



FAR EASTERN UNIVERSITY



RISK MANAGEMENT COMMITTEE CHARTER

I. PURPOSE

The primary responsibility of the Risk Management Committee (or the Committee) is to oversee, evaluate and recommend for approval the company-wide risk management policies and practices, to assist the Board of Trustees (or the Board) in:

- Overseeing that the executive team has identified and assessed all the risks that the University faces and has established a risk management infrastructure capable of addressing those risks;
- Overseeing, in conjunction with other board committees or the Board, if applicable, risks, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks; and
- Establishing and adopting the University's enterprise wide risk management (ERM) framework.

II. AUTHORITY

The Committee shall have the authority as set out herein and such other powers as may be delegated to the Committee by the Board. It is empowered to:

1. Obtain advice and assistance from outside legal, accounting, or other advisors, as necessary, to perform its duties and responsibilities.
2. Seek any information it requires from employees, officers, directors - all of whom are directed to cooperate with the committee's requests- or external parties.
3. Meet with other board committees to avoid overlap as well as to identify potential gaps in overseeing the University's risks.

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III. COMPOSITION

The Committee shall be composed of at least three (3) members of the Board, one (1) of whom shall be an independent trustee. The chair of the Committee should be an independent trustee. The Committee may include executives or non-directors as members or resource persons. Each member will have an understanding of risk management expertise commensurate with the University's size, complexity and capital structure. The Committee will provide its members with continuing education opportunities and training focusing on topics such as leading practices with regard to risk governance and oversight and risk management.

The Committee should ensure that a succession plan is in place. In the absence of the Chairperson, the other independent director shall take his place. Any vacancy in the Committee at any time shall be replaced through the action of the members of the Board.

IV. MEETINGS

The Committee shall meet at least two (2) times a year, or more frequently as needed. All committee members are expected to attend each meeting, in person or via tele- or video conference. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

As part of its responsibility to foster open communication, the committee will meet periodically with management, heads of business units, the risk management officer, the head of internal audit and the external auditor in separate executive sessions.

V. RESPONSIBILITIES

The Committee will carry out the following responsibilities:

A. Enterprise-wide Risk Management

1. Help to set the tone and promote open discussion regarding risk, integrate risk management into the University's goals, and create corporate culture such that people at all levels manage risks rather than reflexively avoid or heedlessly take them.
2. Provide input to management regarding the University's risk appetite and tolerance and, ultimately, approve a risk management plan that will be communicated throughout the University and by Institutes or departments.
3. Monitor the University's risk profile- its on-going and potential exposure to risks of various types and re-evaluate the likelihood of occurrence, severity of impact of risk exposures, and any mitigating measures affecting those risks.

4. Review and evaluate the University's risk management framework, structure, and policies and processes in identifying, assessing, monitoring, managing, reporting and communicating risks and enforcing risk management policies.
5. Continually, as well as at specific intervals, monitor risks and risk management capabilities within the University, including communication about escalating risk and crisis preparedness and recovery plans.
6. Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
7. Communicate formally and informally with the executive team and risk management regarding risk governance and oversight.
8. Discuss with the chief executive officer and management the University's and its subsidiaries' major risk exposures and review the steps management has taken to monitor and control/manage such exposures, including the University's risk assessment and risk management policies
9. Review and assess the effectiveness of the University's enterprise-wide risk management (ERM) processes and recommend improvements, where appropriate; review and address, as appropriate, management's corrective actions for deficiencies that arise with respect to the effectiveness of such programs.
10. In coordination with the Audit Committee, understand how the University's internal audit work plan is aligned with the risks that have been identified and with risk governance (and risk management) information needs.
11. Obtain regular updates from management and company legal counsel regarding litigation, claims, contingencies or other significant legal issues that impact financial statements.

B. Reporting and Other Responsibilities

1. Report the Committee's activities to the Board at least once each year and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.
2. Provide an open avenue of communication between internal audit, the external auditors, and the Board.
3. Report annually to the shareholders, as necessary, describing the Risk Management Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
4. Confirm annually that all responsibilities outlined in this charter have been carried out.
5. Evaluate the Committee's and individual members' performance on a regular basis.

VI. AMENDMENT OF CHARTER

The Committee shall review and assess the adequacy of the charter on a periodic basis. Any revision will require approval from the Board.