

**ALSONS CONSOLIDATED RESOURCES, INC.**  
**BOARD OF DIRECTORS**  
**CHARTER OF THE RISK OVERSIGHT COMMITTEE**

**Purpose**

The Board of Directors (the “Board”) of Alsons Consolidated Resources, Inc. (the “Company”) established the Risk Oversight Committee (the “Committee”) to be responsible for the oversight of the Company’s enterprise risk management (“ERM”) system to ensure the system’s functionality and effectiveness.

**Membership / Structure**

The Committee shall be composed of at least five (5) members, and its chairman should be an independent director, and should not be the chairman of the Board or of any other committee. At least one member of the Committee must have relevant thorough knowledge and experience on risk and ERM.

**Powers and Duties**

The following are the duties and responsibilities of the Committee, among others:

- (a) Develops a formal ERM plan that contains the following elements: (i) common language or register of risks; (ii) well-defined ERM goals, objectives, and oversight; (iii) uniform processes of assessing risks and developing strategies to manage prioritized risks; (iv) designing and implementing ERM strategies; and (v) continuing assessments to improve risk strategies, processes and measures;
- (b) Oversees the implementation of the ERM plan, and conducts regular discussions on the Company’s prioritized and residual risk exposures based on regular ERM reports and assesses how the concerned units or offices are addressing and managing these risks;
- (c) Evaluates the plan to ensure its continued relevance, comprehensiveness and effectiveness, and revisits defined ERM strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- (d) Advises the Board on its risk appetite levels and risk tolerance limits;
- (e) Reviews 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;
- (f) Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence;
- (g) Provides oversight over the management of the Company’s credit, market, liquidity, operational, legal, and other risk exposures, which includes regularly receiving information on risk exposures and ERM activities from Management; and
- (h) Reports to the Board on a regular basis, or as deemed necessary, the Company’s material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

**Procedures**

The Committee shall meet from time to time upon the call of the Chairman or of any member thereof. At any meeting, quorum shall consist of a majority of the members of the Committee present throughout the meeting. A meeting shall not proceed in the absence of a quorum.

**Reporting Process**

Resolutions of the Committee shall be reported and submitted to the Board at the meeting held next after they have been taken, and such resolutions shall be considered ratified by the Board unless otherwise expressly revoked.

**Resources**

The Committee shall have access to all relevant information, data, records, properties and personnel of the Company. The corporate secretary, compliance officer, chief risk officer, and other personnel of the Company shall provide them the necessary support and assistance. The members of the Committee shall be paid a reasonable remuneration approved by the Board.

**Standards for Evaluating the Performance of the Committee**

The Board shall assess the performance of the Committee before the annual stockholders' meeting based on the number of accomplishments every year.

**Effectivity**

This Charter shall take effect immediately upon approval of the Board of Directors.

Approved by the Board of Directors on 23 August 2018