

## KASAGANA -KA MUTUAL BENEFIT ASSOCIATION

### RISK MANAGEMENT COMMITTEE CHARTER

#### I. **Mission**

The Risk Management Committee shall be in charge of the management of both financial and non-financial risks of the organization, continuously monitor these risks and ensure that internal controls are in place. RMC shall promote a risk management culture across the organization by nurturing the business units with sufficient knowledge on preventing and foreseeing risk events.

#### II. **Duties and Responsibilities**

The Risk Management Committee shall be in charge of the periodical monitoring of organization's inherent and potential risks, including effectiveness of internal control systems, specifically:

- Monitoring and implementing an the internal control environment which focuses on operational risks, internal and external audits and credit assurance
- Perform regular reviews of KMBA's risk exposures (i.e., market, insurance, credit, operations, liquidity, regulatory capital, etc.) and recommend the necessary mitigation and other management actions to limit, control or monitor such exposures;
- Ensure that risk management within its areas of responsibility is implemented based on the organization's risk management strategy
- Coordinate with the Audit Committee in reviewing and confirming the disclosures on organization's risk governance activities which shall be fair and understandable;
- Advise the BoT on risks inherent in transactions and business plans, management's responsiveness to the committee's inputs/recommendations; and any perceived new and emerging risks or, failures of existing control measures
- Continuously improving risk management policy, strategy and supporting framework subject to the Board's Approval

- Review KMBA’s risk management framework and recommend appropriate policies and standards to the Board of Trustees for approval;
- Perform such other functions as may be prescribed in the association’s bylaws or as authorized by the General Assembly.

### **III. Authorities**

As a Board-level Committee, Risk Management Committee is authorized to fulfill the duties and responsibilities of the Board of Trustees, vested by the organization’s By-laws, internal policies, and those which are specially delegated by the Board of Trustees. This authority extends to the monitoring of organization’s material risk exposures.

### **IV. Membership**

- a. Delegation - The members of the Committee are appointed by the General Assembly during the organization’s Annual Meeting.
- b. Composition - The Committee shall be composed of five (5) members: three (3) board members and two (2) area coordinators, where one of which shall be delegated as Chairperson.

### **V. Meetings**

- a. Meeting Frequency – The Committee shall convene regularly once every quarter period. A special meeting may be called for matters which requires urgent attention.
- b. Quorum – The Committee meeting quorum shall represent at least three (3) of the members of the Committee.
- c. Agenda – The Agenda of the meeting shall be prepared by the Chief Risk Officer (CRO) who will be in-charge to present risk management reports subject to the review and assessment of the Committee.
- d. Minutes of the Meeting – The minutes of the meeting shall be prepared by the Corporate Secretary of the Board of Trustees.

### **VI. Support**

The Chief Risk Officer (CRO) shall directly report to the Risk Management Committee.

**VII. Charter Changes**

This charter may be changed upon proposal of the Chief Risk Officer or any members of the Risk Management Committee, subject to the endorsement of Board Risk Oversight Committee and approval of the Board of Trustees.