

# DISCOVERY WORLD

## BOARD RISK OVERSIGHT COMMITTEE CHARTER

### I. PURPOSE

The Board Risk Oversight Committee (the “BRO Committee”) is established for the purpose of assisting the Board in overseeing the Corporation’s practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting of financial and business risks and associated internal controls. The BRO Committee will assist the board in providing framework to identify, assess, monitor and manage the risks associated with the Corporation’s business. It helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Corporation’s risk profile..

This Charter sets out the roles, responsibilities, and authority of Discovery World Corporation’s BRO Committee, including the rules of procedures that will guide the function of the Committee, as approved by the Board of Directors. The Committee will have such other duties and responsibilities as are described in this Charter or as are assigned to it from time to time by the Board of Directors.

### II. COMMITTEE MEMBERSHIP AND STRUCTURE

- A. *Composition.* The BRO Committee shall be composed of at least three (3) qualified Non-Executive Directors, majority of whom, including the Chairman, should be independent.
- B. *The Chairman of the Committee.* The Chairman of the BRO Committee should: (i) be an Independent Director and (ii) not be the chairman of any other Board Committee.
- C. *Qualification of Members.* All At least one member of the committee must have relevant and thorough knowledge and experience on risk and risk management.
- D. *Appointment and Removal.* The Chairman and Members of the Committee shall be appointed and may be removed from office, by a majority vote of the members of the Board constituting a quorum. In case of vacancy in the membership of the BRO Committee, the Board shall appoint a new member from among the directors. In case of vacancy in the position of Chairman, the Board shall appoint a new Chairman from the members of the BRO Committee. The Chairman of the

BRO Committee or any of its Members or Advisors may be removed from office only by the Board.

### III. MEETINGS

- A. *Schedule of Meetings.* The BRO Committee shall meet at least quarterly each year or more frequently as circumstances dictate. The Committee will also periodically meet with Senior Management, the internal auditor and risk management officer to discuss any matters that they wish to bring to the Committee's attention.

When deemed necessary by the Committee or its Chairman and in lieu of a meeting, the BRO Committee may also act by written consent (in physical, electronic or digital format) by majority of the members.

- B. *Notice and Agenda.* The committee through Internal Audit Department shall distribute the agenda and appropriate committee materials at least one week before the meeting so the members can intelligently review the various matters raised. The meetings begin with the reading and approval of the minutes of the previous meeting.
- C. *Quorum.* A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present shall be necessary for any action by the Committee.
- D. *Minutes of the Meeting.* The Corporate Secretary or his designated representative shall act as secretary for the meetings. The minutes of the Committee meeting will be recorded and maintained by the Corporate Secretary and presented to the Committee at the next Committee meeting for approval.

### IV. DUTIES AND RESPONSIBILITIES

The Board Risk Oversight Committee (the "BRO Committee") shall have the following duties and responsibilities:

1. Assist the Board in overseeing the company's practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting of financial and business risks and associated internal controls. The BRO Committee will assist the board in providing framework to identify, assess, monitor and manage the risks associated with the company's business. It helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with company's risk profile.
2. Oversee the implementation of the ERM framework through BRO Committee. The BRO Committee conducts regular discussions on the company's prioritized and

residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks

3. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
4. Develop a formal enterprise risk management plan in accordance with internationally recognized frameworks 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 (c) continuing assessments to improve risk strategies, processes and measures;
5. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BRO Committee shall revisit defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
6. Set the tone and influence the culture of risk management which includes determining the appropriate risk appetite (risk-taker or risk-averse) or level of exposure as a whole or on any relevant individual issue; determining what types of risk are acceptable and which are not;
7. 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 Company and its stakeholders;
8. Review 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.
9. Advise the Board on its risk appetite levels and risk tolerance limits;
10. 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 recommends further action or plans, as necessary; and

11. Perform other activities consistent with this charter, the Company's by-laws and governing law as the BRO Committee or the Board deems necessary or appropriate.

## **V. OUTSIDE ADVISORS**

The Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it deems appropriate to assist the Committee in the performance of its functions.

## **VI. MISCELLANEOUS**

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

## **VII. REPORTING**

The Committee shall regularly report to the Board on all significant matters that are within its responsibilities.

## **VIII. ANNUAL PERFORMANCE EVALUATION OF THE COMMITTEE**

The Committee will conduct an annual self-evaluation to determine whether it is functioning effectively. The Chairman of the Committee, together with the Chairman of the Board shall determine the form and nature of the annual self-evaluation.

## **IX. CHARTER REVIEW**

The Board shall review and reassess the adequacy of this Charter at least once a year or as often as deemed necessary. Any proposed amendments and revisions to this Charter must be reviewed and approved by the Board prior to posting it to the Company's website.