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|  | <b>CHELSEA LOGISTICS<br/>AND INFRASTRUCTURE<br/>HOLDINGS CORP.</b> | <b>RISK OVERSIGHT<br/>COMMITTEE CHARTER</b> |
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This Charter establishes the purpose, composition, responsibilities, authority and operations of the Risk Oversight Committee (the "Committee").

## **1. PURPOSE**

The Committee assists and advises the Board of Directors (the "Board") in fulfilling its oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness.

## **2. COMPOSITION**

The Committee shall be composed of at least three (3) Directors, the majority of whom, including the Chairperson, shall be Independent. At least one (1) member of the Committee shall have relevant knowledge and experience on risk and risk management. The Chairperson of the Risk Oversight Committee shall not be the Chairman of the Board or of any other Committee of the Company.

## **3. DUTIES AND RESPONSIBILITIES**

The Committee shall have the following duties and responsibilities:

- 3.1.** Develop a formal enterprise risk management 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;
- 3.2.** Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The Committee shall conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- 3.3.** Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay

abreast of significant developments that seriously impact the likelihood of harm or loss;

**3.4.** Advise the Board on its risk appetite levels and risk tolerance limits;

**3.5.** Review at least annually the Company'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 the Company;

**3.6.** 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 Company and its stakeholders;

**3.7.** Provide 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 on risk exposures and risk management activities from Management; and

**3.8.** Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

#### **4. MEETINGS**

The Committee shall meet at least two (2) times a year. The Committee may invite members of Management or others to attend meetings and provide pertinent information, as necessary. The Committee Secretary, under the direction of the Committee Chairperson, shall prepare the agenda and provide the Committee Members advance notice of meetings, the agenda, along with appropriate briefing materials.

#### **5. AUTHORITY**

The Committee is empowered to do the following:

**5.1.** Opt to engage consultant/s for a more independent assessment of the risk management infrastructure;

**5.2.** Seek any information it requires from Management, and all other employees;

**5.3.** Gain access to all records, documents, properties, assets and personnel within the Corporation;

**5.4.** Investigate any activities within its scope of responsibilities, or as may be required by the Board; and

**5.5.** Meet separately with the Chief Risk Officer to discuss any matters that the Committee believes should be discussed privately.

## **6. REVIEW OF THE CHARTER**

The Committee shall regularly review this Charter and propose any enhancements as may be deemed necessary for Board approval.

*17 August 2018*