

AMMB Holdings Berhad

Registration No. 199101012723 (223035-V)

AmBank (M) Berhad

Registration No. 196901000166 (8515-D)

AmBank Islamic Berhad

Registration No. 199401009897 (295576-U)

AmInvestment Bank Berhad

Registration No. 197501002220 (23742-V)

**JOINT RISK MANAGEMENT COMMITTEE
TERMS OF REFERENCE**

(Established on 11 May 2026)

Version 1.0

Approved on 30 October 2025

Contents

1.	PURPOSE.....	3
2.	COMPOSITION AND APPOINTMENT.....	3
3.	AUTHORITY.....	3
4.	FUNCTIONS AND DUTIES.....	4
5.	MEETINGS.....	6
6.	ANNUAL PERFORMANCE ASSESSMENT.....	8
7.	REVIEW OF THE TERMS OF REFERENCE.....	8

1. PURPOSE

- 1.1 The Joint Risk Management Committee (the “Committee” or “Joint RMC”) is established as a joint committee of the Board of Directors (“the Board”) of AMMB Holdings Berhad (“AMMB”) and the banking subsidiaries to support the Boards with the following primary objectives:
- 1.1.1 Oversee the governance of risks and compliance within AMMB and the banking subsidiaries and ensure that there is effective infrastructure in place (e.g. policies, frameworks, processes, resources, systems) to manage risks and compliance.
- 1.1.2 Oversee Senior Management activities in identifying, assessing, controlling and monitoring risks and compliance.
- 1.2 For the purpose of this document, “the banking subsidiaries” refer to AmBank (M) Berhad, AmBank Islamic Berhad and AmInvestment Bank Berhad.

2. COMPOSITION AND APPOINTMENT

- 2.1 The Boards of AMMB and the banking subsidiaries shall approve the Committee composition, which shall consist of at least four (4) members, all of whom shall be Non-Executive Directors and the majority being Independent Non-Executive Directors. There shall be at least one (1) director representing AMMB and at least (1) director representing each banking subsidiary.
- 2.2 At least one (1) member shall have experience in the field of risk management.
- 2.3 No alternate Director shall be appointed as a member of the Committee.
- 2.4 The Chairman of the Committee shall be an Independent Non-Executive Director from AMMB. The responsibilities of the Chairman, amongst others, are as follows:
- Plan and conduct meetings;
 - Encourage open discussions during meetings; and
 - Develop and maintain active on-going dialogues with Senior Management.
- 2.5 The Chairman of the Committee shall not be the Chairman of the Boards of AMMB and the banking subsidiaries.

3. AUTHORITY

- 3.1 The Committee is authorised by the respective Boards of AMMB and the banking subsidiaries to perform the following:
- 3.1.1 Secure the resources in order to perform its duties as set out in its terms of reference.
- 3.1.2 Investigate any activity within its terms of reference and shall have direct communication channels with Senior Management.
- 3.1.3 Have full and unrestricted access to information pertaining to AMMB and the banking subsidiaries, their records, properties and personnel in the performance of its duties.
- 3.1.4 Obtain external legal or other independent professional advice as necessary.

3. AUTHORITY (CONTINUED)

- 3.1 The Committee is authorised by the respective Boards of AMMB and the banking subsidiaries to perform the following (continued):
- 3.1.5 Convene meetings with Senior Management, and if appropriate, the Company Secretary, whenever deemed necessary.
- 3.2 The Committee shall report to the Boards of AMMB and the banking subsidiaries on matters considered and its recommendations thereon. The representatives of the entities will update the respective entity boards.

4. FUNCTIONS AND DUTIES

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

4.1 Oversight of Risk Management

- 4.1.1 To set the tone and culture towards effective risk management and ensure that risk management is embedded in all aspects of AMMB and the banking subsidiaries' activities.
- 4.1.2 To ensure that all risks are assessed and considered in developing business plans and strategies.
- 4.1.3 To provide effective oversight in managing risks (covering but not limited to credit, market, funding, operational, legal, regulatory, capital, strategic, reputation, sustainability (covering environmental, social and governance ('ESG')), climate change, *Shariah*, information technology and cyber risks).
- 4.1.4 To review Senior Management's periodic reports on emerging risks, high-level risk exposures, and risk portfolio composition and ensure that Management has in place appropriate controls/ actions to manage each of these risks.
- 4.1.5 To review the periodic reports presented on the assessment of AMMB and the banking subsidiaries' risk exposures and updates on regulatory requirements.
- 4.1.6 To review all non-compliance against established policies and framework approved by the Boards of AMMB and the banking subsidiaries, and policies and guidelines issued by regulatory bodies, and ensure deviation and exception requests are appropriately approved or recommended for approval (where applicable).
- 4.1.7 To report and advise the Boards of AMMB and the banking subsidiaries on any risk issues.
- 4.1.8 To examine whether incentives provided by the remuneration structure take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the Group Nomination and Remuneration Committee.
- 4.1.9 To ensure effective risk management practices and maintain adequate oversight of the overall risk mitigating measures undertaken by AMMB and the banking subsidiaries. This includes the following:
- Ensuring integration and collaboration of risk management initiatives across AMMB and the banking subsidiaries; and
 - Assessing the risk management function's ability to manage risks at AMMB and the banking subsidiaries' level, as well as its implications for capital and funding strategies.

4. FUNCTIONS AND DUTIES (CONTINUED)

4.1 Oversight of Risk Management (continued)

- 4.1.10 To review and recommend the appointment, transfer, dismissal, setting of key performance indicators and performance evaluation of the Group Chief Risk Officer.
- 4.1.11 To review all aspects of the development, maintenance and implementation of the Recovery Plan, as well as recommend the updates to the Boards of AMMB and the banking subsidiaries for approval.

4.2 Risk Management Infrastructure

- 4.2.1 To review and recommend risk management strategies, policies, frameworks, methodologies and risk tolerance standards and changes thereto for approval by the Boards of AMMB and the banking subsidiaries.
- 4.2.2 To oversee the effective implementation of a sound and robust technology risk management framework (“TRMF”) and cyber resilience framework (“CRF”) and to ensure that TRMF and CRF remain relevant by reviewing these frameworks at least once every two (2) years.
- 4.2.3 To evaluate periodically the effectiveness of the control and risk management infrastructure (together with Group Internal Audit Department) and report to the Boards of AMMB and the banking subsidiaries. This will encompass assessing the adequacy of the following and the extent to which these are operating effectively:
- Risk management policies and processes;
 - The risk appetite statement;
 - Framework in identifying, measuring, monitoring and controlling risks;
 - Infrastructure, resources and systems to effectively manage risks; and
 - Regulatory compliance activities.
- 4.2.4 To provide oversight that appropriate systems are in place to monitor AMMB and the banking subsidiaries’ compliance risk and recommend improvements to maintain its effectiveness.
- 4.2.5 To ensure that the personnel responsible for implementing risk management systems perform those duties independently of AMMB and the banking subsidiaries’ risk- taking activities.

4.3 Risk Appetite Statement

- 4.3.1 To review and recommend AMMB and the banking subsidiaries’ risk appetite statement that addresses the major types of risk that AMMB and the banking subsidiaries’ need to manage and the tolerance levels around specific risks that are acceptable to AMMB and the banking subsidiaries’ in executing its business strategy.
- 4.3.2 To review and recommend AMMB and the banking subsidiaries’ risk tolerances for technology-related events and ensure key performance indicators and forward-looking risk indicators are in place to monitor AMMB and the banking subsidiaries’ technology risks against its approved risk tolerance.

4. FUNCTIONS AND DUTIES (CONTINUED)

4.4 Oversight of Compliance Management

- 4.4.1 To review and approve the implementation of the compliance annual plan and strategy and to define compliance objectives across the business lines.
- 4.4.2 To ensure appropriate lines of reporting have been established for timely escalation of compliance issues to the Joint RMC and the Boards of AMMB and the banking subsidiaries.
- 4.4.3 To ensure the compliance function and the Chief Compliance Officer have sufficient stature, authority and independence to carry out their duties effectively.
- 4.4.4 To review, assess and recommend corrective measures to address compliance risk concerns and non-compliances as highlighted by the compliance function and regulatory authorities, where relevant.
- 4.4.5 To review and recommend to the Boards of AMMB and the banking subsidiaries for approval, compliance policies and frameworks, including but not limited to the relevant policies pertaining to prevention of money laundering, terrorism financing, bribery and corruption.
- 4.4.6 To ensure that the effectiveness of AMMB and the banking subsidiaries' overall management of compliance risk is evaluated annually.
- 4.4.7 To provide adequate discussion and priority to deliberate compliance issues in ensuring such issues are resolved promptly and effectively.
- 4.4.8 To review the periodic reports presented on the assessment of AMMB and the banking subsidiaries' compliance status to ensure compliance with regulatory trends and requirements.
- 4.4.9 To review and recommend the appointment, transfer, dismissal, setting of key performance indicators and performance evaluation of the Group Chief Compliance Officer.

4.5 Reporting to the Board

- 4.5.1 To report to the Boards of AMMB and the banking subsidiaries, key matters discussed and agreed at the Committee meeting.
- 4.5.2 To advise the Boards of AMMB and the banking subsidiaries on matters within the scope of the Committee, as well as any major risk and compliance related issues that merit the attention of the Boards of AMMB and the banking subsidiaries.

5. MEETINGS

5.1 Frequency and Attendance

- 5.1.1 The Committee shall meet at least quarterly in a financial year. The Chairman of Committee, in consultation with the Secretary, should determine the frequency of committee meetings. Additional meetings shall be scheduled as considered necessary by the Chairman of the Committee or should circumstances require.

5. MEETINGS (CONTINUED)

5.1 Frequency and Attendance (continued)

- 5.1.2 There shall be in attendance at the meeting of the Committee by invitation the Group Chief Executive Officer, Chief Executive Officer [or representative(s)] of each banking subsidiary, the Group Chief Risk Officer, the Group Chief Compliance Officer and members of Management, and such other persons as deemed necessary by the Committee.
- 5.1.3 Committee members are expected to attend at least 75% of total Committee meetings in any applicable financial year.

5.2 Meeting Agenda and Papers

- 5.2.1 The agenda and meeting papers shall be progressively circulated at least seven (7) calendar days before each meeting to the Committee members. Any submission of meeting paper less than three (3) calendar days before each meeting shall be considered a late paper and will require the approval of the Chairman.

5.3 Quorum

- 5.3.1 The quorum for a meeting of the Committee shall be more than 50% of the Committee members, with a majority being Independent Non-Executive Directors.
- 5.3.2 In the absence of the Chairman, the remaining members present shall elect one of their Independent Non-Executive members as Chairman of the meeting.

5.4 Meeting Mode

- 5.4.1 A meeting shall be conducted in person or via telephone conference or video conference or similar communications equipment or other appropriate means as determined by the Committee to enable effective discussion.
- 5.4.2 The Committee may from time to time and if deemed appropriate, consider and approve and/ or recommend relevant matters via a Circular Resolution in writing, including approval by legible confirmed transmission by facsimile or other forms of electronic communications, in lieu of formally convening a meeting. The Circular Resolution shall only be undertaken with prior approval from the Chairman, and it shall follow the voting rights as set out in clause 5.5. The Circular Resolution shall be as valid and effectual as if it has been passed by a meeting of the Committee duly convened.
- 5.4.3 Circular Resolutions must be signed by all Committee members, subject to clause 5.5.2. Members who do not agree with the resolution shall also sign the document but may record their dissent in writing at the time of signing. Circular Resolutions passed since the last Committee meeting shall be circulated for notation at the next Committee meeting.

5.5 Voting

- 5.5.1 All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a casting vote.

5. MEETINGS (CONTINUED)

5.5 Voting (continued)

5.5.2 A Committee member is required to abstain from deliberations and voting in respect of any matter that arose, persist or may give rise to an actual, potential or perceived conflict of interest situation. If, as a result, only two (2) members remain to vote on the question at issue, the Chairman shall not have a casting vote, and the matter shall be escalated to the Board for decision-making. Entity-specific matters shall be tabled to the Board of the specific entity, whereas matters affecting AMMB and the banking subsidiaries shall be tabled to the Boards of AMMB and the banking subsidiaries.

5.6 Meeting Minutes

5.6.1 Minutes shall be duly recorded by the Secretary, confirmed as an accurate record of the proceedings by the Committee and signed by the Chairman of the meeting at which the proceedings are held, or by the Chairman of the next succeeding meeting.

5.6.2 Copies of minutes of each meeting shall be distributed to all members of the Boards of AMMB and the banking subsidiaries for information, and to all members of the Committee and relevant Senior Management members to ensure proper key actions are acted upon.

5.7 Secretary

5.7.1 The Company Secretary or nominee shall act as the Secretary of the Committee.

6. ANNUAL PERFORMANCE ASSESSMENT

6.1 The Boards of AMMB and the banking subsidiaries shall review the composition, performance and effectiveness of the Committee and each of its members annually in carrying out the duties as set out in this Terms of Reference.

6.2 All such assessments shall be properly documented.

7. REVIEW OF THE TERMS OF REFERENCE

7.1 The Committee shall review and assess the adequacy of this Terms of Reference at least once in every two (2) years or when necessary. Any proposed changes to the Terms of Reference shall be approved by the Boards of AMMB and the banking subsidiaries.