



Manulife
Investments

MANULIFE INVESTMENT MANAGEMENT (M) BERHAD

(Registration No. 200801033087
(834424-U))
(Incorporated in Malaysia)

BOARD CHARTER

*Approved by the Board on 18 May 2022
Updated version approved by BOD on 20 August 2024*



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BOARD CHARTER

1. INTRODUCTION

- 1.1 The Board of Directors (the “Board”) believes that strong corporate governance is essential for delivering sustainable value, enhancing business integrity, and maintaining investors’ confidence towards achieving the Company’s corporate objectives and mission.
- 1.2 The purpose of this Board Charter is to promote the highest standards of Corporate Governance within the Company and to clarify, among others, the roles and responsibilities of the Board.
- 1.3 This Board Charter serves not only as a reminder of the Board’s roles and responsibilities, but also as a general statement of intent and expectation as to how the Board discharges its duties and responsibilities.
- 1.4 This Board Charter has been endorsed by the Board and is subject to review by the Board from time to time, to ensure the Company remains at the forefront of best practices in corporate governance.
- 1.5 The Board Charter is subject to the provisions of the Companies Act of 2016, the Company’s Articles of Association (“Constitution”), the Guidelines on Corporate Governance for Capital Market Intermediaries (the Guidelines) and any other applicable law or regulation. To the extent of any conflict between the terms of the Board Charter and the Constitution of the Company, the Constitution prevails.

2. BOARD OF DIRECTORS

2.1 Composition

- 2.1.1 The board must comprise individuals with the appropriate mix of skills, knowledge, experience, and independence that fit the objectives and strategic goals of the CMSL Holder.
- 2.1.2 The board must identify the criteria that will guide the selection and appointment of its directors. The criteria must consider among others the mix of skills required on the board, board diversity and ability of a director to commit the time to undertake the roles and responsibilities as a director effectively. The board must also review the criteria periodically to ensure alignment with the strategic direction of the Company.
- 2.1.3 The board must undertake the necessary measures to ensure the board comprises at least 30% women directors.
- 2.1.4 A director must not be an active politician.
- 2.1.5 The board must be of a size that promotes effective deliberation, encourages the active participation of all directors, and allows the board to undertake its roles and responsibilities effectively.

2.2 Board Diversity

- 2.2.1 The Board recognises that an effective board requires that the directors have the integrity, experience, skill, time, and commitment identified by the board as necessary to effectively carry out their duties. The Board values the many benefits that diversity can bring to its Board. A board made up of highly qualified and dedicated directors with a diverse mix of experiences, skills, and backgrounds benefits from the contribution of different perspectives ideas and

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experiences to board discussions and decisions, promoting better corporate governance, mitigating against group think, and improving oversight.

2.2.2 In identifying qualified candidates for nomination to the Board, the Board will consider prospective candidates based on merit, having regard to those competencies, expertise, skills, background and other qualities identified from time to time by the board as being important in fostering a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination.

2.2.3 The Board will also take into account legal and regulatory requirements, and give due consideration to characteristics, such as gender, age, ethnicity and geographic representation, which contribute to board diversity.

2.2.4 The Board will take into account Manulife's enterprise diversity objectives and the diverse nature of the business environment in which the Company's operates, as well as the need to maintain flexibility to effectively address succession planning and to ensure that the Company continues to attract and retain highly qualified individuals to serve on the Board.

2.3 Terms of Appointment

2.3.1 Each year, one-third of the directors will retire from office at the annual general meeting and being eligible, may offer themselves for re-election at the annual general meeting.

2.4 Qualification & Fit and Proper

2.4.1 As a licensed entity in Malaysia, the Company is bound by strict law governing the qualification, fit and proper criteria that its directors must comply before and throughout the term of its directorship.

2.4.2 No person shall be appointed or allowed to the act as a director of the Company if he/she is disqualified under section 198 of the Companies Act 2016. An active politician shall not be appointed as a director of the Company.

2.4.3 A director must fulfil the fit and proper requirement under the Licencing Handbook of Securities Commission Malaysia.

2.4.4 A director must immediately disclose to the Board any circumstances that may affect his/her ability to meet these qualifications, fit and proper criteria and minimum requirement as stated under the laws.

2.5 External Commitments

2.5.1 While the Board values the experience and perspective that directors gain from service on the board of other companies, a director must not have competing time commitments that impair his/her ability to discharge his/her duties as a director of the Company effectively. Director should first consult the Company and/or the Chairman prior to the acceptance of additional external commitments/appointments. In any event, such commitments should not give rise to conflict of interest, affect his/her independence, reputational consequence to the Company and impair their ability to discharge duties as a director of the Company effectively.

2.6 Conflict of Interest

2.6.1 The directors shall at all times avoid conflict of interest and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest at a meeting of the directors of the Company.

2.6.2 The Companies Act 2016 subject the directors to disclosure requirements. Directors shall

comply with the Companies Act 2016 in connection with disclosure of any shareholding and/or any interests in the Company or its holding company, and any interest in any contract or proposed contract with the Company, which include the nature, character and extent of any office or possession of any property, whether directly or indirectly, duties or interests that might be created in conflict with his/her duty or interest as a director of the Company. Notice in writing should be given by a director and tabled at the Board Meetings and the declarations made will be recorded in the minutes of the Board Meeting.

- 2.6.3 The Board of the Company must ensure that it has policies and processes to mitigate, manage and address actual and potential conflicts of interest situation that may arise including transaction, procedure or course of conduct that raises questions of management integrity. The policies and procedures at minimum, must-

- a. ascertain circumstances which amount to or may give rise to conflicts of interest;
- b. set out the policies and processes for directors to keep the board of a CMSL Holder informed of any material change of their circumstances that amount to or may give rise to conflict of interest;
- c. set out the disclosures required in relation to the actual or potential conflict of interest;
- d. identify the persons responsible for maintaining updated records on each director's conflict of interest; and
- e. identify and address any instances of non-compliance with the policy on conflicts of interest.

2.7 Code of Ethics

- 2.7.1 Board is expected to observe the highest standards of ethical behaviour. The Board shall meet the requirements under Manulife's Code of Business Conduct and Ethics.

2.8 Remuneration

- 2.8.1 The Company periodically reviews the compensation framework of Non-Executive Directors to ensure that it remains market competitive. The compensation of the Board and Management shall be determined in accordance with the Remuneration Policy adopted by the Board.

3 ROLES AND RESPONSIBILITIES OF THE BOARD

- 3.1 The Board is the ultimate decision-making body of the Company except for matters requiring shareholders' approval. It sets the strategic direction and mission of the Company. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Company and enforces standards of accountability, all with a view to enabling management to execute its responsibilities effectively.
- 3.2 The Board has overall responsibility for putting in place a framework of good corporate governance within the Company including the processes for financial reporting, risk management and compliance. Board members bring their independent judgement, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.
- 3.3 A director must at all times exercise his/her powers for a proper purpose and in good faith in the best interest of the Company. He/she must exercise reasonable care, skill and diligence with the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and any additional knowledge, skill and experience which he/she in fact has. A director must not make use of his/her position as a director of the Company or any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself/herself or any other person or to cause detriment to the Company.

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- 3.4 A director may interact directly with or request for further information from the management and company secretary on matters which relates to the Company. Board shall also have access to professional or expert advice on specific issues deliberate by the Board.
- 3.5 The Board has overall responsibility in guiding the Company towards developing and adopting a systematic and effective responsible investment framework to manage Environmental, Social and Governance risks as per stipulated under the Guidance Note on Managing Environmental, Social and Governance Risks for Fund Management Companies.
- 3.6 The Board must perform its oversight role over the IT outsourcing arrangements and is accountable for ensuring the effectiveness of the outsourcing policies and procedures of the Company.
- 3.7 The overall principal responsibilities of the Board are as follows:
- a. promotes a corporate culture which reinforces ethical, prudent and professional behaviour, honesty, fairness, trust and high performance;
 - b. governs and sets clear strategic direction which includes approving and overseeing the the Company's strategic objectives, governance framework, risk appetite, policies and procedures and business plan;
 - c. ensures that the company's controls, policies and procedures are appropriate to and commensurate with the nature, scale, and complexity of the company's business. These shall be properly documented to ensure clarity and consistency in implementation;
 - d. oversees and ensure that there is continuous monitoring of the company's controls, policies, and procedures to assess and maintain compliance with applicable laws, regulations, and internal standards;
 - e. regularly review the company's controls, policies, and procedures to ensures they remain relevant, effective and aligned with the company's strategic objectives. Adjustments and enhancements shall be made as necessary to address changing business conditions and risks;
 - f. ensures that the strategic plan of the Company's supports long-term value creation and considers material sustainability risks and opportunities;
 - g. oversees, reviews, challenges and decides on management's proposals and strategies, monitors the progress of implementation by management and evaluate management's performance in undertaking its role;
 - h. sets the risk appetite within which the Board expects management to operate and ensures that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
 - i. ensures the necessary policies and practices in relation to disclosure are in place to promote self-discipline, accountability and transparency;
 - j. establishes and periodically reviews the succession planning for the board and senior management;
 - k. ensures the appointment of the Board and senior management are in the best interests of the Company and the public; and
 - l. ensures senior management and other employees undergo appropriate training to enable them to undertake their roles and responsibilities effectively.

The Board shall in discharging his duties have regard to the Companies Act 2016, Capital Markets and Services Act 2007 and the relevant Securities Commission Malaysia (SC) policies and guidelines for licensed capital market intermediary as issued from time to time.

In addition to matters reserved to the Board by the law or regulator, the following matters are specifically reserved for the Board's approval which include, among others, reviewing and approving the following:

- Strategic/business plans and annual budget
- New investments, divestments, mergers and acquisitions, corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances both locally and abroad
- Acquisition and disposal of significant assets of the Company
- Annual financial statements and the quarterly financial results

- 3.8 The Board in course of carrying out its duties may establish board committees for example Compliance Committee, Audit Committee, Risk Management Committee, Nominating Committee and Remuneration Committee to assist it in carrying out its responsibilities and/or to deliberate specific matters that require in depth consideration. Notwithstanding the foregoing, the Board remains fully accountable for any authority delegated to these Committees.

4 SEPARATION OF POSITION OF CHAIRMAN AND MD/CEO

- 4.1 To ensure balance of authority, increased accountability and a greater capacity for independent decision-making, the roles of Chairman and Managing Director/Chief Executive Officer (MD/CEO) are distinct and separate with a clear division of responsibilities between the Chairman and the MD/CEO so that no one individual can influence the Board's discussion and decision-making.

4.2 Role of Chairman

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.

The Chairman shall among other things:

- a. facilitate the flow of information between management and the Board, and in consultation with management, sets the agenda for each Board meeting;
- b. lead the board in the adoption and implementation of good corporate governance practices in the Company and/or ensure that all appropriate procedures are in place to govern the Board's operations;
- c. ensure that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board;
- d. ensure the directors receive the necessary information on a timely basis for Board meetings;
- e. lead board meetings and discussions;
- f. encourage and promote healthy discussion;
- g. ensure that any concerns and dissenting views are expressed and discussed within the decision-making process;
- h. lead efforts to address the Board's developmental needs;
- i. lead the Board in oversight of management; and

- j. ensure independence of the Board in discharging its duties which includes encouraging non-executive directors to meet regularly to discuss among other things strategic, governance and operational issues; and
- k. dedicate sufficient time to discharge effectively his/her role as Chairman.

4.3 Role of Managing Director/Chief Executive Officer

4.3.1 The MD/CEO in leading the senior management bears the primary responsibility over the day-to-day management of the Company. The key roles of MD/CEO include, among others:

- a. implementing the business and risk strategies, remuneration and other policies in accordance with the direction given by the Board;
- b. ensuring Board decisions are implemented and Board directions are responded to;
- c. establishing a management structure that promotes accountability and transparency throughout the Company's operations; and preserving the effectiveness and independence of control functions;
- d. promoting, together with the Board, a sound corporate culture within the Company which enforces ethical, prudent and professional behaviour;
- e. providing strong leadership, that is, effectively communicating a vision, management philosophy and business strategy to the employees;
- f. addressing actual or suspected breaches of regulatory requirements or internal policies in a timely and appropriate manner; and
- f. regularly update the Board with the material information the Board needs to carry out its oversight responsibilities, particularly on matters relating to:
 - the performance, financial condition and operating environment of the Company
 - internal control failures, including breaches of risk limits; and
 - legal and regulatory obligations including supervisory concerns and the remedial actions taken to address them.

4.3.2 The MD/CEO is also responsible to among others–

- a. exercise vigilance and professional scepticism in understanding and shaping the strategic direction of the Company;
- b. exercise independent judgment in decision making and provide sound and objective advice;
- c. devote sufficient time to prepare, attend board meetings, contribute constructively to board discussions and decision-making and conduct due inquiry before approving a matter;
- d. maintain sound understanding of the business, the industry and undertake continuous professional development to support the effective discharge of the roles and responsibilities as a director of the Company; and
- e. ensure conflicts of interest are disclosed and necessary steps are taken to address such conflicts.

5 PROCESSES OF BOARD

5.1 Board Meetings

5.1.1 The Board must meet regularly to among others, review the business operation and management of the Company, monitor the financial and non-financial performance of the Company and deliberate on strategic issues. The Board shall hold at least four (4) Board meetings or more annually.

5.1.2 Unless otherwise determined by the directors from time to time, seven days' notice of all

directors' meeting shall be given to all directors. Any Director may waive notice of any meeting either prospectively or retrospective.

- 5.1.3 Unless otherwise stated in the Constitution, the quorum necessary for the transaction of the business of the directors shall be at least half of the board members present.
- 5.1.4 The directors may meet together for the dispatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. Any Director may at any time and the Secretary shall on the requisition of any of the directors, summon a meeting of the directors.
- 5.1.5 The contemporaneous linking together by an instantaneous telecommunication device of a number of directors being not less than the quorum, whether or not any one or more of the directors is out of Malaysia, is deemed to constitute a meeting of the directors and all provisions of the Constitution as to meetings of the Directors will apply to such meeting held by instantaneous telecommunication device.
- 5.1.6 Management is invited to attend Board and Committee Meetings to provide inputs as and when necessary.

5.2 Voting

- 5.2.1 Any question arising at a Board meeting is decided by a majority of votes and the Chairman has a second and casting vote. 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. The Chairman and the Board may, if deemed necessary and appropriate request an interested Director to excuse himself/herself in the deliberation.

5.3 Minutes of meeting

The board must ensure that comprehensive and accurate minutes of board meetings are maintained to record the decisions of the board, including key deliberations, rationale for each decision made and any significant concerns or dissenting views. The minutes must indicate whether any director abstained from voting or excused himself from deliberating on a particular matter.

5.4 Right of Directors to access information and advice

- 5.4.1 Management provides the Board with information in a form, within acceptable timeframe and quality that enable them to discharge their duties and responsibilities effectively. 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 Company;
 - Obtaining full and unrestricted access to the advice and services of the Company Secretary; and
 - Obtaining professional independent advice, at the Company's expense.