



Board Risk Oversight Committee

CHARTER

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Board Risk Oversight Committee Charter

Document No.:-

Version. No. 1.0

Governing policy:	N/A
Policy applies to:	<input type="checkbox"/> Company-wide <input checked="" type="checkbox"/> Specific group or employees only
Documented type:	<input checked="" type="checkbox"/> New <input type="checkbox"/> Revision of existing documented information
Policy document status:	<input type="checkbox"/> INITIAL DRAFT <input type="checkbox"/> INITIAL REVIEW <input type="checkbox"/> FINAL REVIEW <input checked="" type="checkbox"/> APPROVED

Policy / Process Control Review Authority:	Board Risk Oversight Committee
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Board approval authority:	Jose P. de Jesus Chairman of the Board
Implementation effectivity date:	August 2021
Approval Date of last revision	N/A
Effectivity Date of last revision	N/A
Date of governing policy review*	August 2022

***unless otherwise indicated, this policy will still apply beyond the review date.**

Related legislation, standards, policies, procedures, guidelines, and local protocols	Manual on Corporate Governance
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1. Purpose and Composition

The Board of Directors of Converge Information and Communications Technology Solutions, Inc. (the "Company") shall create a Board Risk Oversight Committee (the "Committee") which shall assist the Board in ensuring that there is an effective and integrated risk management process in place and in reviewing the sustainability efforts and programs of the Company.

The Committee shall be composed of at least three (3) members, the majority of whom shall be independent directors. The Chairman of the Committee shall be appointed by the Board and shall be an independent director. The Chairman of the Committee shall not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience in risk and risk management.

2. Duties and Responsibilities

The Committee shall be responsible for: (i) the oversight of the Company's Enterprise Risk Management system, including risks originating from subsidiaries, affiliates and investments and to ensure the functionality and effectiveness of said system; and (ii) the oversight of the sustainability framework and periodic review of the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments.

It shall have the following duties and responsibilities, among others:

1. On the oversight of the Company's Enterprise Risk Management System

- a. Oversee the development a formal enterprise risk management plan which contains the following elements: (i) common language or register of risks, (ii) well-defined risk management goals, objectives and oversight, (iii) uniform processes of assessing risks and developing strategies to manage prioritized risk, (iv) designing and implementing risk management strategies, and (v) continuing assessment to improve risk strategies, processes and measures;
- b. 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 assess how the concerned units are addressing and managing these risks;
- c. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness, 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;
- d. Advise the Board on appropriate risk appetite levels and risk tolerance limits;

- e. 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;
- f. Review the Company's enterprise risk profile and take a portfolio view of risks, identifying priority areas of concern most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- g. Provide oversight over management's activities in managing strategic, operational, financial, compliance, and other risk exposures of the Company including regularly receiving information on risk exposures and risk management activities from management; and
- h. 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.

2. On the development and implementation of the Company's Sustainability Strategy

- a. Oversee the development and implementation of a Sustainability Strategy and Plan, which will include strategies, policies, and practices that assist the Company in addressing public and stakeholder sentiment, the implementation of which create value consistent with the long-term preservation and enhancement of stakeholder value in the following areas:
 - i. Economic – including but not limited to economic performance, indirect economic impacts, and network coverage/market presence;
 - ii. Environmental – including but not limited to environmental compliance, energy management, greenhouse gas and other pollutant emissions, waste management (especially e-waste), supplier environmental compliance, materials sourcing and efficiency, and management of physical and transition risks from climate change;
 - iii. Social – including but not limited to data privacy and security, customer satisfaction, workforce management, health and safety, community relations and impact, health and safety, supplier social/labor compliance, and child online protection;
 - iv. Governance – including but not limited to business ethics, competitive behavior, management of the legal & regulatory environment, disaster response and business continuity.
- b. Oversee the preparation of an Annual Sustainability Report, as required by regulations, and review and approve said report;
- c. Ensure the Company's support and alignment on best practices on ESG and Sustainability Plan based on applicable standards; and
- d. Review the effectiveness of the system for monitoring non-financial and operational compliance matters that impact sustainability.

3. Meetings and Resources

The Chairman shall preside over the meetings of the Committee. The Committee shall appoint a Secretary, who may or may not be a director or member of the Committee, to prepare minutes of meetings of the Committee and keep the appropriate records thereof.

The Committee shall only act as a committee and the individual members thereof shall have no powers as such. A majority of the whole number 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 quarter. 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. 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 Committee meetings are to be presented at the next succeeding meeting of the Board. Relevant information on meetings shall be included in the Company's annual report.

4. Performance Evaluation

The members of the Committee shall evaluate annually the Committee's performance in the discharge of its duties and responsibilities under this committee charter using as standard the best practices set out in memorandum circulars and other issuances of the Securities and Exchange Commission, the Integrated Annual Corporate Governance Report, and the ASEAN Corporate Governance Scorecard concerning board risk oversight committees. Committee members shall fill up a self-assessment questionnaire that is developed by the Corporate Governance Committee.

The results of the performance evaluation and any recommendation for improvement shall be reported to the Board.

5. Charter Review

This Board Risk Oversight Committee Charter shall be reviewed annually by the Committee to ensure its continuing adequacy and consistency with the Board's objectives and responsibilities. Any proposed changes shall be approved by the Board.

6. Disclosure

This Board Risk Oversight Committee Charter shall be fully disclosed on the company's website.

7. Related document references

- Manual on Corporate Governance