

MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD
REGISTRATION NUMBER: 196001000082 (3755-M)

**STATEMENT ON CORPORATE GOVERNANCE PURSUANT TO APPENDIX 4 OF THE
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
("BNM")**

PERIOD UNDER REVIEW: FINANCIAL YEAR ENDED 31ST DECEMBER 2020

The Board of Directors ("the Board") of Malaysian Industrial Development Finance Berhad ("MIDF Berhad") is committed to ensure that the Principles of Corporate Governance and Best Practices are embraced in ensuring the affairs of MIDF Berhad are conducted in a professional manner and with accountability and integrity to protect and enhance shareholder's value.

The Board is pleased to report on the application by MIDF Berhad on the principles of the Malaysian Code on Corporate Governance 2016 and the Disclosures on Corporate Governance practices pursuant to Appendix 4 of the Corporate Governance Guidelines issued by BNM on 3rd August 2016.

BOARD OF DIRECTORS

The Board is responsible for the overall Corporate Governance of MIDF Berhad in an effective and responsible manner. The Board sets MIDF Berhad's values and standards and ensures that its obligations to its shareholders and other stakeholders, which include the regulators, business partners, clients, employees, suppliers and vendors, are understood and met.

Each individual Director, on the other hand, has a legal duty to act in the best interest of MIDF Berhad. The Board of MIDF Berhad, collectively and individually are aware of their responsibilities to shareholder/(s) and other stakeholders for the manner in which the affairs of MIDF Berhad are managed.

The Board is guided by the Board Charter which clearly sets out its roles and responsibilities and describes matters expressly reserved for the Board's determination and matters delegated to the Board Committees and Management. The Board Charter is reviewed and updated periodically to ensure that any updates on relevant laws and regulations are duly incorporated.

The Board reserves full decision making powers notwithstanding any delegation of authority to the Board Committees and Management, on matters relating to amongst

others, strategies, business plans and budget, significant policies, conflict of interest issues relating to a substantial shareholder and/or a Director, material acquisitions and disposal of assets not in the ordinary course of business, investment in capital projects, authority levels, risk management policies as well as key human resources issues.

As at 31st December 2020, there were six (6) Board members, comprised of the Chairman who is an Independent Non-Executive Director, four (4) Independent Non-Executive Directors and the Group Managing Director (“GMD”) of MIDF Berhad.

One (1) Non-Independent Non-Executive Director had resigned from the Board on 25th August 2020.

Based on the assessment conducted on the probity, personal integrity and reputation, competence and capability and financial integrity, the Board Members are fit and proper to hold the position as Directors of MIDF Berhad.

A total of eleven (11) Board meetings, four (4) scheduled meetings and seven (7) special meetings, were held during the year under review and the write up on individual directors of MIDF Berhad are as follows:

1. TAN SRI ABDUL RAHMAN BIN MAMAT

Chairman/Independent Non-Executive Director

Malaysian/68/Male

- Date of Appointment: 1 January 2016
- Date of Appointment as Chairman of the Board: 1 July 2016

Qualifications

- Bachelor of Economics (Hons) Degree, University of Malaya
- Advanced Management Programme, Harvard Business School, Boston, United States of America.

Working Experience

Tan Sri Abdul Rahman bin Mamat (“Tan Sri Rahman”) has held various positions in the civil service with the most recent being the Secretary General of the Ministry of International Trade and Industry (“MITI”) from 2006 to 2010. Tan Sri Rahman joined MITI as an Assistant Director in 1975 and served in various capacities in the ministry for 35 years which included, amongst others, Deputy Trade Commissioner, Malaysian Trade Office, New York, Economic Counsellor, Trade Commissioner and Deputy Permanent Representative to the United Nations Economic and Social Commission and Director Export Promotion Bureau, Malaysia External Trade Development Corporation.

Directorships

- (i) MCE Holdings Berhad
- (ii) Hiap Teck Venture Berhad (Chairman)
- (iii) Bioalpha Holdings Berhad (Chairman)
- (iv) Dagang Nexchange Berhad (Chairman)
- (v) Lotte Titan Chemical Holding Berhad (Chairman)
- (vi) Asia Logistics Council Sdn Bhd (Chairman)
- (vii) Eastern Steel Integrated Mill Sdn Bhd (Chairman)
- (viii) River of Life Hospital & Healthcare Sdn Bhd (Chairman)
- (ix) Ocean Might Sdn Bhd (Chairman)
- (x) Broadgate Engineering Sdn Bhd (Chairman)
- (xi) Malaysian Technology Development Corporation Sdn Bhd (Chairman)
- (xii) Prisma Galeri Sdn Bhd
- (xiii) Nexus Pacific Property Sdn Bhd
- (xiv) Annexe Fair Sdn Bhd

Trainings and Education provided

- (i) MICG: Corruption Risk Management
- (ii) Dagang NeXchange Berhad - Preparing Ahead for Corporate Liability Provision (MACC Act 2009)
- (iii) Digital Transformation - Overcoming the COVID-19 Disruptions
- (iv) 3rd Distinguished Board Leadership Series Challenging Times: What Role Must the Board Play? Sharing by Datuk Yvonne Chia and Mr Voon Seng Chuan Moderated by Mr Graham Poston, Regional Practice Leader, CEO & Board Progression Planning Practice, Korn Ferry
- (v) Raising Defences: Section 17A, MACC Act, Option 3
- (vi) Webinar: Business Disruptions - Priorities for Boards Live Panel Webinar Available
- (vii) Risks: A Fresh Look from the Board's Perspective
- (viii) Webinar: Challenging Times: What Role Must the Board Play?
- (ix) Webinar: Directors & Officers Liability Insurance - Presentation by Ernest Teng, Berkley Insurance Asia
- (x) Pathway to a Governance Practitioner Programme (Module 3: Corporate Governance Legal Requirements – What the Law Says)
- (xi) MASB Engagement Session on IFRS Foundation's Consultation Paper - Sustainability Reporting

Directors' Shareholding in MIDF Berhad

Nil

2. **DATUK AZIZAN BIN ABD RAHMAN**

Chairman/Independent Non-Executive Director

Malaysian/65/Male

➤ Date of Appointment: 15 July 2013

Qualifications

- Bachelor Degree (Hons) in Accounting, University of Malaya
- Master's Degree in Business Administration, University of Queensland, Australia
- Chartered Accountant of the Malaysian Institute of Accountants, Malaysian Institute of Accountants
- Fellow Member of Certified Public Accountant, Australia.

Working Experience

Datuk Azizan bin Abd Rahman possesses vast experience and knowledge with BNM from 1979 to 2005 where he had held various positions in the areas of finance, examination, and supervision. He was a director of Banking Supervision and was overall in charge of supervising various local commercial banks, Development Financial Institutions, and other foreign banks. In 2005, he was seconded to assume the post of Director-General of Labuan Financial Services Authority ("Labuan FSA") until his retirement in September 2011.

Directorships

- (i) MIDF Amanah Investment Bank Berhad (Chairman)
- (ii) Malaysian Rating Corporation Berhad
- (iii) OCBC Bank (Malaysia) Berhad
- (iv) OCBC Al Amin Bank Berhad
- (v) Cagamas Berhad
- (vi) Cagamas SRP Berhad
- (vii) Kensington Trust Malaysia Berhad
- (viii) Danum Capital Berhad
- (ix) Labuan Financial Services Authority (Labuan FSA)
- (x) CTOS Holdings Sdn Bhd
- (xi) CTOS Data Systems Sdn Bhd
- (xii) City Credit Investment Bank Ltd
- (xiii) MARC Risk Management Solutions Sdn Bhd (Dormant)
- (xiv) MARC Training Sdn Bhd
- (xv) Azizan Abd Rahman Associate Sdn Bhd

Trainings and Education provided

- (i) Webinar: Business Disruptions - Priorities for Boards
- (ii) Webinar: Surviving & Embracing Malaysia's New Normal

- (iii) BNM-FIDE FORUM Annual Dialogue with Governor of Bank Negara Malaysia
- (iv) Webinar: Challenging Times: What Role Must the Board Play?
- (v) Webinar: Directors & Officers Liability
- (vi) Video-conference: Talk By Dr. Steven Cochrane On Economic Outlook On Malaysia: Threats To Economic Recovery
- (vii) Insurance - Presentation by Ernest Teng, Berkley Insurance Asia
- (viii) Islamic Finance for Board of Directors (IF4BOD) organized by ISRA International Consulting Sdn. Bhd

Directors' Shareholding in MIDF Berhad

Nil

3. DATO' WAN ROSHDI BIN WAN MUSA

Non-Independent Non-Executive Director

Malaysian/62/Male

- Date of Appointment: 26 August 2011
- Date of Resignation: 25 August 2020

Qualifications

- Masters of Business Administration, Governors State University, United States of America ("USA")
- Bachelor of Science (Finance), Northern Illinois University, USA
- Certified Financial Planner since 2005

Working Experience

Dato' Wan Roshdi started his career with Permodalan Nasional Berhad ("PNB") in 1985 and holds several senior positions in PNB including as its Chief Investment Officer. His last position with PNB was as Chief Risk Officer before his retirement in July 2016.

Directorships

- (i) UiTM Holdings Sdn Bhd
- (ii) UiTM Energy & Facilities Sdn Bhd
- (iii) UiTM Solar Power Sdn Bhd
- (iv) UiTM Solar Power Dua Sdn Bhd

Trainings and Education provided

Nil

Directors' Shareholding in MIDF Berhad

Nil

4. CIK HASNAH BINTI OMAR

Independent Non-Executive Director

Malaysian/62/Female

- Date of Appointment as Non-Independent Non-Executive Director:
1 July 2015
- Date of Appointment as Independent Non-Executive Director:
20 June 2017

Qualifications

- Masters of Banking Law Executive (Islamic and Conventional), International Islamic University of Malaysia
- Masters of Public Administration, Harvard University
- Bachelor Degree of Arts (BA Honours), University of Malaya
- Banking School II and III for Bank Examiners, Federal Reserve Board of Governors Banking System in the USA.

Working Experience

Cik Hasnah binti Omar ("Cik Hasnah") started her career with BNM in the Bank Examination Department, responsible for the examinations of commercial banks, merchant banks, discount houses and finance companies. After about nine (9) years in the Bank Examination Department, she spent about 1.5 years as the Head/Manager of the Public Affairs Unit of BNM, among others assisting the Governor and Senior Management staff in managing the press and public on BNM's policies and in managing crisis situation.

In 1993, Cik Hasnah moved on to serve Securities Commission ("SC") and had served in various capacities holding senior positions including as a Director of Market Oversight Business Group, her last position with the SC before her retirement in 2013. Among others, she represented SC as a member of the Financial Stability Committee of Financial Services Authority of Labuan and as a Board Member of Capital Market Compensation Fund.

In January 2009, she was seconded to the Asia Development Bank ("ADB") in Manila as a Senior Financial Sector Specialist. Among others, she advised ADB on Islamic finance matters, assumed role as a Mission Leader for the Financial and Capital Markets Sector Sovereign Loan Program for Vietnam and involved in sovereign loan programs and technical assistance ("TA") initiatives for Thailand, Indonesia and Philippines. She was a Co-Mission Leader for the ASEAN Regional Capital Markets Integration TA. She returned to serve the SC in January 2011.

Directorships

- (i) MIDF Amanah Asset Management Berhad (Chairman)
- (ii) Zurich Takaful Malaysia Berhad (Chairman)

- (iii) Zurich General Takaful Malaysia Berhad (Chairman)
- (iv) Zurich Life Insurance Malaysia Berhad
- (v) Bond Pricing Agency Malaysia Sdn Bhd

Trainings and Education provided

- (i) The Business Innovation 2020 Forum
- (ii) Webinar: Outthink The Competition: Excelling in a Post Covid-19 World.
- (iii) Webinar: Covid-19 and Current Economic Reality: Implications for Financial Stability
- (iv) Virtual Conference: Shariah Investing Virtual Conference 2020: "Shariah Investing & Socially Responsible Investing: Meeting at the Midway"
- (v) Webinar: Business Disruptions - Priorities for Boards
- (vi) Risks: A Fresh Look from the Board's Perspective
- (vii) BNM-FIDE FORUM Annual Dialogue with Governor of Bank Negara Malaysia
- (viii) Webinar: Digital Financial Institutions Series: Managing Virtual Banking and Insurance Businesses
- (ix) SIDC - SRI 2020 Virtual Conference the Strategic Value of Sustainability (2 half day)
- (x) Webinar: Directors & Officers Liability Insurance - Presentation by Ernest Teng, Berkley Insurance Asia
- (xi) Product Development and Innovation in Islamic Finance
- (xii) Webinar: Climate Action - The Board's Leadership in Greening the Financial Sector
- (xiii) FIDE Elective Programme - Risk Management Committee - Banking Sector [at Le Meredian Hotel]
- (xiv) Webinar: Green Fintech: Ping An's Use of Technology to Support Green Finance Objectives

Directors' Shareholding in MIDF Berhad

Nil

5. DATO' KAZIAH BINTI ABD KADIR

Independent Non-Executive Director

Malaysian/70/Female

- Date of Appointment as Non-Independent Non-Executive Director:
1 January 2016
- Date of Appointment as Independent Non-Executive Director:
31 July 2016

Qualifications

Bachelor of Arts (Honours) in Economics, University of Malaya.

Working Experience

She is currently an Advisor to PricewaterhouseCoopers Taxation Services Sdn Bhd (“PWC”), a position which she has held since July 2008. Previously, she was an advisor of Investor Relations, Investment Management Division of East Coast Economic Region Development Council from 2009 to 2019.

Prior to joining PWC, Dato’ Kaziah served the Malaysian Industrial Development Authority (“MIDA”) since 1975 and her last position was as the Deputy Director-General I of MIDA from 2003 until 2008. She was also the Chairman in the ASEAN Coordinating Committee on Investment from 2006 to 2007.

Directorships

- (i) MIDF Amanah Investment Bank Berhad
- (ii) Panasonic Manufacturing Malaysia Berhad
- (iii) Sterling Insurance Brokers Sdn. Bhd.
- (iv) Akmah Holdings Sdn. Bhd.
- (v) Akmah Tradings Sdn. Bhd.

Trainings and Education provided

- (i) Webinar: Business Disruptions - Priorities for Boards
- (ii) Video-Conference: Staying Ahead with Data Analytics
- (iii) Webinar: Directors & Officers Liability Insurance - Presentation by Ernest Teng, Berkley Insurance Asia
- (iv) Virtual Classroom: How to be an Effective NED in a Disruptive World
- (v) Video-conference: Talk By Dr. Steven Cochrane On Economic Outlook On Malaysia: Threats To Economic Recovery
- (vi) Virtual Classroom: Post-Budget PowerTalk – Prosperity, Recovery, Resilience
- (viii) PNB Knowledge Sharing Initiatives Forum 2020
- (ix) PNB YTI Memorial Lecture

Directors’ Shareholding in MIDF Berhad

Nil

6. AHMAD LUTFI BIN ABDULL MUTALIP

Independent Non-Executive Director

Malaysian/49/Male

- Date of Appointment: 22 February 2016

Qualifications

- LLB (Hons), International Islamic University Malaysia
- Admitted to the Malaysian Bar in 1996

- Professional qualification from the Institute of Chartered Secretaries and Administrators (ICSA)

Working Experience

Ahmad Lutfi bin Abdull Mutalip (“Ahmad Lutfi”) commenced legal practice with Messrs Hisham Sobri & Kadir in April 1996 and became a partner in January 2000. He is one of the founding partners of Messrs Azmi & Associates and is currently the Managing Partner/Head, Global Financial Services & Islamic Banking on 1 September 2000.

Throughout his practice, Ahmad Lutfi has been involved in numerous exercises ranging from private debt securities, syndicated financing, structured & project financing, privatisation and build-operate-transfer/build-operate-own projects including water privatisation, mergers & acquisition, energy & power related transactions, oil & gas, joint ventures to telecommunication projects and building contracts.

Directorships

- (i) Bank Simpanan Nasional
- (ii) AAA Consulting Sdn Bhd
- (iii) Prudenz Corporatehouse Sdn Bhd
- (iv) Impact Analytix Sdn Bhd
- (v) Azmi Global Pte. Ltd.

Trainings and Education provided

- (i) CSA & CSP Programmes: Module Codes of Ethics and Professional Conducts
- (ii) CSA & CSP Programmes: Module Legal and Regulatory Framework in Islamic Banking and Finance
- (iii) A Practical ERM Guide to Responding to the COVID-19 Outbreak and Future Challenges
- (iv) Webinar: Business Disruptions - Priorities for Boards
- (v) CSA & CSP Programmes: Module Qawaid Fiqhiyyah
- (vi) Digital Risk Manager (DRM®) Certification Programme
- (vii) Risks: A Fresh Look from the Board's Perspective
- (viii) Webinar: Directors & Officers Liability Insurance - Presentation by Ernest Teng, Berkley Insurance Asia
- (ix) BNM-FIDE FORUM Annual Dialogue with Governor of Bank Negara Malaysia
- (x) CSA & CSP Programmes: Module Principles of Islamic Financial System (CSP)
- (xi) Islamic Finance for Board of Directors (IF4BOD) organized by ISRA International Consulting Sdn. Bhd

Directors’ Shareholding in MIDF Berhad

Nil

7. DATO' CHARON WARDINI BIN MOKHZANI

Group Managing Director/Non-Independent Executive Director
Malaysian/57/Male

➤ Date of Appointment: 2 July 2018

Qualifications

- B.A. (Hons) in Philosophy, Politics and Economics, Balliol College, University of Oxford
- L.L.B. (Hons) at the School of Oriental and African Studies, University of London
- Barrister of the Middle Temple, Middle Temple /Holborn Law Tutors
- Advocate and Solicitor of the High Court of Malaya
- Chartered Bankers and Fellow of the Asian Institute of Chartered Bankers

Working Experience

Dato' Charon Wardini Bin Mokhzani was previously an Executive Director in Managing Director's Office at Khazanah Nasional Berhad and the founding Managing Director of the Khazanah Research Institute. Prior to Khazanah Nasional Berhad, he headed investment banking globally as the Deputy Chief Executive Officer of Investment Banking, CIMB Group and the Chief Executive Officer of CIMB Investment Bank Berhad.

He was the Managing Partner of Messrs. Zaid Ibrahim & Co. until July 2003. Prior to joining Messrs. Zaid Ibrahim & Co., he served as the Corporate Finance Manager of Rashid Hussain Securities Sdn Bhd and before that, he was an advocate and solicitor of Messrs. Shearn Delamore & Co.

Directorships

- (i) MIDF Amanah Investment Bank Berhad
- (ii) MIDF Amanah Asset Management Berhad
- (iii) Yayasan Tuanku Fauziah
- (iv) Yayasan Tuanku Syed Putra Perlis

Trainings and Education provided

- (i) 4th Distinguished Board Leadership Series: Risks: A Fresh Look from the Board's Perspective
- (ii) BNM-FIDE FORUM Annual Dialogue with Governor of Bank Negara Malaysia
- (iii) Video-conference: Talk By Dr. Steven Cochrane On Economic Outlook On Malaysia: Threats To Economic Recovery
- (iv) Green Fintech: Ping An's Use of Technology to Support Green Finance Objectives

Directors' Shareholding in MIDF Berhad

Nil

BOARD BALANCE

The Board actively seeks to ensure it has an appropriate mix of diversity, skills, experience and expertise to effectively discharge its collective responsibilities. In discharging its fiduciary duties and leadership functions, the Board recognizes the need for it to continuously evolve as a dynamic Board in understanding and shaping the strategic direction of the Bank. As at 31st December 2020, the Board comprises five (5) Independent Non-Executive Directors and the GMD. The composition of the Board reflects a wide range of experience and expertise in areas such as banking, accounting, insurance, economics, business administration and legal and capital market.

Our Board recognizes the important role that Independent Directors play in ensuring good Corporate Governance practices within MIDF Berhad. All Directors, regardless of their independent status, are required to act in the best interest of MIDF Berhad and to exercise free and independent judgement. It has been the directors' practice to disclose their interest or any possible conflicts on any matter put forth for the Board's consideration. Any interested Director shall recuse himself/herself when required and abstain from deliberation to allow unbiased and open discussion and decision making. The Directors are highly cognizant of their duties to disclose conflict of interest situation and recuse themselves accordingly.

All the five (5) Independent Directors are independent of Management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgment. All the Board members have met the minimum requirement of 75% attendance at Board meetings. Details of Directors' attendance at Board meetings for the period under review are as follows:

No.	Board of Directors	Meetings Attendance
1.	Tan Sri Abdul Rahman bin Mamat	11 out of 11
2.	Datuk Azizan bin Abd Rahman	11 out of 11
3.	Dato' Wan Roshdi bin Wan Musa	7 out of 11 ¹
4.	Cik Hasnah binti Omar	11 out of 11
5.	Dato' Kaziah binti Abd Kadir	11 out of 11
6.	Ahmad Lutfi bin Abdull Mutalip	11 out of 11
7.	Dato' Charon Wardini bin Mokhzani	11 out of 11

Note:

1. Dato' Wan Roshdi bin Wan Musa has resigned from the Board with effect from 25th August 2020.

BOARD COMMITTEES

In discharging its roles and responsibilities, the Board has established specialized Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration. Although the Board has delegated certain duties to the Board Committees, it remains responsible for the decisions of the committees. The Board has delegated specific responsibilities to the following four (4) Committees:

- (i) Executive Committee;
- (ii) Audit Compliance Committee;
- (iii) Risk Management Committee; and
- (iv) Nomination and Remuneration Committee.

Each Committee operates under its respective terms of reference or guidelines.

(i) EXECUTIVE COMMITTEE ("EXCO")

The EXCO is scheduled to meet on a monthly basis or as and when required. There were eleven (11) EXCO meetings [seven (7) scheduled meetings and four (4) special meeting] held in 2020 and the attendance of the EXCO members held during the financial year ended 31st December 2020 is as follows:

Name	Position	No. Of Meetings Attended
Tan Sri Abdul Rahman bin Mamat	Chairman	11 out of 11
Dato' Kaziah binti Abd Kadir	Member	11 out of 11
Ahmad Lutfi bin Abdull Mutalip	Member	11 out of 11
Datuk Azizan bin Abd Rahman	Member	10 out of 11 ¹
Dato' Charon Wardini bin Mokhzani	Member	11 out of 11

Note:

1. Datuk Azizan bin Abd Rahman was unable to attend one (1) EXCO meeting in 2020 due to reasonable excuse as acknowledged and approved by the Board.

The primary duties and responsibilities of the EXCO is as delegated by the Board inter alia, managing the business, corporate performance and credit risk of the Company.

The EXCO is authorised by the Board to do the following:

- (a) To carry out any activity and duties within its terms of reference.

- (b) To seek any information, it requires from any employee, and all employees are directed to cooperate with, and accede to any request made by the EXCO.
- (c) To have access to any resources required to perform its duties. It may, at the expense of the Company, seek any external legal or other independent professional advice and to secure the attendance of external parties with relevant expertise and experience if the EXCO deems it necessary.
- (d) To have full and unlimited access to any information pertaining to the Group, subject to any regulatory restrictions.

(ii) AUDIT AND COMPLIANCE COMMITTEE ("ACC")

The ACC meets on a quarterly basis and their attendance at meetings held during the financial year ended 31st December 2020 are as follows:

Name	Position	No. Of Meetings Attended
Datuk Azizan bin Abd Rahman	Chairman	6 out of 6
Dato' Kaziah bin Abd Kadir	Member	6 out of 6
Ahmad Lutfi bin Abdull Mutalip	Member	6 out of 6

The primary duty of the ACC is to assist the Board in fulfilling its oversight function, with the objective of safeguarding shareholder's investments and the Company's assets, in the following areas:

- (a) Ensuring fair and transparent reporting and prompt publication of the financial accounts;
- (b) Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (c) Reviewing the roles of and assessing the performance of the internal and external auditors; and
- (d) Reviewing all related party transactions and keeps the board informed of such transactions.

The ACC met once during the year with the external auditors, in separate sessions without the presence of any executive member of the Board or Senior Management.

(iii) RISK MANAGEMENT COMMITTEE ("RMC")

The RMC comprises three (3) independent directors and it meets on a quarterly basis. The RMC members and their attendance at meetings held during the financial year ended 31st December 2020 are as follows:

Name	Position	No. of Meetings Attended
Ahmad Lutfi bin Abdull Mutalip	Chairman	5 out of 5
Datuk Azizan bin Abd Rahman	Member	5 out of 5
Cik Hasnah binti Omar	Member	5 out of 5

The RMC meetings is scheduled on a quarterly basis and is responsible for reviewing and recommending risk management strategies, policies and risk tolerance for board's approval. The primary roles of the RMC are:

- (a) Reviewing and assessing adequacy of risk management policies and framework in identifying measuring, monitoring and controlling risk;
- (b) Ensuring infrastructure, resources and systems are in place for risk management; and
- (c) Reviewing management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

(iv) NOMINATION AND REMUNERATION COMMITTEE ("NRC")

The NRC comprises three (3) members of the board, majority are independent directors. The NRC is required to meet twice a year or at least once a year. There were six (6) NRC meetings [three (3) scheduled meetings and three (3) special meeting] held during the financial year ended 31st December 2020 and the attendance of the members of the NRC is as follows:

Name	Position	No. of Meetings Attended
Datuk Azizan bin Abd Rahman	Chairman	6 out of 6
Tan Sri Abdul Rahman bin Mamat	Member	6 out of 6
Dato' Wan Roshdi bin Wan Musa	Member	3 out of 6 ¹

Note:

- 1. Dato' Wan Roshdi bin Wan Musa has resigned from the Board with effect from 25th August 2020.

The NRC is primarily responsible for monitoring and ensuring on-going compliance with the internal policies and procedures including policies on ethical behaviour,

code of conduct, as well as disclosure and reporting obligations relating to the fit and proper requirements.

The NRC is responsible for recommending to the Board any new appointments to the Board and Board Committees as well as appointment of senior management of the Company. This includes assessing directors for renewal of their term of appointment for submission to BNM for approval.

The NRC also assesses the effectiveness of the Board as a whole and contribution of each director on an on-going basis and the recommendations from the annual review are tabled to the Board for deliberation. The NRC oversees the overall composition of the Board, in terms of appropriate size and skills, to ensure that the Board has the appropriate mix of skills and experience for a balanced board.

(v) SHARIAH COMMITTEE

The Shariah Committee of MIDF Berhad ("Shariah Committee") was established on 5 August 2005 following the Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions (effective on 1 April 2005) which was later superseded by the Shariah Governance Policy Document for Islamic Financial Institutions ("SGPD") issued on 20 September 2019 by Bank Negara Malaysia. The general objective of the Shariah Committee is to provide an independent and sound advice to MIDF Berhad and its group of companies such that its Islamic operations, business, affairs and activities are in compliance with Shariah.

The Shariah Committee members and their attendance at meetings held during the period under review are as follows:

No.	Name	Position	Meetings Attendance
1.	Ir. Dr. Muhamad Fuad bin Abdullah	Chairman	3 out of 3 ¹
2.	Dato' Muhamad Asri bin Haji Abdullah	Member	3 out of 3 ¹
3.	Dr. Mohamad Sabri bin Zakaria	Member/ Chairman	11 out of 11 ²
4.	Ustaz Mazrul Shahir bin Md Zuki	Member	11 out of 11
5.	Ahmad Lutfi bin Abdul Mutalip	Member	11 out of 11

Note:

1. Ir. Dr. Muhamad Fuad bin Abdullah and Dato' Muhamad Asri bin Haji Abdullah were retired as member of Shariah Committee with effect from 31 March 2020.

2. Dr. Mohamad Sabri bin Zakaria has been appointed as Chairman of Shariah Committee with effect from 1 May 2020.

Under the SGPD, Shariah Committee meetings must be held at least two (2) times a year for an Islamic window.

The variable remuneration that had been made payable to the directors is as per **Appendix 1** attached.

APPENDIX 1

DIRECTORS' REMUNERATION FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2020

Name	Category of Director	Director Fees (RM)	Committee Fees (RM)	Allowance (RM)	Salary & Bonus (RM)	Other Emoluments (RM)	Benefit-in-Kind (RM)	Total (RM)
Tan Sri Abdul Rahman bin Mamat	Independent	135,000.00	38,000.00	28,000.00	-	-	33,100.68	234,100.68
Datuk Azizan bin Abd Rahman	Independent	90,000.00	83,000.00	38,000.00	-	-	-	211,000.00
Dato' Wan Roshdi bin Wan Musa	Non-Independent	58,548.38	11,709.67	10,000.00	-	-	-	80,258.05
Cik Hasnah binti Omar	Independent	90,000.00	20,000.00	16,000.00	-	-	-	126,000.00
Dato' Kaziah binti Abd Kadir	Independent	90,000.00	38,000.00	28,000.00	-	-	3,955.80	159,955.80
Ahmad Lutfi bin Abdull Mutalip	Independent	90,000.00	63,000.00	33,000.00	-	-	262.00	186,262.00
Dato' Charon Wardini bin Mokhzani	-	-	-	-	2,000,000.00	360,000.00	45,105.30	2,405,105.30

SHARIAH COMMITTEE FEES AND MEETING ALLOWANCE FOR FINANCIAL YEAR ENDED 31ST DECEMBER 2020

Name	Category of Director	Director Fees (RM)	Committee Fees (RM)	Allowance** (RM)	Salary & Bonus (RM)	Other Emoluments (RM)	Benefit-in-Kind (RM)	Total (RM)
Ir. Dr. Muhammad Fuad bin Abdullah	Chairman	-	6,249	4,500	-	-	-	10,749
YBhg. Dato' Hj Muhamad Asri bin Abdullah	Member	-	4,998	4,500	-	-	-	9,498
Dr. Mohamad Sabri bin Zakaria	Member/ Chairman	-	23,330.70	17,750	-	-	-	41,080.70
Ustaz Mazrul Shahir bin Md Zuki	Member	-	20,000	17,750	-	-	-	37,750
Ahmad Lutfi bin Abdull Mutalip	Member	-	20,000	17,750	-	-	-	37,750

Note:

1. Ir. Dr. Muhamad Fuad bin Abdullah and Dato' Muhamad Asri bin Haji Abdullah were retired as member of Shariah Committee with effect from 31 March 2020.
2. Dr. Mohamad Sabri bin Zakaria has been appointed as Chairman of Shariah Committee with effect from 1 May 2020.