

# Bank of Commerce

## Corporate Governance Committee Charter

**Committee Name**      **Corporate Governance Committee**

**Short Name**            **CGCOM**

**Nature**                    Board Committee

**Responsibility Statement**      The Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of the Bank’s Compliance System.

**Membership**                    Five (5) Members, all are Non-Executive directors and majority of whom are independent directors, including the Chairman.

<u>Designation</u>	<u>Member</u>
<u>Chairman</u>	<u>Independent Director</u>
<u>Regular Members</u>	<u>Four (4) Non-Executive Directors, two (2) of whom are Independent Directors</u>

**Support Personnel**

<b>Designation</b>	<b>Designated Officer</b>
Corporate Governance Officer	Chief Compliance Officer
Secretary	Designated Officer of Compliance Division

**Composition, Qualifications and Voting**      The members of the CGCOM are appointed annually by the Board. It shall be composed of at least five (5) members of the board of directors who are all non-executive directors, and majority of whom shall be independent directors, including the chairman. All decisions or resolutions of the Committee shall have the affirmative vote of at least a majority of the members of the Committee.

**Duties and Responsibilities**      Statement of Policy  
 As an extension of the Board of Directors, the Corporate Governance Committee (CGCOM) shall assist the Board in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting

shareholders' interest through (a) effective oversight of corporate governance practices, (b) ensuring the effectiveness and observance by the Board of corporate governance principles and guidelines, (c) providing oversight in the implementation of the Bank's Compliance System.

#### Duties and Responsibilities

1. Ensures that the Board adopts the appropriate decision-making processes and that there is a clear distinction between the decisions to be made by the Board, by the different Board Committees and by the Bank's management.
2. Ensures the board's effectiveness and due observance of corporate governance principles and guidelines.
3. Ensures that the Board has a process which determines whether a director devotes necessary time and attention to discharge his duties, remains fit and proper for the position, conducts fair business transactions with the bank, act honestly and in good faith, acts judiciously, contributes significantly to the decision-making process of the board, exercise independent judgment, has working legal knowledge affecting the company, observes confidentiality and observes effectiveness and adequacy of the Bank's control environment.
4. Decides 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.
5. Recommends to the board the continuing education of directors, assignment to board committees, succession plan for the board members and senior officers.
6. Oversees the directors' training on corporate governance and its leading practices and principles by SEC accredited institutional training provider.
7. Oversees the Bank's compliance with all relevant laws and regulations including codes of conduct and best business practices.
8. Reviews the following for updates/ revisions:
  - Bank's mission and vision, strategic objectives, policies and procedures as being practiced by the Board and senior management.
  - Code of Conduct and Code of Ethics should have the appropriate

and adequate policies and procedures to identify and deal with potential conflicts of interest.

9. Oversees the periodic performance evaluation of the board and its committees and executive management.
10. Conduct an annual self-evaluation of its performance.
11. Decides the manner by which the board's performance shall be evaluated and propose an objective performance criteria approved by the Board.
12. Oversees the implementation of the Bank's Compliance system and the performance of Compliance functions:
  - Reviews the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance;
  - Reviews the Reports on Examination of regulatory agencies such as the BSP and PDIC;
  - Reviews the Bank's action plan/responses to examination findings by regulatory agencies, and examiner observations;
  - Reviews at least annually, the Bank's Compliance program in accordance with existing regulatory requirements and consistent with the Bank's goals and strategies; recommends Board approval thereof;
  - Monitors implementation of the Bank's Compliance program and ensure that compliance issues are resolved expeditiously;
  - Monitors the Bank's compliance with applicable laws, regulations and rules of regulatory agencies and recommends to the Board appropriate actions for any violation/breach; and
  - Obtains regular updates from Compliance Division, management and Bank's legal counsel and other consultants regarding compliance matters.
13. Reviews the performance of the Compliance Officer (including the conduct of performance appraisal) and the Chief Executive Officer.
14. Notes the Bank's Anti-Money Laundering Committee minutes of meeting.
15. Reviews at least annually the Bank's outsourced activities through the report of the Chief Compliance Officer.

16. Oversees the integration of Environmental, Social and Governance (ESG) principles in its corporate governance framework, strategies and operations through the establishment of organization structure(s) that play critical roles in ensuring that its sustainability objectives remain relevant to its business. The Committee shall likewise oversee the reporting and disclosure of relevant ESG information on compliance with existing regulation and ethical responsibility to its stakeholders and ensure that appropriate monitoring systems are in place with regard to the deployment and use of ESG-related products.

**Meeting Schedule**

The Committee shall meet monthly. Special meeting may also be called by the Chairman as necessary.

The Committee meeting may be conducted through modern technologies such as, but not limited to, teleconferencing and video-conferencing as long as the committee members attending the meeting can actively participate in the deliberations on matters taken up. Notwithstanding, every Committee member shall participate in at least fifty percent (50%) and shall physically attend at least 25% of all Committee meetings every year.

The twenty-five percent (25%) physical attendance requirement is lifted during periods of national emergencies, public health emergencies and major disasters among others that affect mobility, activity and access to the Bank.

**Evaluation and Reports**

The Committee shall review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for its approval pursuant to this charter.

The Committee shall keep written minutes of meetings, which shall be maintained in the books and records of the Bank and reported to the BOD and Management.