



Board Risk Management Committee

TERMS OF REFERENCE

Document Control	
Date of Last Approval / Review	04 September 2025
Reviewed by Board Risk Management Committee on	02 June 2026
Approved by the Board on	04 June 2026
Ownership	Company Secretary

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1. DEFINITIONS

1.1 “Bank One” / “the Bank”

Bank One Limited

1.2 The “Board”

The Board of Directors of Bank One Limited

1.3 The “Committee” or the “BRMC”

The Board Risk Management Committee of Bank One Limited

2. CONSTITUTION & PURPOSE

The BRMC is constituted and appointed by the Board to advise the Board on the Bank’s overall risk appetite, assess the level of the risks incurred against the Bank’s risk appetite, oversee the senior management’s implementation of the risk appetite framework, as well as necessary controls and mitigations, and assess and report on the state of the risk culture in Bank One. In fulfilling its responsibilities, the BRMC will focus on the risks identification, evaluation, measurement, mitigation, monitoring and on risk management processes.

The Committee will deliver on its mandate by fulfilling the responsibilities as described in the “Responsibilities” section.

3. COMPOSITION

1. Members of the Committee shall be appointed by the Board, on the recommendation of the Governance, Nominations and Remuneration Committee.
2. The composition of the Committee shall be reviewed at least on an annual basis by the Board, on the recommendation of the Governance, Nominations and Remuneration Committee.
3. The Committee shall consist of a minimum of three non-executive directors, including at least 1 Independent Director. The CEO and the Chairperson of the Board Audit Committee shall be ex-officio members of the BRMC.
4. The Chairperson of the Committee shall ideally be an Independent Director as designated by the Board, but in case it is not possible, a Non-Executive Director with a good experience and proficiency in risk management matters shall be designated.
5. The Chairperson of the Board shall not be a member of the Committee.
6. Only members of the Committee have the right to attend Committee meetings.
7. The, Chief Risk Officer and the Head of Internal Audit will be permanent invitees to the meetings of the Committee for consultation only. The BRMC may invite such other person to its meetings, as it deems necessary. The Board will, as far as practical, review periodically the composition of the BRMC and make any changes it deems appropriate.

4. SECRETARY

The Company Secretary, or a representative from the Corporate Affairs Unit, shall act as Secretary at all meetings of the Committee.

5. QUORUM & VOTING

1. The quorum necessary for the transaction of business shall be three members, including the CEO.
2. A Member shall be deemed to be present at any meeting if he is able to hear and understand all of the proceedings of the meeting and be heard and understood by all present or deemed present by way of telephone or other suitable means of communication, and such Member indicates his willingness for the meeting to proceed on that basis.
3. All decisions of the Committee shall be by unanimous approval. A member present at a meeting of the Committee is presumed to have agreed to and to have voted in favour of a decision / recommendation, unless he expressly dissents from or votes against the decision / recommendation at the meeting.
4. The Committee may approve urgent matters by written resolutions, email circulation or circulation via the Board Portal. Any decision / recommendation taken in such manner would be in line with the above preceding paragraph, i.e. unanimous. Any approval by the Committee via email circulation or circulation via the Board Portal shall be formally ratified at the ensuing meeting of the Committee.
5. Any instance where a decision is not approved unanimously in line with paragraphs (3) and (4) above shall be referred to the Board for consideration.

6. CONFLICTS OF INTEREST

Members must avoid instances that may give rise to conflicts of interests or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest must be made known to the Chairperson of the Committee and to the Board in accordance with applicable laws and the Bank's policies, and the onus will be on the members to advise on any conflicting situations.

On declaration of his interest, the concerned member shall not participate in the discussions and/or decision taking process on the transaction in relation to which conflict arises. The transaction may however be concluded and approved at market terms and conditions. Any related party transactions shall be escalated to the Board for final approval.

7. FREQUENCY OF MEETINGS

The Committee shall meet at least on a quarterly basis, and otherwise as may be required.

8. NOTICE OF MEETINGS

1. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members.

2. Meetings shall be organised so that attendance is maximised.
3. Notice of each meeting of the Committee, confirming the venue, time, and date, together with an agenda of items to be discussed, along with the supporting papers, will, other than under exceptional circumstances, be forwarded to each member of the Committee not later than five working days before the date of the meeting.

9. MINUTES OF MEETING

1. The Secretary shall take minutes of all meetings. Such minutes shall be circulated to the Chairperson of the Committee for review, not later than three weeks post each meeting and thereafter, to all members. The minutes shall be tabled for approval at the ensuing BRMC meeting.
2. Minutes of all Committee meetings shall be tabled at the ensuing Board meeting.

10. REPORTING TO THE BOARD

The Chairperson of the Committee will report at each Board meeting of the Bank on any matters of importance, the Committee's findings, and recommended actions.

11. RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the Committee shall include the following:

Risk Appetite & Framework

1. Formulate and make recommendations to the Board in respect of the overall risk appetite, oversee the senior management's implementation of the risk appetite framework, report on the state of the risk culture in the Bank and evaluate how management is held accountable for the maintenance of internal control within the Bank.
2. Recommend to the Board for approval, a risk appetite framework and ensure that the Board-approved framework is well understood throughout the Bank. Review and ensure that the Bank's corporate, operational and financial policies for the management of the Principal Risks (as defined by the Bank's Risk Management Framework) are forward-looking and consistent with the Bank's short term and long-term strategic plan. The framework should set benchmarks as to the acceptable risk limits, taking into account relevant financial, operational and macroeconomic factors.

Risk Management and Mitigation

3. Identify, review and assess the Principal Risks, including but not limited to strategic, capital, credit, market, liquidity, operational, technological, cyber, legal, compliance, conduct and reputational risks, and the actions taken to mitigate the risks. Monitor the Bank's Risk Profile as presented by Management against the Risk Appetite approved by the Board.
4. Review and recommend to the Board, on an annual basis, the Risk Management Framework. Obtain assurance from Management that the risk management practices are effectively embedded and supported by appropriate metrics, so that the Board can formulate an informed view on the effectiveness of the risk management process.

5. Ensure that the CEO facilitates training programs for Directors and Senior Management to enable them to have a robust understanding of the nature of the business, the nature of the related risks, the consequences of risks being inadequately managed and the techniques for managing the risks effectively.
6. Consider the need, if any, for an independent assurance of the effectiveness of the risk management function within the Bank;

Specific Provisions relating to Climate-Related Risks

7. Clearly set the roles and responsibilities of senior management and ensure the appropriate internal organizational structure, as applicable, for the management of climate-related and environmental financial risks.
8. Approve and periodically review the strategy and risk management framework for climate-related and environmental financial risks and opportunities.
9. Ensure an appropriate collective understanding of and relevant expertise on climate-related and environmental financial risks at both board level and senior management level and require relevant capacity development and training programmes on climate-related and environmental financial risks.

Specific Provisions relating to Cloud, Cyber, Technology & IT Security Risks

10. Promote a strong culture to cyber and technology resilience.
11. Review and recommend to the Board, the Bank's policies around cloud services arrangements and cloud security.
12. Review and recommend to the Board, at least on an annual basis, the relevant cyber and technology risk management strategy and framework and related policies.
13. Ensure the Board approved Risk Appetite includes cyber and technology risk appetite and tolerance statement that describes the nature and level of cyber and technology risk the Bank is willing to assume in order to achieve business goals and the technology strategy.
14. Receive comprehensive periodic reports from the Management on the use of cloud computing services and satisfy itself that the cloud risk management framework put in place by the Management, including the controls and security arrangements in-premise and on cloud, are in place and efficient.
15. Receive regular and timely reports on material cyber and technology incidents, on the evolution of the threat landscape including current and emerging risks, on the findings of internal audits, external audits and testing exercises and on the overall status and effectiveness of the cyber and technology risk management framework.

Non-Performing Accounts, Impairment & Write Off

16. Review and recommend to the Board, the Bank's Write-Off, Credit Impairment Measurement and Income Recognition policies.
17. Review and approve accounts where specific provisions for non-performing accounts need to be made in full compliance with the guidelines issued by the Bank of Mauritius in respect of Credit Impairment Measurement and Income Recognition.
18. Approve the writing-off of non-performing assets with exposures greater than MUR 2m or FCY equivalent either on a solo or on a consolidated basis, in line with the Write Off Policy of the Bank.

Stress Testing

19. Delegate to the Management, or to such external party as it may deem appropriate, the development and implementation of the stress testing framework. Whilst such delegation is in place, the BRMC should understand the framework and be able to challenge the models, including the modelling assumptions, the scenario selection and the assumptions underlying the stress tests.
20. Review the stress testing framework at least on an annual basis to ensure that it remains up to date and relevant.

Other Additional Matters

21. Review and recommend to the Board, the annual Internal Capital Adequacy Assessment Process.
22. Review and recommend to the Board, any material outsourcing of services by the Bank.
23. Determine country exposure/risk tolerance limits, review and where appropriate, and on exceptional cases, agree on any excess in advance of any proposed exposures.
24. Review at least on an annual basis, the Bank's Business Continuity and Disaster Recovery Plans and Testing.
25. Appoint and remove the Chief Risk Officer (CRO) and ensure his / her independence from operational management without any requirement to generate revenues. To such effect, the CRO shall have a line of reporting to the BRMC, which will review his / her yearly objectives and performance against the same.
 - In considering the appointment of the CRO, whether on an interim or permanent basis, the interview panel shall, unless otherwise agreed and for the sake of facilitating such interview sessions at the earliest possible time, consist of at least, the two Non-Executive Directors and one Independent Director.
26. Ensure appointment of qualified/competent staff and sufficiency of resources for adequate risk management processes.
27. Consider any other matters that the Board may refer to the Committee from time to time.

12. AUTHORITY

The Committee is authorized to:

- Seek any information it requires from any employee of the Bank in order to perform its duties;
- Obtain, at the Bank's expense, any independent legal, accounting, or other professional advice on any matter that the Committee deems appropriate to enable it to carry out its duties.

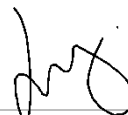
Reviewed and Approved by the Board of Directors on 04 June 2026



Cyril Wong
Chairperson of the Board



Lakshman Bheenick
Chairperson of the
Board Risk Management Committee



Kareen Ng
Company Secretary