



REVISED CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE

INTRODUCTION

The Corporate Governance Committee of Philtrust Bank was constituted to assist the Board of Directors in fulfilling its corporate governance duties and responsibilities pursuant to the provisions of the Bank's Corporate Governance Manual, Sections 133 and 135 of the Manual of Regulations for Banks (MORB) and SEC Memorandum Circular No. 19, series of 2016.

This Corporate Governance Committee Charter sets out the composition, powers, authority, duties, and responsibilities of the Committee.

Section 1. Membership

- 1.1 Composition.** The Corporate Governance Committee shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, all of whom shall be independent directors, including the chairperson.

Section 2. Powers and Authority

- 2.1** Oversee the development and implementation of the Bank's corporate governance principles and policies.
- 2.2** Review and evaluate the qualifications of the persons nominated to the Board as well as those nominated for election to other positions requiring appointment by the Board.
- 2.3** Identify persons believed to be qualified to become members of the Board and/or the Board committees.
- 2.4** Assist the Board in making an assessment of the Board's effectiveness in the process of replacing or appointing new members of the Board and/or Board Committees.
- 2.5** Assist the Board in developing and implementing the Board's performance evaluation process and rating system that constitute a powerful and valuable feedback mechanism to improve Board effectiveness, maximize strengths and highlight areas for further development.
- 2.6** Provide guidance to and assist the Board in developing a compensation philosophy or policy consistent with the culture, strategy and control environment of the Company.
- 2.7** Oversee the development and administration of the Company's executive compensation programs, including long term incentive plans and equity based plans for Officers and Executives.

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- 2.8** Assist the Board in the performance evaluation of and succession planning for Directors and Officers including the CEO and in overseeing the development and implementation of professional development programs for Directors and Officers.

Section 3. Duties and Responsibilities

- 3.1** Oversee the nomination process of the members of the Board of Directors and for positions appointed by the Board of Directors.

The Committee shall recommend to the Board of Directors matters pertaining to the assignment to Board Committees, as well as succession plan for the members of the Board of Directors and Senior Management.

- a. The Committee shall review the composition of the Board and determine the set of qualifications, skills, experience and/or expertise which are aligned with the Bank's strategic direction. Candidates are then identified from various sources. To the extent practicable, the members of the Board shall be selected from a broad pool of qualified candidates. The Committee shall have the authority to engage professional search firms or other external sources of candidates when searching for candidates to the board.

The qualifications of shortlisted candidates shall be reviewed to determine whether the candidate is a fit and proper person for the office and whether he possesses all the qualifications and none of the disqualifications of a director of the Bank under relevant laws and regulations and internal policies. In selecting independent directors, the number and types of entities where the candidate is likewise elected as such shall be considered to ensure that he will be able to provide sufficient time to effectively carry out his duties and responsibilities.

The Committee shall then proceed to make recommendations to the Board.

The Committee shall also review and evaluate the qualifications of those persons nominated to other positions requiring appointment by the Board of directors in accordance with the foregoing guidelines.

- b. In consultation with the Executive or Management Committee/s, it shall re-define the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.
- c. The Committee shall review and evaluate the qualifications of all persons nominated to positions requiring appointment by the Board of Directors.
- d. The Committee shall consider the following guidelines in the determination of the number of directorships of a nominee for the Board:

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- i. The nature of the business of the Corporations which he is a director;
- ii. Age of the Director;
- iii. Number of directorships/active memberships and officerships in other corporations or organizations; and
- iv. Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

3.2 Oversee the continuing education program for the Board of Directors. The Committee shall:

- a. Ensure allocation of sufficient time, budget and other resources for the continuing education of directors, and draw on external expertise as needed.
- b. Establish and ensure effective implementation of policy for onboarding/orientation program for first time directors and annual continuing education for all directors.

For this purpose, the orientation program for first time directors shall be for at least eight hours, while the annual continuing training shall be at least for four hours. The training programs should cover topics relevant in carrying out their duties and responsibilities as directors.

- c. Oversee the adoption of a policy on retirement for directors and officers, as part of the succession plan, to promote dynamism and avoid perpetuation in power.

3.3 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. The Committee shall:

- a. Decide the manner by which the Board's performance may be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board has enhanced long term shareholder's value.
- b. Review the Bank's Performance Management Framework and oversee the implementation thereof.
- c. 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.

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- 3.4** 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). Internal guidelines shall be adopted that address the competing time commitments that are faced when directors serve on multiple boards.
- 3.5** Monitor compliance of the submission of the Annual Corporate Governance Scorecard on the scope, nature and extent of the actions taken to meet the objectives of the SEC's Revised Code of Corporate Governance.
- 3.6** The Committee shall be responsible for the amicable resolution of disputes and/or settle conflicts or differences between the Bank and its stockholders, and the Bank and third parties, including regulatory authorities.
- 3.7** Oversee the design and operation of the remuneration and other incentives policy:
- a. The Committee shall establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
 - b. It shall designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully.

Section 4. Meetings

- 4.1 Schedule of Meetings.** The Committee shall meet frequently or as needed, as determined by the Committee Chairperson or its members.
- 4.2 Quorum.** A majority of the members shall constitute a quorum at all meetings of the Corporate Governance Committee and the vote of a majority of the members shall be necessary for the approval of any action or decision of the Corporate Governance Committee.
- 4.3 Minutes of the Meetings.** The Chief Compliance Officer of the Bank shall act as Secretary of the Corporate Governance Committee. The meeting shall properly be minuted and presented to the Board of Directors for confirmation and notation.

Section 5. Self-Assessment

- 5.1** The Committee shall conduct a self-assessment of its performance at least once annually.

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Section 6. Charter Review and Amendments

- 6.1** The Corporate Governance Committee shall from time to time assess the adequacy of the Charter and recommend changes thereto to the Board; and
- 6.2** The Corporate Governance Committee Charter shall be approved by the Board of Directors, and reviewed and updated at least annually or whenever there are significant changes therein.