



GLOBE TELECOM, INC.

CHARTER OF THE RISK MANAGEMENT COMMITTEE

1. Introduction

The Charter of the Risk Management Committee (“Charter”) sets out the purpose/mission, authority, roles, and responsibilities of Globe Telecom’s (“Globe”) Risk Management Committee (“RMC” or the “Committee”); including the rules governing the RMC, as approved by the Board of Directors (“BOD or the “Board”).

The Committee shall review the Charter at least annually and obtain the approval of the Board of Directors for any revisions thereto or for any case where external bodies may suggest change. Suggestions by such external bodies (i.e., Regulators, External Experts, Consultants, etc.), however, are subject to the approval of the RMC.

2. Purpose

2.1. Globe believes that effective Risk Management (“RM”) practices are crucial to sustaining its profitability and resiliency as a company. The RMC is established to assist the BOD in fulfilling its oversight responsibilities in relation to risk governance in Globe and to enable:

- 2.1.1. Cultivation of an organizational structure with a sound ERM framework effectively working in place that supports strong corporate governance.
- 2.1.2. Clear definition of risk taking responsibility and authority.
- 2.1.3. Ownership and accountability of risk taking and ensure proper segregation of duties.

3. Committee Structure

3.1. The Committee shall be comprised of key members of Globe’s management team, namely:

- 3.1.1. Chief Risk Officer (CRO)
- 3.1.2. Chief Technology and Information Officer
- 3.1.3. Chief Commercial Officer
- 3.1.4. Chief Customer Experience Officer
- 3.1.5. Chief Human Resource Officer
- 3.1.6. General Counsel
- 3.1.7. Chief Compliance Officer

3.2. The CRO shall serve as the chairman of the committee, supported by the Risk Management Program Officer (RMPO). The CRO may delegate the authority of chairmanship to the Risk Management Program Officer as the need arise.

- 3.2.1. The Committee will report through its chairman, on a quarterly basis following meetings of the RMC regarding current status of risk and action items to the Chief Risk Executive (concurrently held by the President and Chief Executive Officer), being a member of the Executive Committee and the BOD.

4. Authority, Roles and Responsibilities of the RMC

4.1. Fosters a risk-aware culture that is pervasive throughout the organization by promoting open discussions and campaigns from all levels of the organization on the risks faced by Globe, integrate risk management into the organization’s goals and strategies.

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- 4.2. Provides supervision and guidance over Globe's risk governance structure, as well as the adequacy, development, implementation, maintenance and continuous improvement of the RM function, its policies, frameworks, processes, and documentation.
- 4.3. Reviews and recommends to the Management Globe's levels of risk appetite and risk tolerance, and risk exposure allocation for approval by the Board of Directors.
- 4.4. Reviews Globe's risk profile (i.e., top enterprise risks) on an ongoing basis and re-evaluate the likelihood of occurrence, severity of impact of risk exposures, and any mitigating measures affecting those risks.
- 4.5. Reviews and approves the annual workplan (i.e., activities and initiatives such as risk assessments, risk embedding programs, etc.) of the ERM function, based on the priorities and direction of the RMC and ensures the ERM workplan remains relevant, comprehensive and effective.
- 4.6. Performs risk oversight functions to ensure that:
 - 4.6.1. Risk Management processes and activities are embedded within the organization's policies, business cycles and operational decisions.
 - 4.6.2. The level of risk appetite, risk tolerance, and risk accepted by Globe is appropriate.
 - 4.6.3. Risk management processes are working as intended, risk measures and mitigation plans are on track and are reported and continuously reviewed by risk owners for effectiveness, and established risk policies and procedures are being complied with.
- 4.7. Review disclosures regarding risk contained in Globe's Annual Sustainability Report and other publicly-issued statements.
- 4.8. Secures independent expert advice on risk management matters where considered necessary or desirable.
- 4.9. In coordination with the Audit Committee, ensures that Globe's internal audit work plan is aligned with risk management activities and that the internal control system considers all risks identified in the risk assessment process.
- 4.10. Performs other activities related to this Charter as requested by the Board.

With guidance provided by the BOD, Globe's management is fully responsible for decision-making over the day-to-day affairs of Globe including the design, development and implementation of the RM strategies, policies and systems intended to address the identified risks.

5. Enterprise Risk Management Services Division's Role and Responsibilities in the RMC

- 5.1. The Enterprise Risk Management Services Division ("ERMSD") led by the Risk Management Program Officer shall support the committee in the performance of its functions, specifically:
 - 5.1.1. Facilitates activities necessary for Globe's annual risk assessment.
 - 5.1.2. Develops and executes the annual ERM workplan for the year based on the priorities and direction of the RMC, subject to the approval of the RMC chairman and concurrence from the chairman of the Audit Committee.
 - 5.1.3. Prepares periodic status updates on both enterprise and operational risks to the RMC.
 - 5.1.4. Reviews all reports and documents for submission to the Committee, including any proposals from management before these are submitted to the Committee for approval. If there are unresolved differences in opinion on any proposal between the proponent and the ERMSD, these shall be highlighted to the RMC for consideration and decision.
 - 5.1.5. Acts as a secretariat for all RMC discussions and executive sessions.

6. Meetings and Schedules of Activities

- 6.1. The RMC shall have the following meetings and schedules:
 - 6.1.1. RMC Enterprise Risk Sessions
 - 6.1.1.1. The sessions shall be held quarterly.

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- 6.1.1.2. The session will primarily discuss the following:
 - 6.1.1.2.1. Status of Globe's top enterprise risks as identified by management, which will include a discussion on the impact of risks to Globe (i.e., operational, financial, reputational, etc.) and the likelihood of its occurrence.
 - 6.1.1.2.2. Status of the mitigation plans to address said enterprise risks.
 - 6.1.1.2.3. Other matters as decided by the RMC.
- 6.1.1.3. All executive sessions shall be presided by the Committee chairman and attended by all committee members, whether in person or via teleconference or videoconference.
- 6.1.2. RMC Operational Risk Sessions
 - 6.1.2.1. The sessions shall be held monthly.
 - 6.1.2.2. The session will primarily discuss the following:
 - 6.1.2.2.1. Status of Globe's Operational Risks, including the status of the mitigation plans to address said operational risks.
 - 6.1.2.2.2. Other matters as decided by the RMC.
 - 6.1.2.3. All operational sessions shall be presided by the Committee chairman or the RMPO, and the sessions may discuss all or selected areas of operational risks as decided by the RMC.
 - 6.1.2.4. The sessions shall be attended by all or select committee members, whether in person or via teleconference or videoconference, depending on the operational risk areas to be discussed during the month as decided by the RMC.
- 6.2. Committee members have the option of inviting resource speakers, subject matter experts, and/or members of their own team into both the enterprise risk and operational risk sessions, provided that they shall be instrumental in the discussions and be able to respond to the inquiries of the committee.
- 6.3. Minutes of the Committee meeting shall be recorded and maintained by the ERMSD and shall be circulated to the RMC for approval.
- 6.4. Aside from regular meetings, the Committee shall also construct and agree on an annual calendar, which will lay down the schedule of activities for the year. This shall provide a systematic guide for the discharge of the Committee's responsibilities. Accordingly, the CRO shall ensure that the schedule is followed as planned.

7. Other Matters

7.1. Reports to the Board

The Committee chairman shall submit and present a report to the Board, containing updates on all actions initiated by the Committee at the Board meeting following the Quarterly RMC meetings.

Similarly, the Committee chairman shall also submit and present a year-end report to the Board, providing a summary of the Committee's activities during the year, confirmation of how the responsibilities in this Charter were discharged during the year, results of the assessment performed on the effectiveness of the Committee, and recommendations for improvement.

7.2. Performance Evaluation

The Committee shall review its performance annually with respect to the fulfilment of its functions and responsibilities as mandated in this Charter. It may also subject itself to an independent assessment by the Board of Directors.

7.3. Annual Charter Review

This Charter shall be reviewed annually by the Committee to ensure its continuing adequacy and consistency with the Board's objectives and responsibilities. Any proposed changes shall be approved by the Board.

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7.4. Access to Information

The Committee shall have reasonably free and full access to Globe's data, records and properties, as well as information from employees, officers, directors, Globe's subsidiaries (whether owned in full or in part), and external parties that may be relevant in monitoring and assessing risk exposures and their implications to Globe.