



PUBLIC SAFETY MUTUAL BENEFIT FUND, INC.
No. 318-320 Boni Serrano Ave., cor 1st& 2nd West Sts., San Juan City
Telephone No. 726-8070, Fax No. 726-7250

Resolution No. 2014 – 32

APPROVAL OF THE RISK OVERSIGHT COMMITTEE CHARTER

Whereas, Board Resolution No. 2013 - 130 approved the creation of a Risk Management Study Committee that will define the role, functions and responsibilities of a Risk Oversight Committee;

Whereas, Risk Management Study Committee held a series of meetings to develop the Risk Oversight Committee Charter that was presented to the Executive Committee on January 28, 2014;

Whereas, the proposed Risk Oversight Committee Charter was further discussed and evaluated by the newly created Risk Oversight Committee to align with the proposed organizational structure of the company and recommended the same for approval of the Executive Committee;

Whereas, during the Executive Committee meeting on March 25, 2014, the Committee has approved the proposed committee charter for final approval of the Board;

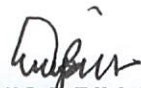
Whereas, upon consideration, the Board has approved the adoption of the proposed Risk Oversight Committee Charter during the Regular Board meeting on March 26, 2014;

Now, therefore be it resolved as it is hereby resolved, that the adoption of the proposed Risk Oversight Committee Charter hereto attached, be approved;

Be it resolved finally, that copies of this resolution be furnished the Chairman and the Vice Chairman of the Board of Trustees, the President, the Vice President, the General Manager, and the PSMBFI Management for reference and information.

Done in San Juan City this 26th day of March 2014.


DIR ALAN LM PURISIMA
Chairman


DIR ANTONIO P. BILLONES
Vice-Chairman


DIR MARIO A. AVENIDO
President


DIR FELIXBERTO S. LAGIWID
Treasurer

DIR WASHINGTON M. JAVIER
Trustee





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DIR RIZALDO A TUNGALA JR
Trustee


DIR ROLANDO A PURUGGANAN
Trustee



DIR ERIC Q JAVIER
Trustee


DIR TEOFILO S MELLIZA JR
Trustee


DIR JAIME H MORENTE
Trustee


DIR GEORGE Q PIANO
Trustee


DIR RAUL BASILIO D BOAC
Trustee


DIR VENGIE L REYES
Trustee


DIR RONALD V CONZAGA
Trustee


DIR ADOLFO V CABANSAL
Trustee

Attested by:


ATTY ASHER A DOLINA, CEO VI
Corporate Secretary



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San Juan City

PSMBFI RISK OVERSIGHT COMMITTEE CHARTER

1.0 GENERAL PURPOSE AND AUTHORITY

The Risk Oversight Committee (ROC) is organized, and its members appointed, by the PSMBFI Board of trustees to assist the latter in carrying out its responsibilities for policy formulation and for oversight of System-wide risks, including compliance with applicable laws and regulations (Board Resolution No. 2013-130).

2.0 MEMBERSHIP

The Board of Trustees will appoint at least three Trustees as members of the Risk Oversight Committee, including the Committee Chairman.

3.0 MEETINGS

The Committee shall meet at least once a month. Meetings are to be conducted in physical venues or through alternative media, such as teleconference.

4.0 SCOPE OF AUTHORITY

4.1 In line with its policy-making and oversight functions, the Committee shall have the authority to conduct inquiries on any matter within the scope of its responsibilities. As such it shall have the authority to obtain assistance from legal, audit, risks and other consultants in carrying out its functions.

4.2 Review and evaluate proposed policies on risk identification, measurement and monitoring methods or instruments for the risk management program in accordance with the international standards, with technical assistance from consultants when necessary.

4.3 Request, through the Office of the President PSMBFI officers and employees to attend its meetings and to provide information and/or assistance as may be necessary.

5.0 FUNCTIONS & RESPONSIBILITIES

5.1 POLICIES & IMPLEMENTATION

- a) To recommend to the board engagement of a consultant to assist the committee on its risk oversight functions as it may deem necessary.
- b) To maintain and ensure that adequate risk management plan is in place and working properly.
- c) To regularly report to the Board of Trustees the association's overall risk exposure, actions taken by the management to reduce the risks and recommend for the actions as necessary

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- d) The ROC shall, together with the Audit Committee, review reports prepared by Internal Audit regarding the performance of the risk management function.
- e) To oversee the Company's risk management policy and, if appropriate, recommend to the Board for approval;
- f) To oversee the establishment and implementation of the risk management framework;
- g) Meet periodically with the managers of the lines of business and with the Investment Manager.
- h) The ROC shall consult with the President and concur in the appointment, evaluation and any replacement or reassignment of the Risk Officer.
- i) To conduct regular discussions with the risk management consultant to determine whether the risk management objectives are aligned with the overall strategies and performance goals.
- j) Review the performance and remuneration of the Risk Officer.
- k) Approve the replacement, appointment, reassignment or dismissal of the Risk Officer
- l) Review reports of significant issues identified by Risk Officer including reports describing the PSMBFI credit risk profile, information about concentrations including country risks, and material limits excesses

5.2 IT RISK RELATED

- a) Review and monitor the effectiveness of the Business Continuity Management Framework (including IT Service Continuity Framework) and its compliance with regulatory requirements.

5.3 COMPANY WIDE RISKS

- a) To review and oversee the Company's risk profiles as developed and reported by management.
- b) To promote an awareness of a risk based culture in relation to the pursuit of business objectives

5.4 INTERNAL CONTROLS

- a) To periodically review the practical risk strategies and proactive controls identified by the risk management counsel to reduce the chance that the risk will occur and mitigate losses when the risk becomes real.
- b) To identify and monitor emerging risks and changes in the Company's risk profile.
- c) To review the Company's insurance strategy, including the coverage and limits of the insurance policies, in order to, if thought fit, recommend to the Board for approval;
- d) To review the Company's contracting strategy

5.5 OTHERS

- a) Review a report to be submitted periodically by the Risk Officer to the ROC and to the Audit Committee on:
 - (1) PSMBFI's risk management control environment, including: the establishment, review, and compliance with limits; staffing; independence of the risk function; and the adequacy of reporting structures.
 - (2) Any material issues regarding risk management raised by internal audit reports rated less than satisfactory or by regulatory reports identifying issues as matters requiring attention
- b) PSMBFI Risk Officer reports to the CEO and is accountable to the Board, primarily through the ROC.

6.0 REPORTING

6.1 The risk Oversight Committee will work under the direction of, and report to, the PSMBFI Board of Trustees.

6.2 The Committee shall require, through the Office of the President the Risk Officer to regularly report the results of its risk monitoring on all Financial and Operational Risks, it's recommendations thereto, and the appropriate actions taken by Management. It shall likewise require the reporting of all risk-related matters and issues.

6.3 The Committee shall also require, through the President, the Risk Officer to regularly report the status of IT related risk matters and concerns.

7.0 CHARTER REVIEW

The Risk Oversight Charter will be periodically reviewed and, as necessary, amended by the Board of Trustees.

Signed:

DIR RIZALDO A TUNGALA JR
Chairman
Risk Oversight Committee

DIR ANTONIO P BILLONES
Vice- Chairman
PSMBFI Board of Trustees

Date

Date