

**TERMS OF REFERENCE
RISK MANAGEMENT COMMITTEE (“RMC”)
OF MAYBANK AGEAS HOLDINGS BERHAD (“MAHB”)**

No.	Items	Details														
1.	Objective & Scope	<p>The primary objective of the RMC is to assist the Board of MAHB and the Board of its subsidiaries/entities within MAHB Group in discharging their duties and responsibilities in risk management by upholding the principles set out in the Enterprise Risk Management Framework (“ERMF”). In particular, the RMC assists the Boards in monitoring the key risks defined in the Risk Taxonomy, covering the broad risk categories of Financial Risks, Insurance risks, Enterprise risks and Operational Risks.</p> <p>For the MAHB Group’s subsidiaries/entities not based in Malaysia the RMC will provide oversight and will at least once a year have a risk review on its business and risk profile, ensuring that ERMF is applied consistently and cascaded across the Insurance & Takaful Group.</p>														
2.	Out of Scope	Not Applicable														
3.	Members	<p><u>Chairman:</u> Independent Non-Executive Director</p> <p><u>Deputy Chairman/ Designated Chairman:</u> In the absence of the Chairman, any one Member shall acts as the Deputy/ Designated Chairman.</p> <p><u>Members</u> Minimum two (2) Non-Executive Directors</p> <p><u>Permanent Members</u> Not Applicable</p> <p><u>Terms of Membership:</u> The Committee shall consist of a minimum of three (3) Non-Executive members (including Chairman), with the majority of the members (including Chairman) must be independent.</p> <p><u>Permanent Invitees</u></p> <table border="1" style="width: 100%;"> <thead> <tr> <th>No.</th> <th>Permanent Invitees</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Chief Executive Officer, MAHB</td> </tr> <tr> <td>2.</td> <td>Chief Executive Officer, ELIB</td> </tr> <tr> <td>3.</td> <td>Chief Executive Officer, EFTB</td> </tr> <tr> <td>4.</td> <td>Chief Executive Officer, EGIB</td> </tr> <tr> <td>5.</td> <td>Chief Executive Officer, EGTB</td> </tr> <tr> <td>6.</td> <td>Chief Financial Officer, MAHB</td> </tr> </tbody> </table>	No.	Permanent Invitees	1.	Chief Executive Officer, MAHB	2.	Chief Executive Officer, ELIB	3.	Chief Executive Officer, EFTB	4.	Chief Executive Officer, EGIB	5.	Chief Executive Officer, EGTB	6.	Chief Financial Officer, MAHB
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4.	Quorum	<p><u>Quorum</u> At least two (2) of the Members including the (Designated/Alternate) Chairman should be in attendance to call the meeting to order.</p>																		
5.	Decision	<p><u>Decision Making</u> The affirmative vote of a majority of Members present at a meeting at which a quorum is present shall constitute the decision of the Committee. In case of a tying vote, the casting vote is given to the Chairman.</p>																		
6.	Secretary	Company Secretary or as appointed by Chairman																		
7.	Reporting Committee	The RMC reports to the Board of MAHB as well as the Board of the entities for ELIB, EFTB, EGIB and EGTB for respective related topics. RMC also provides oversights to the subsidiaries not based in Malaysia. The Management Risk Committee (“MRC”) reports to the RMC.																		
8.	Meeting Frequency	<p>Meeting shall be held at least four (4) times a year and before every Board meeting, with the best practice to be at least five (5) working days apart.</p> <p><i>Note: The Chairman has the discretion to increase the frequency of the meeting or call for additional meeting based on needs and urgency. Chairman also has the discretion to change the format and/or agenda of the meeting.</i></p>																		

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9.	Attendance	Member must attend at least 75% of the committee meetings held in each financial year, and must not be represented another person to attend or participate in a meeting on his/her behalf.
10.	Authority	<p>The RMC is authorised by the MAHB Board of Directors to oversee the overall Risk and Compliance related matters of the MAHB Group entities.</p> <p>The RMC shall have access to all information, documents and personnel in the discharge of its duties; or</p> <p>The RMC is authorised to establish Sub-Committees to consider specific matters of importance, and to approve their TOR.</p>
11.	Key Responsibilities of the Committees	<ol style="list-style-type: none"> 1. RMC is responsible to endorse/approve the recommendation of Risk Management, Technology Risk Management and compliance frameworks and policies for group wide adoption 2. RMC oversees group wide implementation of ERMF and provide guidance for MRC’s execution of the programs, actions and activities. <p>The key roles of RMC in enforcing ERMF are as follows:</p> <ol style="list-style-type: none"> 3. Promote strong risk culture, that the remuneration and performance review is aligned to prudent risk taking and adjusted appropriately for risks. RMC plays a role in ensuring the incentives provided by the remuneration system takes into consideration all relevant risk elements. 4. Ensure the conduct of business and organisation as a whole meets the policyholder’s reasonable expectations, where all the customers are treated fairly and their interest are upheld at all times. 5. Endorse Risk Appetite Statements and recommend to the Board of MAHB & Board of the entities for approval. For the entity not based in Malaysia, material deviations proposed by entity shall be endorsed by the RMC before they get approved by the entity local governance committees. 6. Oversee the integration of Risk Appetite Statements across group wide risk-taking activities, and review MAHB’s risk management strategies periodically such that they are adjusted to reflect risk appetites, capital health, and market / macroeconomic conditions.

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11.	Key Responsibilities of the Committees (cont'd)	<p>7. Monitor the risks relating to business initiatives and major management initiatives (e.g. systems, business model and major acquisitions) and approve or recommend the undertaking of any major activities for Board’s approval.</p> <p>8. Support MRC in ensuring the independency and the adequacy of resources to enable the effective risk management, i.e. necessary infrastructures, systems, personnel, trainings and skillsets in supporting risk management practices and processes to identify, measure, monitor, manage and control risks.</p> <p>9. RMC should be informed and updated with the periodic risk reports for ensuring adherence to ERMF (incl. key risk indicators, risk exposures, risk portfolio composition and risk management activities).</p> <p>10. RMC is responsible to provide oversights in addressing the regulatory concerns raised under the BNM’s Supervisory letters and approve the management response and updates to the matters for submission to BNM.</p> <p>RMC’s Specific Duties (Non-Exhaustive)</p> <p>11. To approve stress test parameters / scenarios to assess the resulting impacts of risks on capital adequacy and profitability under stress, and forward the stress test results for approval by the Board.</p> <p>12. To review ICAAP implementation & reporting, and endorse the proposal of capital target levels for the MAHB group and its subsidiaries (including proposed deviations if applicable). The proposal shall then be forwarded to the Board for approval.</p> <p>13. To review and approve the recommendation of Investment Mandates (entity specific fund, including shareholder funds)</p> <p>14. To review and approve new products and/or distribution channels which contain new risk elements that can lead to a material change in risk-return expectations.</p> <p>15. To provide oversight over MAHB’s state of business continuity preparedness and review MAHB’s annual attestation on the sufficient awareness of such risks, mitigating measures and state of readiness.</p>

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11.	Key Responsibilities of the Committees (cont'd)	<p>16. To carry out such other responsibilities as may be delegated to it by the Board from time to time.</p> <p>Compliance Related</p> <p>17. Endorse policies and framework to identify, assess, monitor and manage regulatory compliance risk for the MAHB Group.</p> <p>18. Review, recommend and oversee the implementation of policies on compliance for MAHB Group including but not limited to the relevant policies for the prevention of Anti-Money Laundering and Counter Financing of Terrorism (AMF/CFT), whistleblowing, anti-bribery & corruption Policy.</p> <p>19. Review and assess the adequacy of infrastructure, resources and systems to manage compliance risk and recommend improvement to ensure effectiveness.</p> <p>20. At least annually, evaluate the effectiveness of the MAHB Group’s overall management of compliance risk, having regards to the assessments of senior management and internal audit, as well as the Compliance team and recommend improvement needed to the Board.</p> <p>21. Review assess and recommend to the Board corrective measures to address compliance risk concerns as highlighted by the Compliance team and various home-host regulatory authorities, where relevant.</p> <p>22. Review the compliance report prior to submission to the Board.</p> <p>23. Endorse the annual Compliance Plan and receive regular reports on progress of the plan.</p> <p>24. Receive reports on other matters relating to compliance risk and MAHB Group’s relationship with its regulators.</p> <p>Risk Management in Technology (RMiT), Cyber and IT Security Related</p> <p>25. To ensure Board of Directors and Senior Management Committee have adequate oversight of the cyber risk management profile to ensure proper measure is put in place in managing the risk to the</p>



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11.	Key Responsibilities of the Committees (cont’d)	<p>organization, its employees, customers, reputation, assets and interests of stakeholders (shareholders, regulators).</p> <p>26. To ensure consistency of IT Risk Management policies, methodologies and process within the Company including tracking RMiT implementation progress to ensure full compliancy.</p> <p>27. To ensure effective and timely implementation and management of IT project risk assessment.</p> <p>28. To ensure the implementation and deployment of Operational Risk and Control Self-Assessment (“RCSA”) within the CISO organisation.</p> <p>29. To provide independent risk assessment on system readiness and development, new tools and platform.</p> <p>30. To conduct Cyber Risk Assessment on Outsourcing Service Provider and to extend assessment for critical third party vendors.</p>
12.	Compliance With Shariah (for EFTB and EGTB)	Not Applicable
13.	Key Agenda Topics (Non-Exhaustive)	<ol style="list-style-type: none"> 1. All Risk, Technology Risk Management and Compliance Governing Frameworks, Policies and Investment Mandates (including any subsidiary required deviations) 2. Risk Appetite Statement 3. Key Risk Indicators 4. BNM Supervisory Letters and related resolution plans / management actions 5. Stress Tests, Scenario tests and sensitivity analysis 6. Capital Management (including ITCL setting, ICAAP, ORSA and Solvency Reports) 7. Cost of Capital Review 8. Business Continuity Plan, Recovery and Resolution Plans & Crisis Simulation Exercise 9. RCSA, exception report and Key Risk Heatmap 10. Product Report & Half Yearly Product Review

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13.	Key Agenda Topics (Non-Exhaustive) (cont’d)	11. Reinsurance Deviations / Breaches & Reinsurance Quarterly Update / Reinsurance Treaties / Reinsurance Renewal Program 12. New Business Margin Report (Life & Family) and Excess Margin Report (General Insurance & Takaful) 13. Analysis of Surplus (Life & Family) 14. Risk assessment papers on major projects (as and when required) 15. Asset-Liability Cashflow Gap 16. Chief Risk Officer (CRO) Letter and Risk Management Plan 17. Compliance Quarterly Report 18. Progress Update on Policy Document Implementation 19. Compliance Plan 20. IT Security, Risk and Compliance Dashboard 21. RMiT progress report 22. IT Security incident report
14.	Related Regulatory/ Policy Documents	This Terms of Reference (TOR) shall be read together with BNM’s Policy Document on Corporate Governance issued on 3 August 2016.
15.	Minutes of Meeting	The Secretary shall prepare the minutes of the meeting and circulate to the members of the RMC for comments within 14 working days of the meeting.
16.	Collation of Meeting Papers	All papers and/or reports to be tabled at the meeting shall be forwarded to the Secretariat at least five (5) working days prior to the meeting.
17.	Others	All other information that is deemed important for the purpose of the RMC.
18.	Frequency of review	The TOR needs to be reviewed at least every 2 years from the date of last approval or as and when required.

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Version Control

Version	Date	Approved by Reporting Committee/ Board	Effective for adoption	Description
1.0	14 November 2017	MAHB Board	1 January 2018	Revisions made pursuant to Post Split Exercise.
2.0	23 November 2020	MAHB Board	1 January 2021	Revisions made pursuant to change in RMC members composition.
3.0	17 March 2021	MAHB Board	17 March 2021	To formalise and reflect the relevant compliance, cyber and IT risks related oversight in the revised TOR of the MAHB RMC that falls under the scope of the RMC.