



BOARD RISK OVERSIGHT COMMITTEE CHARTER

This Charter establishes the purpose, composition, duties and responsibilities, authority, and structure and operations of the Risk Oversight Committee (the “Committee”) of the Board of Directors of P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (the “Company”), as required under Principle 3.6 of the Code on Corporate Governance dated May 31, 2017.

1. PURPOSE

The Committee assists and advises the Board of Directors (the “Board”) in fulfilling its oversight of the Company’s Enterprise Risk Management system to ensure its functionality and effectiveness.

2. COMPOSITION

The Committee shall be composed of at least three (3) Directors, the majority of whom, including the Chairperson, shall be Independent. At least one (1) member of the Committee shall have relevant knowledge and experience on risks and risk management. The Chairperson of the Board Risk Oversight Committee shall not be the Chairman of the Board or of any other Board Committee.

The Chairperson and the members of the Committee shall be appointed by the majority vote of the members of the Board present during its meeting. Membership shall be reviewed every year.

The resignation or removal from office of the Chairperson or any member of the Committee shall become effective upon acceptance or by the action of the Board.

3. DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

- 3.1. Develop a formal enterprise risk management 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;
- 3.2. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee (MROC). The MROC shall 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;
- 3.3. Evaluate the enterprise 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 seriously impact the likelihood of harm or loss;
- 3.4. Advise the Board and obtain approval of the Company's risk profile, including the risk appetite levels and risk tolerance limits after coordinating with and obtaining recommendations from the MROC;
- 3.5. Review, at least annually and with the MROC, the Company's risk profile 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;
- 3.6. Oversee the assessment of the MROC of 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;

- 3.7. Oversee the risk management function, including reviewing with the MROC, the guidelines and policies that govern the process by which risk assessment and risk management is undertaken;
- 3.8. Review disclosures regarding risks, contained in the Company's Annual Report and other statements and reports issued to the public; and
- 3.9. 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.

4. AUTHORITY

The Committee is empowered to do the following:

- 4.1. Opt to engage consultant/s or advisors to perform a more independent assessment of the enterprise risk management infrastructure or assist the Committee in performing its responsibilities under this Charter;
- 4.2. Seek any information it requires from Company's Management, officers, employees, outside counsel and auditors and may, upon reasonable notice, require these individuals or associations to meet with the Committee members or advisors;
- 4.3. Gain full, free and unrestricted access to all records, documents, properties, and assets of the Company;
- 4.4. Investigate any activities within its scope of responsibilities, or as may be required by the Board; and
- 4.5. Meet separately with any member of the MROC or Company Management to discuss any matter that the Committee believes should be discussed privately; whenever it is deemed appropriate, for the exercise of its functions.

5. STRUCTURE AND OPERATIONS

The Committee shall meet at least two (2) times a year. Special meetings of the Committee may be held from time to time, as required, or called by the Committee's Chairperson.

A majority of the Committee members shall constitute a quorum at any meeting. If a quorum is present, the Committee may take action through the vote of a majority of the members who are in attendance.

The Chairperson of the Committee shall preside in all meetings. In the absence of the Chairperson, the Committee members present shall elect one of their members to act as the Chairperson.

The Company's Corporate Secretary, or the Chief Risk Officer, or any member of the MROC shall be the Secretary of the Committee, who, under the direction of the Committee Chairperson, shall prepare the notice of the meeting and agenda and provide the Committee members with appropriate briefing materials. The Committee Secretary shall also record the full minutes of the meeting. It shall be the duty of each Committee member to review meeting materials, and if called for, ask necessary and relevant questions or clarifications and explanations.

As it deems necessary, the Committee may invite members of Management or other personnel to attend meetings and provide pertinent information or data on matters for discussion during the Committee meeting.

The Committee shall be provided with sufficient resources by the Company to discharge its duties.

6. ANNUAL PERFORMANCE EVALUATION

The Committee shall review its performance annually with respect to the fulfillment of its functions and responsibilities as mandated in this Charter. It may also subject itself to an independent assessment by the Board of Directors. The results of the evaluation shall be fully disclosed in the Company's website.

7. REVIEW OF THE CHARTER

The Committee shall regularly review and assess the adequacy of this Charter and propose any changes, as necessary, for Board approval.