



**EAGLE CEMENT CORPORATION  
BOARD RISK OVERSIGHT COMMITTEE CHARTER**

*Approved and adopted by the Board of Directors on 28 February 2019*

# **EAGLE CEMENT CORPORATION BOARD RISK OVERSIGHT COMMITTEE CHARTER**

## **I. INTRODUCTION**

The Board Risk Oversight Committee of Eagle Cement Corporation (the “Company”) was constituted by the Board of Directors pursuant to the provisions of the by-laws and the new Manual on Corporate Governance of the Company (the “CG Manual”).

This Board Risk Oversight Committee Charter (this “Charter”) sets out the composition, functions, and responsibilities of the Board Risk Oversight Committee and the rules of procedure that will guide the function of the Board Risk Oversight Committee.

## **II. PURPOSE**

The Board Risk Oversight Committee is a standing committee of the Board of Directors constituted for the purpose of assisting the Board of Directors in the oversight of the enterprise risk management system of the Company to ensure its functionality and effectiveness.

## **III. COMPOSITION**

The Board Risk Oversight Committee shall have at least three (3) members, majority of whom shall be independent directors. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management.

The Chairperson will be an independent director and shall not be the Chairperson of the Board of Directors or any other board committee.

The Board of Directors will appoint the members of the Board Risk Oversight Committee at the organizational board meeting that follows each annual stockholders’ meeting or at any earlier time as the Board of Directors may deem necessary.

The Corporate Secretary of the Company is the secretary of the Board Risk Oversight Committee.

The Board Risk Oversight Committee may appoint one or more persons to act as advisor to the committee who may attend the meetings of the committee but shall have no right to vote.

## **IV. MEETINGS; COMMITTEE APPROVALS**

The Board Risk Oversight Committee shall meet at such times and places as it considers appropriate. The Chairperson may call a meeting at any time as needed.

All committee members are expected to attend each meeting, in person or via tele- or video-conference. The meetings are limited to the committee members and whoever is authorized by the Board Risk Oversight Committee to attend. In the absence of the Chairperson during any meeting, a chairperson for the meeting shall be designated by the members present.

As necessary, the Board Risk Oversight Committee will invite members of management and organization staff or any independent adviser to provide pertinent information or data.

The Board Risk Oversight Committee, through the Corporate Secretary of the Company, distributes the notice, the agenda, and the appropriate committee materials at least two (2) days before any meeting so the members can intelligently review the various matters raised.

A majority of the members of the Board Risk Oversight Committee shall constitute a quorum for the transaction of the committee's business.

The Board Risk Oversight Committee shall act only on the affirmative vote of a majority of its members at a meeting or, to the extent allowed by law, by unanimous written consent of the members.

## **V. DUTIES AND RESPONSIBILITIES**

The Board Risk Oversight Committee has the following duties and responsibilities, among others:

1. Develop a formal enterprise risk management plan 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 (e) continuing assessments to improve risk strategies, processes and measures;
2. Oversee the implementation of the enterprise risk management plan and conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
3. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. This Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss;
4. Advise the Board on its risk appetite levels and risk tolerance limits;
5. Review at least annually the Company'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 company;
6. 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 are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
7. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function shall include

regularly receiving information on risk exposures and risk management activities from Management; and

8. Report to the Board on a regular basis, or as deemed necessary, the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

## **VI. ACCESS TO INFORMATION AND RESOURCES**

The Board Risk Oversight Committee shall be granted reasonably free and full access to the records, data, and properties of the Company and information from directors, officers, employees, or external parties that may be relevant in the discharge of its functions, duties, and responsibilities. It shall also be provided with the resources necessary for the purpose of fulfilling its duties and responsibilities under this Charter.

## **VII. REPORTING PROCEDURES**

The Chairperson of the Board Risk Oversight Committee, or in his absence, the member elected by the members present in a meeting, shall report at the meeting of the Board of Directors the decisions and recommendations made by the Board Risk Oversight Committee following each committee meeting.

The Board Risk Oversight Committee shall have clear communications with the Chief Risk Officer who may be appointed by the Company.

The Board Risk Oversight Committee shall prepare an annual report of its activities for inclusion in the Company's annual report.

## **VIII. PERFORMANCE EVALUATION; CHARTER REVISION**

The Board Risk Oversight Committee shall periodically assess its effectiveness by comparing its performance with the requirements of this Charter and the CG Manual to ensure compliance with this Charter, the CG Manual, and best practice. The assessment will also for the basis for the formulation of objectives and plans for the improvement its performance.

The Board Risk Oversight Committee may likewise be subject to an independent assessment by the Board of Directors.

The Board Risk Oversight Committee shall also review and assess the adequacy of this Charter annually or as conditions dictate to ensure that this Charter is continuously aligned and consistent with the objectives and responsibilities of the Board of Directors. It shall recommend any modifications to this Charter as deemed appropriate and obtain the approval of the Board of Directors for any such modifications.