



**AIG Philippines Insurance Inc.  
Risk Oversight Committee Charter**

**Approved on: May 31, 2022**



## 1. Purpose

- 1.1 The purpose of the Risk Oversight Committee ("**Committee**") is to assist the Board of Directors ("**Board**") in carrying out its enterprise risk management oversight responsibilities, including overseeing:
- a) the establishment and operation of the risk management system of AIG Philippines Insurance, Inc. (the "**Company**") for identifying, measuring, evaluating, monitoring, reporting and controlling or mitigating risks regularly;
  - b) the adequacy of the risk management function, including ensuring that it has independent reporting lines and is sufficiently resourced to perform its duties; and
  - c) the roll out of an appropriate risk culture throughout the Company.

## 2. Composition and Term of Office

- a) The Committee shall consist of at least three (3) members of the Board. The Chairman shall be an independent director.
- b) The Chairman and members of the Committee shall be elected by the Board and shall serve until their successors are determined and qualified.
- c) All members are eligible for re-election.
- d) At least two (2) members of the Committee should have expertise in risk disciplines or related business experience to perform the duties of the Committee, as the Board interprets such qualification in its business judgement.
- e) The Committee shall consider the following guidelines in the determination of the number of directorship for the Board:
  - i. The nature of the business of the corporation, where he is a director;
  - ii. Age of the director;
  - iii. Number of directorship/active memberships and officerships in other corporations or organizations; and
  - iv. Possible conflicts of interest.

### **3. Responsibilities**

#### **3.1 The Committee shall have the following responsibilities:**

- a) Develop 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 risks;
  - iv. designing and implementing risk management strategies; and
  - v. continuing assessments to improve risk strategies, processes and measures.
- b) Oversee the implementation of the enterprise risk management plan through Management Risk Oversight Committee.
- c) Conduct a regular discussion on the company's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned functions are addressing and managing the risks.
- d) Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness.
- e) Advise the Board on its risk appetite levels and risk tolerance limits.
- f) Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence.
- g) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation.
- 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 recommended further action or plans, as necessary.
- i) The Chairman of the Committee shall coordinate with:
  - i. the Chairman of the Audit Committee to help ensure that both the Committee and the Audit Committee have received all information necessary to permit them to fulfill their duties and responsibilities with respect to risk assessment and risk management; and

- ~~ii. the Chairman of the Remuneration Committee to help ensure that Company's compensation arrangements are designed to provide incentives that are consistent with the interests of the Company's stakeholders but do not encourage senior executives to take excessive risks that threaten the value of the Company.~~

#### 4. Proceedings

- a) The Risk Management Committee ("**RMC**") shall meet at least four times each year and more frequently as the Committee considers appropriate to carry out its responsibilities.
- b) The Chairman of the Committee, two (2) Committee members or the Head of Risk may request a meeting if they consider it necessary.
- c) The quorum necessary for the transaction of the business of the Committee shall be two.
- d) If, at any meeting, the Chairman is not present, the members present may choose one of the other members to be Chairman of the meeting.
- e) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- f) The Secretary should ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration of the issues.
- g) Minutes of proceedings of the Committee shall be recorded by the Corporate Secretary and circulated to all members of the RMC. The minutes are to be signed by the Chairman of the meeting and Corporate Secretary.
- h) The Chairman of the Committee shall report on the proceedings of the Committee to the Board.
- i) The Chairman of the RMC may invite any attendees to a meeting as he/she deems appropriate including any other directors, members of management or advisers.

#### 5. Authority



5.1 The Committee is authorized by the Board to:

- a) review at as it deems necessary its Charter and recommend changes, if any, to the Board;
- b) investigate, or cause to be investigated, any matter within its Charter;
- c) have full access to and seek any information that it requires from management and any employee of the Company in carrying out its duties;
- d) receive reports and recommendations from the Company's management relating to risk management and compliance matters, and submit recommendations as appropriate to the Board with regard thereto.
- e) receive and review reports of steps taken by management to monitor and control identified risks.
- f) obtain independent legal or professional advice at the Company's expense whenever deemed necessary to enable it to discharge its functions properly.
- g) The Committee may delegate authority to individual members of the RMC or working groups as it deems necessary to carry out its responsibilities.

**6. Risk Officer**

- a) The Risk Officer shall be invited to attend the Committee meetings.
- b) The Risk Officer provides overall leadership and direction for the Company's Enterprise Risk Management function.
- c) The Committee shall make recommendations to the Board concerning the appointment, remuneration, resignation or dismissal of the Head of Risk.