



**Mizuho Bank (Malaysia) Berhad**  
(Company No. 923693-H)

**Board Risk Management Committee**  
**Terms of Reference**

**Members of Committee:**

- (1) Independent non-executive director (Chairman)
- (2) Independent non-executive director
- (3) Non-independent non-executive director

## **TERMS OF REFERENCE**

Name of Committee	:	<b>Board Risk Management Committee (“Committee”)</b>
Applicable laws / Guidelines	:	Guidelines on Corporate Governance for Licensed Institutions  The Best Practices for the Management of Credit Risk  Guidelines on Risk Governance
Objectives/Principles	:	To oversee senior management’s activities in managing credit, market, liquidity, operational, legal and other risk and to ensure that the risk management processes are in place and functioning.
Role, Responsibilities and Powers	:	<p>The Committee is responsible for:</p> <ul style="list-style-type: none"><li>(a) reviewing and recommending risk management strategies, policies and risk tolerance for the Board of Director’s (“<b>Board</b>”) approval;</li><li>(b) reviewing and assessing the adequacy of Mizuho Bank (Malaysia) Berhad’s (“<b>MCBM</b>”) risk management policies and framework in identifying, measuring, monitoring and controlling risk, and the extent to which these policies and frameworks are effective;</li><li>(c) deciding whether any new credit activity or product is suitable from the business perspective, whether it complies with MCBM’s business plan and regulations, and whether it will be adequately incorporated within the credit risk management process of MCBM and conducted according to standards set by the Board;</li><li>(d) ensuring infrastructure, resources and systems are in place for risk management, i.e. ensuring that the staff responsible for implementing risk management systems perform</li></ul>

those duties independently of MCBM's risk taking activities;

- (e) reviewing and commenting on management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- (f) reviewing and recommending risk appetite statements, in line with MCBM's strategies and business plan for Board of Director's ("Board") Approval; and
- (g) appoint, evaluate performance, recommend compensation, and decide on the transfer and dismissal of MCBM's Chief Risk Officer.

#### Members

: Comprises only of non-executive directors, with at least three (3) members – two (2) independent non-executive directors and one (1) non-independent non-executive director. Invitations, where deemed necessary, may be extended to the CEO, Deputy CEO and other staff as and when required.

Each appointed Committee member shall hold office until the earlier of: (i) such time as the Board determines to terminate his/her appointment; or (ii) the Committee member ceasing to be a member of the Board.

Membership of the Committee will be reviewed each year by the Board to ensure that an appropriate balance is maintained between continuity and fresh perspectives.

Where there is a specific need for information or clarification on any matters, the relevant staff may be invited to attend the specific part(s) of the Committee's meeting(s).

#### Chairman

: The Chairman of the Committee shall be appointed by the Board and must be an independent director. In the absence

of the Chairman and/or an appointed deputy in any meeting, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not act as Chairman of the Committee.

Quorum : The quorum for meetings shall be two thirds of the total members. A duly convened meeting of a Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Frequency of meetings : The Committee shall meet at least once every quarter, or more often as the Chairman of the Committee considers necessary or appropriate.

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chairman of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) working days before the date of the meeting. All papers and materials to be discussed at the meeting must be sent to the Committee members and to other attendees as appropriate, at the same time.

Attendance : 75%

Approval : By majority. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

The minutes of the Committee, when approved by the Committee, should be circulated to the Board.

The Committee may approve administrative/non-material matters by circular resolution.

- Reports to : The Committee should report to the Board.
- The Committee shall compile a report to shareholders on its own activities which is to be included in MCBM's Annual Report.
- Secretary : The Company Secretary of MCBM, working together with personnel from the Risk Management Department.

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