

PHILIPPINE SAVINGS BANK BOARD-LEVEL COMMITTEES

Board Committees

To aid the Board in its various tasks, increase efficiency and provide greater focus in its oversight and other functions on different key areas, the following Board-level committees, among others, have been created:

1. **Executive Committee (ExCom)**

This committee regularly reviews and approves credit proposals within its limits. It recommends additional conditions and requirements on loan applications for Board approval. It may also act, by majority vote of all its member-directors, on such other specific matters within the competence of the Board as may be delegated to it in the Bank's By-Laws or by a majority vote of the Board except for matters exclusive to the Board.

Its membership composition, standing/authority, specific duties and responsibilities are embodied in the **ExCom Charter** that is being maintained by the Bank's **Credit Administration Group (CAG)**.

2. **Audit Committee (AuditCom)**

This committee provides independent oversight of internal controls and financial reporting, risk management, ethical environment, compliance with laws and regulations, and the internal and external audit activities. This is the Board-level committee reporting line of the Bank's Internal Audit Group (IAG) headed by the Chief Audit Executive (CAE).

Its membership composition, standing/authority, specific duties and responsibilities are embodied in the **AuditCom Charter** that is being maintained by the Bank's **Internal Audit Group (IAG)**.

3. **Risk Oversight Committee (ROC)**

This committee is responsible for the development and oversight of the Bank and its trust unit's *Risk Management Program*. It oversees a system of limits to discretionary authority that the Board delegates to management, ensures that the system remains effective, the limits are observed and immediate corrective actions are taken whenever limits are breached. This is the Board-level committee reporting line of the Bank's Risk Management Office (RMO) headed by the Chief Risk Officer and Sustainability Officer (CRSO).

Its membership composition, standing/authority, specific duties and responsibilities are embodied in the **ROC Charter** that is being maintained by the Bank's **Risk Management Office (RMO)**.

4. **Corporate Governance Committee (CGC)**

This committee assists the Board in fulfilling its duties and responsibilities, monitoring the Bank's adherence to the corporate governance principles and guidelines set forth in this Manual, and overseeing the development and effective implementation of the Bank's *Compliance System*. This committee also reviews, evaluates/pre-screens and shortlists all candidates nominated to become a member of the Board in accordance with the required minimum qualifications and disqualifications. It shall likewise establish, review, maintain and oversee a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of the Bank's directors, senior management and other key personnel consistent with the Bank's corporate culture, strategy and

control environment. This is the Board-level committee reporting line of the Bank's Compliance Office (CO) headed by the Chief Compliance & Data Protection Officer (CCDPO).

Its membership composition, standing/authority, specific duties and responsibilities are embodied in the **CGC Charter** that is being maintained by the Bank's **Compliance Office (CO)**.

5. Related Party Transactions Committee (RPTC)

This committee assists the Board in reviewing and ensuring that transactions with related parties are conducted at arms-length, appropriate restrictions are followed, and corporate resources are judiciously used.

Its membership composition, standing/authority, specific duties and responsibilities are embodied in the **RPTC Charter** that is being maintained by the Bank's **Compliance Office (CO)**.

6. Trust Committee (TrustCom)

This is a special committee that reports directly to the Board and is primarily responsible for overseeing the operations of trust and other fiduciary and investment management activities of the Bank. It shall ensure an appropriate degree of independence between the activities of the Bank proper and its Trust Division.

Its membership composition, standing/authority, specific duties and responsibilities are embodied in the Bank's **Trust Manual** and in the **TrustCom Charter** that are being maintained by the Bank's **Trust Division (TD)**.

7. Anti-Money Laundering Oversight Committee (AMLOC)

This committee is tasked to assist the Board of Directors in fulfilling its oversight responsibility over the Bank's compliance management to make sure that the Bank complies with the provisions of the AMLA, as amended, its Revised Implementing Rules and Regulations (RIRRs) and BSP AML regulations to the end that the Bank shall not be used as a vehicle to legitimize the proceeds of unlawful activity or to facilitate or finance terrorism.

Its membership composition, standing/authority, specific duties and responsibilities are embodied in the **AMLOC Charter** that is being maintained by the Bank's **Compliance Office (CO)**.

The Board of Directors shall approve, review, and update, **at least annually** or whenever there are significant changes therein, the respective charters of each of the above Board-level committees. The Board shall also consider occasional rotation of committee members and chairs to avoid undue concentration of power and promote fresh perspective.