

BOARD RISK OVERSIGHT COMMITTEE CHARTER

This Charter establishes the purpose, composition, authority, responsibilities and operations of the Risk Oversight Committee (the “Committee”).

I. Purpose

The Board Risk Oversight Committee (the “Committee”) is established for the purpose of assisting the Board of Directors (the “Board”) in overseeing Pacific Online Systems Corporation’s (the “Company”) practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting of financial and business risks and associated internal controls. The Risk Committee will assist the Board in providing framework to identify, assess, monitor and manage the risks associated with the Company’s business. It helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Company’s risk profile.

II. Membership

The Committee shall be appointed by the Board and shall comprise of, at least three (3) directors, majority of whom, , shall be independent and who meet financial-literacy and independence standards of the Securities and Exchange Commission (SEC). The Chairman should not be the chairman of the board or of any other committee. Vacancies may be filled at any time during the year by action of the full Board. The term of the service for Committee members shall be one year or until their successors shall be duly elected and qualified. Unless a Chairman is elected by the full Board, the members of the Committee may designate a Chairman by majority vote of the full Committee membership.

III. Meetings

The Committee shall meet at least twice each year or more frequently as circumstances dictate. The Committee will also periodically meet with Management, the internal auditor and risk management officer to discuss any matters that they wish to bring to the Committee’s attention. Quorum at any Committee meeting shall be at least a majority of the Committee members. All determinations of the Committee shall be by the vote of at least a majority of its members present at a meeting duly called for and held. Minutes of all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, and shall be approved at a subsequent meeting of the Committee and distributed periodically to the full Board.

IV. Key Responsibilities

The Committee shall exercise the authority of the Board to:

- a. Appoint and evaluate the performance of Chief Risk Officer.
- b. Oversee the Company’s risk management function. The Committee shall conduct regular discussions on the Company’s prioritized and residual risk exposures based on regular risk management reports and assess how the concerned offices

or units are addressing and managing these risks.

- c. Develop a formal risk management plan with (1) well-defined risk management goals, objectives and oversight, (2) uniform processes of assessing risks and developing strategies to manage prioritized risks, (3) designing and implementing risk management strategies, (4) continuing assessments to improve risk strategies, processes and measures.
- d. Design and undertake its enterprise-wide risk management activities in accordance with internationally recognized frameworks. The Committee shall also draft and submit to the Board for approval an enterprise risk management framework to enable the Company to effectively identify, monitor, assess and manage key business risks.
- e. Discuss and review policies with respect to risk assessment and risk management including the company's major financial and business risk exposures and the actions Management has undertaken to control them. The Committee shall evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness.
- f. Advise the Board by setting the tone and influence the culture of risk management at the Company, which includes determining the appropriate risk appetite (risktaker or risk-averse) or level of exposure as a whole or on any relevant individual issue, as well as determining what types of risk are acceptable to the Company and which are not.
- g. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. The Committee should prioritize the risks that are most likely to occur and to impact the performance and stability of the Company and its stakeholders.
- h. Monitor the management of significant risk to reduce the likelihood of unwelcome surprises.
- i. Satisfy itself that less significant risks are being actively managed with the appropriate controls in place and working effectively.
- j. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. To effectively carry out this function, the Committee shall regularly receive information on risk exposures and risk management activities from Management.
- k. Report to the Board, as necessity dictates, on the Company's material risk exposures, the mitigating actions taken by the Company to reduce the risk, and recommend further action or plan, if needed.
- l. Annually review the Company's risk tolerance limits and approaches to risk management and recommend to the Board changes or improvements to key elements of its processes and procedures.
- m. Review of Business Continuity Plan as and when necessary.

- n. May engage a consultant for a more independent assessment of the risk management infrastructure and review different units' best practice.
- o. Meet separately with the Chief Risk Officer to discuss any matters that the Committee or auditors believe should be discussed privately.
- p. Regularly report to the Board the Committee's activities, findings, decisions, deliberations and recommendations.
- q. Provide an open avenue of communication between and among the Chief Risk Officer, the Compliance Officer, and the Board.
- r. Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged and any other information required by regulators
- s. Review any other reports the Company issues that relate to the Committee responsibilities.

V. Annual Review of Charter

The Committee shall conduct annual review of this Charter and propose any enhancement as may be deemed necessary for Board approval

VI. Outside Advisors

The Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it deems appropriate to assist the Committee in the performance of its functions. The Committee shall have sole authority to approve related fees and retention items. The Company will provide appropriate funding, as determined by the Committee, to any such outside advisors engaged by the Committee.

VII. Miscellaneous

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.