



Board Risk and Compliance Oversight Committee Terms of Reference

Version: 2024v01

Approval: Board Risk Oversight Committee Date: 16 August 2024

Approval: Board of Directors Date: 25 November 2024

TERMS OF REFERENCE

Board Risk Oversight Committee (BROC)

- Notes:
- 1) All illustrations provided in this template serve as a reference only.
 - 2) All items marked with asterisk (*) are **mandatory** to be filled.
 - 3) Please refer to the explanatory notes for further explanation.

No.	Items	Details
1.	Objective & Scope*	<p>The purpose of the Board Risk and Compliance Oversight Committee (BRCOC) is to assist the Board of Directors in fulfilling its responsibilities to oversee the company's Enterprise Risk Management Framework (ERMF) and Compliance Framework (CF) including the significant programs, policies, and plans established by management to identify, assess, measure, monitor, and manage the material risks facing the Company. The objective is to ensure the functionality and effectiveness of the frameworks. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions.</p> <p>In particular, the BRCOC oversees the monitoring of key risks defined in the Risk Taxonomy, covering the broad risk categories of Enterprise Risk, not limited to Strategic Risks, Financial Risks, Insurance risks and Operational Risks, including Cyber and Technology Risks, and areas of Compliance as governed by the Compliance Framework.</p>
2.	Members* (Updated: 19 March 2024)	<p><u>Chairman:</u></p> <p>Independent Non-Executive Director Ms. Helen T. De Guzman</p> <p><u>Terms of Membership</u></p> <p>Minimum three (3) members, the majority of whom should be independent directors, including the Chairman. At least one member of the committee must have relevant thorough knowledge and experience on risk management and compliance. The Chairman should not be the Chairman of the Board or of any other committee.</p> <p><u>Members:</u></p> <p>(1) Independent Non-Executive Director Mr. Ricardo Nicanor N. Jacinto</p>

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No.	Items	Details
		<p>(2) Non-Executive Director Mr. Eulogio A. Mendoza</p> <p><u>Permanent Invitees:</u> The following leadership from ELGAP are permanent invitees to the BRCOC due to their direct influence in the management of people, process, technology risks.</p> <p>(1) Group CFO – Etiqa International Holdings (2) President / CEO (3) Chief Financial Officer (4) Chief Risk Officer (5) Chief Compliance Officer (6) Head of IALMC</p> <p><i>Note: Department Heads or Expert/Consultant may be invited as and when needed or required.</i></p>

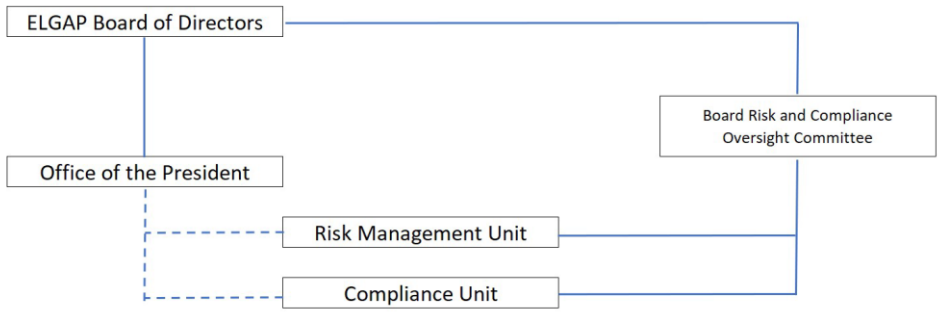
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3.	Quorum*	<p><u>Quorum</u> More than 50% of the members including the Chairman should be in attendance to call the meeting to order.</p>
4.	Decision*	<p><u>Decision Making</u> The affirmative vote of a majority of Members present at a meeting at which a quorum is present shall constitute the decision of the Committee. In case of a tying vote, the casting vote is given to the Chairman.</p>
5.	Secretary*	Corporate Secretary, ELGAP
6.	Reporting Committee*	The BROCC reports to the Board of ELGAP.
7.	Meeting Frequency*	<p>Meeting shall be held at least four (4) times a year and before every ELGAP Board meeting, with the best practice to be at least ten (10) working days apart.</p> <p><i>Note: The Chairman has the discretion to increase the frequency of the meeting or call for additional meeting based on needs and urgency. Chairman also has the discretion to change the format and/or agenda of the meeting.</i></p>
8.	Attendance*	Member must attend at least 75% of the committee meetings held in each financial year, and must not be represented another person to attend or participate in a meeting on his/her behalf.
9.	Authority*	<p>The BROCC is authorised by the ELGAP Board of Directors to oversee the overall Risk and Compliance related matters of ELGAP.</p> <p>The BROCC shall support the stature, authority, and independence of the Independent Risk Management and Compliance functions. The Chief Risk Officer and Chief Compliance Officer shall report functionally to the BROCC and administratively to the Chief Executive Officer. The BROCC shall approve the appointment and replacement of the Chief Risk Officer and the Chief Compliance Officer and annually review their performance and related performance rewards.</p> <p>The BROCC shall have access to all information, documents and personnel in the discharge of its duties.</p>

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Board Risk Oversight Committee (BROC)

No.	Items	Details
		<p><u>Organizational Chart</u></p>  <pre> graph TD ELGAP[ELGAP Board of Directors] --- OP[Office of the President] ELGAP --- BRCOC[Board Risk and Compliance Oversight Committee] OP -.-> RMU[Risk Management Unit] OP -.-> CU[Compliance Unit] BRCOC --- RMU BRCOC --- CU </pre>
10.	Key Responsibilities of the Committees*	<p>The key roles of BRCOC are as follows:</p> <p>A. Risk Oversight, Policies and Controls</p> <ol style="list-style-type: none"> 1. Review and approve the Risk Management and Compliance frameworks of the Company and assess the related policies to identify, assess, monitor and manage Enterprise Risk and Compliance. 2. Support and provide continuing guidance to ensure the effective implementation of Risk Management and Compliance frameworks and policies. 3. Provide guidance on risks and compliance relating to business initiatives and major management initiatives (e.g. systems, business model and major acquisitions) and approve or recommend the undertaking of any major activities for Board's approval. 4. Provide oversight and guidance over ELGAP's state of business continuity preparedness and provide guidance on ELGAP's annual attestation on the sufficient awareness of such risks and compliance, mitigating measures and state of readiness. 5. Review assess and recommend to the Board corrective measures to address compliance and risk concerns as highlighted by the Risk team and Compliance team and various home-host regulatory authorities, where relevant. 6. Ensure adequacy of infrastructure, resources and systems to enable effective risk and compliance management i.e. systems, personnel, trainings and skillsets in supporting risk and compliance

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		<p>management practices and processes to identify, measure, monitor, manage and control risks.</p> <ol style="list-style-type: none"> 7. Provide guidance on ELGAP's response to data and /or information security breaches through the Suspicious Transactions Reporting Committee and the Data Breach Committee. 8. Ensure that the development and implementation of the new product is within the company risk appetite and comply with the regulatory and shareholders requirements. 9. Review and approve all ELGAP Reinsurance treaties (new and for renewal). <p><i>B. Risk Appetite and Strategies</i></p> <ol style="list-style-type: none"> 10. Review Risk Appetite Statements presented by the Mancomm, Risk and Compliance and endorse to the ELGAP Board of Directors for approval. 11. Oversee the integration of Risk Appetite Statements across group wide risk-taking activities, and review ELGAP's compliance and risk management strategies periodically such that they are adjusted to reflect risk appetites, capital health, and market / macroeconomic conditions. <p><i>C. Compliance and Regulatory Adherence</i></p> <ol style="list-style-type: none"> 12. Provide oversight in addressing regulatory risk and compliance concerns under the IC's Supervisory letters escalated by the Mancomm, Risk and Compliance and approve the management response and updates to the matters for submission to IC. 13. Provide oversight to ensure that conduct of business and organisation as a whole meets the policyholder's reasonable expectations, where all the customers are treated fairly and their interest are upheld. 14. Monitor the implementation of policies on compliance for ELGAP including but not limited to the relevant policies for the prevention of Anti-Money Laundering and Counter Financing of Terrorism (AMF/CFT), whistleblowing, anti-bribery & corruption Policy and review periodically their compliance status. <p><i>D. Communication and Others</i></p>

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		<p>15. The BRCOC may share information of common interest with the Audit Committee as determined appropriate by the committees to support the Audit Committee in connection with its oversight responsibilities under its charter relating to the Company's compliance with legal and regulatory requirements.</p> <p>16. The BRCOC may meet in executive sessions with the Chief Risk Officer, the Chief Compliance Officer, and other members of management as it determines appropriate.</p> <p>17. The Committee shall review and assess the adequacy of this Charter annually.</p> <p>18. To carry out such other responsibilities as may be delegated to it by the Board from time to time.</p>
11.	Key Agenda Topics* (Non-Exhaustive)	<p>The Chief Risk Officer shall update the BRCOC on the following:</p> <ol style="list-style-type: none"> 1. Status of Risk Management Governing Frameworks, Policies and Investment Risk Mandates, including the Risk Management Plan 2. Risk Landscape and Appetite Statements 3. Financial and Non-Financial Key Risk Indicators and Risk Tolerance Limits 4. Enterprise-wide RCSA and Key Risk Heatmap (Inherent and Residual Risks) 5. Business Continuity Plan, Recovery and Resolution Plans & Crisis Simulation Exercise reports 6. Reports on incidents or risk assessments of potential exposures which demonstrate deviations from the Risk Appetite and/or breaches to company policies that will put the company at risk of loss beyond its tolerance. <p>The Chief Compliance Officer shall update the BRCOC on the following:</p> <ol style="list-style-type: none"> 7. Status of Compliance Governing Frameworks, Policies and Investment Mandates, including the Compliance Plan 8. IC Supervisory Letters and related resolution plans / management actions 9. Compliance status and risk of legal or regulatory sanctions, financial loss or reputation damage with regards to: <ol style="list-style-type: none"> a. Anti-Money Laundering and Counter Financing of Terrorism (AMF/CFT) b. Anti-bribery & Corruption Policy c. Whistleblowing Policy d. Data Privacy, Data Breach Response/Security Incident Report e. Suspicious Transaction Reporting 10. Both Head of Risk and Head of Compliance should report any

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		regulatory breaches and critical incidents/risks immediately or within 24 hours to BROC.
12.	Related Regulatory/ Policy Documents*	This Terms of Reference (TOR) shall be read together with IC's "Revised Code of Corporate Governance for Insurance Commission Regulated Companies" (CL 2020-71) issued on 13 August 2020 and other relevant regulatory circulars.
13.	Minutes of Meeting	The Secretary shall prepare the minutes of the meeting and circulate to the members of the BROC for comments within 14 working days of the meeting.
14.	Collation of Meeting Papers	All papers and/or reports to be tabled at the meeting shall be forwarded to the Secretariat at least five (5) working days prior to the meeting.
15.	Others	All other information that is deemed important for the purpose of the BROC.
16.	Frequency of review	The TOR needs to be reviewed once every two (2) years from the date of last approval or as and when required.

Version Control

Version	Date	Approved by Reporting Committee	Effective for adoption	Description
1.0	December 3, 2021			Board Risk Oversight Committee version 1 <i>Prepared and reviewed by</i> Soleil G. Baria, Head of Risk Atty. Roselle P. Bariuan, Head of Compliance
1.1	February 3, 2021	7 March 2022	7 March 2022	Prepared and reviewed by Soleil G. Baria, Head of Risk Atty. Roselle P. Bariuan, Head of Compliance

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1,2	April 30, 2024			Prepared and reviewed by Mariel V. Ponce, Chief Risk Officer Atty. Roselle P. Bariuan, Chief Compliance Officer
1.3	August 12, 2024			Prepared and reviewed by Mariel V. Ponce, Chief Risk Officer Atty. Roselle P. Bariuan, Chief Compliance Officer

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