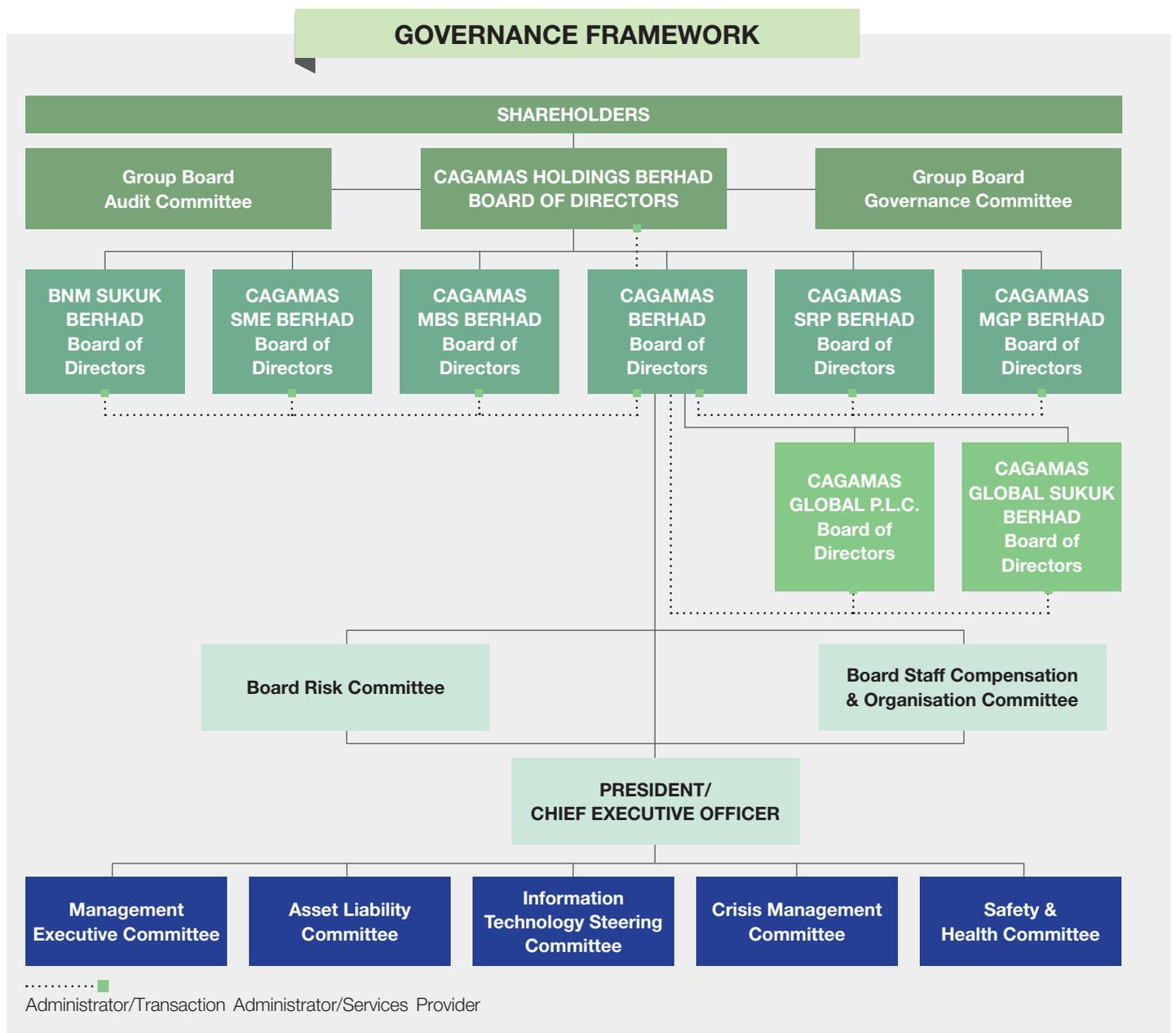


STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (“the Board”) of Cagamas Holdings Berhad (“the Company”) is committed to ensuring that the Company and its subsidiaries (“the Group”), practise the highest standards of corporate governance so that the Group’s affairs are conducted with integrity and professionalism to safeguard the financial performance of the Group and enhance long term shareholder value. To this end, the Board has largely adopted the Bank Negara Malaysia Corporate Governance 2016 policy document (“BNMCG”) for financial institutions as its guiding principles.

In 2023, the Board continued its efforts to enhance the Group’s corporate governance standards and is currently in the midst of reviewing the questionnaires used to evaluate board, board committees’ and directors’ effectiveness against the Financial Institutions Directors’ Education (FIDE) Forum Board Effectiveness Evaluation (BEE) Framework with a view to update and refine the related questionnaires.



STATEMENT ON CORPORATE GOVERNANCE *(continued)*

BOARD OF DIRECTORS

Board Composition

The Board consists of eight (8) Non-Executive Directors, comprising chief executives and representatives of selected substantial shareholders as well as experienced professionals. Collectively, the Directors bring to the Board a broad and diverse range of knowledge in banking and finance, capital markets, accounting, law, economics and risk management.

Based on the BNMCG criteria, a majority of the Company's Directors are considered independent as they are independent in character and judgment, and free from associations or circumstances that may impair the exercise of their independent judgment. The Directors provide objective and independent views for the Board's deliberations and do not participate in the day-to-day running of the Company's business.

With effect from 23 March 2022, all new independent directors of the Company, will be appointed for a three (3) year term, which is renewable upon the approval of the Board, subject to a cumulative tenure of nine (9) years, a limit which is strictly observed by the Board.

Clear Roles and Responsibilities

Cagamas Holdings Berhad/Cagamas Berhad/Cagamas SRP Berhad

The boards of the above companies have each adopted a Board Charter which sets out the authorities, roles, functions, composition and responsibilities of each board to assist the Directors to be aware of their roles and responsibilities and to effectively discharge their fiduciary duties by providing oversight of the affairs of the respective companies. The Board Charters are reviewed periodically to ensure consistency with each board's strategic intent and relevant standards of corporate governance.

The Board assumes the overall responsibility for corporate governance, strategic direction, risk appetite, formulation of policies and oversight of the operations of the Group. The Board ensures that an appropriate system is in place to identify the Group's material risks and that appropriate internal controls and mitigation measures

are implemented to manage these risks. The Board is also entrusted to ensure the adequacy and integrity of the Group's internal control systems and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines. The Board is regularly updated and apprised by the Senior Vice President of the Risk Management and Compliance Division (RMD) on relevant new laws and directives issued by regulatory authorities and the resultant implications for the Group and the Directors in relation to their duties and responsibilities.

The Board sets the overall risk appetite for the Group's business. The oversight of management of risks within the Group is undertaken by the Board Risk Committee (BRC) of Cagamas Berhad. The BRC oversees the development of risk management strategies, policies and critical internal processes and systems to assess, measure, manage, monitor and report risk exposures within the Group.

The BRC reports directly to the board of Cagamas Berhad which in turn, updates and where necessary, seeks input from the Board of Cagamas Holdings Berhad on decisions pertaining to risk reviews and other risk related matters. The BRC is supported by RMD which is responsible for performing risk reviews and assessments on the operations of Cagamas Berhad and other subsidiaries of the Company. The Senior Vice President of RMD reports directly to the BRC. RMD also submits the risk reviews to the respective boards of the subsidiaries.

The Board oversees the conduct and performance of the Group's business by reviewing the Group's strategic business plan and annual budget. Updates on the key operations of the Group are provided to the Board for review at every Board meeting. In addition, significant matters presented to the boards of the subsidiaries are forwarded to the Board for information or endorsement.

The Chairman leads the Board and ensures it performs and functions effectively in meeting its obligations and responsibilities. Being an investment holding company, Cagamas Holdings Berhad does not have a President/Chief Executive Officer (CEO) or any employees.

The day-to-day operations of the Group are being undertaken by the main operating entity, Cagamas Berhad.

STATEMENT ON CORPORATE GOVERNANCE *(continued)*

In Cagamas Berhad's Board Charter, there is a clear segregation of roles and responsibilities between the Chairman and the CEO. The Chairman provides leadership, leading discussions on overall strategies, policies, risk appetite and oversight of the conduct of the business and ensuring that the board functions effectively. All the Directors are Independent Non-Executive Directors except for the CEO who is an Executive Director.

The CEO leads the management and is responsible for the implementation of strategies and policies as well as the day-to-day running of Cagamas Berhad's business. Annual Key Performance Indicators for the CEO and management of the company are reviewed and set by the board.

Cagamas SRP Berhad was incorporated to undertake the guarantee of residential mortgages under the *Skim Rumah Pertamaku* (My First Home Scheme, SRP) and later the *Skim Perumahan Belia* (Youth Housing Scheme, SPB) as announced by the Government in 2011 and 2015 respectively.

Board Meetings

During the financial year ended 31 December 2023, the Board met four (4) times to deliberate on a wide range of matters, including the Group's business performance, risk profile, business plans and strategic issues that affect the Group's business. Board papers providing updates on operations, financials, risk profile, regulatory issues and corporate developments are sent to the Directors in advance of each meeting.

All Directors have direct access to the management of Cagamas Berhad. In furtherance of their duties, the Board is entitled to seek independent professional advice at the Company's expense, as and when deemed necessary.

The Directors' attendance at Board meetings during the financial year ended 31 December 2023 is set out below:

Director	Designation/ Independence	Board Meetings Attendance
Dato' Bakarudin Ishak	Chairman, Independent	4/4
Tan Sri Dato' Sri Dr. Tay Ah Lek	Non-Independent	3/4
Dato' Lee Kok Kwan	Non-Independent	4/4
Wan Hanisah Wan Ibrahim	Independent	4/4
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	Independent	4/4
Datuk Siti Zauyah Md Desa	Independent	3/4
Chong Kin Leong	Independent	4/4
Dato' Khairussaleh Ramli	Non-Independent	3/4

The Chairman provides leadership to the board and ensures that the board functions effectively whereas the management of Cagamas Berhad as the appointed services provider, is responsible for the implementation of the strategies and policies as well as the routine administration of the business.

Company Secretary

The Directors have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretary attends and ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded in the statutory books maintained at the registered office of the Company.

STATEMENT ON CORPORATE GOVERNANCE *(continued)*

Board Committees

The Board is assisted by the Group Board Governance Committee (GBGC) and the Group Board Audit Committee (GBAC) which operate within their specified terms of reference as approved by the Board.

The GBGC comprises three Non-Executive Directors, namely:
 Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani (Chairman)
 Tan Sri Dato' Sri Dr. Tay Ah Lek
 Dato' Bakarudin Ishak

The GBGC is responsible for the review and alignment of the Group's corporate governance practices with best practices. The GBGC is also responsible to annually assess the effectiveness of the boards as a whole, the board committees and the contributions of individual directors of both Cagamas Holdings Berhad and Cagamas Berhad, and to propose appointments to the boards and board committees of the Group.

The details of the GBAC are described in the Report of the Group Board Audit Committee in this Annual Report.

Other committees, namely the Board Staff Compensation and Organisation Committee and the BRC remain at Cagamas Berhad.

Appointment and Re-election of Directors

Candidates who are nominated to be appointed as Directors are reviewed by the GBGC, which then presents its recommendations to the Board for approval. All the Directors within the Group submit their Directors' Fit & Proper Declaration Forms on an annual basis.

In accordance with the Company's Constitution, at least one-third of the Directors retire from office at each Annual General Meeting (AGM) and if eligible, may offer themselves for re-election. In the AGM notice, the Board provides an explanatory note on the reasons why it supports the re-election of such Directors. The Constitution also states that any Director appointed by the Board during a particular year shall hold office only until the next following AGM and shall then be eligible for re-election.

Directors' Remuneration

The Company's policy on directors' remuneration endeavours to attract directors of the calibre and experience required to provide sound and effective oversight of the Group's activities. The GBGC reviews the remuneration of the non-executive directors every three (3) years to ensure that directors' remuneration commensurates with their time commitment and expertise, as well as the risk and complexity of the business of the respective companies and the responsibilities undertaken.

The remuneration paid to the Directors as disclosed in the financial statements is as follows:

Non-Executive Directors	Directors' Fees (RM)	Meeting Allowance (RM)	Total (RM)
Dato' Bakarudin Ishak	100,000	27,000	127,000
Tan Sri Dato' Sri Dr. Tay Ah Lek	70,000	17,500	87,500
Dato' Lee Kok Kwan	70,000	31,500	101,500
Wan Hanisah Wan Ibrahim	70,000	31,500	101,500
Tan Sri Dr. Nik Norzrul Thani N. Hassan Thani	70,000	24,000	94,000
Datuk Siti Zauyah Md Desa	70,000	10,500	80,500
Chong Kin Leong	70,000	39,000	109,000
Dato' Khairussaleh Ramli	70,000	10,500	80,500

STATEMENT ON CORPORATE GOVERNANCE *(continued)*

Directors' Training

The annual Directors' training programme focuses on the continued enhancement of the Directors' skill sets and updates on recent developments in the financial services sector, including relevant new laws and regulations. Some of the Directors are also directors of public listed companies and have attended the Mandatory Accreditation Programme required by the Bursa Malaysia Listing Requirements. In addition, some Directors of the Group have attended the Financial Institutions Directors' Education (FIDE) Core Programme.

For 2023, the training programmes attended by the Directors are detailed below.

Training Programmes Attended by Directors

Training Programmes	Duration in Day(s)
Financial Institutions Directors' Education (FIDE) FORUM:	
Introduction to attend Business Luncheon Talk on "Can America stop China's rise"	1
Digital Economy Special Interest Group (DESIG)	1
AI and Financial Institutions: Friend or Foe?	1
BNM-FIDE FORUM Virtual Dialogue Session	1
Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know	1
Leadership for Enterprise Sustainability Asia (LESA) 2023 Conference	2
The Iclif Leadership and Governance Centre (ICLIF)	
Future Managing of the Workplace & People	1
SIDC's BFF 2023 Hybrid Conference 2023	1
Risk Management Committee – Banking Sector	1
Market Risk Management: Banking Sector	1
Beyond Box-Ticking: Essentials for Effective Remuneration Committees	1
Cagamas Berhad	
In-House: Briefing Session for Directors on D&O, MACC & ESG	1
In-House: EY Briefing: ESG & Climate Risk: Implications & Considerations for Cagamas	1
The Association of Asian Secondary Mortgage Organisation (ASMMA) 2023 Conference and Meeting in Japan	2

STATEMENT ON CORPORATE GOVERNANCE *(continued)*

Management Committees

At Cagamas Berhad, management committees have been established to support the CEO in overseeing various activities and operations throughout the Group. The management committees comprise the following:

- Management Executive Committee
- Asset Liability Committee
- Information Technology Steering Committee
- Crisis Management Committee
- Safety & Health Committee

Investor Relations and Shareholders' Communication

The Board recognises the importance of effective and timely communication with all its shareholders and bondholders. The Group's strategic plans, financial information and new products are communicated to the shareholders and investors through letters, the Annual Report, press statements and announcements, and other financial information providers e.g. Bloomberg, Refinitiv, Bursa Malaysia Berhad, Labuan International Financial Exchange and Singapore Exchange Limited. The principal forum for dialogue with shareholders continues to be the AGM. At the AGM, the Chairman highlights the performance of the Group and provides the shareholders every opportunity to raise questions and seek clarification on the business and performance of the Group.

Cagamas Berhad continues to conduct non-deal roadshows to share and promote the distinct value proposition of the Company's debt securities as well as build a brand recognition as the "issuer of choice" in emerging markets through proactive engagement with global investors. Cagamas also participates in investor forums and conferences organised by financial institutions.

Cagamas Berhad maintains several websites, www.cagamas.com.my, www.srp.com.my and www.ssb.cagamas.com.my which provide comprehensive up-to-date information on the Group's products, rates and financial information.

RELATIONSHIP WITH THE AUDITORS

The roles and responsibilities of the GBAC in relation to the internal and external auditors are described from pages 64 to 65 of this Annual Report.

Internal Auditors

The Internal Audit Division reports functionally to the GBAC and has unrestricted access to the GBAC. Its function is independent of the activities or operations of other operating units as set out in the Company's Statement on Internal Control on pages 68 to 69 of this Annual Report.

External Auditor

The then incumbent external auditor, namely Messrs. PricewaterhouseCoopers PLT had attended Board and GBAC meetings in 2023 to report on matters related to the external audit and financials of the Group. They were also present during the AGM of the Company to address shareholders' queries on the conduct of the statutory audit as well as the content of their audit report.

At the AGM held during the year, Messrs. Ernst & Young was appointed as the new external auditor of the Group.

Auditors' remuneration as well as non-audit fees paid are shown on page 172 of this Annual Report.

