

Registration No.
199401030666 (316347-D)

J.P. MORGAN CHASE BANK BERHAD
(Incorporated in Malaysia)

CORPORATE GOVERNANCE STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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J.P. MORGAN CHASE BANK BERHAD
(Incorporated in Malaysia)

**CORPORATE GOVERNANCE STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

J.P. Morgan Chase Bank Berhad (“the Bank”) is committed to uphold good corporate governance practices in conformity with Bank Negara Malaysia (“BNM”) Policy Document on Corporate Governance which was effective on 3 August 2016.

Governance is a continuing focus at JPMorgan Chase & Co. (“JPMC” or the “Firm”), starting with the JPMC Board of Directors and extending throughout the Firm. The Firm as a whole sets strategy and manages by line of business based on authorities delegated by JPMC and JPMorgan Chase Bank, N.A. (“JPMCB”), and supported by global policies and standards that all staff worldwide are typically required to adhere to, subject to compliance with applicable legal and regulatory standards within each jurisdiction. The activities within the JPMorgan Chase Bank branches and other bank and non-bank subsidiaries are governed in this way in each of the regions in which the Firm operates.

In addition to the above, the Board of Directors (the “Board”) of the Bank also observes JPMC’s Global Code of Conduct. The Code of Conduct sets forth guiding principles and rules of behaviour by which the Bank conducts its daily business with its customers, vendors, shareholders and with its employees. The Code of Conduct applies to all employees and Directors who are required to annually affirm that they are in compliance with it.

BOARD OF DIRECTORS

Composition of the Board

The Board comprises six (6) members, of which two (2) are Non-Independent Executive Directors and four (4) are Independent Non-Executive Directors. The Directors who served since the date of the last report are as follows:

Osman Tarique Morad
Independent Non-Executive Director/Chairman

Steven Ronald Clayton
Non-Independent Executive Director/Chief Executive Officer (“CEO”)

Faisal bin Ismail
Independent Non-Executive Director

Omar bin Malek Ali Merican
Independent Non-Executive Director

Robert Armor Morris
Independent Non-Executive Director

John Terrence Murphy
Non-Independent Executive Director

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**CORPORATE GOVERNANCE STATEMENT
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BOARD OF DIRECTORS (CONTINUED)

Composition of the Board (continued)

The current composition and size of the Board is appropriate and commensurate with the complexity, scope and operations of the Bank.

The Board of the Bank fulfills the prescribed requirements by BNM to comprise a majority of independent non-executive directors. The maximum tenure of an Independent Non-Executive Director shall be nine (9) years from the date of first appointment as independent non-executive Director.

Profile of Directors

Steven Ronald Clayton

Steven Ronald Clayton was appointed to the Board as a Non-Independent Executive Director and Chief Executive Office of J.P. Morgan Chase Bank Berhad on 28 June 2011. Mr. Clayton is a member of the Board and the Board Nomination Committee of the Bank.

Mr. Clayton is an Associate Member of the Institute of Chartered Secretaries & Administrators, United Kingdom. He also has an Associateship in Company Administration, Sheffield Polytechnic, United Kingdom.

Mr. Clayton has been in the financial services industry for more than 30 years, commencing his career in KPMG Peat Marwick in Hong Kong in 1981.

Mr. Clayton held the position of Senior Manager, Corporate Banking in NZI Bank, Hong Kong. He then joined Credit Lyonnais Securities Asia as Managing Director and Head of Corporate Finance for Singapore, Malaysia and Thailand. Mr. Clayton has also been a Country Head and Managing Director of Caspian Research (Malaysia) Sdn. Bhd, and a Managing Director in Debt Capital Markets and Investment Banking of Nomura International, Malaysia. Before joining JPMorgan in 2011, he was the Managing Director and Country Manager for Barclays Capital in Malaysia.

Faisal bin Ismail

Faisal bin Ismail was appointed to the Board as an Independent Non-Executive Director on 26 August 2011. He is a member of the Board Audit Committee, Board Risk Management Committee, Board Nomination Committee and Board Remuneration Committee of the Bank.

Encik Faisal is a Chartered Accountant (ICAEW) who trained and qualified with Touche Ross & Co. (now Deloitte Touche Tohmatsu) in London. He has more than 30 years experience in various industries including hotels, property investment and development, healthcare, power at top / senior management level. His experience includes corporate, M&A, finance, tax planning, transformation and HR. He had exposure in a few countries including U.K., South Africa and Australia. He was an Executive Director in Landmarks Berhad, a listed hotels Group, and Group Managing Director of Pantai Holdings Berhad, a healthcare/hospitals Group.

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BOARD OF DIRECTORS (CONTINUED)

Profile of Directors (continued)

Omar bin Malek Ali Merican

Omar bin Malek Ali Merican was appointed to the Board as an Independent Non-Executive Director on 11 January 2012. Encik Omar is the Chairman of the Board Risk Management Committee and the Board Remuneration Committee. He is also a member of the Board Audit Committee and Board Nomination Committee of the Bank.

Encik Omar has a B Soc Sci Economics from Birmingham University and a M Sc Management from the Sloan School of Management. He has worked in Europe and Asia in risk, research, sales and proprietary trading principally of equity derivatives at O'Connor, James Capel and Solomon Brothers. His most recent appointment was as the Chief Operating Officer of Bursa Malaysia Berhad for the period from 2005 to 2010.

Osman Tarique Morad

Osman Tarique Morad was appointed to the Board as an Independent Non-Executive Director on 2 January 2019. Mr. Morad is the Chairman of the Board of Directors. He is also a member of the Board Audit Committee, Board Nomination Committee, Board Risk Management Committee and Board Remuneration Committee of the Bank.

Mr. Morad has a Bachelor of Arts degree in Economics/Anthropology from Marlboro College in Vermont, U.S.A. and a Bachelor of Arts degree from the University of Punjab, Lahore, Pakistan. He was a Council and Board member of the Association of Banks, Malaysia and Bangladesh, respectively and an Executive Committee Member on the Bangladesh Forex Dealers Association. He has more than 38 year of experience in banking and finance, working with international banks in the Middle East, South Asia and South East Asia. In a career spent primarily in client facing roles, the last 16 years of which was in a Country CEO position, Mr. Morad has extensive experience in compliance, developing and executing strategy, managing financial performance and building stakeholder relations.

John Terrence Murphy

John Terrence Murphy was appointed to the Board as a Non-Independent Executive Director on 8 January 2019. Mr. Murphy is also a member of the Board Nomination Committee of the Bank.

Mr. Murphy has a Bachelor of Arts degree from Oberlin College, U.S.A. and a Juris Doctor degree from the New York University School of Law. Prior to joining J.P. Morgan, Mr. Murphy was a Corporate Finance Partner in a U.S. law firm based in Japan and a Vice President and Senior Legal Counsel in a U.S. Bank in Japan.

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BOARD OF DIRECTORS (CONTINUED)

Profile of Directors (continued)

Mr. Murphy joined J.P. Morgan in 2006 and until June 2012, served as Head of Legal & Compliance in Japan. He was a member of the Japan Country Management Committee, a member of the Board of Directors of J.P. Morgan Securities Japan and Chairman of the Japan Reputational Risk Committee. Mr. Murphy is currently the General Counsel – Asia Pacific for J.P. Morgan and oversees legal functionality for all of J.P. Morgan's businesses in Asia. He is a member of the Asia Pacific Executive Committee, the Asia Pacific Management Committee, the Asia Pacific Operating Committee, the Risk and Control Steering Committee and is the Co-Chairman of J.P. Morgan's Asia-based Reputational Risk Committee.

Robert Armor Morris

Robert Armor Morris was appointed to the Board as an Independent Non-Executive Director on 23 January 2018. Mr. Morris is the Chairman of the Board Audit Committee and the Board Nomination Committee. He is also a member of the Board Risk Management Committee and Board Remuneration Committee of the Bank.

Mr. Morris has a Bachelor of Science degree in Business Economics and Accountancy from Southampton University. He is an Associate of the Institute of Chartered Accountants in England and Wales, a Fellow of the Hong Kong Institute of Certified Public Accountants and an Associate of the Association of Certified Fraud Examiners, where he was previously a board member of its Hong Kong Chapter. He has more than 18 year of experience in corporate banking. He established the East Asia fraud and dispute practices of consultancy firms, including one of the Big Four accounting firms, and was appointed the Area Head of the practice in each case.

He has worked in Asia for most of his 37-year career and has extensive regional experience in lending to corporates, trade finance, financial investigations, dispute services, forensic accounting and financial restructuring projects.

Roles and Responsibilities of the Board

The Board of Directors is ultimately responsible for the operations, conduct and the financial soundness of the Bank through competent management, reviewing and monitoring the objectives, strategies and business plans of the Bank, ensuring that proper controls are in place and that the business of the Bank is carried out with a high standard of integrity. The Board operates under an approved terms of reference which sets out their roles and responsibilities towards the Bank.

Mechanisms are in place within the Bank to connect the oversight of the Board and the day to day functioning of the Bank's employees to ensure that the Bank conducts its daily businesses in accordance with the Bank's objectives and policies and in compliance with the laws and regulations that govern the Bank's businesses. JPMC's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of its major risks.

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BOARD OF DIRECTORS (CONTINUED)

Frequency and Conduct of Board meetings

The Board meets at least six times in a year. The Board receives and reviews regular reports from the management on key operational, risk management, finance, legal and compliance matters. The Board also receives presentations from key businesses on business priorities and new business initiatives.

The Board meeting agenda and papers are distributed to the Directors in advance to allow time for their appropriate review. The proceedings of the Board meetings are minuted and circulated to the Directors for their perusal prior to confirmation at the immediate next Board meeting.

During the financial year ended 31 December 2019, the Board met 6 times and the attendance at the Board meetings is as follows:

Directors	Attendance
Osman Tarique Morad – Chairman, Independent Non Executive Director	6/6
Faisal bin Ismail - Independent Non Executive Director	6/6
Steven Ronald Clayton - Executive Director	6/6
Omar bin Malek Ali Merican - Independent Non Executive Director	6/6
Robert Armor Morris - Independent Non Executive Director	6/6
John Terrence Murphy – Executive Director	6/6

Directors' Training

In 2019, the Board members have received various training programmes on areas relevant to their duties and responsibilities as Directors, covering topics in the areas of Regulatory and Compliance, Banking Industry, Risk Management and Corporate Governance. The training programmes are in the form of internal training and development resources, online training programs and external seminars/talks.

The Directors had also attended talks, dialogue sessions and focus group sessions organized by Financial Institutions Directors' Education ("FIDE") Forum.

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BOARD COMMITTEES

Board Risk Management Committee

The Board Risk Management Committee is responsible for the oversight of the CEO's and senior management's responsibility for assessing and managing the Bank's credit risk, market risk, interest rate risk, investment risk, liquidity risk and reputational risk.

The Board Risk Management Committee meets at least six times in a year. During the financial year ended 31 December 2019, the Board Risk Committee met 6 times and the attendance at the Board Risk Committee meetings is as follows:

Directors	Attendance
Omar bin Malek Ali Merican – Chairman, Independent Non Executive Director	6/6
Faisal bin Ismail - Independent Non Executive Director	6/6
Robert Armor Morris - Independent Non Executive Director	6/6
Osman Tarique Morad - Independent Non Executive Director	6/6

Board Audit Committee

The primary function of the Board Audit Committee is to provide independent oversight of the Bank's financial reporting and internal control system and ensuring checks and balances with the Bank. The Board Audit Committee also assists the Board of Directors in discharging its statutory duties and responsibilities.

The Board Audit Committee meets at least four times a year. During the financial year ended 31 December 2019, the Audit Committee met 4 times and the attendance at the Board Audit Committee meetings is as follows:

Directors	Attendance
Robert Armor Morris – Chairman, Independent Non Executive Director	4/4
Faisal bin Ismail – Independent Non Executive Director	4/4
Omar bin Malek Ali Merican – Independent Non Executive Director	4/4
Osman Tarique Morad – Independent Non Executive Director	4/4

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BOARD COMMITTEES (CONTINUED)

Board Nomination Committee

The Board Nomination Committee is responsible to provide a formal and transparent procedure for the appointment of Directors and CEO as well as the assessment of effectiveness of individual Directors, board as a whole and performance of the CEO and key senior management officers.

The Board Nomination Committee meets at least once a year. During the financial year ended 31 December 2019, the Board Nomination Committee met 4 times and the attendance at the Board Nomination Committee meeting is as follows:

Directors	Attendance
Robert Armor Morris – Chairman, Independent Non Executive Director	4/4
Faisal bin Ismail - Independent Non Executive Director	4/4
Steven Ronald Clayton - Executive Director	4/4
Omar bin Malek Ali Merican - Independent Non Executive Director	4/4
Osman Tarique Morad - Independent Non Executive Director	4/4
John Terrence Murphy - Executive Director	4/4

Board Remuneration Committee

The Board Remuneration Committee is responsible to provide a formal and transparent procedure for the remuneration of Directors and CEO. The Board Remuneration Committee also reviews and endorses, where appropriate the remuneration of key senior management officers as recommended by regional management and lines of business.

The Board Remuneration Committee meets once a year. During the financial year ended 31 December 2019, the Board Remuneration Committee met once and the attendance at the Remuneration Committee meeting is as follows:

Directors	Attendance
Omar bin Malek Ali Merican – Chairman Independent Non Executive Director	1/1
Robert Armor Morris - Independent Non Executive Director	1/1
Faisal bin Ismail - Independent Non Executive Director	1/1
Osman Tarique Morad - Independent Non Executive Director	1/1

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INTERNAL CONTROL FRAMEWORK

The Board of Directors of the Bank is responsible for the Bank's internal control framework for risk management and internal control.

The Bank's internal control framework consists of risk management policies and internal control procedures appropriately embedded in the Bank's business processes and are established in accordance with the nature and extent of the existing and emerging principal risks faced by the Bank. It is also intended to reflect the Bank's sound business practice in pursuing its objectives.

The management of the Bank assists the Board in identifying, evaluating, communicating, escalating and managing principal risks and reviewing the robustness and effectiveness of the risk management policies and internal control procedures. In view of the inherent limitations associated with any internal controls framework, the risk management policies and internal control procedures can only provide reasonable but not absolute assurance of effectiveness against material misstatement, errors, losses or fraud.

The management of the Bank continuously conducts assessments and business monitoring initiatives including business initiated reviews on their key processes, procedures and controls. Key gaps or control weaknesses identified would have corrective actions which are documented, escalated to the management and tracked for closure.

Location Management Committee, Risk/Asset & Liability Committee and Location Operating Committee are key governance committees set up by the Bank as part of the monitoring function to ensure effective management and supervision in accordance with the respective committees' terms of reference.

In order to preserve a strong ethical culture, the Bank has also adopted the JPMC firm-wide Code of Conduct that embeds the values of integrity, fairness and accountability in all that we do.

The Code of Conduct represents the Bank's commitment to operate with the highest level of integrity and ethical conduct. As part of the Conduct, retaliatory actions against any individual for raising legitimate concerns or questions regarding ethical matters, or for reporting suspected violations are prohibited.

Ethics hotlines are made available to all employees who wish to report/voice any concerns on any suspected violations of the law, regulations as well as any actions that do not live up to the Firm's standards of ethical conduct.

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REMUNERATION

Remuneration Policy & Practice

Our compensation philosophy provides the guiding principles that drive compensation-related decisions across all levels of the Bank. We believe our compensation philosophy promotes an equitable and well-governed approach to compensation, which includes pay-for-performance practices that attract and retain top talent in a competitive market, is responsive to and aligned with shareholders, reinforces our culture and Business Principles, and integrates risk, controls and conduct considerations.

<p>PAYING FOR PERFORMANCE AND ALIGNING WITH SHAREHOLDERS' INTERESTS</p>	<ul style="list-style-type: none"> • In making compensation-related decisions, we focus on risk-adjusted performance (the Firm's risk and control professionals help contextualize the risk taken to achieve the return) and reward behaviors that generate sustained value for the Firm. This means that compensation should not be overly formulaic, rigid or focused on the short-term. • A majority of OC member incentive compensation should be in equity that vests over multiple years to align with sustained performance.
<p>ENCOURAGING A SHARED SUCCESS CULTURE</p>	<ul style="list-style-type: none"> • Teamwork and leadership should be encouraged and rewarded to foster a culture that supports our Business Principles. • Contributions should be considered across the Firm, within business units, and at an individual level when evaluating an employee's performance.
<p>ATTRACTING AND RETAINING TOP TALENT</p>	<ul style="list-style-type: none"> • Our long-term success depends on the talents of our employees. Our compensation philosophy plays a significant role in our ability to attract, properly motivate and retain top talent. • Competitive and reasonable compensation should help attract and retain the best talent to grow and sustain our business.
<p>INTEGRATING RISK MANAGEMENT AND COMPENSATION</p>	<ul style="list-style-type: none"> • Risk management, compensation recovery, and repayment policies should be robust and designed to encourage behaving with the standards of integrity that are required by our culture and Business Principles. Excessive risk-taking should be deterred. • HR Control Forums should discuss actual or potential misconduct of individuals involved in matters that create material risk, controls and conduct concerns. • Recoupment policies should include recovery of cash and equity compensation. • Our pay practices must comply with applicable rules and regulations, both in the U.S. and globally.
<p>NO SPECIAL PERQUISITES AND NON-PERFORMANCE BASED COMPENSATION</p>	<ul style="list-style-type: none"> • Compensation should be straightforward and consist primarily of cash and equity incentives. • We do not have special supplemental retirement or other special benefits just for executives, nor do we have any change-in-control agreements, golden parachutes, merger bonuses, or other special severance benefit arrangements for executives.
<p>MAINTAINING STRONG GOVERNANCE</p>	<ul style="list-style-type: none"> • Strong corporate governance is fostered by independent Board oversight of our executive compensation program by the CMDC, including defining the Firm's compensation philosophy, reviewing and approving the Firm's overall incentive compensation pools, and approving compensation for our OC, including the terms of compensation awards; CEO compensation is subject to full Board ratification. • We have a rigorous process in place to review risk, control and conduct issues at the Firm, line of business, functional, and regional levels, which have impacted compensation pools as well as reduced compensation at the individual level, in addition to other employee actions.
<p>TRANSPARENCY WITH SHAREHOLDERS</p>	<ul style="list-style-type: none"> • Transparency to shareholders regarding our executive compensation program is important. We disclose all material terms of our executive pay program and any actions on our part in response to significant events, as appropriate.

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REMUNERATION (CONTINUED)

Remuneration Policy & Practice (continued)

The effectiveness of our compensation program is dependent upon the alignment of sound pay-for-performance practices with our compensation philosophy. Highlighted below are pay practices that are integral to our compensation program, as well as certain pay practices that we chose not to implement.

WE ADOPT SOUND PAY PRACTICES

<p>✓ Principles-based compensation philosophy - Guiding principles that drive compensation-related decision-making across all levels of the Firm</p>	<p>✓ Competitive benchmarking - We benchmark pay levels and pay practices against relevant market data</p>
<p>✓ Robust anti-hedging/anti-pledging provisions - Strict prohibition on hedging and pledging of unvested awards and shares owned outright</p>	<p>✓ Responsible use of equity - We used less than 1% of weighted average diluted shares in 2019 for employee compensation</p>
<p>✓ Strong clawback provisions - Comprehensive recovery provisions that enable us to cancel or reduce unvested awards and require repayment of previously awarded compensation, if appropriate</p>	<p>✓ Risk, controls and conduct impact pay - We consider material risk, controls and conduct issues and make adjustments to compensation, if appropriate</p>
<p>✓ Pay at risk - OC member compensation is predominantly "at-risk" and contingent on the achievement of performance goals that are integrally linked to shareholder value and safety and soundness</p>	<p>✓ Strong share holding requirements - OC members are required to retain significant portions of net shares received from awards to increase ownership over the long-term</p>
<p>✓ Majority of variable pay is in deferred equity - Most OC member variable compensation is deferred in the form of PSUs and RSUs that vest over three years¹</p>	<p>✓ Robust shareholder engagement - Each year we provide the Board with feedback from our shareholders on a variety of topics, including our compensation programs and practices</p>

WE AVOID POOR PAY PRACTICES

<p>✗ No golden parachute agreements - We do not provide additional payments or benefits as a result of a change-in-control event</p>	<p>✗ No guaranteed bonuses - We do not provide guaranteed bonuses, except for select individuals at hire</p>
<p>✗ No special severance - We do not provide special severance. All employees, including OC members, participate at the same level of severance, based on years of service, capped at 52 weeks up to a maximum credited salary</p>	<p>✗ No special executive benefits</p> <ul style="list-style-type: none"> • No private club dues or tax gross-ups for benefits • No 401(k) Savings Plan matching contribution • No special health or medical benefits • No special pension credits

The incentive compensation pool allocations for the Controls Functions are managed separately from the lines of business that the control functions support and the heads of each key control function oversee compensation for control staff within their designated area.

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REMUNERATION (CONTINUED)

Performance Assessment

The Bank uses a disciplined pay-for-performance framework to make decisions about the compensation of our employees, so that their compensation is commensurate with the overall performance of the Bank, their respective businesses, and their individual performance.

In accordance with our compensation philosophy, the Bank uses a balanced discretionary approach to assess performance throughout the year against four broad dimensions:

- Business Results
- Risk, Controls and Conduct
- Client/Customer/Stakeholder
- Teamwork & Leadership

These performance dimensions consider short-, medium- and long-term priorities that drive sustained shareholder value, while accounting for risk, controls and conduct objectives.

To promote a proper pay-for-performance alignment, the Bank does not assign relative weightings to these dimensions, and also considers other relevant factors, including market practices.

Pay Mix

Incentive Compensation (IC) is a discretionary compensation program for all employees and is awarded in cash and/or equity (Restricted Stock Units or RSUs), depending on the employee's compensation levels. Generally, as employees become more senior or the impact of their role increases, a greater portion of incentive compensation is awarded in equity.

RSU awards vest and are delivered over a three year period (except for certain employees subject to specific regulatory requirements who have been notified otherwise) and, as such, are intended to motivate and reward future performance and reinforce the long-term value that can be attained if the firm continues to meet its objectives year after year.

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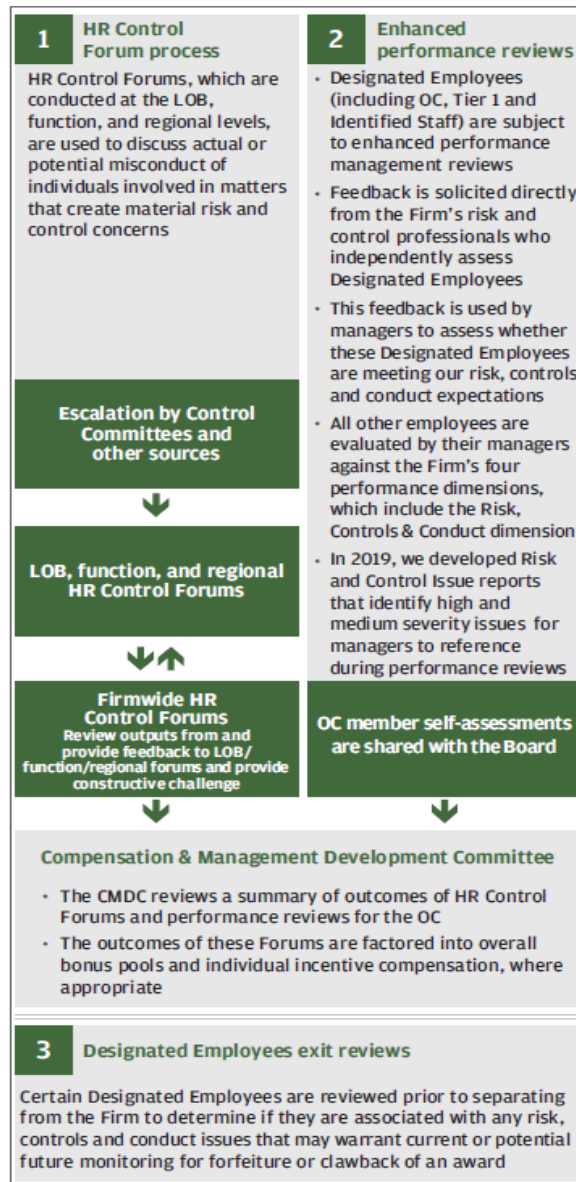
REMUNERATION (CONTINUED)

Strong Accountability and Recovery Provisions

The Bank's compensation program is designed to hold employees accountable, when appropriate, for meaningful actions or issues that negatively impact business performance or the Bank's reputation in current or future years.

We maintain review processes to evaluate risk, controls and conduct issues and to identify individuals who may be subject to remedial actions such as impacts to compensation and/or termination.

RISK, CONTROLS & CONDUCT REVIEW PROCESS



HOLDING INDIVIDUALS ACCOUNTABLE

To hold individuals responsible for taking risks inconsistent with the Firm's risk appetite and to discourage future imprudent behavior, the Firm has policies and procedures that enable it to take prompt and proportionate actions with respect to accountable individuals, including:

- I. Reduce or altogether eliminate annual incentive compensation;
- II. Cancel unvested awards (in full or in part);
- III. Clawback/Recover previously paid compensation (cash and/or equity)

Summary of Cancellation & Clawbacks

Trigger	Vested	Unvested
Restatement	✓	✓
Misconduct	✓	✓
Risk-related	✓	✓
Protection-based		✓

- IV. Demotion, negative performance rating or other appropriate employment actions;
- V. Termination of employment

The precise actions we take with respect to accountable individuals are based on the relevant circumstances, including the nature of their involvement, the magnitude of the event and the impact on the Firm

Clawback Disclosure Policy

During 2019, we did not take any actions to recover or clawback any incentive compensation from the OC members or the Firmwide Controller

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REMUNERATION (CONTINUED)

Clawback/Recovery Provisions

The Bank maintains clawback/recovery provisions on both cash incentives and equity awards which enable us to reduce or cancel unvested awards and recover previously paid compensation in certain situations. While incentive awards are intended and expected to vest according to their terms, the Firm's strong recovery provisions permit recovery of incentive compensation awards in appropriate circumstances.

EQUITY CLAWBACK REVIEW PROVISIONS¹

Category	Trigger	Award Type	
		Vested	Unvested
Restatement	• In the event of a material restatement of the Firm's financial results for the relevant period	✓	✓
	• This provision also applies to cash incentives		
Misconduct	• If the employee engaged in conduct detrimental to the Firm that causes material financial or reputational harm to the Firm, or engaged in knowing and willful misconduct related to employment	✓	✓
	• If the award was based on material misrepresentation by the employee	✓	✓
	• If the employee is terminated for cause	✓	✓
Risk-related and Other	• If the employee improperly or with gross negligence failed to identify, raise or assess, in a timely manner and as reasonably expected, issues and/or concerns with respect to risks material to the Firm	✓	✓
	• If the award was based on materially inaccurate performance metrics, whether or not the employee was responsible for the inaccuracy	✓	✓
Protection-Based Vesting ²	• If performance in relation to the priorities for their position, or the Firm's performance in relation to the priorities for which they share responsibility as a member of the Operating Committee, has been unsatisfactory for a sustained period of time		✓
	• If awards granted to participants in a LOB for which the Operating Committee member exercised responsibility were in whole or in part cancelled because the LOB did not meet its annual LOB financial threshold		✓
	• If, for any one calendar year during the vesting period, pre-tax pre-provision income is negative, as reported by the Firm		✓
	• If, for the three calendar years preceding the third year vesting date, the Firm does not meet a 15% cumulative ROTCE		✓

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REMUNERATION (CONTINUED)

Set out below is the total value of remuneration awards for the CEO and each of the directors of the Bank for the financial year ended 2019:

CEO's Remuneration

Remuneration	Unrestricted RM'000	Deferred RM'000
Fixed		
- Cash-based	1,860	-
- Shares and share-linked instruments*	-	-
- Others	-	-
Variable		
- Cash-based*	2,558	-
- Shares and share-linked instruments*	-	1,377

* Fixed Cash based - Annualized salary as at December 31, 2019 for 2019 performance year

* Variable Cash based - Cash Incentive Compensation for 2019 performance year

* Variable Shares and share-linked instruments - Restricted Stock Units granted for 2019 performance year

Outstanding Deferred Remuneration	Cash RM'000	Share-Linked RM'000
Vested	-	-
Unvested	-	3,109

Deferred Remuneration	Cash RM'000	Share-Linked RM'000
Awarded	-	1,355
Paid out	-	1,740

Directors' Remuneration

Remuneration	Unrestricted RM'000	Deferred RM'000
Fixed Cash-based		
- Faisal Bin Ismail	129	-
- Omar bin Malek Ali Merican	129	-
- Robert Armor Morris	141	-
- John Terrence Murphy	-	-
- Osman Tarique Morad	158	-

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REMUNERATION (CONTINUED)

Senior Management and Material Risk Takers' Remuneration

Senior Management comprises CEO, Head of Key Businesses and Control functions in addition to designated material risk takers.

Set out below is the total value of remuneration awards for the Senior Management of the Bank for the financial year ended 2019:

Remuneration	No. of Senior Management	Unrestricted RM'000	Deferred RM'000
Fixed			
- Cash-based*		6,886	-
- Shares and share-linked instruments*		-	-
- Others		-	-
Variable			
- Cash-based*	9	5,380	-
- Shares and share-linked instruments*		-	2,057
- Others		-	-
Guaranteed bonuses		-	-
Sign-on awards		-	-
Severance payments		-	-

* Fixed Cash based - Annualized salary as at December 31, 2019 for 2019 performance year

* Variable Cash based - Cash Incentive Compensation for 2019 performance year

* Variable Shares and share-linked instruments - Restricted Stock Units granted for 2019 performance year

Outstanding Deferred Remuneration	Cash RM'000	Share-Linked RM'000
Vested	-	-
Unvested	-	4,332

Deferred Remuneration	Cash RM'000	Share-Linked RM'000
Awarded	-	1,914
Paid out	-	2,288

J.P. MORGAN CHASE BANK BERHAD
(Incorporated in Malaysia)

CORPORATE GOVERNANCE STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

REMUNERATION (CONTINUED)

Senior Management and Material Risk Takers' Remuneration (continued)

Exposure to Implicit and Explicit Adjustments of Deferred and Retained Remuneration	Cash RM'000	Share-Linked RM'000
- Outstanding deferred and retained remuneration exposed to ex-post explicit and implicit adjustments	-	4,332
- Reductions due to ex-post explicit adjustments	-	-
- Reductions due to ex-post implicit adjustments	-	-