



VICTORIAS MILLING COMPANY, INC.

RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. PURPOSE

To address the need for a comprehensive and advance risk management brought about by Industry changes and trends, information, technology, company, environment, new products, and other emerging risks, the Victorias Milling Company, Inc. (Company) Risk Management Committee (RISKCOM) Charter is hereby created. This shall set the direction for the Committee and shall be approved by the Board and used to guide Committee activities.

The Charter shall be reviewed annually to determine whether its responsibilities are adequately described, and policies are amended, if necessary in order to adapt to future risks that the company may be exposed to.

This Charter shall serve as the basis for the RISKCOM in the performance of its mandated functions. Among others, it provides the composition, authority, duties and responsibilities of the RISKCOM.

The purpose of the Company's RISKCOM is to assist the Board in fulfilling its risk management and oversight responsibilities in law and more importantly, to its shareholders, creditors and other stakeholders by:

1. Leading the Company's strategic direction in the management of material risks relating to business operations, sustainability, compliance, ethical, reputational, product quality, human resource, industry and market related risks;
2. Overseeing the establishment and implementation of the Company's risk management framework across all material aspects of the Company's operations, including the significant policies and practices used in market, operational and certain other risks; and
3. Reviewing the effectiveness of the Company's risk management framework, identifying and managing risks, and controlling internal process.

The RISKCOM's role is primarily on oversight, recognizing that the management is responsible for executing the Company's risk management framework and policies. Accordingly, the

Company's management is responsible for designing, implementing, and maintaining an effective risk program.

The RISKCOM primary role consists of:

1. Fulfilling statutory, fiduciary and regulatory oversight responsibilities;
2. Assisting the Board in defining, reviewing and assessing the risk appetite of the Company in the areas of production, operation and marketing;
3. Ensuring alignment of financial and legal risks covered by other VMC committees so that overall risk management objective are in accordance with overall business strategies and performance goals;
4. Evaluating the adequacy and effectiveness of risk management function and qualifications and background of selected senior risk officers and senior-level staff in performing the tasks designated;
5. Developing and overseeing the risk management programs of the Company, which includes the following:
 - a. Oversight of management, functions and approval of proposals regarding the Company's policies, procedures, and best practices relative to business operations risks, ensuring that:
 - Risk management systems are in place;
 - Limits/tolerance levels are observed;
 - System of limits remain effective; and
 - Immediate corrective actions are taken whenever limits are breached or whenever necessary.
 - b. Ensuring compliance to written policies and procedures relating to the management of risks throughout the Company. This shall include:
 - Comprehensive risk management approach;
 - Detailed structure of limits, guidelines and other parameters used to govern risk-taking units;
 - Clear delineation of lines of responsibilities for managing risks;
 - Adequate system of measuring risk; and
 - Effective internal controls and a comprehensive risk reporting process.

- c. Receiving reports from, review with and provide feedback to Management on the risks faced by the Company, including market and operational risks, the exposure in each category, the significant concentrations within those risk categories and views on the acceptable and appropriate levels of those risk exposures.
6. Developing a continuous education program to enhance its member's understanding of relevant regulatory and sugar industry issues; and
7. Undertaking other activities related to this Charter as may be delegated by the Board.

RISKCOM shall be an independent Committee and for that purpose it shall report directly to and hold on the authority of the Board.

II. COMPOSITION

The RISKCOM shall be composed of at least five (5) members of the Board of Directors who shall possess a range of expertise as well as adequate knowledge of the Company's risk exposure to be able to develop appropriate strategies for preventing and minimizing losses when they occur.

The following shall be considered in the composition of the Committee members:

1. At least one of the Committee members shall be a member of the Audit Committee;
2. The members shall have no close blood relationship with anyone in senior management of the Company;
3. The members shall have no close and heavy financial, as well as, business relationship with the Company, in full compliance with the requirements of existing guidelines such as the Corporation Code and Code of Ethics; and
4. The members shall not be currently, nor have been (in the last three years) employed by the Company.

The Board shall have the authority to appoint and remove the members of the RISKCOM. It shall also appoint one of the members as the Chairperson of the Committee.

III. AUTHORITY & RESPONSIBILITIES

The RISKCOM shall exercise authority over matters within the scope of its functions and responsibilities. It is empowered to:

1. Study and recommend approved risk management program prepared by the Risk Manager (“RM”) of the Company to the Board;
2. Exercise functional supervision over the RM;
3. Have direct access to and receive regular reports from the Company’s management, through the RM, and shall be provided by VMC with any information it requests, relative to its responsibilities;
4. Authorize investigation or verification into any risk-related matters or obtain any information of the Company within the Committee’s scope of responsibilities;
5. Issue risk management policies and require implementation of Committee instructions and recommendations; and
6. Obtain advice and assistance from independent professional advisors as it may deem necessary or appropriate to assist in carrying out its duties and responsibilities.

Core Duties and Responsibilities

The RISKCOM shall perform the following core duties and responsibilities:

1. Identify and Evaluate Exposures. The RISKCOM shall:
 - a. Identify and assess the internal and external marketing and production risks that may affect the business plan and directions of the company;
 - b. Assess the probability of each risk becoming a reality and shall estimate the possible effect and cost with priority on those risks that are most likely to occur and are costly when they happen; and
 - c. Evaluate the internal processes for identifying, assessing, monitoring and managing key risk areas.
2. Develop Risk Management Strategies. The RISKCOM shall:
 - a. Assist in developing a written plan defining the strategies for managing and controlling the major marketing and production risks;
 - b. Identify practical strategies to reduce the chance of harm and failure or to minimize losses if the risks become real;

- c. Oversee, approve and monitor the risk management, compliance and control policies and procedures of the Company, to assess the effectiveness of such policies and procedures in minimizing the risks that may impact adversely on the business objectives of the Company; and
 - d. Provide guidance to the Board in making VMC's risk management policies and procedures publicly available and, if appropriate, liaise with the Company's general counsel and/ or Corporate Secretary and Information and Compliance Officer on announcements to the market where material business risks or changes to risks are likely to have a material impact on the price or value of the Company's securities.
- 3. Oversee the Implementation of the Risk Management Plan. The RISKCOM shall see to it that the RM shall:
 - a. Set policies and guidelines on the operational matters and issues that require a formal risk assessment;
 - b. Communicate the risk management plan and loss control procedures to affected parties;
 - c. Approve policies to inform all employees and concerned parties of their rights and responsibilities consistent with the risk management framework through readily available information; and
 - d. Conduct regular discussions on the Company's current risk exposure based on regular management reports and direct management on how to reduce these risks.
- 4. Review and Revise the Risk Management Plan, as Needed. The RISKCOM shall:
 - a. Review with management the system for identifying, managing and monitoring key safety risks of VMC;
 - b. Review and evaluate the steps that management has taken to monitor and control risk exposures to ensure the continued relevance, comprehensiveness and effectiveness;
 - c. Revisit strategies, look for emerging or changing exposures and stay abreast of developments that might affect the likelihood of harm or loss to the Company;
 - d. Ensure that risk infrastructure and operating policies are congruent with corporate policies on prudent risk management, and conform to regulatory, industry and technological standards, trends and best practices; and

- e. Report to the Board regarding the Company's risk profile, as well as its risk management framework, including significant policies and practices employed to manage risks in the Company's businesses as well as the overall adequacy of the risk management function.

Specific Duties and Responsibilities

The RISKCOM shall perform the following specific duties and responsibilities:

1. The RISKCOM shall meet with, request, receive and evaluate information and reports from management and appropriate sources and act or endorse for approval of the Board of Directors. It shall oversee the following:
 - a. Production and operation and marketing areas of risk as contained in the risk management plan;
 - b. Implementation of corrective action in instances of breaches in policies and procedures
 - c. Contingency plans for dealing with potential temporary and long-term business disruptions;
 - d. Sufficiency of competent personnel;
 - e. Trends in economy in general with a view of their impact on the Company;
 - f. Information relating to compliance with both external and internal regulations in marketing and production;
 - g. Policies and procedures on operational risk matters, e. g. , technology, reputation and personnel risks; and
 - h. Awareness on proper risk culture and how risks should be addressed.
2. Promote an enterprise-wide risk culture that requires and encourages the highest standards of ethical behaviour by risk management oversees and establish ownership of risks by authorized risk takers;
3. Monitor and evaluate the independence of risk management functions throughout the Company;

4. Monitor effectiveness of risk management functions, regularly updating the design and operating effectiveness of such controls;
5. Ensure that infrastructure, resources, and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline.
6. Meet with, request the submission of and evaluate information from the Board and other committees of the Company; and perform/approve the necessary actions/proposals as it deems appropriate, regarding the scope of its work, significant findings, together with the actions and responses of management;
7. Oversee the management of future risks rather than risk in the past transactions;
8. Recognize those risks and institute contingency plans to mitigate said risks;
9. Provide regular periodic reports to the Board of Directors pertaining to the Company's over- all risk exposure and actions taken to reduce the risks;
10. Encourage the professional development and training of personnel engaged in both risk oversight and risk-taking activities; and
11. Review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.

IV. SCHEDULE OF MEETINGS

1. The RISKCOM shall establish its own rules of procedures consistent with the Company's Charter and this Charter;
2. The RISKCOM shall meet monthly or as often as it considers necessary and appropriate. A majority of the members will constitute a quorum. The RISKCOM Chairperson or the majority of its members may call a special meeting when deemed necessary.

An annual calendar shall be prepared to plan meetings, address issues and align with planning and reporting cycles.

3. A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee at least three (3) working days before the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed. A member may, however, waive this requirement either expressly or impliedly;

4. Meetings of the RISKCOM shall be presided over by its Chairman, or in his/her absence, by any other member chosen by the RISKCOM;
5. The RM shall serve as the Secretary of the, or in his/her absence, whoever the RISKCOM Chairman appoints as secretary of the meeting and shall keep written minutes of its meetings. The RISKCOM Minutes and actions shall be reported/provided to the Corporate Secretary and the Board;
6. The RISKCOM may request any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the latter, to attend a meeting in order to provide information as it deems necessary; and
7. The members of the RISKCOM must not vote on any issue of which they may have an actual or perceived conflict of interest.