

BHI HOLDINGS, INC.
RISK MANAGEMENT STATEMENT
(Last updated: May 2013)

This statement of risk management has been established by the Board of Directors (the “Board”) of BHI HOLDINGS, INC., (the “Company”), and is intended, together with the Company’s Articles of Incorporation, Amended-By-Laws, other corporate governance documents and all applicable laws, to be a flexible framework within which the Board may conduct its business.

The Board has reviewed the effectiveness of the risk management system and deems it to be sufficiently adequate. The Board shall review the risk management system and assess its effectiveness annually.

The Board is responsible for overseeing the risk management activities of the Company. With the management of risk being necessary for the protection of the Company’s personnel, assets and reputation, the Board shall implement risk management controls, such as internal policies and procedures and, external policies such as the engagement of external auditors to achieve an appropriate level of risk management and for the proper monitoring of development resulting to potential risks. The various policies implemented by the Board shall include mechanisms to ensure compliance, identification, and regular reporting to the Board of significant and material business risks and the management of those risks.

The Company aims to mitigate exposures to any potential risk and ensure that systems are in place for the prevention of risk occurrences. Nonetheless, the systems in place are intended to provide reasonable but not absolute assurance against the occurrence of any risks.