

RISK COMMITTEE

RISK COMMITTEE - TERMS OF REFERENCE

The Revised Terms of Reference of the Risk Committee were adopted by the Board on 18 July 2022 upon recommendation of the Corporate Governance Committee ("CGC").

a. Membership/Composition

- It shall consist of a minimum of three (3) members and a maximum of five (5) members.
- Any board members, including the CEO.
- Members shall be well versed with risk management of the Bank.
- Chairperson - Any member of the Risk Committee but not the Chairperson of the Board or Chairperson of the Audit Committee. Ideally, he or she shall be an independent director.

b. Meetings

- Frequency of Meetings - At least once every quarter or more frequently as circumstances require.
- The Secretary of the Company shall act as Secretary of the Committee.
- Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairperson or by any of its members.
- The notice of each meeting of the Risk Committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Risk Committee at his known registered address or electronic communication/email or Board Vantage. Documents for the meeting and a prior written notice of at least four (4) Business Days shall be sent to every member for any meeting.
- Proceedings of the Risk Committee meetings shall be reported periodically to the Board of Directors.

c. Secretary

The Company Secretary shall act as the Secretary of the Risk Committee and will ensure that the Risk Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

d. Quorum

The quorum for any meeting shall be a majority of its members.

e. Minutes of Meetings

- The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- Draft minutes of Committee meetings shall be circulated to all members of the all Committee within 15 Business days of the Meeting or earlier.

f. Role & Responsibilities

- To advise the board on the Bank's overall current and future risk appetite, overseeing senior management's implementation of the risk appetite framework and reporting on the state of risk culture in the Bank.
- Review and establish the risk appetite framework and seek approval of Board for the risk appetite framework.

- Responsible for identification of principal risks, including those relating to credit, market, liquidity, operational, compliance, reputational, climate-related and environmental risks of the Bank, and actions to mitigate the risks;
- Responsible for appointment of a chief risk officer who, among other things, shall provide assurance that the oversight of risk management is independent from operational management and is adequately resourced with proper visibility and status in the Bank;
- Responsible for ensuring independence of the chief risk officer from operational management without any requirement to generate revenues;
- Requirement of the chief risk officer to provide regular reports to the committee, senior management and the board on his activities and findings relating to the Bank's risk appetite framework;
- Receive from senior officers, periodic reports on risk exposures and activities to manage risks; and
- Formulate and make recommendations to the board on risk management issues.

g. Reporting Responsibilities

- The Risk Committee Chairperson shall report to the Board on its deliberations after each meeting on all significant matters within its duties and responsibilities.
- The Risk Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

h. Other matters

- The Risk Committee shall have access to outside or other independent professional advice as it considers necessary to carry out its duties at the Bank's expense within any reasonable budgetary guidelines as indicated by the Board.
- The Risk Committee shall have access to sufficient resources in order to carry out its duties, including access to the Bank's secretariat for assistance as required.
- The Risk Committee shall give due consideration to laws, regulations and any published guidelines or recommendations.
- The Risk Committee shall arrange for periodic reviews of its own performance and review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.