

**TERMS OF REFERENCE OF
THE BOARD STRATEGIC REVIEW COMMITTEE
BANK ISLAM MALAYSIA BERHAD**

1. Introduction

The Board carries the ultimate responsibility for the proper stewardship of the Bank. It has the responsibility to ensure optimisation of shareholders' value and safeguard the stakeholders' interest. The Board has a fiduciary responsibility to act in the best interest of the Bank.

Premised on the said objectives, the Board has approved the establishment of the Board Strategic Review Committee, comprising of selected members of the Board with diverse skill, experience and background to oversee, supervise and monitor the implementation of identified key strategic matters and any corporate exercises involving the Bank and its subsidiaries ("Bank Islam Group") that the Board has endorsed or approved.

2. Authority

The Board Strategic Review Committee shall have the authority to deliberate and where relevant to recommend to the Board, on matters in relation to its primary duties and responsibilities as stipulated below. For the discharge of its authority, the Board Strategic Review Committee shall have:-

- (a) Full access to the company records, properties and personnel;
- (b) Independent professional advice and expertise necessary to perform its duties; and
- (c) Access to advice and services of the Company Secretary.

A member of the Board Strategic Review Committee shall at all times act honestly and shall use reasonable diligence in the discharge of his/her duties.

3. Primary Duties and Responsibilities

Whilst the Board would be ultimately responsible for all strategic decisions in promoting the sustainable growth and financial soundness of the Bank Islam Group, the Board has assigned the following duties and responsibilities to the Board Strategic Review Committee:-

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1. KEY STRATEGIC MATTERS

- (a) Identify the strategic issues of Bank Islam Group and set priorities on the actions to be taken. The strategic matters shall include but not limited to the following areas:-
- (i) Strategic positioning of Bank Islam Group's business;
 - (ii) Branding;
 - (iii) Capital management;
 - (iv) Human capital development;
 - (v) Infrastructure and network;
 - (vi) IT Infrastructure;
 - (vii) Regional Expansion; and
 - (viii) Products and Services Offerings.
- (b) Review and make the necessary recommendations to the Board, on any proposals or strategies in relation to the key strategic matters of Bank Islam Group;
- (c) Review and regularly monitor the progress implementation and the effectiveness of the approved proposals or strategies in relation to the key strategic outcome of Bank Islam Group;

2. CORPORATE EXERCISES

- (a) Review any corporate exercises, i.e., the potential benefits and the objectives of the proposals, and to make the necessary recommendation(s) to the Board. For the avoidance of doubt, a "corporate exercise" within the context of this document shall include but not limited to, transactions or deals that would lead to potential mergers, acquisitions, investments or disposition of interest or businesses, capital restructuring, i.e., issuance of sukuk or such other instruments and any other corporate exercises which would have impact on Bank Islam Group;
- (b) Review the details on the corporate exercise structure, approach, pricing (if relevant), the timeline and deadlines and make the necessary recommendation(s) to the Board;
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- (c) Consider and recommend to the Board, the appointment of the relevant advisers that are required for the purposes of advising the Bank and submitting the applications to the relevant regulatory bodies, including Bank Negara Malaysia, Securities Commission and Bursa Malaysia Securities;
- (d) Supervise, monitor and review the implementation of strategies, approach and the progress of any corporate exercises endorsed or approved by the Board to ensure a smooth and timely implementation, consistent with the Board's decisions and objectives;
- (e) Review the due diligence process and reports, on financial and non-financial matters such as, technology, operational, reputation, intellectual property, litigation and human resources and consider the impact to the corporate exercise. Where necessary, any members of the Board Strategic Review Committee may also participate in a high level due diligence conducted by the Management;
- (f) Update and highlight to the Board any issues, challenges or risks that could affect the smooth implementation of a corporate exercise and recommend to the Board the measures and actions to address such issues, challenges or risk;
- (g) Review any applications to be submitted to the relevant regulatory authorities in relation to a corporate exercise; and
- (h) Provide advice and guidance to the Management in managing the implementation of a corporate exercise.

3. OTHER DUTIES AND RESPONSIBILITIES

The Board Strategic Review Committee shall undertake such other duties or assignments as may be determined by the Board from time to time.

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4. Composition

- (a) The Committee members shall be appointed by the Board and shall comprise of at least three (3) members including the Chairman.
- (b) The Chief Executive Officer, the Chief Financial Officer, the Chief Strategy Officer or such other Head of Division as required by the Board Strategic Review Committee shall be the Management representatives and permanent invitees to the Board Strategic Review Committee meetings.
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5. Secretary

The Company Secretary of the Bank or such other person as appointed by the Board of Directors shall be the Secretary to the Board Strategic Review Committee.

6. Frequency of meetings

The Board Strategic Review Committee shall meet not less than four (4) times a year, with additional meetings for particular matters, as and when necessary.

7. Notice of Meetings

- (a) Unless otherwise agreed by the members, the notice for each meeting confirming the venue, date and time together with the agenda of the meetings shall be forwarded to each member of the Board Strategic Review Committee at least four (4) days prior to the date of the meeting.
- (b) In addition to the scheduled meeting, the Secretary shall convene any special meetings of the Board Strategic Review Committee upon receipt of request from the Chairman.
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8. Quorum for meetings

- (a) The quorum for meeting shall be at least 50% of the total members.
- (b) Any member who participate in the meeting via tele-conferencing device shall be counted for the purpose of determining a quorum.
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(c) A director interested in a contract or a proposed contract or arrangement shall be counted for the purpose of determining a quorum. However, he/ she must abstain from participating in discussions and decisions on matters directly involving him/ her *[extracted from the Bank's Constitution]*.

(d) In the event the Chairman is unable to attend the Board meeting, the directors present may elect any one of them to be the Chairman of the meeting.

9. Attendance

Each member of the Board Strategic Review Committee is required to attend at least 75% of the Board Strategic Review Committee meetings held in each financial year.

10. Written Resolution

(a) Decision by the Committee may be made via written resolution.

(b) Decision made via written resolution is deemed effective after being executed by majority of the members who are present in Malaysia.

(c) All decisions and/or approvals made via written resolution shall be presented at the subsequent Committee meeting for notation.

11. Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all meetings of the Board Strategic Review Committee. The minutes must record the decisions or recommendations of the Board Strategic Review Committee, including the key deliberations, rationale for each decision or recommendation made, and any significant concerns or dissenting views.

The minutes must also indicate whether any director abstained from voting or excused himself from deliberating on a particular matter.

12. Review of the Terms of Reference

The Terms of Reference of the Board Strategic Review Committee shall be reviewed once every two (2) years or as and when is necessary. The review shall be approved by the Board of Directors.
