

## **BOARD RISK OVERSIGHT COMMITTEE (BROC) CHARTER**

### **I. PURPOSE AND OBJECTIVES**

House of Investments, Inc. (referred hereinafter as “HI”) an operating, holding and management company with significant involvement in a number of industries through its various divisions, subsidiaries, associates, joint ventures, and managed companies is exposed to risks that are particular to its nature of operations, and the environment in which it operates.

The objective of the BROC is to assist the Board in fulfilling its corporate governance functions by ensuring that there is an effective and integrated risk management process in place.

This BROC Charter of HI is established to provide an appropriate structure for the oversight of the Company’s Enterprise Risk Management system.

### **II. COMPOSITION**

The BROC shall be composed of at least three (3) members, majority of whom are independent directors, including the Chairman. The Chairman shall not be the Chairman of the Board or any other Committee. At least one member must have relevant thorough knowledge and experience on risk management.

Each member shall have an adequate understanding of the Company’s business and industry in which it operates and the corresponding risks faced by the Company. The BROC shall ensure that sufficient training and education opportunities relevant to the effective discharge of its duties are available for all its members

### **III. MEETINGS**

The meetings shall be presided by the BROC Chairman or, in his absence, a delegated alternate. A quorum of the meeting will be two (2) voting members. The meetings may be in person or via telephone or video conference.

The BROC shall meet at least quarterly, but more frequently if deemed necessary. The BROC may invite members of Management, auditors or others to attend meetings and provide pertinent information, as necessary, and may hold separate executive sessions with members of the Management and/or internal and external auditors. Meeting agenda shall be prepared and provided in advance to the members, along with the appropriate briefing materials.

The Chief Risk Officer (CRO) shall provide the secretariat for the BROC meetings.

#### **IV. DUTIES AND RESPONSIBILITIES**

The BROC shall be responsible for the oversight of the Corporation's Enterprise Risk Management system, including risks originating from subsidiaries, affiliates and investments, to ensure its functionality and effectiveness.

The BROC has the following duties and responsibilities, among others:

- a. Develop a formal enterprise risk management plan which contains the following elements: (1) common language or register of risks, (2) well-defined risk management goals, objectives and oversight, (3) uniform processes of assessing risks and developing strategies to manage prioritized risks, (4) designing and implementing risk management strategies, and (5) continuing assessments to improve risk strategies, processes and measures;
- b. Oversee the implementation of the enterprise risk management plan, conduct regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices 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 with significant developments that seriously impact the likelihood of harm or loss;
- d. Advise the Board on its 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. Assess the probability of each identified risk becoming a reality and estimate 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 Company and its stakeholders;
- g. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation, which includes 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 recommend further action or

plans, as necessary.

**V. ASSESSMENT**

The BROC shall periodically assess the Committee's effectiveness by comparing its performance with the requirements of this BROC Charter and the Corporate Governance Manual to ensure compliance with the said Charter and Manual.

**VI. DISCLOSURE**

The BROC Charter shall be disclosed in the Company's website.

**VII. EFFECTIVE DATE**

This Charter shall take effect upon approval of the Board Risk Oversight Committee and replaces all previous Charters.

**APPROVED:**

**DATE: November 3,2021**

**BY: BOARD RISK OVERSIGHT COMMITTEE**