	BOARD RISK OVERSIGHT COMMITTEE (BROC) CHARTER		NATCCO MBAI-GOV-01-20
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1. INTRODUCTION

The Insurance Commission with its Circular Letter 2020-71, "Revised Corporate Governance for Insurance Commission Regulated Companies," has recommended the creation of Board Risk Oversight Committee.

"The establishment of a Board Risk Oversight Committee (BROC) is generally for conglomerates and companies with a high risk profile. Enterprise risk management is integral to an effective corporate governance process and the achievement of a company's value creation objectives. Thus, the BROC has the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities."



2. PURPOSE


The BROC assists the Board of Trustees in fulfilling its oversight of NMBAI's Risk Management system to ensure its functionality and effectiveness.

3. ORGANIZATION

3.1 Membership

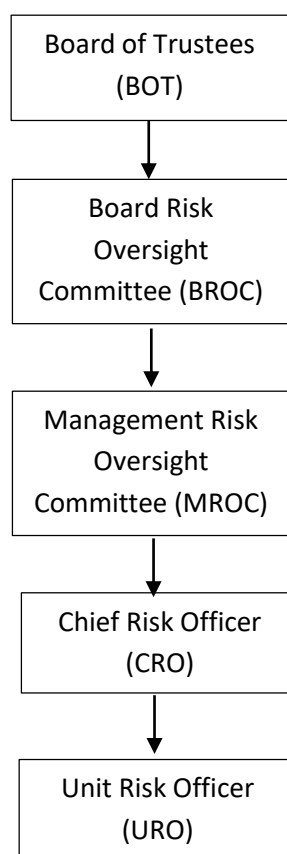
- 3.1.1 The BROC shall be composed of five (5) members.
- 3.1.2 The Chairperson of BROC shall not be the Chairperson of the Board or of any other committee.
- 3.1.3 Each BROC member shall be appointed by the Board of Trustees.



Prepared by:  RYAN ARTHUR PADILLA BROC Chairperson Date: 09/14/2020	Approved by Board of Trustees (BR # 33,S2020) :  ELLEN R. PASTORES BOT Chairperson Date: 09/14/2020
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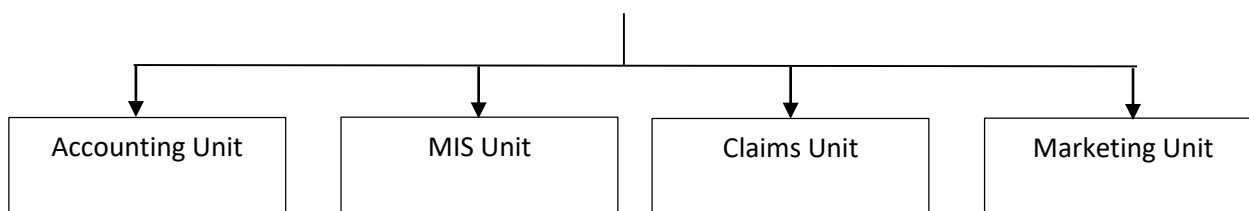
- 3.1.4 At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.

3.2 Organizational Structure



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3.3 Meetings

- 3.3.1 The BROC shall meet at least quarterly.
- 3.3.2 The BROC may request non-members such as the Internal Auditor, Actuary, and Compliance Officers to join the meetings when deemed necessary to address the Committee's objectives.
- 3.3.3 The Risk Officer or its equivalent shall regularly attend the meeting to act as the committee's secretary.
- 3.2.4 The Committee Secretary, under the direction of the Committee Chairperson, shall prepare the agenda and provide the Committee Members advance notice of meetings, the agenda, along with appropriate briefing materials. Minutes of the meeting shall be prepared by the Committee Secretary.



4. AUTHORITY AND RESPONSIBILITIES


- 4.1 Develops a formal enterprise risk management plan 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

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- management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- 4.2 Oversees the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BROC 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;
 - 4.3 Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC revisits 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;
 - 4.4 Advises the Board on its risk appetite levels and risk tolerance limits; the committee shall have access to any of the association's relevant documents and records that are necessary for it to carry out its duties.
 - 4.5 Reviews at least annually the association'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 association;
 - 4.6 Assesses 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 association and its stakeholders;
 - 4.7 Provides oversight over Management's activities in managing risk exposures of the association. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
 - 4.8 Reports to the Board on a regular basis, or as deemed necessary, the association's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

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5. EFFECTIVITY

This charter will take effect upon the approval of the Board of Trustees.

6. REVIEW OF CHARTER

The charter will be reviewed by the BROC annually. Change/s will be approved by the Board of Trustees.

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