



RISK COMMITTEE CHARTER

Ratified by the Board of Directors on December 13, 2006

A committee of the board of directors of Imagine Group Holdings Limited (the “Company”) to be known as the Risk Committee (the “Committee”) shall have the following terms of reference:

MEMBERSHIP AND CHAIRMAN

Following each annual meeting of shareholders, the board of directors of the Company (the “Board”) shall appoint from its number two or more directors (the “Members” and each a “Member”) to serve on the Committee until the close of the next annual meeting of shareholders of the Company or until the Member ceases to be a director, resigns or is replaced, whichever occurs first.

The Members will be selected by the Board on the recommendation of the Corporate Governance and Human Resources Committee. Any Member may be removed from office or replaced at any time by the Board. Members may, but are not required to, be independent directors.

The Board shall appoint one Member as the chairman of the Committee, which Member need not be an independent director. If the chairman is absent from a meeting, the Members shall select a chairman from those in attendance to act as chairman of the meeting.

RESPONSIBILITIES

The Committee shall:

- a) assist the Board in exercising its oversight of the operational activities of the Company and the timely identification, mitigation and management of those risks that could have a material impact on the Company;
- b) establish and, from time to time, test, consider and (if appropriate) recommend changes to the Company’s overall risk appetite levels (and, in each case, make suitable recommendations to the Board;
- c) review the strategies, processes and controls pertaining to the identification, mitigation and management of risk; and
- d) consider other matters as directed by the Board.

REPORTING

The Committee will regularly report to the Board on its work, including:

- a) a summary of matters discussed and actions taken at each Committee meeting; and
- b) all other significant matters it has addressed and with respect to such other matters that are within its responsibilities.

The Committee will also provide periodic reports to the Audit Committee, to coordinate the risk register maintenance with the work of the Audit Committee.

REVIEW AND DISCLOSURE

The Committee will review this Charter at least annually and submit it to the Corporate Governance and Human Resources Committee together with any proposed amendments. The Corporate Governance and Human Resources Committee will review this Charter and submit it to the Board for approval with such further amendments as it deems necessary and appropriate.

This Charter will be posted on the Imagine Group web site and the annual report of the Company will state that this Charter is available on the web site or is available in print to any shareholder who requests a copy.

ASSESSMENT

At least annually, the Corporate Governance and Human Resources Committee will review the effectiveness of this Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with any corporate governance guidelines adopted by the Board. The Committee will also conduct its own self-assessment of the Committee's performance on an annual basis.

ACCESS TO OUTSIDE ADVISORS AND SENIOR MANAGEMENT

The Committee may retain any outside advisor, including legal counsel, at the expense of the Company, without the Board's approval at any time and has the authority to determine any such advisor's fees.

The Company will provide for appropriate funding, for payment of compensation to any auditor engaged to prepare or issue an audit report or perform other audit, review or attest services, and ordinary administrative expenses of the Committee.

Members will meet privately with senior management as frequently as they feel is appropriate to fulfill the Committee's responsibilities, but not less than annually.

MEETINGS

Meetings of the Committee may be called by any Member, the Chairman of the Board or the Chief Executive. Meetings will be held at additional times as is necessary for the Committee to fulfill its responsibilities. The Committee shall appoint a secretary (which shall normally be the Secretary or an Assistant Secretary of the Company) to be the secretary of each meeting of the Committee and to prepare, maintain and distribute minutes of the meeting and deliberations of the Committee.

The powers of the Committee shall be exercisable at a meeting at which a quorum is present. A quorum shall be one of the Members. Matters decided by the Committee shall be decided by majority vote. Subject to the foregoing, the other provisions of this Charter, the *Companies Act* (Bermuda) and the by-laws, and unless otherwise determined by the Board, the Committee shall have the power to regulate its procedure.

Notice of each meeting shall be given to each Member and to the Chairman of the Board and the Chief Executive Officer of the Company. Notice of meeting may be given verbally or by letter, by fax, email or telephone not less than 48 hours before the time fixed for the meeting. Members may waive notice of any meeting and attendance at a meeting is deemed waiver of notice. The notice need not state the purpose or purposes for which the meeting is being held.

The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Committee may require the auditor to attend any or all meetings.