



RISK AND RELATED PARTY TRANSACTION COMMITTEE CHARTER

Pursuant to its commitment to good governance, the Board of Directors ("Board") of Monde Nissin Corporation ("MNC") hereby adopts the Risk Management and Related Party Transaction Committee's ("Committee's") Charter ("Charter"):

Section 1. Purpose

The Board constituted the Committee to oversee MNC's enterprise risk management ("ERM") system to ensure its functionality and effectiveness to enable the Board and management to make well-informed decisions taking into account risks related to significant business activities, plans, and opportunities.

The Committee is also mandated to review all material related party transactions ("RPTs") of MNC to ensure that these will be undertaken on arm's length basis, as these are integral to an effective corporate governance process and the achievement of MNC's value creation objectives.

While management shall remain primarily responsible for the development, implementation and reporting of the risk management framework, process and strategies intended to address the identified risks, the establishment and implementation of an integrated approach provides the Board and top management confidence in making well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities.

The Committee is accountable to the Board for its performance.

Section 2. Membership

1. **Composition** – The Committee shall be composed of at least three (3) non-executive directors, the majority of whom, including the Chairperson of the Committee, should be independent directors. No executive director shall sit as a member of the Committee.

The Chairperson of the Committee should not be the chairperson of the Board or of any other committees.

At least one member must have relevant thorough knowledge and experience on risk and risk management.

2. **Term** – The Board shall appoint the members of the Committee at the annual organizational meeting of the Board and each Committee member shall, unless removed or replaced by the Board earlier, serve upon his/her election until the next organizational meeting of the Board.

Independent directors who are members of the Committee may be elected and re-elected, as the case may be, for the maximum term allowed under applicable law or regulations.

3. **Vacancy** – Any vacancy in the Committee caused by the death, resignation, or disqualification of any member, or by any other cause, may be filled by the Board. The Director elected to fill the vacancy in the Committee shall hold office for the remainder of the term, or until his/her successor shall have been duly elected and qualified.
4. **Removal** – The Chairperson of the Committee or any Committee members may be removed from membership in the Committee only by the Board.

Section 3. Powers, Duties and Responsibilities of the Committee

The Committee shall have the following authority, roles, and responsibilities:

1. promotes an open discussion regarding risks MNC faces, as well as risks faced by MNC's subsidiaries that may have potential impact on MNC's operations, and ensure that risk awareness culture is established throughout the organization;
2. develops a formal ERM plan which contains 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 prioritized risks;
 - d. designing and implementing risk management strategies; and
 - e. continuing assessments to improve risk strategies, processes and measures;
3. oversees the implementation of the ERM plan. The Committee conducts regular discussions on MNC's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned company, departments, divisions, units or offices are addressing and managing these risks;
4. evaluates the ERM plan to ensure its continued relevance, comprehensiveness, and effectiveness. The Committee revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
5. advises the Board on its risk appetite levels and risk tolerance limits;

6. reviews at least annually MNC's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on MNC;
7. assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
8. provides oversight over management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information from management on risk exposures and risk management activities;
9. reports to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary;
10. meets periodically with management to discuss the Committee's observations and evaluation on its risk management activities;
11. reviews and discusses risk management-related reports and issues raised by the management, internal and external auditors, the Chief Risk Executive, the Chief Legal Officer and regulators that impact MNC's risk management framework;
12. reviews disclosures regarding risk contained in MNC's Annual Report and other publicly-issued statements;
13. reviews the objectivity, effectiveness and efficiency of the corporation's risk management function in the context of MNC's size, scale, complexity and scope of operations;
14. secures independent expert advice on risk management matters where considered necessary or desirable;
15. ensures an active management oversight of sustainability efforts and climate-related risks and opportunities; and
16. in coordination with the Audit Committee, ensures that MNC's Audit Plan is aligned with risk management activities and that the internal control system considers all risks identified in the risk assessment process;
17. oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures;

18. determines the advisability of, and reviews and evaluates the terms and conditions of any material or significant RPTs and their required reporting disclosures;
19. evaluates, 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. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;
20. assists the Board in determining whether to approve, ratify, disapprove, or reject an RPT;
21. endorses material/significant RPTs to the Board for approval;
22. evaluates 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) to such related parties than similar transactions with nonrelated parties under similar circumstances, and that no corporate or business resources of MNC 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. In evaluating RPTs, the Committee takes into account, among others, the following:
 - a. The related party's relationship to MNC and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to MNC of the proposed RPT;
 - d. The availability of other sources of comparable products or services; and
 - e. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Committee shall ensure that MNC has an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
23. reviews appraisal results, valuation methodology used as well as alternative approaches to valuation in connection with transactions involving the sale of MNC's assets;
24. ensures that appropriate disclosure is made, and/or information is provided to regulatory and supervising authorities relating to MNC's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of MNC's affiliation or transactions with other related parties;

25. reports to the Board 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;
26. ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
27. performs other activities related to this Charter as requested by the Board.

Section 4. Meetings

The Committee shall meet at least twice a year, or more frequently as the Board may require or as needed, at a time and place determined by its Chairperson, with further meetings to occur when deemed necessary or desirable by the Committee or its Chairperson. A notice of each meeting confirming the date, time, venue, and agenda shall be sent to each member of the Committee personally to his/her address, by email or other electronic means, as may be appropriate, at least three (3) calendar days prior to the date of the meeting. The notice will include the agenda items and materials to be taken up during the meeting. Provided, that nothing shall prevent the Committee members from conducting a meeting without need of prior notice whenever they deem necessary.

All meetings shall be presided by the Committee Chairperson and attended by all Committee members, whether in person or via teleconference or videoconference. Meetings shall not proceed in the absence of a quorum; that is, more than half of the total number of Committee members. The Committee shall act only on the affirmative vote of at least a majority of the members present in a meeting at which there is a quorum. Actions of the Committee may also be taken by written consent — in physical, electronic or digital format — by majority of the Committee members when deemed necessary by the Committee or its Chairperson.

Separate executive sessions may be conducted by the Committee with the Chief Financial Officer, Chief Risk Executive and Chief Internal Audit Executive (or other persons in charge of the MNC's risk and audit functions), other members of the management team and/or the External Auditor, to foster open communication and discuss any matter that the Committee believes as needed to be discussed in private.

The Committee shall also hold additional meetings for review of RPTs as needed. Meetings may, at the discretion of the Committee, include members of MNC's management, the Chief Legal Officer and such other persons as the Committee or its Chairperson may deem fit.

Minutes of the Committee meeting shall be recorded and maintained by the Chief Risk Executive, or other person in charge of MNC's risk function (after such minutes have been reviewed by the Corporate Secretary), and presented to the Committee at the next meeting for approval.

Section 5. Miscellaneous

1. **Access to Information** – The Committee shall have reasonably free and full access to all relevant information, data, records, properties, as well as information from employees, officers, directors or external parties that may be relevant in monitoring and assessing risk exposures and their implications to MNC.
2. **Management Support** – The Committee may invite such members of management and other persons to its meetings and may secure independent expert advice as well as external counsels as it may deem desirable or appropriate.
3. **Reports to the Board** – The Committee Chairperson shall submit and present a report to the Board, containing updates on all actions initiated by the Committee at the Board meeting following the Committee meeting.

Similarly, the Committee Chairperson 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.

4. **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.
5. **Confidentiality of Records** – Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the Committee records and deliberations shall be kept confidential.
6. **Annual Review** – This Charter shall be reviewed by the Committee annually. Any proposed changes shall be approved by the Board.
7. **Effectivity** – This Charter shall take effect when approved by the Board.

Approved and adopted by the Board of Directors on March 1, 2021.