
CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE CHARTER

I. PURPOSE

The Corporate Governance and Compliance Committee (CGCC) shall assist the Board of Directors (the Board) in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of the Bank's Compliance Program, including its Money Laundering and Terrorist Financing Prevention Program (MLPP).

The CGCC shall serve as the Nomination Committee of the Bank. It shall review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board and assess the effectiveness of the Board's process and procedures in the election or replacement of directors.

II. MEMBERSHIP

The Corporate Governance and Compliance Committee shall be composed at least three (3) members of the Board of Directors who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson. The Compliance Division shall serve as the Committee Secretariat.

A quorum shall comprise the majority of the Committee.

III. DUTIES AND RESPONSIBILITIES

On Corporate Governance:

1. Review and evaluate the qualifications of all persons nominated to the Board, all direct reports of the CEO and the President, regardless of rank, heads of Governance Units and other positions of the Bank requiring appointment by the Board of Directors and confirmation by the BSP.
2. Ensure the Board's effectiveness and due observance of corporate governance principles and guidelines.
3. Establish and ensure the effective implementation of policy for on-boarding and the orientation program for first time directors and the annual continuing education for all directors.
4. Ensure that there is an appropriate succession plan for Board members and the Bank's Senior Officers.

5. Decide whether or not a Director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation).
6. Adopt internal guidelines that address the competing time commitments that are faced when directors serve on multiple boards.
7. Decide how the Board's performance may be evaluated and propose objective performance criteria approved by the Board. Such performance indicators shall address how the Board has enhanced long term shareholders' value.
8. Oversee the annual performance evaluation of the Board, its committees, and individual directors and shall also conduct an annual self-evaluation of its performance as prescribed under and in accordance with the Corporate Governance Manual, the 2016 SEC Code of Corporate Governance for Publicly Listed Companies and BSP Circular 969 - Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions.
9. Review and assess the adequacy of its Charter, the Corporate Governance Manual and recommend changes for the approval of the Board at least annually.

Compliance:

1. Oversee the implementation of the Bank's Compliance Program, including its MLPP, ensuring that the Bank complies with all applicable laws, regulations, codes of conduct and standards of good practice. The Committee shall also ensure that compliance issues are resolved expeditiously.
2. Ensure the regular review and updating, at least annually, of the Compliance Program and the MLPP to incorporate changes in laws, rules and regulations for approval by the Board.
3. Endorse the appointment of a Chief Compliance Officer to the Board with a rank of at least Vice President and who a) directly reports to the Board, through the CGCC, and b) be responsible for coordinating, monitoring and facilitating compliance with applicable laws, rules and regulations.
4. Vest the Compliance Officer and the Compliance Division with the appropriate authority and provide the necessary support and resources to effectively perform his or her responsibilities.
5. Assist the Board in making an informed assessment on how the Bank is managing its compliance risk. The Committee shall review with senior management and the Chief Compliance Officer the actions taken by the Bank to address any findings/directives in report of examinations by regulatory agencies.
6. Evaluate the performance of the Chief Compliance Officer at least on an annual basis.

IV. MEMBERS' DUTIES AND RESPONSIBILITIES

The individual members of the Committee shall have and accordingly observe the specific duties and responsibilities of a director contained in the Manual of Regulations and the SEC Code of Corporate Governance.

V. MEETINGS

The Corporate Governance and Compliance Committee shall meet monthly or whenever necessary to discuss, agree and prepare reports on its recommendations.

The Committee Secretary shall prepare the agenda for each meeting and send out notice at least two (2) days before the meeting date. He shall likewise prepare/distribute minutes of the meetings and make other regular reports to the Board, as needed.

Committee members may attend meetings in person or by electronic or tele/video communication means, provided that reasonable efforts are made to have all members of the Committee participate.