



Coal Asia Holdings

Reliable energy resources through responsible mining

BOARD RISK OVERSIGHT COMMITTEE CHARTER

I. Purpose

The Board Risk Oversight Committee is established for the purpose of assisting the Board of Directors (the 'Board') in overseeing the Company's 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 Committee will assist the board in providing framework to identify, assess, monitor and manage the risks associated with the Company's business. The Committee 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 Board Risk Oversight Committee shall be appointed by the Board and shall comprise of at least three (3) directors who meet financial-literacy and independence standards of the Securities and Exchange Commission. Majority of the members of the Committee shall be Independent Directors. Vacancies may be filled at any time during the year by action of the full Board. The Board Risk Oversight Committee members shall serve for one year or until their successors shall be duly elected and qualified.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. The Chair of the Board Risk Oversight Committee shall be an Independent Director cannot be the Chairman of the Board of Directors or of any other committee of the Board.

III. Meetings

The Board Risk Oversight Committee shall meet at least once every quarterly of each year or as often as its members deem necessary. 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.

A quorum at any Committee meeting shall be at least a majority of the Committee members. All determinations of the Committee shall be at least by 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

- A. Develop a formal enterprise risk management plan which contains the following elements:
 - i. Common language or register of risks;
 - ii. Well-defined risk management goals, objectives and oversight;
 - iii. Uniform processes of assessing risks and developing strategies to manage prioritized risks;
 - iv. Designing and implementing risk management strategies; and,
 - v. Continuing assessments to improve risk strategies, processes and measures.
- B. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The Board Risk Oversight 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 units or offices are addressing and managing these risks.
- C. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness, and effectiveness. The Board Risk Oversight 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.
- D. Advise the Board on its risk appetite levels and risk tolerance limits.
- E. 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.
- F. Assess the probability of each identified risk becoming a reality and estimate 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.
- G. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management.
- H. 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 recommend further action or plans, as necessary.
- I. Perform other activities consistent with this charter, the Company's By-Laws and governing law as the Committee or the Board deems necessary or appropriate