

MAA GENERAL ASSURANCE PHILIPPINES

TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

MEMBERSHIP AND COMPOSITION

The Committee shall consist of non-executive directors, with a minimum of three (3) directors.

The Committee shall elect a chairperson from among its members who is an independent non-executive director of the Company.

In the event that a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced to under three (3), the Board of Directors of MAA General Assurance Philippines Ltd ("MAAGAP") shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

TERMS OF REFERENCE

The Committee shall be governed by the following terms of reference:

Terms of Membership

Members of a Committee shall be appointed for an initial term of three (3) years after which they will be eligible for re-appointment.

Meetings

The Committee shall meet at least three (3) times a year to ensure that the risk management process is in place and functioning effectively.

In addition, the chairperson shall convene a meeting of the Committee if requested to do so by any member or the Board of Directors of MAAGAP to consider any matters within the scope and responsibilities of the Committee.

A resolution in writing signed by all the members of the Committee shall be as valid and effectual in all respects as if it has been passed at a meeting of the Committee duly convened.

Attendance at Meetings

The Committee may invite any persons to be in attendance to assist in its deliberations.

Secretary to the Committee

The Secretary of the Committee shall be appointed by the chairperson. The Secretary shall be responsible for drawing up the agenda in consultation with the chairperson and shall be responsible for keeping the minutes of the meeting of the Committee, circulating them to

committee members. The agenda together with relevant explanatory papers and documents shall be circulated to committee members prior to each meeting.

Quorum

A quorum shall consist of at least two (2) Committee members.

Authority

The Committee is authorised by the Board of MAAGAP to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities.

The Committee is also authorised to obtain external legal or other independent professional advice as it considers necessary as well as appoint a Risk Management Sub-committee.

Duties and Responsibilities

The Committee is responsible for:-

- reviewing and recommending risk management strategies, policies and risk tolerance of the Company for the board's approval;
- reviewing and assessing the adequacy of the Company risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- ensuring the adequacy of infrastructure, resources and systems are in place for an effective risk management for the Company i.e. ensuring that the staff responsible for implementing risk management system perform those duties independently of the Company's risk taking activities;
- reviewing the Company management's periodic reports on risk exposure, risk portfolio composition and risk management activities;

Report to the Board of Directors

The Committee is not a decision making body and shall report its recommendation to the full board of the Company, as the case may be, for the final decision.