



## **ROCKWELL LAND CORPORATION BOARD RISK OVERSIGHT COMMITTEE CHARTER**

### **I. POLICY**

The Board shall create a Board Risk Oversight Committee (“BROC” or “Committee”) to assist the Board in ensuring that there is an effective and integrated risk management process in place. The BROC should be responsible for the oversight of the Company’s Enterprise Risk Management system to ensure its functionality and effectiveness. There should be clear communications between the BROC and the Chief Risk Officer.

### **II. COMPOSITION**

The BROC shall be composed of at least three (3) members of the Board, a majority of whom may be independent directors, including the Chairman, to the extent possible and practicable. The Chairman of the Board shall designate the Chairman of the Committee. The Chairman should not be the Chairman of the Board or of any other committee. As much as possible, at least one member of the Committee must have relevant knowledge and experience on risk and risk management.

### **III. DUTIES AND RESPONSIBILITIES**

The BROC shall have the following powers and functions:

- a. Assist the Board in ensuring that there is an effective and integrated risk management program and process in place;
- b. Develop a formal enterprise risk management program which contains the following elements: (a) common language or register of risks; (b) well-defined risk management goals, objectives and oversight; (c) uniform processes of assessing risks and developing strategies to manage prioritized risks; (d) designing and implementing risk management strategies and measures; and (e) continuing assessments to improve risk strategies, responses, processes, and measures;
- c. Oversee the implementation of the enterprise risk management program and regularly monitor the Corporation’s performance to ensure alignment with the risk assessments and tolerance boundaries prescribed in the enterprise risk management program;

- d. Evaluate the risk management program to ensure its continued relevance, comprehensiveness and effectiveness;
- e. Advise the Board on its risk appetite levels and risk tolerance boundaries;
- f. Review at least annually the Corporation's risk appetite levels and risk tolerance boundaries 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;
- g. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that have the highest probability to occur and will have very significant impact to the performance and stability of the Corporation and its stakeholders;
- h. Provide oversight over Management's activities in managing the strategic, operational, regulatory, political, market, competition, natural calamity, security, funding, legal and other relevant risk exposures of the Corporation;
- i. Review reports from the Senior Management and Internal Audit with regard to the risk management actions and initiatives across the Corporation;
- j. Report 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 recommend further action or plans, as necessary; and
- k. Review and reassess periodically the adequacy of this charter, requests Board approval for any recommended changes, and ensure appropriate disclosure as may be required by law or regulation.

#### **IV. MEETINGS; QUORUM**

The Committee shall only act as a committee and the individual members thereof shall have no powers as such. A majority 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 every semester. 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 such meetings are to be presented at the next succeeding meeting of the Committee.

May 25, 2021

**Albert F. Del Rosario**

Chairman

**Oscar J. Hilado**

Member

**Monico V. Jacob**

Member

**Benjamin R. Lopez**

Member

**Jose Valentin A. Pantangco Jr.**

Member