

**HONG LEONG BANK BERHAD (“the Bank”)
- BOARD CHARTER****1. Role of the Board of Directors (“Board”)**

- 1.1 The Board is responsible for directing the Bank and enhancing its value for shareholders in accordance with good corporate governance principles.
- 1.2 Chairman: The Board elects a Chairman whose primary responsibility is the efficient functioning of the Board. The Chairman shall also coordinate Board policies with the Group Managing Director/Chief Executive Officer (“GMD/CEO”).
- 1.3 GMD/CEO: The Board appoints a GMD/CEO who is responsible for the management of the Bank in accordance with the strategies approved by the Board.

2. Main Functions/Term of Reference (“TOR”) of the Board

The main functions or TOR of the Board are to:

- 2.1 approve, and from time to time review, the Bank’s corporate mission statement and broad strategies;
- 2.2 oversee the conduct of the Bank’s business to evaluate whether the business is being properly managed;
- 2.3 identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- 2.4 approve the Bank’s risk appetite, internal capital target, Internal Capital Adequacy Assessment Process (“ICAAP”) and Capital Management framework;
- 2.5 ensure that senior management discharges its responsibilities for the development and effective implementation of ICAAP;
- 2.6 review and approve specific investments and divestments which the Board had determined, should be referred to it before implementation;
- 2.7 review and approve material transactions before implementation;
- 2.8 ensure that the Bank has adequate management resources to achieve its objectives and to support the GMD/CEO and that a satisfactory plan for management succession is in place;
- 2.9 develop and implement an investor relations programme or shareholder communications policy for the Bank;
- 2.10 review the adequacy and the integrity of the Bank’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and

- 2.11 if deemed necessary, to appoint Nominating Committee/Remuneration Committee to recommend candidates for directorships and remuneration of executive directors.

3. Role of the Chairman

The Chairman is responsible for co-ordinating the activities of the Board and has the following specific responsibilities:

- 3.1 to conduct meetings of the Board and of shareholders;
- 3.2 to schedule Board meetings in a manner that enables the Board and its Committees to perform their duties responsibly while not interfering with the flow of the Bank's business;
- 3.3 to prepare, in consultation with the GMD/CEO, other directors and Committee chairmen the agendas for the Board and Committee meetings;
- 3.4 to define the quality, quantity and timeliness of the flow of information between management and the Board;
- 3.5 to ensure that issues raised, or information requested, by any director are responded to promptly and as fully as possible; and
- 3.6 to be principally responsible for evaluating the GMD/CEO's performance and to meet with the GMD/CEO to discuss the Board's requirements and expectations and the evaluation of the GMD/CEO's performance by the Board.

4. Role of the GMD/CEO

The GMD/CEO is the senior executive of the Bank and is responsible for:

- 4.1 formulating the vision for the Bank and recommending policy and the strategic direction of the Bank for approval by the Board;
- 4.2 providing management of the day to day operations of the Bank; and
- 4.3 acting as the spokesman of the Bank.

5. Proceedings of Directors

The proceedings of any Board, where applicable, shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors.