

Enterprise Wide-risk Management Program

With the continuous evolution of 2GO Group, it was deemed by the Board of Directors that a review of the ERM program was in order in 2012. During the first quarter of 2012, the Risk Management Department (RMD) conducted ERM activities to determine whether the various business units were ready to take the plunge for the re-launch of the ERM program.

In the second quarter of 2012, discussions were then conducted with the Audit Committee in order to determine how best to tackle the new ERM Program. With the ideal program being laid from top to bottom, the first action taken was to determine the Board and Risk Management Committee's responsibilities:

The Board

Sets the overall risk tolerance for 2GO Group, Inc. and delegates the responsibility of managing all the group's risk exposures to the Risk Management Committee;

- Design and approval of the Risk Management Framework.
- Risk Management Committee/Board level
- Review and endorsement of the Risk Management Framework;
- Approval of the Enterprise Risk Management Program;
- Oversight of the processes by which risks are managed including:
- Articulating the overall risk tolerance levels; Monitor 2GO Group Inc. Risk Management performance

For 2017, the Group is continuously working on and developing the ERM program, addressing Business Continuity Plans of the various business units. Should a risk exposure be unavoidable, the ability to quickly rebound and recover from a threat or disaster has always been the objective.

More attention has been given on the technology side as reliance on systems and business applications for operations has steadily increased. All Crisis Management and Emergency Response Teams (ERT) of the business units are training and drilling on a periodic basis to gradually treat or respond to all types of risks the group is exposed to.

The Corporate Claims and Risk Management Department shall provide support and assistance during the entire process.

The business units continue to update their Risk Registers as well as their respective (BCP) Business Continuity Plans as part of the group's strategy to ensure that personnel and assets are protected and able to function in the event of a disaster.

The following is the framework of the ERM program for the year.

- I. Concept Loading
 - a. Cascade ERM Framework (Group-wide)
 - b. Training/ drilling of ERM concepts and protocols to all Crisis Management / ERTs
- II. Policy Creation
 - a. Development of ERM Councils and Emergency Response Teams
 - b. Business Unit, Corporate Risk Management, I.T. Dept. and Internal Audit's role
- III. Program Implementation
 - a. ERM Risk Treatment Mechanisms
 - b. Business Continuity Plans
 - c. Monitoring and Process Audit

The Group understands that this is an on-going process and that it will continue to evolve as the organization grows. Such is the dynamic nature of risk management, the ability of the group to learn, adapt and rebound from any risk, threat or disaster. The ERM Program of the Group will gradually be a major contributor in helping the organization achieve its goals, and in the future, be the backbone in the thrust for corporate resiliency.