



RISK MANAGEMENT COMMITTEE CHARTER

WATERFRONT PHILIPPINES, INCORPORATED

1. PURPOSE

The Risk Management Committee exists to provide focused oversight of the Corporation's risk profile. Unlike the full Board, which has broad responsibilities, the Committee has the dedicated time to interrogate management's assumptions, validate the effectiveness of internal controls, and ensure that the Corporation's strategic objectives are not derailed by unforeseen financial, legal, or operational vulnerabilities.

2. COMPOSITION

a) Membership

It shall be composed of at least three (3) directors, and the Chairman shall, as much as practicable, be an independent Director

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| No. | Member Slot | Board Status | Independence | Special Requirements/Expertise |
|-----|-------------|----------------|----------------------|---|
| 1 | Chairman | Board Director | Independent Director | Must be an independent director as much as practicable. Must possess knowledge and expertise on risk management issues and best practices. |
| 2 | Member | Board Director | Regular Director | Must possess knowledge on risk management issues and best practices. |
| 3 | Member | Board Director | Regular Director | Must possess knowledge on risk management issues and best practices. |

3. ENTERPRISE RISK MANAGEMENT (“ERM”) PLAN

The Committee is responsible for developing a formal enterprise risk management plan containing the following elements:

- a) A common language or register of risks;
- b) Well-defined risk management goals, objectives, and oversight;
- c) Uniform processes for assessing risks and developing strategies to manage prioritized risks;
- d) Designing and implementing risk management strategies;
- e) Continuing assessments to improve risk strategies, processes, and measures

4. DUTIES AND RESPONSIBILITIES

- a) Oversee the implementation of the ERM plan through a Management Risk Oversight Committee.

- b) Conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assess how units are managing these risks.
- c) Evaluate the risk management plan annually to ensure continued relevance and comprehensiveness.
- d) Revisit strategies to identify emerging or changing material exposures and stay abreast of significant developments impacting the likelihood of loss.
- e) Advise the Board on its risk appetite levels and risk tolerance limits.
- f) Review at least annually the Company's risk appetite levels based on changes in the business, regulatory framework, and external economic environment.
- g) Assess the probability of each identified risk and estimate its potential financial impact and likelihood of occurrence.
- h) Prioritize risks most likely to occur and impact the performance and stability of the corporation and its stakeholders.
- i) Provide oversight over Management's activities in managing credit, market, liquidity, operational, and IT risks.
- j) Report to the Board on a regular basis regarding material risk exposures and actions taken to reduce those risks.

5. MEETINGS AND PROCEDURES

a) **Meeting**

The Committee shall convene regularly (monthly or as needed) to foster collaboration and synergy.

b) **Quorum**

A quorum shall consist of two (2) members.

c) **Minutes**

The Corporate Secretary shall be responsible for the preparation and safekeeping of the Minutes.

a) **Unanimous Consent**

Actions may be taken without a meeting by written consents signed by all members, documented as Minutes of Action.

6. EVALUATION AND REVIEW

The Committee shall review this Charter annually to ensure it remains comprehensive and relevant to the Company's operations. Any proposed amendments shall be submitted to the Board for approval.