



**Board Risk and Compliance
Oversight Committee
Term of Reference**

Version: 2022v01


Approval: Board Risk and Compliance Oversight Committee **Date: 7 March 2022**

TERMS OF REFERENCE
Board Risk and Compliance Oversight Committee (BRCOC)

- Notes: 1) All illustrations provided in this template serve as a reference only.
2) All items marked with asterisk (*) are **mandatory** to be filled.
3) Please refer to the explanatory notes for further explanation.

| No. | Items | Details |
|-----|-------------------------------|--|
| 1. | Objective & Scope* | <p>The Board Risk and Compliance Oversight Committee (BRCOC) is responsible for the oversight of a company's Enterprise Risk Management Framework (ERMF) and Compliance Framework (CF) to ensure its functionality and effectiveness. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities.</p> <p>In particular, the BRCOC oversees the monitoring of key risks defined in the Risk Taxonomy, covering the broad risk categories of Enterprise Risk, not limited to Strategic Risks, Financial Risks, Insurance risks and Operational Risks, including Cyber and Technology Risks, and areas of Compliance as governed by the Compliance Framework.</p> |
| 2. | Members* | <p><u>Chairman:</u></p> <p>Independent Non-Executive Director</p> <p><u>Terms of Membership</u></p> <p>Minimum three (3) members, the majority of whom should be independent directors, including the Chairman. At least one member of the committee must have relevant thorough knowledge and experience on risk management and compliance. The Chairman should not be the Chairman of the Board or of any other committee.</p> <p><u>Members</u></p> <p>(1) Independent Non-Executive Director (2) Independent Non-Executive Director (3) Independent Non-Executive Director</p> |

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| | | <p><u>Permanent Invitees</u> The following leadership from ELGAP are permanent invitees to the BRCOC due to their direct influence in the management of people, process, technology risks.</p> <ul style="list-style-type: none"> (1) Group CFO – Etiqa International Holdings (2) President / CEO (3) Chief Financial Officer (4) Head of Risk Management (5) Head of Compliance (6) Head of IALMC <p><i>Note: Department Heads or Expert/Consultant may be invited as and when needed or required.</i></p> |
| 3. | Quorum* | <p><u>Quorum</u> More than 50% of the members including the Chairman should be in attendance to call the meeting to order.</p> |
| 4. | 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> |
| 5. | Secretary* | Corporate Secretary, ELGAP |
| 6. | Reporting Committee* | The BRCOC reports to the Board of ELGAP. |
| 7. | Meeting Frequency* | <p>Meeting shall be held at least four (4) times a year and before every ELGAP Board meeting, with the best practice to be at least ten (10) 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> |
| 8. | 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. |
| 9. | Authority* | <p>The BRCOC is authorised by the ELGAP Board of Directors to oversee the overall Risk and Compliance related matters of ELGAP.</p> <p>The BRCOC shall have access to all information, documents and personnel in the discharge of its duties.</p> |

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| | | <p><u>Organizational Chart</u></p>  <pre> graph TD A[ELGAP Board of Directors] --- B[Office of the President] B --- C[Risk Management Unit] B --- D[Compliance Unit] A -.- E[Board Risk and Compliance Oversight Committee] C -.- E D -.- E </pre> |
| 11. | <p>Key Responsibilities of the Committee*</p> | <p>BRCOC is responsible for the oversight of the company's implementation of ERMF and Compliance Framework and provides guidance for Management Committee (ManCom): Risk and Compliance's execution of the programs, actions and activities.</p> <p>BRCOC 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) and other matters relating to Compliance and ELGAP's relationship with its regulators.</p> <p>The key roles of BRCOC are as follows:</p> <ol style="list-style-type: none"> 1. Endorses/approve the recommendation of Risk Management and Compliance on frameworks and policies to identify, assess, monitor and manage Enterprise Risk and Compliance for adoption in ELGAP. 2. Support and provide further guidance to ensure the effective implementation of Risk Management and Compliance frameworks and policies. 3. Ensure adequacy of infrastructure, resources and systems to manage enterprise and compliance risk and recommend improvement to ensure effectiveness. 4. Endorse Risk Appetite Statements presented by the ManCom, Risk and Compliance and recommend to the ELGAP Board of Directors for approval. 5. Oversee the integration of Risk Appetite Statements across group wide risk-taking activities, and review ELGAP's compliance and risk management strategies periodically such |

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| | | <p>that they are adjusted to reflect risk appetites, capital health, and market / macroeconomic conditions.</p> <ol style="list-style-type: none"> 6. Provide guidance on the risks and compliance 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. 7. 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. 8. Support ManCom, Risk and Compliance in ensuring the independency and the adequacy of resources to enable the effective risk and compliance management, i.e. necessary infrastructures, systems, personnel, trainings and skillsets in supporting risk and compliance management practices and processes to identify, measure, monitor, manage and control risks. 9. Provide oversight and guidance over ELGAP's state of business continuity preparedness and provide guidance on ELGAP's annual attestation on the sufficient awareness of such risks and compliance, mitigating measures and state of readiness. 10. Provide oversight in addressing regulatory risk and compliance concerns under the IC's Supervisory letters escalated by the ManCom, Risk and Compliance and approve the management response and updates to the matters for submission to IC. 11. Review assess and recommend to the Board corrective measures to address compliance and risk concerns as highlighted by the Risk team and Compliance team and various home-host regulatory authorities, where relevant. 12. Provide guidance on ELGAP's response to data and /or information security breaches through the Suspicious Transactions Reporting Committee and the Data Breach Committee. 13. Support the implementation of policies on compliance for ELGAP 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. 14. To carry out such other responsibilities as may be delegated to it by the Board from time to time. |

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| 13. | Key Agenda Topics* (Non-Exhaustive) | <p>The Head of Risk Management shall update the BRCOC on the following:</p> <ol style="list-style-type: none"> 1. Status of Risk Management Governing Frameworks, Policies and Investment Risk Mandates, including the Risk Management Plan 2. Risk Landscape and Appetite Statements 3. Financial and Non-Financial Key Risk Indicators and Risk Tolerance Limits 4. Enterprise-wide RCSA and Key Risk Heatmap (Inherent and Residual Risks) 5. Business Continuity Plan, Recovery and Resolution Plans & Crisis Simulation Exercise reports 6. Reports on incidents or risk assessments of potential exposures which demonstrate deviations from the Risk Appetite and/or breaches to company policies that will put the company at risk of loss beyond its tolerance. <p>The Head of Compliance shall update the BRCOC on the following:</p> <ol style="list-style-type: none"> 7. Status of Compliance Governing Frameworks, Policies and Investment Mandates, including the Compliance Plan 8. IC Supervisory Letters and related resolution plans / management actions 9. Compliance status and risk of legal or regulatory sanctions, financial loss or reputation damage with regards to: <ol style="list-style-type: none"> a. Anti-Money Laundering and Counter Financing of Terrorism (AMF/CFT) b. Anti-bribery & Corruption Policy c. Whistleblowing Policy d. Data Privacy, Data Breach Response/Security Incident Report e. Suspicious Transaction Reporting |
| 14. | Related Regulatory/ Policy Documents* | <p>This Terms of Reference (TOR) shall be read together with IC's "Revised Code of Corporate Governance for Insurance Commission Regulated Companies" (CL 2020-71) issued on 13 August 2020 and other relevant regulatory circulars.</p> |
| 15. | Minutes of Meeting | <p>The Secretary shall prepare the minutes of the meeting and circulate to the members of the BRCOC for comments within 14 working days of the meeting.</p> |
| 16. | Collation of Meeting Papers | <p>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.</p> |

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| 17. | Others | All other information that is deemed important for the purpose of the BRCCOC. |
| 18. | Frequency of review | The TOR needs to be reviewed <u>annually</u> from the date of last approval or as and when required. |

Version Control

| Version | Date | Approved by Reporting Committee | Effective for adoption | Description |
|---------|-------------------|---------------------------------|------------------------|--|
| 1.0 | December 3, 2021 | | | Board Risk and Compliance Oversight Committee Terms of Reference Draft Prepared and reviewed by Soleil G. Baria, Head of Risk Atty. Roselle P. Bariuan, Head of Compliance |
| 1.1 | February 24, 2022 | | | Prepared and reviewed by Soleil G. Baria, Head of Risk Atty. Roselle P. Bariuan, Head of Compliance |

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