

ANGELES ELECTRIC CORPORATION

Board Risk Oversight Committee Charter

A. Purpose

The Board Risk Oversight Committee (the "BROC") oversees the Company's Risk Management System to ensure its functionality and effectiveness. The BROC assists the Board of Directors ("Board") in ensuring an effective and integrated risk management process is in place. With an integrated approach, the Board and top management will be in a position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans, and opportunities.

B. Membership Composition

1. The BROC shall be composed of at least three (3) members of the Board, the majority of whom should be Independent Directors including the Chairperson. The Board will select the members of the Committee and determine who will be its Chair at the annual organizational meeting.
2. At least one member of the BROC must have relevant thorough knowledge and experience in risk and risk management.
3. The BROC may form and delegate authority to subcommittees as may be appropriate and under applicable laws or regulations.

C. Duties and Responsibilities

The BROC shall have the following duties and responsibilities (per SEC MC NO. 24 S. of 2019):

1. Develop a formal Enterprise Risk Management ("ERM") plan containing 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 management strategies, and (e) continuing assessments to improve risk strategies, processes, and measures.
2. Oversee the implementation of the ERM plan through the BROC. 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.
3. Review the appointment or replacement of the Chief Risk Officer ("CRO") who shall functionally report to the BROC and ensure the effectiveness of the Company's risk management framework.

The CRO shall oversee risk management activities and shall report and discuss with the BROC the Company's significant or major risk exposures, if any, and the steps taken by Management to manage and monitor such risks.

4. Evaluate 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.
5. Advise the Board on its risk appetite levels and risk tolerance limits.
6. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and impact the performance and stability of the corporation and its stakeholders.
7. Review at least annually the company'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 company.
8. Oversee the Management's activities in managing credit, market, liquidity, operational, legal, and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management.
9. Report to the Board regularly, or as deemed necessary, the company's material risk exposures, and the actions taken to reduce the risks, and recommend further action or plans, as necessary.
10. Performs such other duties and functions as may be delegated by the Board.

D. Meetings of the BROC

1. Frequency of Meetings

The BROC shall meet at least two (2) times a year. In addition to regular meetings, special meetings can be called by the Chairperson of the BROC or any two (2) members as necessary.

2. Notice of Meetings

The notice of the BROC meetings shall be given at least five (5) business days before the scheduled meeting.

Notices for special meetings may be sent at least two (2) business days before the date of the special meeting.

Notices may be sent in writing, through electronic mail, or other appropriate means.

3. Agenda

The Chairperson, in consultation with the other members of the BROCC, shall propose a list of items to be addressed by the BROCC during the year. The Chairperson shall ensure that the agenda for each BROCC meeting is circulated to each member of the BROCC together with the Notice of the meeting and the presentation materials shall be circulated two (2) days before the date of the actual meeting.

4. Quorum and Voting

A majority of all the members of the BROCC present in person or through a video conference, teleconference, or other modes of communication in which all persons participating in the meeting can completely and clearly hear each other shall constitute a quorum. The members participating in the meeting shall have received the agenda and all the materials for the meeting following the Board Charter of the Corporation.

The majority vote of the voting Members shall be required for the BROCC to approve, authorize, or take any action. The BROCC may refer to the full Board for consideration of any matter that fails to be approved by a majority vote of all BROCC Members.

5. Secretary

The incumbent Corporate Secretary of the Corporation shall act as the Secretary of the BROCC.

6. Minutes

All BROCC meetings shall be taken and recorded by the Corporate Secretary.

The minutes of the BROCC meetings must be available for review and approval not less than five (5) business days before the next meeting and signature at the next Committee meeting.

7. Per Diems

The BROCC members shall be entitled to per diems for every attendance to a Committee meeting.

E. Reports to the Board

The BROCC shall regularly report to the Board on all significant matters that are within its responsibilities.

F. Assessment of the Performance of the BROCC

The Board shall provide the standards for evaluating the performance and effectiveness of the BROC in fulfilling its duties and responsibilities as set out in this Charter and in the Corporation's Manual on Good Corporate Governance.

G. Review

The BROC will review its Charter at least annually and submit to the Board for approval any amendments thereof.

H. Effectivity

This Charter and amendments thereto shall take effect upon approval by the Board.

Signed and approved:


GEROMIN T. NEPOMUCENO
Chairman of the Board


MA. RITA JOSEFINA V. CHUA
President


HORACIO E. CEBRERO III
Independent Director/ BROC Chairperson


RAFAEL N. MAPUA
Director/ BROC Member


IVANNA G. DE LA PEÑA
Independent Director/ BROC Member