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CHARTER OF THE RISK MANAGEMENT COMMITTEE  
PRIMA MARINE PUBLIC COMPANY LIMITED

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**PRIMA MARINE PUBLIC COMPANY LIMITED**

30<sup>th</sup> March 2017

## **CHARTER OF THE RISK MANAGEMENT COMMITTEE**

### **1. Objective**

The Risk Management Committee (“RMC”) shall be established to support the Board of Directors in determining policy of risk management covering the entire organization and to supervise the provision of system or process of risk management to properly reduce impacts on businesses of the Company.

### **2. Components**

The RMC shall consist of at least 3 members; provided that members of the RMC need not be members of the Board of Directors.

Provided that the RMC shall elect 1 member of the RMC to assume the office of the Chairman of the RMC and shall appoint the RMC’s Secretary to provide assistance in operations of the RMC relating to the summoning of meetings, preparation of meeting agenda, sending of supporting documents of meeting and recording of minutes of the meeting.

### **3. Qualifications of Members of the RMC**

Members of the RMC shall have qualifications, as follows:

(1) Shall have knowledge, abilities, honesty, business ethics and enough time to devote knowledge, abilities and performance of duties for the Company;

(2) Shall have full qualifications and shall not have any prohibited characteristics under the related laws;

(3) Shall not operate businesses similar to or in competition with the Company’s businesses, or shall not be partners or directors in other corporations that have operated businesses similar to or in competition with the Company’s businesses no matter whether for personal benefits or for benefits of others unless having notified the same to the Board of Directors’ meetings in advance and having been appointed by resolutions of the Board of Directors’ meetings;

### **4. Appointment and Term in Office**

The Board of Directors shall appoint people with full qualifications as specified in Clause 3 above to assume the office of members of the RMC for not exceeding 3 years at each time and shall be in accordance with the term in office of members of the Board of Directors (in case, members of the RMC also assume the office of members of the Board of Directors) provided that members of the RMC who have vacated the office at the end of the term may be reappointed as members of the RMC.

In case, the term in office of members of the RMC has expired, or members of the RMC are unable to assume the office until the expiry thereof; as a result, the number of members of the RMC shall be less than 3 people, then, the Board of Directors shall immediately appoint new members of the RMC to fill the vacancies thereof or no later than 3 months as from the date when the number of members of the RMC has been incomplete, thus, for continuous performance of duties of the RMC.

## **5. Powers, Duties and Responsibilities of Members of the RMC**

(1) To supervise the compliance with the policy and framework of risk management so that the Company shall have an effective risk management system in the entire organization and shall have continuous operation;

(2) To consider, evaluate and review characteristics of existing or potential risks of the Company (identification of risks) and to determine the risk appetite;

(3) To consider and determine policy of internal and external risk management covering and in accordance with business strategies and directions;

(4) To consider and determine strategies and practices of risk management in accordance with the risk management policy so that the risks shall be evaluated, monitored and supervised at an acceptable level;

(5) To consider and determine structure and appointment of the risk management working group to be obliged to evaluate and monitored the risk management and to provide risk reports;

(6) To consider and determine budgets and methods of response to existing and potential risks of the Company to be used as criteria for operation in accordance with situations of each type of risks to be proposed to the Board of Directors for approval;

(7) To review the suitability and adequacy of policies, strategies and practices on risk management of the Company to ensure that such policies, strategies and practices are in accordance with the Company's business strategies and directions and to ensure that the Company's risks can be supervised at an acceptable level;

(8) To report to the Board of Directors relating to risks and the risk management;

(9) To take any other actions as assigned by the Board of Directors or as per the policies determined by the Board of Directors;

(10) To report to the Board of Directors relating to the good governance of the Company, together with opinions on guidelines and recommendations for correction and improvement as may be suitable;

## **6. Meetings**

(1) The RMC's meetings shall be convened as the RMC's Chairman may deem expedient but for not less than once in every 3 months;

(2) Regarding the summoning of the RMC's meetings, the RMC's Chairman or any assigned person shall send invitations for the meeting, together with meeting agenda and documents to all members of the RMC in advance for not less than 7 days prior to the meeting date so that all members of the RMC shall have enough time to study the data, except in case of exigency to protect the Company's rights or benefits, such invitations for the meeting may be notified by other methods or the meeting date may be fixed sooner;

## **7. Quorum and Casting of Votes**

(1) At a meeting of the RMC, at least half of the total number of members of the RMC shall attend the meeting to constitute a quorum. In case, the RMC's Chairman is not present in the meeting or unable to perform his or her duties, members of the RMC who are present in the meeting shall elect one member of the RMC to preside over the meeting;

(2) The adjudication of the meeting shall be based on the majority votes;

(3) Regarding the casting of votes, one member of the RMC shall be entitled to cast one vote, except that members of the RMC who are stakeholders in any matters shall not be entitled to cast their votes in such matters; provided that, in case of a tie, the Chairman of the Meeting shall have one additional casting vote.

(4) The RMC's Chairman shall always report the meeting results to the Board of Directors for acknowledgment on a quarterly basis;

This Charter of the RMC shall come into force as from 30<sup>th</sup> March 2017.