

iPeople, inc.
BOARD RISK OVERSIGHT COMMITTEE (BROC) CHARTER

1. PURPOSE AND OBJECTIVES

iPeople, inc. (IPO), a holding company with significant involvement in education through its subsidiaries, is exposed to risks that are particular to its nature of operations, and the environment in which it operates.

The objective of the Committee is to assist the Board in fulfilling its corporate governance responsibilities by monitoring and reviewing the corporate policies for identifying and managing relevant risks associated with the business of IPO.

This BROC charter of IPO is established to provide an appropriate structure that shall oversee that the covered companies, with respect to risk management programs and strategies, are adequate and effective to mitigate the risk exposures. To perform one's role effectively, each Committee member shall obtain understanding of the detailed responsibilities of Committee membership as well as adequate knowledge of the relevant risk exposures.

2. COVERED COMPANIES

For the purpose of risk management, the covered companies are as follows:

- a) Mapua University - Intramuros and Makati campuses
- b) Malayan Colleges Laguna
- c) Malayan High School of Science
- d) Malayan Colleges Mindanao

3. AUTHORITY

3.1. It is the responsibility of the IPO Board and its BROC to oversee the establishment of and to supervise the risk management systems of IPO and the companies covered.

3.2. IPO directly manages certain activities herein listed of each covered company where significant risks can arise:

- a) borrowing and financing;
- b) approving all standard policies related to the general conduct of business, personnel and investment strategy;
- c) approving contractual arrangements;
- d) Stipulating which central services and supplies must be provided by IPO, and by other specified companies, and which, if any will be outsourced. This central services and supplies are carried out by the IPO's centralized procurement office; and,
- e) Other activities where IPO and the covered companies will be exposed to significant risks.

4. COMPOSITION

The BROC shall be composed of at least three members, majority of whom are independent directors, including the Chairman. The Chairman shall not be the Chairman of the Board or any other Committee. At least one member must have relevant thorough knowledge and experience on risk management.

4.1. Membership Meetings

- a) The Committee shall meet at least quarterly, but more frequently if deemed necessary.
- b) The meeting shall be presided by the Committee chairman or in his absence, a delegated alternate.
- c) A quorum of the meeting will be two (2) voting members.
- d) The notice and agenda of the meeting will include relevant supporting papers as appropriate.
- e) The Chief Risk Officer (CRO) shall provide the secretariat for the Committee meetings.

5. ROLES AND RESPONSIBILITIES

- 5.1. Identify and evaluate exposures – The BROC shall assess the probability of each risk becoming a reality and shall estimate the possible effect/costs. Priority areas of concern are those risks that are most likely to occur and are costly when they happen.
- 5.2. Develop risk management strategies - The BROC shall develop a written plan defining the strategies for managing and controlling major risks. It shall identify practical strategies to reduce the chance of harm and failure or minimize losses if the risk becomes real. The plan shall contain 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 the prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures.
- 5.3. Implement the risk management plan – The BROC shall oversee the implementation of the enterprise risk management plan. It shall communicate the risk management plan and loss control procedures to affected parties. The BROC shall conduct regular discussions on the company's current risks exposures based on regular management reports of concerned units or offices on how to reduce these risks. It shall advise the board on its risk tolerance limits.
- 5.4. Provide oversight over Management activities in managing credit, market, liquidity, operational, legal and other risks exposures of the Company. These functions include regularly receiving information on risk exposures and risk management activities from management.

6. RISK MANAGEMENT COUNCIL

As a support group for the BROC, the Risk Management Council shall be created, it shall be composed of a group of officers that shall include the President/Chief Executive Officer, Chief Operating Officer, Head of Internal Audit, Chief Risk Officer, Chief Information Officer, and Compliance Officer.

6.1. Duties and Responsibilities

- a. The council shall define a risk management strategy.
- b. It shall identify and analyze risk exposures relating to economic, environmental social and governance (EESG) factors and the achievement of the organizations strategic objectives.
- c. It shall evaluate and categorize each identified risk using the Company's pre-defined risk categories and parameters.
- d. It is responsible for developing a risk register with clearly defined, prioritized and residual risks.
- e. It is responsible for developing a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy.
- f. It shall communicate and report significant risk exposures including business risks (e.g. strategic, compliance, financial, and reputational risks), control issues and risk mitigation plans to the Board Risk Oversight Committee.
- g. It is responsible for monitoring and evaluating the effectiveness of the organization's risk management processes.

6.2. THE CHIEF RISK OFFICER (CRO)

In managing the company's Risk Management System, the company shall have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations.

The CRO has the following functions among others:

- a) Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation.
- b) Communicates top risks and the status of the implementation of risk management strategies and action plans to the Board Risk Oversight Committee.
- c) Collaborates with the President in updating and making recommendations to the Board Risk Oversight Committee.
- d) Suggests ERM policies and related guidance, as maybe needed.
- e) Provides insights on the following:
 - Risk management processes are performing as intended
 - Risk measures reported are continuously reviewed by risk owners for effectiveness
 - Established risk policies and procedures are being complied with.

This Charter is hereby adopted and approved by the **BROC** at its meeting on the 24th day of November 2017.