

ENERGY DEVELOPMENT CORPORATION RISK MANAGEMENT COMMITTEE CHARTER

I. MISSION

The Risk Management Committee (RMC) shall assist the Board of Directors of EDC in its oversight responsibility over Management's activities in managing risks involving physical, financial, operational, labor, legal, security, environmental and other risks of the corporation.

II. COMPOSITION

- A. Composition - The Risk Management Committee shall be composed of at least three (3) members who shall come from the Board.
- B. Resource Person - The Committee shall have at least one (1) Vice-President who shall be the Management Representative/s and Committee Resource person/s. The Committee shall also involve resource persons from other EDC sectors, as may be necessary.
- C. Secretariat - The head of the Risk Management Department of EDC shall serve as the head of the Secretariat of the Committee.

III. DUTIES AND RESPONSIBILITIES

The Risk Management Committee plays a vital oversight role and serves as an important liaison to the Board of Directors. The specific duties and responsibilities of the Committee are as follows:

1. Conduct a yearly evaluation of the Company's risk assessment and risk management program and ensure that appropriate controls are in place.
2. Recommend to the Board the Company's strategic risks, including the risk mitigation and control measures that require immediate or urgent implementation.
3. Meet periodically with the Audit and Governance Committee, key management, and internal and external auditors to understand and discuss the control environment.
4. Review the Company's risk tolerance, financial exposures, and investment guidelines, including the mitigating strategies, insurance, and other risk financing schemes being undertaken.

III. DUTIES AND RESPONSIBILITIES

5. Review periodically the security, safety, and physical loss control measures and the specific Emergency Response Plan adopted by the Company to ensure that all risks are adequately covered.
6. Review annually the adequacy of this Charter and recommend any proposed changes to the Board of Directors.

IV. AUTHORITY

1. To recommend the review and/or change/s in the Company's risk management policy, as may be deemed appropriate.
2. To require periodic reports from Management to confirm that the risk management system of the Corporation is operating correctly and consistently with its objectives.
3. To execute such other authority which the Board may delegate to the Committee

V. REPORTING RESPONSIBILITY

The Chairperson of the Committee or a person nominated by the Chairperson will report to the Board of Directors on Committee's proceedings following each meeting of the Committee with respect to all matters relevant to the Committee's discharge of its duties and responsibilities.

VI. MEETINGS

- A. Meetings - The Committee shall meet at least once every quarter, with authority to convene additional meetings, as circumstances require. The Committee shall invite members of Management, auditors, or other personnel to attend the meeting and provide pertinent information as necessary. Meeting agenda shall be provided in advance to members along with appropriate briefing materials. Minutes of committee meeting shall be prepared and included in the papers for presentation to the next full Board meeting, as necessary.
- B. Quorum - For the purpose of conducting its business, a meeting should have at least a quorum. A quorum shall mean at least a majority of the Committee's members present.

VII. PERFORMANCE REVIEW

The Committee shall conduct an annual review of its performance and effectiveness, in consultation with all members of the Board. It may recommend to the Board any suggested changes in the terms of this Charter.