

## **RISK MANAGEMENT COMMITTEE CHARTER**

This Charter establishes the purpose, composition, responsibilities, authority and operations of the Risk Management Committee (the “Committee”).

### **1. PURPOSE**

The Committee assists and advises the Board of Directors (the “Board”) in fulfilling its oversight of the Corporation’s Enterprise Risk Management system to ensure its functionality and effectiveness.

### **2. COMPOSITION**

The Committee shall be composed of at least three (3) directors, majority of whom, including the Chairperson, shall be independent. At least one (1) member of the Committee shall have relevant knowledge and experience on risk and risk management. The Chairperson of the Risk Management Committee shall not be the Chairman of the Board or of any other committee.

### **3. MEETINGS**

The Committee shall meet at least two (2) times a year. The Committee may invite members of Management or others to attend meetings and provide pertinent information, as necessary.

The Corporate Secretary shall be the Committee Secretary, unless otherwise determined by the Committee. The Committee Secretary, under the direction of the Committee Chairperson, shall prepare the agenda and provide the Committee Members advance notice of meetings, the agenda, along with appropriate briefing materials. Minutes of the meeting shall be provided to the members within days after the said meeting.

### **4. DUTIES AND RESPONSIBILITIES**

In pursuit of its purpose, and so authorized by the Board, the Committee shall:

- 4.1** Oversee the performance of the Chief Risk Officer, who shall champion the Enterprise Risk Management system and possesses the authority, stature, resources and support to fulfill his/her responsibilities;
- 4.2** Perform oversight financial statement functions, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- 4.3** Review the adequacy and effectiveness of the Corporation’s policies and procedures relating to the identification, analysis, management, monitoring and reporting of financial and non-financial risks;
- 4.4** Ensure that Management establishes, appraises and addresses the risks to the Corporation, and sufficiently and swiftly manages said risks, especially those categorized as having high impact with high probability of occurring;

4.5 Advise the Board, in consultation with Management, on the overall risk management program of the Corporation as it relates to its risk appetite and strategic direction;

## **5. AUTHORITY**

The Committee is empowered to do the following:

5.1 Opt to engage consultant/s for a more independent assessment of the risk management infrastructure;

5.2 Seek any information it requires from Management, and all other employees;

5.3 Gain access to all records, documents, properties, assets and personnel within the Corporation;

5.4 Investigate any activities within its scope of responsibilities, or as may be required by the Board; and

5.5 Meet separately with the Chief Risk Officer to discuss any matters that the Committee believes should be discussed privately.

## **6. REPORTING RESPONSIBILITIES**

6.1 The Committee shall regularly report to the Board, its activities, findings, decisions, deliberations and recommendations.

6.2 The Committee shall provide an open avenue of communication between and among the Chief Risk Officer, the Compliance Officer and the Board.

6.3 The Committee shall review any other reports the Corporation issues that relate to its responsibilities.

## **7. OTHER RESPONSIBILITIES**

7.1 Perform other activities related to this Charter as requested by the Board;

7.2 Review and assess the adequacy of the Committee Charter annually, requesting Board approval for any proposed changes, and ensure appropriate disclosure as may be required by law or regulation; and

7.3 Evaluate the Committee and individual member performance on a regular basis.

*01 March 2017*