



STENIEL MANUFACTURING CORPORATION

CHARTER

**BOARD RISK
OVERSIGHT COMMITTEE**

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PURPOSE

The Board Risk Oversight Committee is responsible for the oversight of the Enterprise Risk Management ("ERM") system of Steniel Manufacturing Corporation (the "Corporation") to ensure its functionality and effectiveness.

COMPOSITION

1. The Board Risk Oversight Committee shall have five (5) members, of which at least three (3) are non- executive directors and majority of whom should be independent directors.
2. The Chairman of the Board Risk Oversight Committee must be an independent director and must not chair the Board or any other committee in the Corporation.
3. At least one member of the Board Risk Oversight Committee must have relevant thorough knowledge and experience on risk and risk management.
4. The Chairman of the Board Risk Oversight Committee or any of its members or advisor(s) may be removed from office only by the Board.

DUTIES AND RESPONSIBILITIES

1. Develop a formal ERM plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures.
2. Oversee the Company's risk management framework, the policies and processes adopted by Management with respect to risk identification and assessment, development of risk management strategies including the development and implementation of a Business Continuity Plan and monitoring of risk management performance. The Committee must 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.
3. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that may seriously impact the likelihood of harm or loss.
4. Advise the Board on its risk appetite levels and risk tolerance limits.

5. Review at least annually the Corporation'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 Corporation.
6. Assess the probability of each identified risk becoming a reality and estimates 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 corporation and its stakeholders.
7. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management.
8. Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommend further action or plans, as necessary.

ENTERPRISE RISK MANAGEMENT (ERM)

The Committee is tasked with identifying, assessing and monitoring key risk exposures by:

1. Defining a risk management strategy;
2. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;
3. Evaluating and categorizing each identified risk using the Corporation's predefined risk categories and parameters;
4. Establishing a risk register with clearly defined, prioritized and residual risks;
5. Developing a risk mitigation plan for the most important risks to the Corporation, as defined by the risk management strategy;
6. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Committee; and
7. Monitoring and evaluating the effectiveness of the organization's risk management processes.

CHIEF RISK OFFICER

1. Subject to the Corporation's size, risk profile and complexity of operations, a Chief Risk Officer ("CRO") should be appointed from within the organization.
2. The CRO is the main proponent of ERM and has the following functions, among others:
 - a. Supervise the entire ERM process and spearhead the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
 - b. Communicate the top risks and the status of implementation of risk management strategies and action plans to the Committee;
 - c. Collaborate with the Chief Executive Officer in updating and making recommendations to the Committee;
 - d. Suggest ERM policies and related guidance, as may be needed; and
 - e. Provide insights on whether (i) risk management processes are performing as intended; (ii) risk measures reported are continuously reviewed by risk owners for effectiveness; and (iii) established risk policies and procedures are being complied with.

PERIODIC REVIEW

1. The Committee shall review the Charter at least annually or as the need arises, and obtain the approval of the Board for any revisions thereto.
2. This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.