HONG LEONG BANK BERHAD
&
HONG LEONG ISLAMIC BANK BERHAD

BOARD INFORMATION AND
TECHNOLOGY COMMITTEE
TERMS OF REFERENCE

CONSTITUTION

The Board Information and Technology Committee ("BITC") is established to jointly support the Boards of Hong Leong Bank Berhad ("HLBB") and Hong Leong Islamic Bank Berhad ("HLISB") ("the Bank") in discharging the following responsibilities:

1. Oversee technology and cyber security related matters.

2. Ensure that risks assessments undertaken in relation to material technology applications are robust and comprehensive.

3. Ensure that management meets the expectations on technology and cyber security risk management as set out in BNM's policy document on Risk Management in Technology.

COMPOSITION

The BITC shall:

(a) have at least three (3) directors;
(b) be chaired by Independent Non-Executive Director;
(c) have membership representation from both HLBB and HLISB; and
(d) comprise at least one member with the skills, knowledge and experience relevant to the responsibilities of this board committee.

SECRETARY

The Secretariat to the BITC is the Company Secretary(ies) of the Bank.

TERMS OF REFERENCE

1. To review management's strategies relating to technology and cyber security and their alignment to the Group's overall strategy, objectives and risk appetite.

2. To ensure that the Bank's technology risk appetite is aligned to the Group's overall risk appetite statement.

3. To review the adequacy of management's information technology and cyber security strategic plans over a three year period and periodically review these plans at least once every year.

4. To oversee management's implementation of sound and robust technology-related frameworks, encompassing technology risk management and cyber resilience.

5. To ensure that the Bank's technology-related frameworks encompassing technology risk management and cyber resilience, remains relevant on an ongoing basis.

With effect from 28 October 2024

6. To review the Bank's technology-related frameworks encompassing technology risk management and cyber resilience at least once every three years, for the Boards' affirmation.

7. To review management's reporting to the Boards on measures taken to:

    (a) Identify and examine technology risk (including cyber risk) faced by the Bank;
    (b) Ensure strategies are in place to safeguard the Bank against current and emerging technology and/or cyber risks;
    (c) Assess effectiveness of controls put in place to manage these risks; and
    (d) Conduct appropriate and timely closure of IT audit findings.

8. To review and ensure that management provides sufficient detailed information on key technology risk and critical technology operations to facilitate strategic decision-making. This includes reporting enterprise key risk indicators on the IT and cyber health posture.

9. To review and report to the Boards on emerging global technology trends and their potential application within the Bank, to either enhance the business operations, safeguard existing businesses or improve overall technology security.

10. To review post implementation reports of key technology projects to ensure that results are aligned to the risk posture stipulated in the initial project request.

11. To review and report to the Boards on the strategic benchmarking of technology performance against external peer groups from time to time.

12. To review the effectiveness of disaster recovery plans and disaster recovery testing to ensure high system resilience of technology systems, datacentres etc.

13. To review and ensure adequacy of cyber security investments and that its associated roadmap for implementation is acceptable.

14. Other technology and cyber security related matters as may be agreed by the Boards.

Group Governance

1. Noted that:

    (a) The Bank, as a company with licensed subsidiary companies has overall responsibility for ensuring the establishment and operation of a clear governance structure within its subsidiaries ("Bank Group").

    (b) The Board's responsibility is to promote the adoption of sound corporate governance principles throughout the Bank Group.

With effect from 28 October 2024

(c)   The Bank's IT related functions may propose objectives, strategies, plans, governance framework and policies for adoption and implementation within the Bank Group.

(d)   The respective subsidiaries' board and senior management must validate that the objectives, strategies, plans, governance framework and policies set at the Bank level are fully consistent with the regulatory obligations and the prudential management of the subsidiary and ensure that entity specific issues are adequately addressed in the implementation of Bank Group policies.

AUTHORITY

BITC is authorised by the Board to review any technology related activities of the Group within its terms of reference. It is authorised to seek any technology related information it requires from any Director or member of management and all employees are directed to co-operate with any request made by the BITC.

The BITC is authorised by the Board to obtain independent legal or other professional advice if it considers it necessary to perform the duties delegated by the Boards to this committee.

MEETINGS

The BITC meets at least four (4) times a year and additional meetings may be called at any time as and when necessary.

The Group Managing Director/Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Internal Audit, Chief Compliance Officer, Chief Information Security Officer, Chief Information and Technology Officer or equivalent position, other senior management and external auditors may be invited to attend the BITC meetings, whenever required.

Issues raised, as well as discussions, deliberations, decisions and conclusions made at the BITC meetings are recorded in the minutes of the BITC meetings. A BITC member who has, directly or indirectly, an interest in a material transaction or material arrangement shall not be present at the BITC meeting where the material transaction or material arrangement is being deliberated by the BITC.

Two (2) members of the BITC shall constitute a quorum.

After each BITC meeting, the BITC shall report and update the Board on significant technology related issues and concerns discussed during the BITC meetings and where appropriate, make the necessary recommendations to the Board for its deliberation and approval.

The minutes of each BITC meeting shall be tabled to the Board of Directors of HLBB and HLISB.

With effect from 28 October 2024

REVISION OF THE TERMS OF REFERENCE

Any revision or amendment to the Terms of Reference, as proposed by the BITC, shall be presented to the Boards for their approval. Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference which shall be considered duly revised or amended.

With effect from 28 October 2024