

**BANK OF AMERICA MALAYSIA BERHAD
("the Company")
COMMITTEE CHARTERS**

Risk Management Committee

Reviewed and approved by the Board on: 25 October 2019

1 PURPOSE

The Risk Management Committee ("the Committee") is a committee of the Company's Board (the "Board") to oversee senior management's activities in managing credit, market, liquidity, operational, technology, legal, compliance and other risks and to ensure that the risk management process is in place and functioning.

The Committee will report to the Board as required. In the event that the Committee is uncertain regarding the authority of the Committee in respect of any matter, the Committee shall refer such matter to the Board.

2 MEMBERSHIP

2.1 The Board shall appoint from amongst themselves the Chairperson and members of the Committee and shall consist of not fewer than three members.

2.2 All members of the Committee should comprise of only Non-Executive Directors of which the majority should be Independent Non-Executive Directors. The Committee should be chaired by an Independent Non-Executive Director.

2.3 Appointments to the Committee shall be for a period of up to three (3) years, which may be extended for two additional three (3)-year periods, provided the director remains independent. The current members of the Committee are listed in Appendix 1.

3 QUORUM / DECISION MAKING

3.1 The presence of two (2) Independent Non-Executive Directors shall constitute a quorum. A member in telephonic or audio-visual communication during the course of a meeting may be considered to be present at said meeting.

- 3.2 In the absence of the Chairperson, another Independent Non-Executive Director may act as a Chairperson. The Chairperson can delegate the authority to chair a meeting to another Independent Director.
- 3.3 Any members of the Board, the Chief Executive Officer or Senior Officers of the Company may be invited to attend all or part of any meeting as and when appropriate.

4 AUTHORITY

The Committee is authorized by the Board of Directors to:

- a) Investigate any activity within its terms of reference or as authorized by the Board;
- b) Seek any information that it may reasonably require from any employee and all employees are directed to co-operate with any request made by the Committee; and
- c) Obtain outside legal or other independent professional advice deemed necessary.

5 RESPONSIBILITIES

The responsibilities of the Committee shall be to:

- a) Oversee the development, implementation and maintenance of the Company's overall risk management framework and its risk appetite, strategy, principles and policies to ensure they are prudent, appropriate and adhere to applicable regulations and recommend to the Board for approval any material amendments;
- b) Facilitate the effective contribution and involvement of Non-Executive Directors and aid their understanding of risk issues and the Group risk management framework;
- c) Review new risk principles and policies and material amendments thereto;
- d) Oversee adherence to Group risk principles and risk appetite, policies and standards and any action taken resulting from material policy, risk tolerance or key performance indicator breaches;
- e) Review and recommend risk management strategies, policies and risk tolerance for the Board's approval;
- f) Review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively;
- g) Oversee the adequacy of the Company's information technology and cybersecurity strategic plans, including a periodic review of the plans at least once every three years and recommend to the board for approval any material amendments to the plans;
- h) Review the technology risk management framework and cyber resilience framework at least once every three years and recommend to the board for approval any material amendments to these frameworks;
- i) Ensure that risk assessments in relation to material technology applications submitted to the Company are robust and comprehensive.
- j) Ensure infrastructure, resources and systems are in place for risk management, that is, ensuring that the staff responsible for implementing risk management systems perform those duties independently of BAMB's risk taking activities;
- k) Support 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 of Directors; and
- l) Review management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

6 COMMITTEE MANAGEMENT

- 6.1 **Secretary**
The secretary to the Committee shall be the Company Secretary or their nominee.
- 6.2 **Minutes**
The secretary shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance, and circulate the minutes promptly to all members of the Committee. The Committee meeting minutes shall be approved at the subsequent Committee meeting. It shall also be circulated to the Board members for notation at the subsequent Board meeting. The secretary shall keep proper records, which shall be available to all members of the Board.
- 6.3 **Frequency of Meetings**
The Committee shall meet at least once every quarter, and as and when required in performance of the duties accorded to it.
- 6.4 **Notice of a meeting of a Committee** shall be issued to all members of the Committee at their place of business upon advice by the Company Secretary or the Chairperson. Such notice may be verbal or in writing including electronic transmission.
- 6.5 **Decisions/Determinations of the Committee** shall be made by a simple majority of its voting members present at a duly convened meeting. In lieu of a meeting, the Committee may also act by written consent of its voting members via email.

7 ESCALATION AND REPORTING

The Committee will report to the Board identifying any matters within its remit in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken. The Committee will also escalate any concerns that cannot be resolved at its level, or that it otherwise feels are significant enough to be raised to the Board.

8 OTHER MATTERS

Information - Management will ensure that all information relevant to the discharge by the Committee of its duties, detailed above, is provided to the Committee (as requested by the Committee). Management will also ensure that matters of material concern that are relevant to the Committee's responsibilities are brought to the attention of the Committee promptly.

External Advice - The Committee has been delegated authority by the Company's Board of Directors. As mentioned in Section 3, 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 to the Company's compliance with applicable regulation.

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 Charter changes 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 with notification to the Board.

Appendix 1 – Current Committee Members

The Committee will comprise of the following voting members:

- a) Ayesha Natchiar Binti Dato Ally Maricar (Chairperson and Independent Director)
- b) Kellee Kam Chee Khiong (Independent Director)
- c) David Allan Cairns (Independent Director)