

LT Group, Inc.
Risk Management Committee Charter

08 March 2022

Article 1. Purpose

The Risk Management Committee (the “Committee”) shall assist the Board in fulfilling its oversight responsibilities. The Committee shall monitor the risk environment for LT Group, Inc. (the “Company”) and provide direction for the activities to mitigate, to an acceptable level, the risks that may adversely affect the Company’s ability to achieve its goals. The Committee facilitates continuous improvement of the Company’s capabilities around managing its priority risks.

In performing its duties, the Committee shall maintain effective working relationships with the Board of Directors and Management. To perform his/her role effectively, each committee member shall obtain an understanding of the detailed responsibilities of committee membership as well as the Corporation’s business, operations, and risks.

Article 2. Committee Structure and Operation:

Section 1. Composition - The Committee shall be composed of at least three appropriately qualified Non-Executive Directors, the majority of whom, including the Chairman, shall be independent.

If a member of the Committee resigns, dies, or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of such event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Section 2. Qualifications - Each member of the Committee must have relevant background, knowledge, skills, and/or experience, having due regard to the operational, financial and strategic risk profile of the Company.

Section 3. Chairman of the Committee - The Chairman of the Committee shall be an Independent Director who shall be appointed by the Board. The Chairman of the Committee shall not be the Chairman of the Board or of any other committee.

Section 4. Term - Each member of the Committee shall serve as such for a term of one (1) year provided that he/she shall remain a Director for the duration of such term.

Section 5. Removal - A member of the Committee may be removed from office only by the Board.

Section 6. Quorum - A quorum for any meeting shall be the majority of the members of the Committee.

Section 7. Secretary - The secretary of the Committee will be the Corporate Secretary, or such other person as designated by the Board.

Article 3. Authority

The Committee has the authority to:

1. Direct Management to submit regular reports on current risk exposures on credit, market, interest rate, liquidity, operational, legal, compliance, strategic, reputational, and technology risks to address said risks.

Note:

Management is responsible for the preparation, presentation and integrity of information and all matters presented to the Committee. Likewise, Management is responsible for implementing and maintaining the risk policies set by the Committee to identify, assess, measure, manage and control risks.

2. Approve or endorse for Board approval the proposed risk policies and procedures.
3. Access to all of the Company's records and any officer or employee of the Company as it deems necessary.
4. Retain such special counsel or outside advisor as it deems appropriate to assist the Committee in the performance of its functions.

Article 4. Meetings and Attendance

Section 1. Regular meetings - Meetings shall be convened as required or when the Committee deems it necessary , to discuss current risk exposures based on Management reports.

Section 2. Special Meetings - Special meetings may be convened as required.

Section 3. Chairman - The Chairman of the Committee shall preside at each meeting. If the Committee Chairman is not available, the members present who constitute a quorum may elect a temporary chairman.

Section 4. Conduct of Meetings - All recommendations of the Committee shall be decided by a majority vote and thereafter submitted to the Board for approval. Issues arising at any meeting shall be resolved by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

As necessary or desired, the Committee may invite Resource Persons from Management, preferably those responsible for day-to-day tasks involved in risk management or the mitigation of any risks and concerned officers who have first-hand knowledge or expertise on the scheduled agenda of the Committee meeting.

The Corporate Secretary will act as the Secretariat who shall prepare the agendas for Committee meetings and who shall maintain the Minutes of the meetings and other records of the Committee and ensure that the Committee directives are being complied with. The agenda of each meeting will be circulated, whenever reasonably practicable, to each member prior to each meeting.

Section 5. Participation via Communication Equipment – The members may participate in a meeting via telephone conference or via such other similar communication equipment of which all persons participating in the meeting can hear each other, without a member being in the physical presence of another member or members. Participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Article 5. Responsibilities and Duties:

The core responsibilities of the Risk Management Committee are:

A. Risk Oversight Function – The Committee shall have the following Risk Oversight functions:

1. Perform oversight over its subsidiaries' activities in managing credit, market, liquidity, operational legal and other risks of said subsidiaries. The function shall include regular receipt from the Chief Risk Officers of its subsidiaries of information on risk exposures and risk management activities;
2. Assist the Board in the performance of its oversight responsibilities for the management of financial and business risks;
3. Monitor the risk environment of the Corporation, inclusive of its subsidiaries, and provide direction for the activities that will mitigate, to an acceptable level, the risks that may adversely affect the Corporation's ability to achieve its goals;
4. Oversee operational, legal, and other risks and shall primarily be responsible for monitoring the statutory requirements of the Corporation. It shall assess the probability of occurrence of each risk and shall estimate its possible effect and cost. Priority areas of concern are risks that are most likely to occur and are costly when such do happen.

5. Oversee the policies and procedures relating to the identification, analysis, management, monitoring and reporting of financial and non-financial risks. It shall develop a plan defining the strategies for managing and controlling the major risks. It shall identify practical strategies to reduce the chance of harm and failure or minimize losses if the risk occurs.
6. Communicate the risk management plan and loss control procedures to affected parties.
7. Conduct regular discussions on the current risk exposure of the Corporation's subsidiaries based on regular Management reports and instruct concerned subsidiaries on how to reduce such exposure.
8. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. Strategies should be revisited, in constant search for emerging or changing exposures, staying abreast of developments that affect the likelihood of harm or loss.
9. Regularly report to the Board of Directors the Corporation's over- all risk exposure, the actions taken to reduce the risks, and recommend further action or plans as necessary. Consequently, ensures that the Board shall take appropriate corrective action, when necessary, in addressing control and compliance functions with regulatory agencies.

B. Related Party Transaction Function. - The Committee shall have oversight over Related Party Transactions ("RPT"), to wit:

1. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all Related Parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties, from non-related to related and vice versa, are captured; -
2. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) with such related parties than similar transactions with non- Related Parties under similar circumstances and that no corporate or business resources of the Corporation and/or its subsidiaries are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. For this purpose, all RPT transactions that will be submitted to the Board for approval shall be subject to the Committee's prior review and endorsement;

3. Ensure that appropriate disclosure is made, and/or information is provided to the SEC and the PSE relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest;
4. Report to the Board of Directors on a regular basis the status and aggregate exposures to each Related Party, as well as the total amount of exposures to all Related Parties;
5. Ensure that transactions with Related Parties, including write-off of exposures, are subject to a periodic independent review or audit process; and
6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

Article 6. Review and Amendment of the Charter

Amendment of the Committee Charter may be initiated by any member of the Committee. Any amendment to the Charter shall be submitted to the Committee for consideration and presented to the Board for approval.

Article 7. Effectivity

This Charter shall take effect upon approval of the Company's Board of Directors.