

BOARD RISK OVERSIGHT COMMITTEE CHARTER

I. Purpose and Composition

The Board of Directors shall create a Board Risk Oversight Committee which shall assist the Board in ensuring that there is an effective and integrated risk management process in place.

The Committee shall be composed of at least three (3) members, a majority of whom shall be independent directors. The Chairman of the Committee shall be appointed by the Board and shall be an independent director. The Chairman shall not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience in risk and risk management.

II. Duties and Responsibilities

The Committee shall be responsible for the oversight of the Corporation's Enterprise Risk Management system, including risks originating from subsidiaries, affiliates and investments, to ensure its functionality and effectiveness. It shall have the following duties and responsibilities, among others:

- a. Develops a formal enterprise risk management plan which contains the following elements: (i) common language or register of risks, (ii) well-defined risk management goals, objectives and oversight, (iii) uniform processes of assessing risks and developing strategies to manage prioritized risk, (iv) designing and implementing risk management strategies, and (v) continuing assessment to improve risk strategies, processes and measures;
- b. Oversees the implementation of the enterprise risk management plan, and conducts regular discussions on the Corporation's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units are addressing and managing these risks;
- c. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness, revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- d. Advises the Board on its risk appetite levels and risk tolerance limits;
- e. Reviews at least annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Corporation;
- f. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood or occurrence, with priority areas of concern being those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its stakeholders;

- g. Provides oversight over management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation, including regularly receiving information on risk exposures and risk management activities from management; and
- h. Reports to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

III. Meetings and Resources

The Chairman shall preside during the meetings of the Committee. The Committee shall appoint a Secretary, who may or may not be a director or member of the Committee, to prepare minutes of meetings of the Committee and keep appropriate books and records thereof, if necessary.

The Board, or the Committee, may appoint one or more persons to serve as advisor(s) to the Committee. The identity, independence, absence of conflict of interest on the part of such advisor(s) shall be disclosed. Advisors shall attend and speak during the meetings, but have no voting rights on any action of the Committee.

The Committee shall only act as a committee and the individual members thereof shall have no powers as such. A majority of the whole number of members shall constitute a quorum for the transaction of business and every decision of a majority of the quorum duly assembled shall be valid as an act of the Committee. Each member shall have one (1) vote. In case of a deadlock in the voting, the Chairman of the Committee shall break the deadlock by casting a second vote.

Regular meetings may be held at such time and place and upon such notice, if any, as the Committee may prescribe. However, at the minimum, the Committee should meet twice a year. Special meetings may be called by the Chairman of the committee or by request of a majority of the Committee members with at least one day's notice of the time and place of the meeting, given personally or by letter, telegram, telephone, electronic mail, short messaging system or facsimile. Meetings may be held at any time and place without notice if all the members are present or if those not present waive notice in writing before or after the meeting. Meetings may be held in person or via telephone or video conference.

Summaries of matters discussed at Committee meetings are to be presented at the next succeeding meeting of the Board. Relevant information on meetings shall be included in the Corporation's annual report.

IV. Performance Evaluation

The members of the Committee shall evaluate the Committee's performance in the discharge of its duties and responsibilities under this committee charter using as standard the best practices set out in memorandum circulars and other issuances of the Securities and Exchange Commission, and the ASEAN Corporate Governance Scorecard concerning board risk oversight committees.

Committee members shall fill up a self-assessment questionnaire that is developed by the Corporate Governance Committee.

The results of the performance evaluation and any recommendation for improvement shall be reported to the Board.

V. Disclosure

This committee charter shall be fully disclosed on the company's website.