

**BANK OF AMERICA MALAYSIA BERHAD**  
(the “Company”)

**COMMITTEE CHARTER**  
(the “Charter”)

**Risk Management Committee**

Reviewed and approved by the Board of Directors on: 28 October 2021

**1. Scope of Authority**

The Risk Management Committee (the “**Committee**”) is a committee of the Company’s Board of Directors (the “**Board**” and each member, a “**Director**”) that oversees activities of the senior management in managing credit, market, liquidity, operational, technology, legal, compliance and other risks and exercises oversight to ensure that the risk management process is in place and functioning.

The Committee is authorized to investigate any activity or matter within this Charter or authorized by the Board. In the event that the Committee is uncertain regarding the authority of the Committee in respect of any matter(s), the Committee shall refer such matter(s) to the Board.

The Committee is also authorized to seek any information that it may be reasonably required from any employee of the Company and all such employees are directed to co-operate with any request made by the Committee.

The Committee shall have full and unrestricted access to information as it may reasonably require and be able to obtain independent professional advice as deemed necessary.

**2. Scope of Duties**

The Committee is responsible for:

- i. overseeing and approving the development, implementation and maintenance of the Company’s overall risk management framework and its risk appetite, strategy, principles and compliance policies to ensure they are prudent, appropriate and adhere to applicable regulations and policies as prescribed and amended from time to time by

- Bank Negara Malaysia and as required by the Company, and recommend to the Board for approval any material amendments;
- ii. facilitating the effective contribution and involvement of Independent Directors and aid their understanding of risk issues and the Bank of America Corporation risk management framework;
  - iii. reviewing new risk principles and policies and material amendments thereto;
  - iv. overseeing adherence to Bank of America Corporation risk principles and risk appetite, policies and standards and any action taken resulting from material policy, risk tolerance or key performance indicator breaches;
  - v. reviewing and recommending risk management strategies, policies and risk tolerance for the Board's approval;
  - vi. reviewing and assessing the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively;
  - vii. overseeing the adequacy of the Company's information technology and cybersecurity strategic plans, including a periodic review of the plans at least once every three (3) years and recommend to the Board for approval any material amendments to the said plans;
  - viii. reviewing the technology risk management framework and cyber resilience framework at least once every three (3) years and recommend to the Board for approval any material amendments to these frameworks;
  - ix. exercising oversight to ensure that risk assessments in relation to material technology applications submitted to the Company are robust and comprehensive;
  - x. reviewing and discussing cyber risks and related issues, including the strategic and reputational risks associated with a cyber-incident, supported by input from external experts as appropriate;
  - xi. exercising oversight to ensure the continuous engagement in cybersecurity preparedness, education and training;
  - xii. exercising oversight to ensure the infrastructure, resources and systems are in place for risk management, that is, the staff responsible for implementing risk management systems perform those duties independently of the Company's risk taking activities;
  - xiii. exercising oversight to ensure the compliance function (such as infrastructure, resources and systems) is in place for risk management, that is, the Chief Compliance Officer is provided with appropriate standing, authority to perform those duties independently of the Company's risk taking activities;
  - xiv. supporting the Company's remuneration review process by examining whether incentives take into account risks, capital, and liquidity, without prejudice to the role of the Remuneration Committee of the Board;
  - xv. reviewing management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
  - xvi. discussing compliance issues as regularly as provided herein, exercising oversight to ensure that adequate time and priority is provided in the meeting agendas to deliberate compliance issues and that such issues are resolved effectively and expeditiously;
  - xvii. evaluating (at least once a year) the effectiveness of the Company's overall management of compliance risk, having regard to the assessments of its senior management and internal audit, as well as interactions with the Chief Compliance Officer;
  - xviii. reviewing and assessing the capital adequacy of the Company and appropriateness of the Company's Internal Capital Adequacy Assessment Process ("ICAAP")

- documentation, capital management procedures and capital buffers, and recommend to the Board for approval;
- xix. reviewing and recommending the policies regarding anti-money laundering and counter-terrorist financing (“**AML/CFT**”) measures within the reporting institution, including those required for risk assessment, mitigation and profiling, customer due diligence (“**CDD**”), record keeping, on-going due diligence, suspicious transaction report and combating the financing of terrorism to the Board for approval;
  - xx. reviewing and recommending appropriate mechanisms to ensure the AML/CFT policies are periodically reviewed and assessed in line with changes and developments in the Company’s products and services, technology as well as trends in money laundering/terrorist financing to the Board for approval;
  - xxi. defining the lines of authority and responsibility for implementing AML/CFT measures and exercising oversight to ensure that there is a separation of duty between those implementing the policies and procedures and those enforcing the controls;
  - xxii. assessing the implementation of the approved AML/CFT policies through regular reporting and updates by the senior management and Risk Management Committee; and
  - xxiii. overseeing the establishment of a management information system that is reflective of the nature of the Company’s operations, size of business, complexity of business operations and structure, risk profiles of products and services offered and geographical coverage.

### **3. Membership**

- The Committee shall be comprised of at least three (3) members (each, a “**Member**”), all of whom must be Independent Directors.
- The Members and chairperson of the Committee (the “**Chairperson**”) shall be appointed and removed by the Board.
- The Committee shall be chaired by an Independent Director. The current Members are listed in Appendix 1.
- Where a Member ceases to be a Director, they shall also cease to be a Member on the same date.
- Each Member shall be entitled to one (1) vote.

### **4. Quorum/Decision Making**

- The presence of two (2) Members who are Independent Directors shall constitute a quorum.
- A Member in telephonic or audio-visual communication during the course of a meeting of the Committee may be considered to be present at said meeting.
- Decisions of the Committee shall be made by a simple majority of those Members present at a duly convened meeting.
- In lieu of a meeting, the Committee shall act by unanimous written consent of all Members.

- In the event that there are only two (2) Members present at a duly convened meeting, decisions of the Committee shall be made unanimously.
- In order to avoid conflicts of interest, a Member shall observe the disclosure obligations and other responsibilities as prescribed and amended from time to time by Bank Negara Malaysia and as required by the Company, and abstain from participating in discussions and decisions on matters involving him/her.
- In the absence of the Chairperson, the Chairperson shall delegate the authority to another Member who is an Independent Director shall act as the Chairperson of the meetings of the Committee.
- Any Directors, the Chief Executive Officer, senior officers of the Company and/or persons duly authorized by the Board may be invited to attend all or part of any meeting of the Committee as and when appropriate.

## **5. Frequency of Meetings**

The Committee shall meet at least once every quarter and on an ad-hoc basis as needed in order to perform its duties.

## **6. Notice of Meetings**

Notice of a meeting of the Committee shall be issued to all Members at their place of business upon advice by the company secretary of the Company (the “**Company Secretary**”) or the Chairperson. Such notice shall be in writing including electronic transmission. The secretary to the Committee shall be the Company Secretary or their nominee.

## **7. Minutes of the Meetings**

The Company Secretary shall attend all meetings of the Committee and shall keep proper records which shall be available to the Board and all Members.

## **8. Reporting Responsibilities**

- The Committee shall report to the Board any matters identified within its remit which it considers that action or improvement is needed, and make recommendations as to the steps to be taken.
- The Committee meeting minutes shall be approved at the subsequent Committee meeting, and shall be promptly circulated to the Board for review at the subsequent Board meeting.

## **9. Other Matters**

- Information - Management shall ensure that all information relevant to the discharge by the Committee of its duties, detailed above, is provided to the Committee. Management

shall also ensure that matters of material concern that are relevant to the Committee's responsibilities are promptly brought to the attention of the Committee.

- External Advice - The Committee has been delegated authority by the Board. The Board delegates to the Committee, in order to further the performance of the Committee's regulatory responsibilities, the power and authority to obtain, at its discretion, advice and assistance from internal or external financial, legal, accounting or other advisors as may be required and to ensure the Company's compliance with applicable regulations.
- Amendments - The Committee shall review and reassess this Charter annually and propose any recommended changes for approval by the Board, as appropriate. Outside the annual approval process, any proposed changes to this Charter related to functional title descriptions or membership replacements for roles of similar scope or seniority (not additions or deletions) or typographical errors may be approved by the Chairperson and the Committee with notification to the Board.

## **Appendix 1 Current Committee Members**

The Committee is comprised of the following voting members:

- i. Pn. Ayesha Natchiar Binti Dato Ally Maricar (Chairperson and Independent Director)<sup>1</sup>;
- ii. Mr. Kellee Kam Chee Khiong (Independent Director); and
- iii. Ms. Sarena Cheah Yean Tih (Independent Director).

*Note <sup>1</sup>: Replaced by Mr. Anthony Lim Choon Eng on 1 November 2021*