

## **1.0 OBJECTIVES**

The Group Board Risk Committee (“BRC” or “the Committee”) is a Committee of the Board of Directors, established for the purposes of overseeing the activities in the management of risks including credit risk, market risk, liquidity risk, operational risk, legal risk, Shariah risk and other risk associated to the businesses undertaken by the operating subsidiaries within the BIMB Holdings Berhad’s (“BHB”) Group.

The Committee will also perform an oversight function to ensure that the risk management framework within the Group is in place and functioning effectively.

## **2.0 AUTHORITY**

The Committee is authorised to establish any Committee or sub-Committee or task force to undertake any assignments as assigned by the BRC. The BRC shall make recommendations to the Board on risk related matters for the Board’s consideration and approval.

The BRC shall have the authority to deliberate and approve on matters within its primary duties and responsibilities as may be determined by Board of Directors from time to time.

In the discharge of its such duties and responsibilities, the BRC shall have:-

- a. Access to the full records, properties and personnel of the Companies within the Group.
- b. Independent professional advice and expertise necessary to perform its duties.
- c. Access to advice and services of any officers of the Risk Management Division and other relevant officers of the Companies within the Group.

## **3.0 COMPOSITION**

- a. The members of the BRC shall comprise of not less than 3 non-executive directors;
- b. The majority of the BRC members shall comprise of Independent Non-Executive directors and shall not consist of any alternate director of the Company;
- c. The Members shall be formally appointed and/or terminated by the Board;
- d. Unless otherwise decided by the Board, all Members of the BRC shall hold office for so long as they serve as Directors of the Company; and
- e. Any Member of the BRC may relinquish his/her membership in the BRC with prior written notice to the Secretary and may continue to serve as Directors of the Company.

#### **4.0 INVITEES**

The BRC may invite any director, executive, officers of the Companies within the BHB Group, external auditor or such other person to attend any meeting of the BRC as it may consider appropriate and relevant to assist the BRC in discharging its duties and responsibilities.

For the avoidance of doubt, the Invitee shall not have any voting rights.

#### **5.0 ROLES AND RESPONSIBILITIES**

- a. Review and recommend to the Board the risk management policy statement and framework for BHB Group including the strategies, policies, the risk tolerance levels, governance and reporting structure;
- b. Review and assess the adequacy of the risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which these risks are operating effectively;
- c. Review and assess the adequacy of infrastructure, resources and systems at the subsidiaries and at BHB for an effective risk management;
- d. Review the adequacy of relevant policies at the subsidiaries and BHB in meeting the relevant regulatory requirements as a financial holding company including capital plan, dividend policy, investment and financing policy, single customer limit, business continuity plan, etc.;
- e. Review and assess risk methodologies for measuring and managing risks arising from the subsidiaries' overall management of all risks covering market, credit and operational through identified tools;
- f. Regularly review the risk profiling reports by the subsidiaries to ensure all risks at the subsidiaries are effectively managed and assess the potential impact of those risks to the Group as a whole;
- g. Review issues or findings by the relevant authorities that regulate the business and activities of the subsidiaries and BHB and assess the adequacy and effectiveness of the rectification measures;
- h. Oversee the functions of the Group Risk Management Committee; and

Undertake such other duties as may be deemed appropriate or as instructed by the Board of Directors.

## **6.0 CHAIRMAN**

- a. The Chairman of the BRC shall be appointed by the Board from among the non-executive directors and must be an Independent Non-Executive Director.
- b. In the absence of the Chairman, the Chairman may designate another member of the BRC to chair the BRC meeting OR if the Chairman does not do so, the members may elect amongst them to be the Chairman of the meeting.
- c. In any event, the BRC meetings shall always be chaired by a member who is an Independent Non-Executive Director

## **7.0 SECRETARY**

The Company Secretary of BHB or a senior officer from the Corporate Secretarial Department shall be the secretary to the BRC. In the absence of the secretary, the Chairman has the authority to appoint any other person to act as the secretary.

The Company Secretary shall be responsible for preparation of agendas in consultation with the Chairman, and the distribution to all the members the papers to be deliberated at the meeting.

The Secretary shall record the proceedings and resolutions of all proceedings of BRC.

## **8.0 NOTICE OF MEETING**

- a. The Chairman of the BRC, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving due notice.
- b. 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 BRC at least three (3) days before the meeting date.

## **9.0 QUORUM FOR MEETING**

- a. The quorum for meeting shall be at least 51% of the members including the Chairman.
- b. A member of the BRC shall abstain from participating in discussions and decisions on matters directly involving him/her but shall be counted for the purpose of determining a quorum.
- c. Any member who participates in the meeting via tele-conferencing device shall be counted for the purpose of determining a quorum.

## **10.0 DECISION-MAKING**

Decisions are made on unanimous basis, whilst always adhering to the provision on quorum for meeting as above.

### **11.0 FREQUENCY OF MEETING**

The BRC shall meet at least six (6) times a year (or as and when necessary).

### **12.0 SUBMISSION OF PROPOSAL PAPERS**

All proposal papers must state clearly the purpose, objective and conclusion of the papers as per the format of the template cover advised by the secretariat, from time to time.

All papers shall be submitted to the secretary within such deadline as stipulated by the secretariat. Any late papers shall only be presented in a meeting upon obtaining approval from the Chairman.

### **13.0 CIRCULAR RESOLUTION**

- a. Decision by the BRC may be made via circular resolution.
- b. Decision made via circular resolution is deemed effective after being executed by all members of the BRC, who are present in Malaysia.

All decisions and/or approvals made via circular resolution shall be presented at the subsequent BRC meeting for notification.

### **14.0 MINUTES OF MEETING**

- a. The Secretary shall minute the proceedings and resolutions of all meetings of the BRC.
- b. The Secretary shall ascertain, at the beginning of the meeting, the existence of any conflicts of interest and minute them accordingly.
- c. The Secretary shall be responsible to ensure that the minutes are properly kept and all minutes of the BRC meetings shall be submitted to BHB's Board for notification and where necessary to be submitted to the respective subsidiaries' Board.

### **15.0 ATTENDANCE**

- a. Members are required to attend at least 75% of the meeting during the financial year;
- b. Members who are unable to attend the meeting shall notify the Chairman and/or Secretary; and
- c. The Chairman may issue a reminder to any member who is absent for three (3) consecutive meetings without any valid reason.

### **16.0 REVIEW**

The Terms of Reference (**TOR**) shall be reviewed and updated at least once every two (2) years and presented to the Board for its approval.