

RISK OVERSIGHT AND AUDIT COMMITTEE CHARTER

The Risk Oversight & Audit Committee shall consist of at least three (3) trustees and shall serve for three years, or co- terminus with the Board of Trustees. The committee shall meet at least quarterly. The chair of the Risk Oversight and Audit Committee should be an independent trustee. The Committee is responsible for overseeing the Management in establishing and maintaining adequate, effective and efficient internal control framework and functional and effective ERM system. The committee shall have the following functions:

Risk Oversight Function:

- a. Develop risk management strategies
 - i. Develop a written plan defining the strategies for managing and controlling the major risks
 - ii. Identify practical strategies to reduce the chance of harm and failure or minimize losses if the risk becomes real
- b. Oversee the implementation of the risk management plan;
- c. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness;
- d. Review and revise the plan as needed;
- e. Report to the Board on a regular basis , or as deemed necessary, the company's material risk exposure's, the actions taken to reduce the risks and recommend further action or plans, as necessary.

Audit Function:

- a. Provides oversight of the institution's internal and external auditors.
- b. Have a robust process for approving and recommending the re-appointment, removal and fees of the external auditor duly accredited by the IC. The appointment, re-appointment and removal of the External Auditor shall be recommended by the Risk Oversight and Audit Committee and approved by the board and ratified by the stakeholders.
- c. Evaluate and determine any non-audit work performed by the external auditor, and periodically review the non-audit fees (if any) paid to the external auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses.
- d. Shall not allow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence.
- e. Responsible for assessing the integrity and independence of the External Auditor and exercising effective oversight to review and monitor its independence and objectivity and the effectiveness of its audit process, taking into consideration relevant Philippine professional and regulatory requirements as well as be responsible for reviewing the External Auditor's suitability and effectiveness on an annual basis;
- f. Through the Internal Audit, monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting and security of physical and information assets.;
- g. Review and monitor the Management's responsiveness to the Internal Auditor's findings and recommendations.