

	RISK MANAGEMENT AND OVERSIGHT COMMITTEE CHARTER	Version No.	1.1
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Version	:	1.1
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Reviewed and Endorsed by	:	Risk Management and Oversight Committee
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**RASLAG CORP.
RISK MANAGEMENT AND OVERSIGHT COMMITTEE CHARTER**

Purpose:

The primary objectives of the Risk Management and Oversight Committee are to:

1. Assist the Board in discharging for the company and controlled entities its responsibility to exercise due care, diligence, and skill in:
 - a) Ensuring that the company has in place a sound risk management and cyber security framework to mitigate risks in alignment with its business activities and risk appetite;
 - b) Reviewing the effectiveness of risk management and cyber security systems to protect the company's assets and to minimize the possibility of the company operating beyond acceptable risk parameters; and
 - c) Identifying material risk exposures and assessment of their impacts to help the Board and Management formulate and implement effective strategies and initiatives.
2. Monitor the effectiveness of risk governance and provide a separate reporting line to support the independence of the risk management and cyber security functions.

Membership:

1. The Committee shall be composed of at least three (3) directors, majority of whom shall be independent directors.
2. The Committee Chairman, who must be an Independent Director, shall be appointed by the Board of Directors. The Committee Chair should preferably not be the Chair of the Board or any other Committees.
3. The Board will select the members of the Committee and determine who will be its Chair at the annual organizational meeting.
4. Membership shall be reviewed annually, subject to the approval of the Board.
5. The Board, from time to time, may increase the membership of the Committee and appoint additional members, majority of whom shall be Independent Directors.

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6. Vacancies caused by the death, resignation, removal, or disqualification of any member, or by any other cause, maybe filled by the Board in a special meeting. The member elected to fill the vacancy shall hold office for the remainder of the term of his immediate predecessor, or until his successor shall have been duly elected and qualified.
7. The Committee may invite one or more members of the Senior Management Team during a meeting or session to act as resource person(s).
8. The Board may appoint one or more individuals to serve as advisor(s) to the Committee. The advisors shall have the right to attend and speak during the meeting of the Committee, but shall not have the right to vote on any action of the Committee.
9. The Committee Chair is to be advised of any major risk and cyber security incidents by the Chief Executive Officer and/Chief Risk Officer at the earliest possible time.

Schedule and Conduct of Meeting:

1. *Frequency of Meetings* – The Committee, in executive session, should meet at least semi-annually. Preferably, the meetings will be held prior to the meeting of the Board. In cases when there is a need for special meeting(s) to take up any critical items that would need approval in between the semi-annual meetings, it shall be up to the Chair of the Committee to either call for a special meeting or just allow the routing of the covering paper.

The Committee, with the assistance of the Corporate Secretary and/or Assistant Corporate Secretary shall also agree on an annual calendar, which will lay down the schedule of activities for the year. This shall provide a systematic guide for the discharge of the Committee's responsibilities. Accordingly, the Chief Risk Officer shall ensure that the schedule is followed as planned.

2. *Quorum* – At least majority of the number of members shall constitute a quorum. It is recommended that all Committee members are present during the meeting, except when justifiable causes such as illness, death in the immediate family, and serious accidents, prevent a Committee member from doing so.
3. *Attendance* – Members are encouraged to attend all Committee meetings, either in person or via teleconferencing facility. A Committee member who fails, without any justifiable cause, to attend at least fifty percent (50%) of the total number of meetings during any term shall not be eligible for re-election as Committee member. Attendance of members at Committee meetings shall be recorded and properly disclosed for the information of shareholders and other stakeholders through relevant annual report and/or through the Corporation website.
4. *Number needed for decision-making* - The majority vote of all Committee members present in a duly constituted Committee meeting shall be necessary to carry an act or resolution of the Committee.

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5. *Notice of Meeting* – Committee meetings shall be announced at least two (2) weeks in advance. However, when deemed necessary, urgent meetings can be announced with at least five (5) days prior notice. Notice of meetings may be given through electronic mail or other appropriate means. The notice shall specify the time and place of the meeting and include a detailed agenda. The materials of the meetings shall be given to each member of the Committee at least five (5) working days prior to the intended meeting.
6. *Roles of Chairman of the Committee* - The Chairman of the Committee shall provide leadership in the Committee. He/she shall ensure effective functioning of the Committee. He/she shall:
 - a) Approve matters for inclusion in the agenda;
 - b) Cancel meetings when warranted;
 - c) Preside over Committee meetings;
 - d) Ensure a sound decision making process and encourage and promote critical discussion;
 - e) Ensure that dissenting views can be expressed and discussed within the decision-making process; and
 - f) Ensure that all members of the Committee receive accurate, timely, and relevant information necessary to carry out the functions of the Committee.
7. *Role of the Vice Chairman of the Committee* - In the absence or inability of the Chairman, the Committee Vice Chairman will act in his/her stead, and will exercise any and all such powers and perform any and all duties pertaining to the Chairman of the Committee.
8. *Conduct of Meetings* - Committee meetings shall be conducted through video conference or such other similar means at such times and frequency as may be necessary.
9. *Matters for Discussion in Meetings* – In any Committee meeting, decisions may be made on matters not included in the distributed meeting agenda only if there are no objections posed by any member of the Committee.
10. *Minutes of the Meeting* – Minutes of the Committee meetings shall be taken and recorded by the Office of the Corporate Secretary and/or Assistant Corporate Secretary. Minutes will be circulated to the Chair for review promptly after the meeting and confirmed at the next meeting of the Committee. Minutes shall be signed by the chairman of the meeting and by the individual who has been appointed to take notes during the meeting. Minutes shall be made available within ten (10) working days after the meeting.
11. *Reporting* - The Committee Chairman shall submit and present a report to the Board, containing updates on all actions initiated by the Committee at the Board meeting following the Committee meeting.

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The Committee Chairman shall also submit and present a year-end report to the Board, providing a summary of the Committee's activities during the year, confirmation of how the responsibilities in this Charter were discharged during the year, results of the assessment performed on the effectiveness of the Committee, and recommendations for improvement.

Authority:

1. The Committee has the authority to:
 - a) Seek any information it requires from any officer or employee of the company or its controlled entities;
 - b) Require members of management or other employees to attend meetings and to provide advice or information;
 - c) Discuss any matters with the external auditor or other external party (subject to making appropriate arrangements to protect the confidentiality of the company's information);
 - d) Propose and/or request investigations into any matters within the Committee's scope of responsibilities; and
 - e) Discuss any matters with external advisor/s (subject to making appropriate arrangements to protect the confidentiality of the company's information).
2. The Committee may seek independent legal or other professional advice at the company's expense, as it considers necessary.
3. The Committee does not have executive powers regarding its findings and recommendations, other than powers delegated by the Board.

Duties and Responsibilities:

Risk Management:

1. Oversee the formulation, establishment and implementation of a sound, adequate and effective Enterprise Risk Management ("ERM") framework which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals and objectives, (c) uniform processes of assessing risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
2. Review and endorse to the Board the Corporation's risk governance structure and adequacy of policies and processes for risk identification, assessment, and mitigation;
3. Revisit defined risk management strategies, looks for emerging or changing material exposures, and keeps abreast of significant developments that seriously impact the likelihood of harm or loss;

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4. Review and recommend to the Board Corporation's levels of risk appetite and risk tolerance, and risk exposure allocation for approval by the Board of Directors;
5. Review the Corporation's risk profile on an ongoing basis and re-evaluate the likelihood of occurrence, severity of impact of risk exposures, and any mitigating measures affecting those risks based on changes and developments in the business, the regulatory framework, the external economic and business environment, and major events which may have occurred in the Corporation;
6. Monitor the implementation of the Corporation's risk mitigation plans and other risk management activities with the assistance of the risk management function in the context of the company's size, scale, and complexity of operations;
7. Monitor identified and emerging strategic and business risks and related issues, including but not limited to risks arising from digital disruption or cyber security threats or risks to safety and wellbeing, risks to reputation and community standing, and risks to sustainability and environment;
8. Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its stakeholders;
9. Review and assesses the likelihood and magnitude of the impact of material events on the Corporation and/or recommends measures, responses or solutions to avoid or reduce risks or exposures;
10. Report to the Board of Directors on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the action taken to reduce the risk, and recommends further action or plans, as necessary;
11. Review and approve any statement of risk management initiatives, and monitor progress;
12. Review the approach to establishing business continuity arrangements, including reviewing risk and cyber critical incident exercises, and currency and testing of business continuity and disaster recovery arrangements;
13. Receive and review reports from Internal Audit on its reviews of the adequacy of the company's process for managing risk and cyber security and assign responsibility for consequential remediation;
14. Perform oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk of RASLAG. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
15. Review the company's insurance coverage on an annual basis, approve proposed insurance coverage and broker arrangements, and monitor insurance arrangements (*including claim statistics, trends, and insurer creditworthiness*).

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Cyber Security:

1. Review and endorse the company's plan for cyber security and monitor progress against the plan;
2. Review and endorse any material or significant changes to the company's Cyber program and monitor its progress;
3. Review and endorse the company's Cyber Security strategy;
4. Review and endorse the company's cyber security framework; and
5. Oversee compliance with cyber security license conditions and reporting requirements to regulatory and government bodies.

Litigation:

Monitor any current or pending litigation or dispute that has a material risk exposure for the company.

Independence of Risk Management and Cyber Security Functions:

1. Endorse the appointment or termination of the Chief Risk Officer; and
2. Support the continued independence of the risk and cyber security functions by meeting 'in camera', face-to-face or hybrid meetings (without management present) with the external auditors and the Internal Auditor at least once each year.

Conflicts of Interest:

Committee members will be required to disclose conflicts of interest at the start of each meeting. Actual or potential conflicts of interest will be dealt with in accordance with the process outlined in the Board and Board Committee Charters.

Performance and Evaluation:

1. The Committee will review its performance annually, with particular attention being paid to the extent to which it has met its responsibilities in terms of this Charter. The results of the review will be reported to the Board.
2. The Committee shall assess the performance of the Chief Risk Officer and the Risk Management Group in the implementation of the Company's risk management framework, the risk management function and risk governance processes.

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Peter G. Nepomuceno
Chairman of the Board



Pedro H. Maniego, Jr.
Risk Management and Oversight Committee Chairman



Lyra Gracia Y. Lipae-Fabella
Compliance Officer