

**RISK MANAGEMENT COMMITTEE  
TERMS OF REFERENCE**

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**1. Objective**

- 1.1 The Risk Management Committee (“RMC”) is established as a committee of Manulife Insurance Berhad (the “Company”) Board of Directors (the “Board”). It shall assist the Board of Directors of the Company in the discharge of its risk oversight function.

**2. Composition of Committee**

- 2.1 RMC must:

- (a) have at least three directors
- (b) have a majority of independent directors
- (c) be chaired by an independent director; and
- (d) comprise directors who have the skills, knowledge and experience relevant to the responsibility of RMC.

- 2.2 The members of the Risk Management Committee should be appointed by the Board of the Company, after taking into consideration the recommendations of the Nominating/Remuneration Committee. In determining the appropriate size and composition of the Risk Management Committee, the Board should in particular, take into consideration the necessary mix of skills and experience required for the Risk Management Committee to effectively discharge its responsibilities.

**3. Meeting and Quorum**

- 3.1 RMC shall hold regular meetings, at a minimum once every quarter and should report regularly to the full board.
- 3.2 The Chairman may call such additional meetings if needs arise and may invite any person to be in attendance to assist RMC in its deliberation.
- 3.3 The Chairman of RMC shall chair every RMC meeting but if the Chairman is not present for 15 minutes after the time appointed for the commencement of the meeting, or unwilling to act, the RMC members present may elect one among themselves to be chairperson of the meeting.
- 3.4 Minimum quorum of two independent directors is required for convening a meeting. No business may be transacted at a meeting of the Committee if a quorum is not present.
- 3.5 Every RMC member has one vote at a meeting of RMC. Questions arising must be put to vote and passed by majority of the votes cast on it by the RMC members present and voting in favour of it. In the case of an equality of votes, the Chairman or the elected chairperson of the meeting shall have a second or casting vote. Member of the RMC who has direct or deemed interest in the subjectmatter present at the RMC’s meeting shall abstain from participating in discussions and decisions on that matter or any matter arising thereof.
- 3.6 A notice of meeting confirming the date, time, venue and agenda should be circulated to the RMC members at least five (5) working days before each meeting to the RMC members.
- 3.7 The Secretary should prepare the minutes and distribute it to each member. The minutes of the meeting should be signed and confirmed by the chairperson of the meeting at which the proceeding was held or by the chairperson of the next succeeding meeting.
- 3.8 As a reporting procedure, the minutes shall be circulated to all members of the Board.
- 3.9 The Secretary shall keep the minutes of the RMC meetings at the Company’s registered office.
- 3.10 A resolution in writing, signed by the majority of the RMC member shall be valid and effectual as if it had been passed at a RMC’s meeting. Any such resolution may be transmitted by the RMC member via email to the Secretary.

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#### **4. Responsibilities**

The main functions and duties of the RMC shall include but are not limited to the following:

- (i) Support the Board in meeting the expectation on risk management as set out in the Policy Document on Risk Governance issued by Bank Negara Malaysia (“BNM”);
- (ii) Assist when in the implementation of a sound remuneration system, examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings without prejudice to the tasks of the Remuneration/Nominating Committee;
- (iii) Review and recommend risk management strategies, policies/frameworks and risk tolerance/appetite for the Board’s approval upon consultation with Chief Risk Officer (CRO). The risks are divided into Strategic, Liquidity, Market & Credit, Insurance and Operational for comprehensive review;
- (iv) Review and assess sufficiency of risk management policies/frameworks for identifying, measuring, monitoring, controlling and reporting risks as well as the extent to which these are operating effectively upon consultation with Chief Risk Officer (CRO);
- (v) Ensure adequate infrastructure, resources and systems are in place for an effective risk management, i.e. ensuring that competent staff are employed and fully responsible for implementing risk management systems and perform these duties independently of the Company’s risk- taking activities, ensuring the Company leveraged on the best available risk management practices across Manulife Financial Corporation and its subsidiaries (CRO will be the conduit to achieve this);
- (vi) Review Management’s periodic reports on risk exposure, risk portfolio composition and risk management activities to ensure that methods of assessing the risk is viable and reliable via consultation with CRO. Through RMC, the Board oversees the Enterprise Risk Management Framework of the Company;
- (vii) Ensure that all risk management policies/frameworks and risk management strategies undertaken by the Company are in adherence to any laws, rules or regulations outlined by BNM or any relevant authorities in Malaysia;
- (viii) Advise Audit Committee and the Board on areas of high risks faced by the Company; and
- (ix) Review the risk management policies formulated by Management and with input from CRO makes relevant recommendations to MIB Board for approval.