
CORPORATE GOVERNANCE & RISK MANAGEMENT COMMITTEE CHARTER

I. Purpose and Scope

The Corporate Governance & Risk Management Committee is tasked with the general oversight of the enterprise/overall risk management of the Bank including managing the process of evaluating the board as a whole as well as the individual members and employees/senior officers that require the appointment of the Board of Directors. The results of these evaluation processes are envisioned to:

1. Guide the committee in attracting and retaining directors and senior officers with the qualifications and skill sets to oversee the overall management of the affairs of the bank;
2. Matching individual directors' and senior officers' qualifications and strengths in leading or becoming members of the different board committees;
3. It may also be used to find ideas to further improve the board's interactions and performance;
4. Assess the effectiveness of the Compliance system of the Bank; and
5. Assist the Board with the oversight function to:
 - a. Identify and evaluate risk exposures;
 - b. Develop risk management strategies; and
 - c. Implement and periodically review the risk management plan.

II. Duties and Responsibilities

The Committee will carry out the following 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 and those made by the Bank's management;
2. Ensures a sound system of procedural and financial delegations that promotes efficiency as well as control;
3. Ensures that the Board has a process which determines whether a director devotes necessary time and attention to discharge his duties, acts judiciously, exercises independent judgment, has working legal knowledge affecting the Bank, observes effectiveness and adequacy of the Bank's control environment;

4. Reviews the following for updates/ revisions: Bank's mission and vision, strategic objectives, policies and procedures as being practiced by the Board of Directors and senior management.

Code of Conduct should have the appropriate and adequate policies and procedures to identify and deal with potential conflicts of interest;

5. Oversees directors' and senior officers' training on corporate governance and its leading practices and principles by SEC-accredited institutional training provider;
6. Oversees the Bank's compliance with all relevant laws and regulations including codes of the best business practices;
7. Install and maintain a process to ensure that senior officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the law, rules and regulations;
8. Review and evaluate the qualifications of persons nominated to positions in the Bank which require appointment by the Board;
9. Recommend to the GCG nominees for the shortlist in line with the Bank's Board composition and succession plan; and
10. Develop recommendations to the GCG for updating the Compensation and Position Classification System (CPCS) and ensuring that the same continues to be consistent with the Bank's culture, strategy, control environment, as well as the pertinent laws, rules and regulations.

Compliance

1. Reviews the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
2. Establishes procedures for:
 - a. The receipt, retention, and treatment of complaints received regarding accounting, internal accounting controls;
 - b. The confidential , anonymous, submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters;
 - c. Reviewing the findings of any examinations by regulatory agencies, and any auditor observations.
 - d. Reviewing the process for communicating the code of conduct to the Bank's personnel, and for monitoring compliance therewith.
 - e. Obtaining regular updates from management and the Bank's legal counsel and other consultants regarding compliance matters.

Risk Management

1. Recommends for full Board Approval of bank-wide policies, practices and procedures for risk definition, assessment, management and monitoring/reporting including information security risks identified by the Information Risk Officer;
2. Reviews and recommends risk limits and delegated credit authorities for Board approval;
3. Evaluates the magnitude, nature, distribution of risks exposures;
4. Analyzes and evaluates that risk infrastructure are within the Bank's overall direction and are supported by updated/current information technology;
5. Promotes the continuous development and upgrade of risk practices, policies, procedures and structures;
6. Ensures the business/risk units develop sufficient risk management skills and encourages high standards of ethical behaviour by risk taking personnel.

III. Resources and Authority

The Committee, in carrying out its objectives, is authorized to:


1. Call on Management Committee other responsible employees in the conduct of its duties and responsibilities.
2. Access data or records requiring actions from the Committee.

In case of non-cooperation of management in the conduct of the Committee's functions, the penalties imposed under the Manual of Regulations for Banks (MORB) shall be applied and related provisions of the Code of Conduct shall also be enforced.

IV. Evaluation and Reports

The Committee shall:

1. Regularly report to the Board of Directors about Committee activities and issues that arise with respect to the risk management, compliance and corporate governance;
2. Provide an open avenue of communication between Compliance and Risk officers and the Board of Directors.
3. Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
4. Review any other reports that the Bank may issue that relate to committee responsibilities.

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5. 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.

V. Committee Composition and Resource Persons

The Committee shall consist of at least three (3) members of the Board of Directors (BOD).

The BOD will appoint Committee members and the Committee chair.

The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

VI. Materials for Agenda

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

Minutes will be prepared by the Corporate Secretary.

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

VII. Frequency of Meetings

The Committee shall meet when necessary.

VIII. Approving Authority

The Board of Directors