



**FORTUNE GENERAL INSURANCE CORP.
BOARD RISK OVERSIGHT COMMITTEE CHARTER**

INTRODUCTION

The Board of Directors (BOD) has resolved to establish the Board Risk Oversight Committee (BROC). This Charter establishes the objective, the organization, the authority and the duties and responsibilities of the BROC of Fortune General Insurance Corporation. This Charter will be submitted to the BOD for final approval.

1. OBJECTIVE

The main objective of the BROC is to assist the BOD in the development and supervision of the Risk Management Oversight Committee (RMOC) that will identify and review the framework for key business risks. The framework will guide the BOD in pinpointing the business activities and their related risk exposures and whether the strategies and action plans are producing the desired result. Together with the RMOC the BROC will establish the Company's level of risk tolerance and supervise the RMOC policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability.

In addition, the BROC will:

- Assist and guide the RMOC in formulating the framework for the establishment of the Company business plan including the strategies and action plans to meet the Company's goal and objectives;
- Ensure that the RMOC regularly assesses the risks across all facets of the operations and that they are monitored and effectively managed;
- Coordinate with other board committees to establish a common platform for the appreciation and management of the risks involved.

2. ORGANIZATION

2.1. Reporting Responsibility: The BROC will report directly to the BOD.

2.2. Structure: The BROC will be composed of at least three members appointed by the BOD, the majority of whom should be independent directors, including the Chairman. The Chairman should not be the Chairman of the BOD or any other committee. At least one member of the committee must have a relevant and thorough knowledge and experience on risk and risk management.

2.3. Meetings:

2.3.1. Frequency: The BROC shall meet twice a year, or as often as may be necessary.



2.3.2. Quorum: A simple majority of the members must attend (or be present in case of virtual meetings) to constitute a quorum. Actions to be taken by the BROCC shall require the affirmative votes of the majority of the votes cast by the members present during any meeting. The secretariat shall prepare and distribute the agenda for each meeting.

2.3.3. Other Participants: The BROCC may, at its discretion, invite any employee, officer or Board member or any party outside the Company when his/her participation is necessary to clarify or resolve an issue.

2.3.4. Records of Meetings: The BROCC shall maintain proper records of the minutes of the meetings. The Chairman may, from time to time, nominate a member or some other person to be the committee secretary to record and keep minutes of meetings.

2.3.5. Reporting. The BROCC shall maintain minutes or records of its meetings and submit reports to the Board as often as necessary during a regular Board meeting or a special Board meeting called for that purpose. The Committee Chairman, or in his absence, a designated committee member shall make an oral report during any meeting.

3. AUTHORITY

3.1. The BROCC shall have an unimpeded communication with officers and staff to execute its duties and responsibilities.

3.2. The BROCC also has the Board's authority to:

3.2.2. Access or obtain any information it requires from officers and staff and external parties to verify and confirm any activities within its terms of reference;

3.2.3. Secure legal or other independent professional advice, at Company's expense, whenever such professional advice is deemed necessary and crucial in the discharge of duties of the BROCC;

3.2.4. Require any officer or employee to attend any BROCC meeting as may be necessary.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the BROCC shall include the following:



4.1. The BROCC shall assist the RMOC to develop a formal RMOC plan which contains the following elements: (a) common language, terms or register of risks, (b) well-defined risk management goal, objective 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;

4.2. To oversee the implementation of the RMOC plan. The BROCC will conduct regular discussions on the company's prioritized and residual risk exposures based on regular RMOC reports and shall assess how the concerned units or offices are addressing and managing these risks;

4.3. To evaluate the RMOC plan to ensure its continued relevance, comprehensiveness and effectiveness. In line with this, the BROCC will revisit defined risk management strategies, seek for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss;

4.4. To review as often as necessary but 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;

4.5. To 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;

4.6. To provide oversight over management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and

4.7. To report to the BOD 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.

5. EFFECTIVITY

This Charter will take effect on 30 March 2021.