

<b>Title:</b>	<b>CORPORATE GOVERNANCE COMMITTEE CHARTER</b>
<b>Committee Name:</b>	<b>Corporate Governance Committee</b>
<b>Short Name:</b>	<b>CGCom</b>
<b>Nature:</b>	<i>BSP &amp; SEC-required Board-level Committee</i>
<b>Responsibility Statement:</b>	The CGCom shall assist the Board of Directors in fulfilling its corporate governance responsibilities including the functions that were formerly assigned to the Nomination Committee and Remuneration Committee and in providing oversight in the implementation of the Bank's Compliance System.
<b>Duties &amp; Responsibilities:</b>	<p>In line with the CGCom's mandate to assist the Board of Directors in fulfilling its corporate governance responsibilities, it shall:</p> <ol style="list-style-type: none"> <li>1. Oversee the implementation of the Bank's corporate governance framework and periodically review the same to ensure that it remains appropriate in light of material changes to the Bank's size, complexity and business strategy, as well as its business and regulatory environments. It shall adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;</li> <li>2. Oversee the periodic performance evaluation of the Board and its committees and executive management and shall also conduct an annual self-evaluation of its performance. It may coordinate with external facilitators in carrying out board assessment, within the frequency approved by the entire Board;</li> <li>3. Decide the manner by which the Board's performance shall be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board has enhanced long term shareholders' value;</li> <li>4. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;</li> <li>5. Decide whether or not a director is able to and has been adequately carrying out his/her duties as director based on its own assessment or the assessment of external facilitators, bearing in mind the director's contribution and performance e.g.,</li> </ol>

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	<p>competence, candor, attendance, preparedness and participation;</p> <ol style="list-style-type: none"> <li>6. Determine whether or not a director or officer who has multiple positions is able to and has been adequately carrying out his/her duties and, if necessary, recommend changes to the Board based upon said performance/review. Internal guidelines shall be adopted that address the competing time commitments that are faced when directors serve on multiples boards;</li> <li>7. Recommend continuing education/relevant training programs for directors, assignment of tasks/projects to Board committees, succession planning for the Board members and Senior Officers, and remuneration packages for corporate and individual performance. The committee shall establish and ensure effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for all directors.</li> <li>8. Determine the nomination and election process for the Bank's directors and for positions appointed by the Board of Directors and has the special duty of defining the general profile of Board members that the Bank may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board;</li> <li>9. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers and other incentives policy for personnel that is consistent with the Bank's operating and risk culture and strategy as well as the business environment in which it operates. It shall also: <ol style="list-style-type: none"> <li>a. Work closely with the Risk Oversight Committee (ROC) in evaluating the incentives created by the remuneration system; and</li> <li>b. Monitor and review the remuneration and other incentives policy including plans, processes and outcomes to ensure that it operates and achieves the objectives as intended;</li> </ol> </li> <li>10. Oversee the implementation of the Bank's Compliance Program and the performance of compliance function, as follows: <ol style="list-style-type: none"> <li>a. Review, at least annually, the Bank's Compliance Program in accordance with existing regulatory requirements, in support of the Bank's goals and strategies and recommend approval thereof by the Board;</li> <li>b. Monitor the implementation of the Bank's Compliance Program and ensure that compliance issues are resolved expeditiously;</li> </ol> </li> </ol>
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	<p>c. Monitor the Bank’s compliance with the applicable laws, regulations and rules of regulatory agencies and recommend to the Board appropriate actions based on the review of the reports submitted to/by Compliance Office; and</p> <p>d. Review the regular reports submitted by Compliance Office as well as reports on significant compliance issues, general status of Bank’s level of compliance, relevant regulations, updates and other compliance matters.</p> <p>11. Oversee the preparation of Annual Report (AR) and ensure that the Bank fully discloses the minimum disclosure requirements per regulation, as delegated by the Board.</p>
<b>Composition:</b>	<p>The CGCom shall be composed of <b>at least three (3) members, all of whom should be independent directors, including the Chairman</b>. It is supported by the Bank’s Compliance Office.</p> <p>Each member shall serve for a maximum tenure of nine (9) years to be reckoned starting 2018. Any extension beyond 9 years shall be duly justified and subject to the approval of the Board of Directors (BOD).</p> <p>The CGCom members shall be appointed annually by the BOD.</p>
<b>Quorum / Majority Votes:</b>	<p>A majority of the CGCom members shall be necessary to constitute a quorum at any meeting.</p> <p>When a quorum is present at any such meeting, a majority vote shall decide any matters submitted for the CGCom’s disposition. All CGCom members shall have voting rights.</p>
<b>Meeting Schedule:</b>	<p>The CGCom shall convene and meet <b>at least on a monthly basis</b> and as soon as the need arises.</p> <p>As may be deemed necessary by the CGCom depending on the meeting agenda, other personnel may be invited to attend its meetings as resource persons or presenters such as the Human Resources Group (HRG) Head for personnel matters e.g. remuneration/compensation, succession planning, etc.</p>
<b>Facilitator &amp; Secretariat:</b>	<p>As Compliance Office’s designated Board-level reporting line, Compliance Office shall assist the CGCom in fulfilling its corporate governance mandates and other related activities. Thus, the Chief Compliance Officer (CCO) shall regularly report to the CGCom on compliance matters including corporate governance issues and concerns.</p>

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	<p>The CCO shall also serve as the CGCom Secretary and facilitate its meetings. As such, he shall prepare the agenda for each meeting, send out notices to the committee members at least two (2) banking days before the scheduled meeting date and prepare and submit the pertinent reports as may be required by the BOD and/or the CGCom.</p> <p>The CCO shall likewise draft and distribute the CGCom Minutes of Meeting for review/approval of the members as well as maintain on file such records e.g. minutes or summary of matters reviewed and decisions taken that document the CGCom’s fulfillment of its responsibilities and facilitate the assessment of the effective performance of its functions.</p>
<b>Performance Assessment:</b>	The CGCom shall evaluate/assess its performance <b><i>at least annually within the first quarter of the year</i></b> . The results of which shall be submitted/reported to the Board during the following month’s Board Meeting.
<b>Charter Review:</b>	This CGCom Charter shall be reviewed and/or updated by Compliance Office <b><i>at least annually</i></b> and as soon as necessary to ensure its continuing effectiveness subject to the Board of Directors’ approval upon the CGCom’s endorsement.
<b>Reporting to the Board:</b>	The CGCom, on its own or through Compliance Office, shall report to the Board of Directors any significant matters and developments concerning compliance and corporate governance as necessary.
<b>Interaction with Other Board/Management-Level Committees:</b>	The CGCom may interact or coordinate with other Board or Management-level committees on matters concerning compliance and corporate governance as necessary.
<b>Last Reviewed and Updated:</b>	<b>15 November 2019</b>

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