



pioneer in renewable power

## **RISK OVERSIGHT COMMITTEE CHARTER**

### **I. Rationale**

The Risk Oversight Committee (the "ROC") of the Board of Directors (the "Board") of Alternergy Holdings Corporation (the "Company") shall assist the Board in its oversight of:

- A. The Company's enterprise risk management system in order to ensure its functionality and effectiveness;
- B. The Company's risk governance structure;
- C. The Company's risk management and risk assessment guidelines and policies regarding market, credit, operational, liquidity, funding, reputational, strategic and such other risks as necessary to fulfill the ROC's duties and responsibilities;
- D. The Company's risk tolerance; and
- E. The Company's capital, liquidity and funding.

Risk assessment and risk management are the responsibility of the Company's management. The ROC's responsibility in this regard is one of oversight and review.

### **II. Composition and Membership**

In accordance with the Corporation's Manual on Corporate Governance, the ROC shall be composed of at least three (3) members, a majority of whom should be independent directors, including the chairperson of the ROC. The chairperson should not be the Chairman of the Board. At least one member of the ROC must have relevant, thorough knowledge and experience on risk and risk management.

The ROC members shall be appointed for terms of one year by the Board. The Chairperson shall be designated by the Board.

### **III. Frequency, General Timing and Procedures of Meetings**

- A. The ROC shall hold meetings at such times and places as it considers appropriate, provided that at least two (2) meetings shall be held each year.
- B. Meetings of the ROC shall be convened by the Chairperson of the ROC as and when he/she considers appropriate or upon the request of a majority of the Members.

- C. A ROC meeting shall be convened upon notice in writing at least three (3) days prior to the meeting and specifying the place, date and time of the meeting and the matters to be discussed at the meeting by the Chairman of the ROC.
- D. The presence of a majority of the members of the ROC, in person or via telephone or videoconference, shall be required to constitute a quorum for the purpose of conducting business. The ROC shall act only on the affirmative vote of a majority of the members present.
- E. Minutes of these meetings shall be recorded.

#### **IV. Duties and Responsibilities**

The ROC shall have the following responsibilities.

- A. Ensure that the overall risk management policies and procedures exist for the Company;
- B. Review the adequacy of the Company's risk management framework / process;
- C. Review the results of the annual risk assessment done by the Company and / or its subsidiaries, including the risks identified and the risk treatments, their impact on the Company's business.
- D. Evaluate the risk assessment and treatment report submitted by the Company and / or its subsidiaries, which may include existing and identified possible risks as well as action plans adopted by Management;
- E. Monitor the Company's implementation of the various risk management activities and evaluate effectiveness of the risk treatments and action plans, with the assistance of the internal auditors. This includes a framework for Whistleblower Program and plans for the Company's business continuity.
- F. Meet with Management to discuss the ROC's observation and evaluation on its risk management activities.

It is still the primary responsibility of Management to develop, implement and report the risk management framework, process and action plans intended to address the identified risks.

#### **V. Evaluation and Reporting**

The ROC shall:

- A. Regularly report to the Board about ROC activities and issues that arise with respect to the risk management, compliance and corporate governance;

- B. Provide an open avenue of communication between Risk Officers and the Board; and
- C. Review any other reports that the Company may issue that relate to ROC responsibilities.

#### **VI. Performance Evaluation**

The ROC shall:

- A. Review its performance annually with respect to the fulfillment of its functions and responsibilities as mandated in this Charter; and
- B. Review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for its approval.

#### **VII. Approval and Effectivity**

This Charter was approved by the Board on [ ] and shall take effect immediately upon such approval.

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