

BSA/AML & OFAC Compliance Risk Management Steering Committee Charter

Mission

The Bank Secrecy Act (“BSA”)/Anti-Money Laundering (“AML”) and Office of Foreign Assets Control (“OFAC”) Compliance Risk Management Steering Committee (Committee) is appointed by the Board of Directors of East West Bancorp, Inc. (the “Company” or “Bancorp”) and East West Bank (the “Bank”) to provide effective governance for the enterprise-wide BSA/AML & OFAC program (“Program”) framework and focused oversight of the Company’s rapidly evolving Program enhancements. Active oversight of BSA/AML and OFAC compliance risk is deemed necessary by the Board and senior management as effective compliance risk management is integral to the safety and soundness of the Bank.

Membership

The Committee shall consist of at least two outside members of the Board. Additionally, the majority of the Committee’s composition shall be outside directors. The members of the Committee shall be jointly appointed by the Boards of the Company and the Bank.

The term: (i) “outside director” is defined as an individual, not an employee or executive officer of East West Bancorp, Inc., Pasadena, California (“Bancorp”), the Bank, or their affiliates, who owns less than 10 percent of the outstanding voting stock of Bancorp or the Bank and who is not related in any manner to any shareholder who owns 10 percent or more of the outstanding voting stock of Bancorp or the Bank or any related interest of such a shareholder; (ii) “affiliate” is defined as set forth in section 215.2(a) of Regulation O of the Board of Governors (“Regulation O”) (12 C.F.R. 215.2(a)) and, (iii) “related interest” is defined as set forth in section 215.2(n) of Regulation O (12 C.F.R. 215.2(n)). The Committee membership is as follows:

- Rudolph Estrada, Committee Chairman, Chairman of the Risk Oversight Committee of the Board, and Outside Director
- Herman Li, Outside Director
- Paul Irving, Outside Director
- Iris Chan, Outside Director

The Committee Chairman will appoint or remove committee members based on the current requirements of the Committee.



Key Responsibilities of the Committee

The Committee will perform the following functions and have the responsibilities as described below:

- The Committee will continue to monitor the Bank's compliance program with Bank Secrecy Act (BSA)/Anti-Money Laundering (AML)/Office of Foreign Assets Control (OFAC) Program

The Committee will review and monitor assessment of the qualifications of the Bank's BSA/AML & OFAC compliance risk management staff and the adequacy of staffing levels.

- Review BSA/AML & OFAC policies and procedures.

The Committee will review new policies, as well as changes to existing policies as suggested by management or when the Committee proposes changes (such changes may be due to regulations or laws, or as appropriate in response to the evolving banking environment). All significant new or revised policies are subject to final approval by the full Board or a designated subset committee of the Board (i.e. BSA/AML and OFAC Steering Committee) on an annual basis or as material changes are required and for regular reporting to ensure the Board is kept current on the state of the BSA Program and any issues that arise.

- Review and monitor BSA/AML & OFAC compliance risks across the Bank.

The Committee will review and monitor the Bank's BSA/AML & OFAC compliance risks for the purpose of providing direction to effectively identify, measure, control, and manage significant BSA/AML & OFAC risks. It is the responsibility of management to provide program updates, business as usual metrics, and key risk indicators to the Committee. Such reports and information may include, but are not limited to, the following:

- Risk management dashboards which include discussion of BSA/AML & OFAC risk assessments, risk appetite metrics, volume and trends.



- Review assessments from the Internal Audit, regulators, and independent third parties.

The Committee will review Internal Audit and independent third party, including consultants, evaluations of the Program. It is the responsibility of management to provide to the Committee reports and information capturing the assessments of the overall quality and effectiveness of the Program. Additionally, the Committee will review self-identified gaps and ensure management proactively addresses the gaps.

The Committee will review findings from regulators and ensure management is proactively addressing any outstanding issues.

- Review and assess the adequacy of this charter annually.

The Committee will review and assess the adequacy of this charter and membership annually, as well as recommend amendments to this charter at any time.

The Chairman of the Committee will report the findings and actions of the Committee to the full Board. Additionally, the Committee may request special analyses or reports from management, as necessary, to improve the Committee's understanding of specific issues.

Meetings

- Meetings of the Committee will be held at least quarterly with the enforcement actions removed by the State of California Department of Business Oversight Memorandum of Understanding and the Federal Reserve Bank of San Francisco Written Agreement and at such other times as may be requested by the Committee members. At the invitation of the Committee members, the meetings shall be attended by the Bank Chairman and Chief Executive Officer, , General Counsel, Chief Risk Officer, Chief Financial Officer, Chief Audit Executive, BSA Officer and/or Deputy, and any such other persons whose attendance is appropriate to the matters under consideration. The Committee shall appoint a secretary to record minutes of its meetings.

Minutes

The secretary for the Committee will maintain the meeting minutes, as well as other items from the meeting or the Committee's activities. These minutes will be made available to the Board, regulators, and other parties deemed appropriate.



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Steering Committee**

Created: 05/27/2015
Last Modified: 02/26/2019
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Outside Advisors

The Committee shall have the authority to retain special legal or other consultants to advise the Committee as deemed appropriate by the Committee. The Committee shall have authority to pay all fees and expenses of such outside advisors as it deems appropriate.