



# Charter – Risk Monitoring Committee

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## Risk Monitoring Committee Charter

### 1. Membership

- 1.1 The Risk Monitoring Committee of BanyanTree Bank Limited (BTB) will comprise the Executive Director (Chief Executive Officer) and three independent or non-executive directors appointed by the Board of BTB, on the recommendation of the Nomination and Remuneration Committee. A reasonable number of members of the Committee should have adequate familiarity with risk management of BTB.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, the Financial Controller will be invited to attend meetings of the Committee on a regular basis and other staff may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.3 The Chairperson of the Committee shall be an independent director. However, the Chairperson of the Board will not be the Chairperson of the Committee.
- 1.4 The Board will appoint the Committee Chairperson. In the absence of the Committee Chairperson, the remaining members present will elect an eligible person among themselves to chair the meeting.

### 2. Secretary

- 2.1 The Company Secretary or a nominee of the Company Secretary will act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### 3. Quorum

- 3.1 The quorum necessary for the transaction of business will be three.

### 4. Frequency of Meetings

- 4.1 The Committee will meet at least quarterly.

### 5. Notice of meetings

- 5.1 Meetings of the Committee will be called by the Secretary of the Committee at the request of the Committee Chairperson.

5.2 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, will be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers will be sent to Committee members and to other attendees as appropriate, at the same time.

## 6. Minutes of meetings

6.1 The Secretary will minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2 Draft minutes of Committee meetings will be circulated promptly to all members of the Committee. Once approved, minutes would be circulated to all other members of the Board unless in the opinion of the Committee Chairperson it would be inappropriate to do so.

## 7. Annual General Meeting

7.1 The Committee Chairperson will, if requested by the Company Secretary, attend the annual general meeting to answer any shareholder questions on the Committee's activities.

## 8. Duties

- 8.1 Review strategic plans, annual corporate objectives/budgets and monitor performance against set objectives.
- 8.2 **Formulate and make recommendations to the Board in respect of risk management issues including limits and risk appetite.**
- 8.3 Identify principal risks, including those relating to credit, market, liquidity, operational, compliance, and reputation of BTB, and actions to mitigate the risks.
- 8.4 Review the methodologies for assessing credit and country risks, recommend appropriate limits for counter-party, sector and country exposures and monitor concentration of risk.
- 8.5 Recommend on optimal funding requirements and adequacy of capital, as and when required.
- 8.6 Evaluate financial & risk aspects of any proposals for new business ventures, acquisitions or any strategic investments.
- 8.7 Approve capital expenditures and unbudgeted operating expenses which are above Management's authority but below any threshold required for Board

approval.

- 8.8 Appoint chief risk officer, who among other things, will provide assurance that the oversight of risk management is independent from operational management and is adequately resourced with proper visibility and status in the organisation.
- 8.9 Ensure independence of the chief risk officer from operational management without any requirement to generate revenues.
- 8.10 Require the chief risk officer to provide regular reports to the committee, senior management and the board on his activities and findings relating to BTB's risk appetite framework.
- 8.11 Receive from senior officers periodic reports on risk exposures and activities to manage risks.
- 8.12 Formulate and make recommendations to the board on risk management issues.
- 8.13 Approve issues as per policies of the Bank and any deviations from policies.

## **9. Reporting Responsibilities**

- 9.1 The Committee Chairperson will report periodically and in any case not less frequently than on a quarterly basis to the Board on matters reviewed by the Committee, including exceptions to policies, processes and limits.
- 9.2 The Committee will make whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.

## **10. Other matters**

The Chairman of the Committee is authorized to ensure that the Committee:

- 10.1 Has access to outside or other independent professional advice as it considers necessary to carry out its duties.
- 10.2 Has access to sufficient resources in order to carry out its duties, including access to the Bank's secretariat for assistance as required.
- 10.3 Is provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 10.4 Gives due consideration to laws and regulations/guidelines, and any other applicable rules, as appropriate.

**10.5** Arranges for periodic reviews of its own performance and, at least annually, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

## **11. Authority**

**11.1** The Committee is authorised by the Board to obtain, at the Bank's expense, outside legal or other professional advice on any matters within its terms of reference.

*End of Charter*