies

a. Appointment of Directors on the Board (and appointment of Key Senior Management of the Group) shall be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

b. In connection with its efforts to create and maintain a diverse Board, the NRC will:

- Assess the appropriate mix of diversity (including gender, ethnicity and age), skills, experience and expertise required on the Board and address gaps if any;
- Adhere to the recruitment protocol that seeks to include diverse candidates in any director search;
- Make recommendations to the Board in relation to appointments, and maintain anappropriate mix of diversity, skills, experience, and expertise on the Board, etc.;
- Periodically review and report to the Board on requirements in relation to diversity on the Board, if any.

c. When reviewing the tenure of a Director, the NRC shall be guided by the followingelements:

- Outcome of the Board Effectiveness Evaluation
- Competency gap of the Board
- Diversity requirements
- Tenure length of the Director
- Commitment of the Director

d. The Board remains committed to ensure that it is represented by the skills, knowledge and experience needed to effectively steer the Group forward. While not all Directors will possess each necessary skill, but the Board as a whole must possess them.

e. The Board recognizes that a diverse Board may offer greater depth and breadth, and contribute towards constructive debates, which lead to better decisions. It enables the discussion of the same ideas in differing ways and equips the Group to face challenges in an ever-changing environment in terms of technology, consumer preferences, business strategies and models as well as business risk environment.

4.4.7 Director's Remuneration

a. The Group shall provide a fair, reasonable and competitive remuneration for its Executive and Non-Executive Directors to ensure that the Group attracts and retains high calibre Directors who have the skills, experience and knowledge to increase entity value to the benefit of all shareholders.

b. The remuneration policy for Executive Directors is based on the executive functions and responsibilities as well as contribution and performance of each member to the business of the Group.

c. The Non-Executive Directors will receive Directors' fees not linked to profits/ turnover or performance of the Group, but with consideration of role, responsibilities and time commitment to the Group, inclusive of roles in Board Committees.

d. The Board shall determine the remuneration of Executive Directors and Non-Executive Directors taking into consideration the recommendations of the NRC. No Director shall take part in discussion and decision making on his/ her own remuneration. The aggregate amount of Directors' fees and benefits payable to the Directors is subject to annual shareholder approval at AGM.

4.4.8 Board Effectiveness Evaluation ("BEE")

a. The NRC reviews annually the effectiveness of the Board and Board Committees as well as the performance of individual Directors. This evaluation process is important element in measuring and improving in areas such as leadership, culture, delegation of duties, teamwork and decision making. Simultaneously, it creates value to BOD, Key Senior Management, and stakeholders as it establishes a common focus on long-term orientation to the Group's performance.

b. The evaluation takes place annually and involves Directors completing the BEE questionnaire, covering the Board and Board Committees processes and, the effectiveness and contribution of each of the Directors to the Board and Board Committees.

c. The Directors' responses are collated and a comprehensive outcome and recommendations will be submitted to the NRC for deliberation, after which, the outcome and recommendations are escalated to the Board for further review actions taken and how it has or will influence Board composition.

d. The deliberations of the NRC on the findings of the BEE are duly minute at the meetings of the NRC and Board.

e. The BEE exercise entails the Directors' feedback on areas which affect the performance of the Board which, amongst others, include the following:
   i. Board structure, objectives and conduct;
   ii. Interaction and communication with Management and Stakeholders;
   iii. Corporate Governance
   iv. Risk and Sustainability; and
   v. Accountability and Audit.

f. In Corporate Governance Report, the Board shall disclose how the BEE was carried out its outcome, actions taken and how it has or will influence board composition.

g. An external consultant will be engaged to conduct the BEE exercise once every three (3) years to facilitate an objective and candid board evaluation.

4.4.9 Directors Training and Development

a. Newly appointed Directors attend the Mandatory Accreditation Programme ("MAP") conducted by Institute of Corporate Directors Malaysia ("ICDM") and are briefed by the Key Senior Management on the business, operations and risk management of the Group, the Group's organisation structure and functional areas of business units.

b. Board members are encouraged to attend training programmes conducted by competent professionals and which are relevant to the Group's operations and business, including new developments pertaining to the laws and regulations and changing commercial environment which may affect the Board and/ or the Group.

c. The Board will assess the training needs of the Directors and ensure the Directors have access to continuing education programme to facilitate the Directors in discharging their duties effectively. The details of training attended by the Directors shall be disclosed in the Integrated Annual Report.

4.5 Board Meeting

4.5.1 Board Meetings

a. Call for Meeting and Proceedings

i. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

ii. Any Director may, whenever he thinks fit, and the Company Secretary at the request of a Director, shall call a meeting of the Board of Directors as provided in the Company's Constitution.

iii. The Company Secretary is responsible to ensure minutes are recorded for all Board and Board Committee meetings, and the minutes duly confirmed by the Chairman of the meeting shall be reviewed and adopted at the subsequent meeting.

b. Notice of Meeting

Unless otherwise determined by the Directors from time to time, seven (7) days' notice of all Board meetings shall be given to the involved Directors. Any Director may waive notice of any meeting either prospectively or retrospectively.

c. Quorum for Board Meeting

Under the Constitution, the quorum shall be at least two (2) Directors. However, Board Meetings are only fixed on dates when all or a majority of Directors are able to attend. An alternate Director will only be counted in the quorum if his appointer is not present.

d. Frequency of Meeting

The Board shall meet at least every quarter, not later than two (2) months after the end of the financial quarter, to discuss business strategy, performance, monthly and quarterly results and financial performance, risk management, matters pertaining to compliance and governance, corporate exercise, sustainability covering Environmental (including climate-related), and Social and Governance ("ESG") risks, if any, as well as reports on matters deliberated by the respective Board Committees. Special meetings may be called by the Board from time to time as required.

e. Attendance at Board Meeting

i. Individual Directors shall attend at least 50% of the Board Meetings held in each financial year. The office of a Director shall become vacant if a Director is absent from more than 50% of the total Board Meetings held during a financial year.

ii. The Company Secretary shall attend all Board and Board Committee meetings. Key Senior Management are invited to attend Board and

Committee Meetings to provide input as and when necessary. Auditors, other professional advisors and consultants may also be invited to brief the Board on specific areas as required.

f. Conflict of Interest ("COI")

i. The Companies Act 2016 and MMLR subject the Directors to various disclosure requirements. Directors shall comply with the Companies Act 2016in connection with disclosure of shareholding and interests in the Group and interest in any contract or proposed contract with the Group.

ii. Director is required to submit a periodic self-declaration on a semi-annual basis, and the summary of conflict of interest disclosures will be presented in AC meeting for deliberation prior being reported to the Board for consideration.

iii. Should there be any direct or indirect, actual, perceived or potential COI situations between the Group and a Director, or an associate of a Director such as a spouse, other family member, or a related company (as defined under Section 197(1) of the Companies Act 2016), the Director involved shall make full disclosure and act honestly in the best interest of the Group:

- Director shall immediately inform Company Secretary in writing in respect of his/ her direct and indirect interests in any businesses or corporations which carry on similar trade as that of the Group; and
- Every Director shall comply with the provisions of Sections 219 and 221 of the Companies Act 2016 in connection with the disclosure of his/ her shareholding and interests in the Group and his/ her interest in any contract or proposed contract with the Group and in connection with the disclosure;
- Every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his/ her duty or interest as a Director of the Group.

iv. The summary of COI will be presented in AC meeting for assessment and deliberation. Subsequently, the assessment outcome will be formally presented to the Board for consideration.

v. The Conflicted Director shall abstain from deliberation and voting on the resolutions relating to those matters or transactions.

vi. Internal policies and procedures are in place to address direct or indirect, actual, perceived or potential COI situations in areas such as Related Party Transactions.

g. Voting and decision making

i. Any question arising at a Board Meeting is decided by a majority of votes after due discussion and deliberation, and in case of an equality of votes, the Chairman has a second and casting vote subject to the Company's

Constitution.

ii. A Director is required to abstain from deliberations and voting in respect of any contract or proposed contract or arrangement in which he/ she has direct or indirect interest.

iii. The Chairman and the Board may, if deemed necessary and appropriate, request an interested Director to excuse himself/ herself in the deliberation.

iv. Where appropriate, decisions are also made by way of circular resolutions in between scheduled meetings. Such resolutions are signed by a majority of the Directors and valid as if the resolution was passed at a Board Meeting duly called and constitute.

h. Right of Directors to access information and advice

i. Key Senior Management shall provide the Board and Board Committees with information in a form, within acceptable time frame and quality that enables them to discharge their duties and responsibilities effectively. Board papers are generally circulated to Directors five (5) business days prior to the date of the Board Meeting to allow the Directors sufficient time to review the papers and issues arising.

ii. Directors are entitled to request and receive additional information they consider necessary in order to make informed decisions, including the following:

- Obtaining full and unrestricted access to any information pertaining to the Group;
- Obtaining full and unrestricted access to the advice and services of the Company Secretary; and
- Obtaining professional independent advice, with the Chairman's prior written consent, at the Group's expense. The Director should provide notice to the Company Secretary of the intention to seek independent advice and shall provide the name(s) of the professional advisors proposed to be engaged, together with a brief summary of the subject matter on which professional advice is being sought.
- In the event that one or more Directors seek to appoint one or more advisors on the same or similar matter(s), the Chairman shall initiate discussions to reach consensus on the advisor to be engaged.

4.5.2 Committee Meetings

The AC and BRC meet quarterly at the minimum, while NRC meets annually at the minimum and as and when the need arises, to deliberate on matters under their purview.

4.5.3 Company Secretary

a. The Board shall appoint one or more suitably qualified and competent person(s) as the Company Secretary or joint Company Secretaries in line with the requirements of the Companies Act 2016 to discharge their responsibilities.

b. The Company Secretary shall report directly to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board.

c. The key role of the Company Secretary is to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

d. The Board shall conduct an annual assessment on the performance of the Company Secretary.

e. In the event that the role of the Company Secretary is outsourced by the Group toan external person, the Board shall be responsible for ensuring that the relevant criteria, such as qualification, skill, and experience and time commitment have been considered and assessed satisfactorily.

4.5.4 Financial Reporting

a. The BOD is responsible to ensure that interim financial reports and financial statements are prepared for every quarter and year (or other financial period, if applicable) respectively, in accordance with the applicable financial reporting standards and regulatory requirements so as to give a true and fair view of the state of affairs as at the reporting date, the financial performance and cash flows of the Group for the financial period then ended.

b. Additionally, it is the Board's responsibility to ensure that the financial statements are prepared on a going concern basis and appropriate accounting policies are applied consistently and are supported by reasonable and prudent judgments and estimates.

4.5.5 Managing Proper Records and Accounts

a. The BOD shall ensure that the Group, including all subsidiaries, keep proper accounting and other records to:

i. Sufficiently explain the business, transactions and financial position of the Group and its subsidiaries;

ii. Enable the preparation of true and fair financial statements; and

iii. Enable the accounting and other records of the Group to be conveniently and properly audited.

b. Where the financial statements of a subsidiary are required to be consolidated into the financial statements of the Group, the subsidiary and its Directors must

provide the Group with all information and record necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standards.

c. The Group shall retain all records referred to in paragraph (a) above for not less than seven (7) years from the completion of the transactions or operations to which the entries or record relate.

4.6 Review

This Board Charter will be reviewed periodically by the Board as and when required. This Board Charter shall supersede any charter previously in force.