



**BRIGHT KINDLE RESOURCES & INVESTMENTS INC.
ENTERPRISE RISK MANAGEMENT POLICY
(Approved by the Board of Directors on 23 October 2020)**

I. Policy Statement

The Board of Directors of Bright Kindle Resources & Investments Inc. (“BKR”; or the “Company”) recognizes that risk management is part and parcel of the Company's business strategy and that it is responsible for defining the Company's level of risk tolerance and providing oversight over its risk management policies and procedures.

As such, this Enterprise Risk Management (ERM) Policy is established to ensure that short and long term strategic objectives are met and that negative or adverse outcomes are avoided or otherwise minimized.

II. Risk Management

All Board Directors, officers and employees of the Company shall contribute to the implementation and observance of risk management systems, processes and policies adopted by the Company. Risk Management shall be imbedded in all policies and procedures in all levels of the Company's operational structure.

III. ERM Process

Risk Management of the Company shall be in accordance with the following steps:

Step 1: Risk Identification

The first step in managing risk is describing and measuring risks that may significantly affect the Company's business strategies objectives.

Step 2: Risk Analysis

Once significant risks are identified, the risk is analyzed to determine is likelihood of occurrence and the consequences it poses.

Step 3: Risk Evaluation and Prioritization

Risks identified to have significant likelihood of occurrence and consequence will then be evaluated based on whether the risk is acceptable or whether it is serious enough to warrant treatment. These risks are also ranked based on priority.

Step 4: Risk Treatment.

This step refers to the Company's Risk Response Planning. During this step, the Company assesses its highest ranked risks and set out a plan to treat or modify

these risks to achieve acceptable risk levels. Mitigation strategies, preventive plans and contingency plans are also implemented in this step.

Step 5: Risk Monitoring and Review

This step involves monitoring, tracking and reviewing risks. Moreover, it evaluates the effectiveness of the ERM process.

IV. Roles and Responsibilities

a. Board of Directors

The risk management function involves the following activities, among others:

- i. Defining a risk management strategy;
- ii. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;
- iii. Evaluating and categorizing each identified risk using the Corporation's predefined risk categories and parameters;
- iv. Establishing a risk register with clearly defined, prioritized and residual risks;
- v. Developing a risk mitigation plan for the most important risks to the Corporation, as defined by the risk management strategy;
- vi. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and
- vii. Monitoring and evaluating the effectiveness of the organization's risk management processes.

b. Chief Executive Officer

The Chief Executive Officer is responsible for the development and implementation of business strategies, budgets, and setting performance benchmarks compatible with the Company's risk tolerance and appetite. As to the ERM, he has overall responsibility for the management and reporting of risks and the implementation of risk management strategies and policies of the Company. He meets regularly with Management Committee, Department Heads and Project Heads to ensure adequacy and effectiveness of risk responses to the identified significant risks.

c. Chief Risk Officer¹

¹ Section 2.7.1, 2020 Revised Manual on Corporate Governance



The Chief Risk Officer (CRO) reports directly to the CEO. In managing the Company's Risk Management System, the Company's Assistant Vice President (AVP) or Vice-President (VP) for Risk Management may be appointed as CRO, who is the ultimate champion of ERM and has adequate authority, stature, resources and support to fulfill his responsibilities, subject to the Company's size, risk profile and complexity of operations.

The CRO has the following functions, among others:

- a. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
- b. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
- c. Collaborates with the CEO or the President in updating and making recommendations to the Board Risk Oversight Committee;
- d. Suggests ERM policies and related guidance, as may be needed; and
- e. Provides insights on the following:
 - Risk management processes are performing as intended;
 - Risk measures reported are continuously reviewed by risk owners for effectiveness; and
 - Established risk policies and procedures are being complied with.

V. AMENDMENT OR ALTERATION OF THIS POLICY

This Charter shall not be amended, alter or varied unless duly approved by resolution of the Board.