

## REVISED CHARTER OF THE RISK OVERSIGHT COMMITTEE

### INTRODUCTION

The Risk Oversight Committee (ROC) of Philtrust Bank has been established to assist the Board of Directors in fulfilling its duties and responsibilities pursuant to Part One, Section 133 of the 2021 BSP Manual of Regulations for Banks (MORB).

This Risk Oversight Committee Charter defines the composition, powers, authority, roles, and responsibilities of the Committee.

### Section 1. Composition

- 1.1** Member of the Risk Oversight Committee shall be appointed by the Board of Directors.
- 1.2** The Risk Oversight Committee shall consist of at least three (3) members of the Board of Directors, majority of whom shall be independent directors, including the Chairman. The ROC's chairperson shall not be the chairperson of the board of directors, or any other board-level committee. The ROC shall possess a range of expertise and adequate knowledge on risk management issues and practices. It shall have an access to independent experts to assist it in discharging its responsibilities.

### Section 2. Powers and Authority

- 2.1** The Risk Oversight Committee shall be forward-looking in its oversight function. It shall monitor and anticipate risks, (i.e., credit risk, market risk, operations risk, liquidity risk, information technology risk, social media risk, interest rate risk, foreign exchange risk, reputation risk, strategic risk, and consumer protection risk) advise the Board on the overall current and future risk appetite, set risk limits, oversee Senior Management's adherence to the risk appetite statement and risk limits.
- 2.2** Provide a forum for sharing strategic initiatives to ensure that the risk management function is able to address and support changes within the bank in a proactive manner.
- 2.3** Delegate to Management certain authorities in the interest of instituting an efficient and responsive risk management infrastructure.

### Section 3. Duties and Responsibilities

- 3.1** Oversee the risk management framework. The committee shall oversee the risk enterprise risk management framework and ensure that there is periodic review of the effectiveness of the risk management systems and recovery plans. It shall ensure that corrective actions are promptly implemented to address risk management concerns.

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- 3.2** Oversee adherence to risk appetite. The committee shall ensure that the current and emerging risk exposures are consistent with the bank's strategic direction and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies, and procedures relating to risk management and control, and performance of management, among others.
- 3.3** Oversee the risk management function. The committee shall be responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also ensure that the risk management function has adequate resources and effectively oversees the risk-taking activities of the bank.
- 3.4** Assume other responsibilities as are required by existing and future regulations, and/or delegated to it by the Board from time to time.

### Section 4. Meetings

- 4.1 Schedule of Meetings.** The Committee shall meet once every quarter, or more frequently as needed, as determined by the Chairperson or upon request of the majority of the members.
- 4.2 Quorum.** A quorum will comprise a majority of the members of the Risk Oversight Committee. A majority vote of all members present shall constitute an official action of the Risk Oversight Committee.
- 4.3** Minutes of the meeting shall be submitted to the Board of Directors for notation/approval.

### Section 5. Reporting

- 5.1** The Risk Oversight Committee shall report quarterly or as needed to the Board of Directors;
- 5.2** The Risk Oversight Committee's designated officer of the Risk Management Department shall prepare the minutes of the meeting for the Committee's approval.

### Section 6. Self-Assessment

- 6.1** The Risk Oversight Committee shall conduct a self-assessment at least annually.

### Section 7. Charter Review and Amendments

- 7.1** The Risk Oversight Committee shall periodically assess the adequacy of the Charter and recommend changes thereto to the Board; and
- 7.2** The Risk Oversight Committee Charter shall be approved by the Board of Directors, reviewed and updated as needed to discuss and assess significant changes that affect its mandate.