



Chubb Insurance Malaysia Berhad
Registration No: 197001000564 (9827-A)

Terms of Reference
Board Risk Management Committee

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Terms of Reference of the Board Remuneration Committee

Introduction

- 1.1 The Board Risk Management Committee (“**BRMC**”)’s primary function is to assist the Board in meeting its responsibilities for:-
- Identifying, assessing and monitoring key business risks to safeguard shareholders’ investments and the Company assets;
 - Reviewing and recommending risk management policies and strategies of the Company for Board’s approval;
 - Ensuring that Senior Management maintains a sound system of internal controls and risk management processes to safeguard and enhance the value of the organisation; and
 - Ensuring Board members adopt a zero-tolerance approach to bribery and corruption in all its forms and that Board members display leadership and commitment in prevention of corruption within the Company via inter alia, implementation of the Code of Conduct and Whistleblowing policy setting out standards of behaviour expected from all Directors, Senior Management and employees.

Interpretation

- 2.1 The following definitions shall apply:

“**BNM**” refers to Bank Negara Malaysia.

“**Board**” refers to the Directors of the Company whose number is not less than the required quorum acting as a Board of Directors, as stipulated in the Constitution of the Company.

“**Country President**” refers to the Chief Executive Officer (“**CEO**”) of the Company or by whatever name called.

“**Chairman**” refers to the Chairman of the Board and is used in a gender neutral sense.

“**Chubb**” or “**Company**” refers to Chubb Insurance Malaysia Berhad [Registration No: 197001000564 (9827-A)].

“**Company Secretary**” refers to the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary.

“**Constitution**” refers to the Constitution adopted by the Company as originally framed or as altered from time to time by way of passing a special resolution.

“**Control Function**” refers to a function that has a responsibility independent from business lines to provide objective assessment, reporting and assurance on the effectiveness of the Company’s policies and operations, and its compliance with legal and regulatory obligations. This includes the risk management function, the compliance function and the internal audit function.

“**Director**” refers to a person who has been appointed and for the time being holds office as a Director of the Company by whatever name called in accordance with the provisions of the Companies Act 2016, Financial Services Act 2013 and the Constitution.

“**Independent Director**” refers to the definition in accordance with Paragraph 1.01 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), Practice Note 13 of the MMLR and Paragraph 11.7 of the Corporate Governance policy issued by Bank Negara Malaysia.

“Internal Control Framework” refers to the set of rules and controls governing the Company’s organisational and operational structure, including reporting processes and Control Functions.

“Remuneration” includes salary and benefits of any kind.

“Risk Appetite” is the aggregate level and types of risk the Company is willing to assume, decided in advance and within its risk capacity, to achieve its business objectives and strategies.

“Senior Management” refers to the Country President / CEO and Senior Officers.

“Senior Officers” refers to a person performing a senior management function whose primary or significant responsibility is for the management and performance of significant business activities of the Company.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Composition of the BRMC

- 3.1 The BRMC shall be appointed by the Board from among their numbers (pursuant to a resolution of the Board) which fulfils the following requirements:
 - (a) Consist of a minimum of three (3) Directors;
 - (b) The members of the BRMC including the Chairman must be Independent Directors;
 - (c) The Chairman of the Board shall not be a member of the BRMC.
- 3.2 All members of the BRMC should be knowledgeable in risk and corporate culture, performance, business continuity management and are able to understand matters under the purview of the BRMC including Enterprise Risk Management (“**ERM**”). All members of the BRMC should undertake continuous professional development to keep themselves abreast of relevant developments in international risk management standards, practices and rules.
- 3.3 The appointment of the BRMC member terminates when the member ceases to be a Director, or as determined by the Board.

Chairman

- 4.1 The Chairman of the BRMC shall be an Independent Director elected amongst the members of the BRMC. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.

Quorum and Meeting Procedures

- 5.1 No business shall be transacted at any meeting of the BRMC unless a quorum is present. The quorum of the BRMC shall be at least two (2) members.

- 5.2 Only members of the BRMC have the right to attend BRMC meetings. However, other Directors and individuals such as the Country President, Chief Risk Officer, Chief Compliance Officer, members of Senior Management, consultants and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary to be determined by the BRMC Chairman.
- 5.3 All meetings of the Board will be conducted in accordance with the Constitution of the Company and applicable laws / regulations.

Company Secretary

- 6.1 The Company Secretary or other appropriate Senior Officer shall act as secretary of the BRMC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it within a reasonable period prior to the meeting supported by explanatory documentation to the BRMC members prior to each meeting.

Duties and Responsibilities

- 7.1 The duties and responsibilities of the BRMC shall include, but are not limited to the following:
- (a) Support the Board in meeting the expectations on risk management as set out in BNM's Policy Document on Risk Governance.
 - (b) In assisting 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 earning, without prejudice to the tasks of the Board Remuneration Committee.
 - (c) Considering all other risk management related matters as may be requested by the Board from time to time.
 - (d) The BRMC must regularly obtain information from Senior Management on adherence to the Company's Risk Appetite and the implementation of risk management policies, processes, and controls within the Company in managing the key risks to the Company as well as emerging risks. This should be supported by independent assessments by the risk management and Control Functions. The BRMC should also provide constructive challenge to Senior Management and critically review the risk information and developments affecting the Company.
 - (e) The BRMC must periodically meet to ensure effective exchange of information so as to enable effective coverage of all risks, including emerging risks issues that could have an impact on the Company's Risk Appetite and business plans.
 - (f) The BRMC shall periodically review existing policies and procedures and recommend to the Board any required proposed changes.
 - (g) The BRMC shall ensure all Directors, Senior Management, employees and where applicable, business partners, are committed to performing professionally, fairly, and with integrity in all areas of business dealings and relationships. All employees are required to adhere to the policies implemented by the Company while they are conducting business on behalf of the Company.
 - (h) The BRMC shall review and ensure that relevant information is disclosed in the Statement on Risk Management and Internal Control in the Company's annual report.

Authority

- 8.1 The BRMC is authorised to:
- (a) Have full and unrestricted access to any employee and information, documents and resources pertaining to the Company in the course of performing its duties,
 - (b) Initiate actions to prevent or reduce the adverse effects of risk,
 - (c) Control further treatment of risks until the level of risk becomes acceptable;
 - (d) Verify the implementation of solutions and communicate and consult internally and externally as appropriate;
 - (e) Investigate any matter within its terms of reference;
 - (f) Have the resources which are required to perform its duties; and
 - (g) Make decision on matters which fall within the purpose and responsibilities of the BRMC.
- 8.2 The BRMC should have the means and ability to seek independent third party views or information on risk implications as appropriate before coming to any conclusion or making any significant policy decisions.
- 8.3 The BRMC must establish the frequency, content and form of risk reports to be submitted to the Board so as to ensure such risk reports facilitate understanding and determination of appropriate risk responses.

Disclosure

- 9.1 The BRMC shall produce a report to be included in the Company's annual report about its activities, the membership of the BRMC, number of BRMC meetings, attendance of members over the course of the year, the adequacy and effectiveness of risk management and Internal Control Framework.

Minutes

- 10.1 The Minutes of meetings of the BRMC shall be circulated to all members of the Board. The minutes shall be kept at the registered office of the Company under the custody of Company Secretary of the Company and shall be open for inspection by the Board. Any request by Senior Management or other persons to inspect the minutes shall be subject to the approval of the BRMC.

Reporting Arrangements

- 11.1 The Chairman of the BRMC shall report to the Board key deliberations of the BRMC and its decisions on delegated matters on a regular basis.
- 11.2 The BRMC shall make whatever recommendation to the Board it deems appropriate and in any area within its remit where action or improvement is needed.

Annual General Meeting (“AGM”)

- 12.1 The Chairman of the BRMC should attend the AGM to answer any shareholder questions on the BRMC’s activities.

Periodic Review

- 13.1 This Terms of Reference shall be reviewed whenever necessary by the BRMC. Any revision or amendment to this Terms of Reference, as proposed by the BRMC or any third party, shall first be presented to the Board for its approval.

Upon the Board’s approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

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