



## CORPORATE GOVERNANCE COMMITTEE CHARTER

### I. Purpose and Objective

This Charter sets forth the authority and responsibilities of the Corporate Governance Committee of the Bank.

The Corporate Governance Committee is tasked to assist the Board in fulfilling its corporate governance responsibilities by ensuring compliance with, and proper observance of relevant principles and practices.

### II. Membership

1. The Corporate Governance Committee shall be composed of at least three (3) members of the Board, who shall all be non-executive directors, majority of whom shall be independent directors, including the Chairperson.<sup>1</sup>
2. The Board of Directors shall have the power to remove and replace the members of, and fill vacancies in, the Corporate Governance Committee.

### III. Meeting

1. The Committee shall meet every second Wednesday of the month at the Bank's Board Room, Principal Office at 1:00 pm, or on such other date and time as may be agreed upon by the members.
2. The members of the Corporate Governance Committee who cannot physically attend or cast a vote at a meeting can participate through remote communication such as videoconferencing, teleconferencing or other alternative platforms/media that allow them reasonable opportunity to participate.

### IV. Quorum and Voting

1. A majority of the members of the Committee shall constitute a quorum and every decision of at least a majority of the Committee members present at a meeting at which there is a quorum shall be valid, unless a specific number of votes is required by existing laws and regulations.
2. In cases where a deadlock decision is arrived at during committee meetings, the matter being the subject of the deadlock shall be elevated to the Board of Directors for its decision.

---

<sup>1</sup> SEC Memo No 19 S2016 Code of Corporate Governance for Publicly-listed Companies, Recommendation no. 3.3.

#### **Contains INTERNAL Information**

These materials are regarded as INTERNAL information of the China Banking Corporation and must be handled in accordance to the appropriate handling guidelines. No part of these materials should be reproduced, published, transmitted or distributed in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any information storage or retrieval system of any nature nor should the materials be disclosed to third parties without prior express written authorization of China Banking Corporation.

3. Directors who participate through remote communication shall be deemed present, for purposes of quorum.

## **V. Duties and Responsibilities**

Among others, the following are the functions, duties and responsibilities of the Corporate Governance Committee:

### **A. Corporate Governance Framework and Policies**

1. Oversee the implementation of the Corporate Governance Framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Bank's size, complexity and business strategy, as well as its business and regulatory requirements.<sup>2</sup>
2. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance.

### **B. Nomination and Election**

*Jointly with the Nomination Committee*

1. Together with the Nominations Committee, it shall oversee the nomination process for, and shall review and evaluate the qualifications of:
  - 1.1 Persons nominated, appointed or promoted to the following positions and/or ranks:
    - Board member
    - Division Head and up, regardless of rank
    - Officer with a rank of VP and up
    - Position requiring BSP confirmation<sup>3</sup>, regardless of rank
  - 1.2 Interlocked or seconded officers, regardless of rank
2. The Committees shall oversee the nomination and election process for members of the Board of Directors. The Committees shall recommend to the Board matters pertaining to the assignment to Board Committees, as well as succession plan for the members of the Board of Directors and senior management.
3. The Committees have the special duty of defining the general profile of Board Members that the Bank may need and of ensuring appropriate knowledge, competencies, and expertise that complement the existing skills of the Board.

---

<sup>2</sup> *ibid*

<sup>3</sup> *BSP Manual of Regulations for Banks, Section 137, Confirmation of election/appointment of directors/officers*

C. Interlocking Directorships

Evaluate and approve interlocking directorships of the members of the Board, in accordance with the guidelines set forth in the duly approved Interlocking Directorship Policy of the Bank.

D. Education Program

1. Oversee the continuing education program for the Board of Directors by ensuring allocation of sufficient time, budget and other resources, and draw on external expertise as needed.
2. The Committee shall establish and ensure effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for directors.

For the above purpose, the orientation program for first time directors shall be at least eight (8) hours, while the annual continuing training shall be at least four (4) hours. The training program should cover topics relevant in carrying out their duties and responsibilities as directors.

3. Propose and plan relevant training for the members of the Board. In relation thereto, it shall make recommendations to the Board regarding the continuing education of directors.

E. Performance Evaluation of the Board and Committees

1. Oversee the periodic evaluation (*may be conducted through the use of self-assessments*) of contribution and performance (*e.g., competence, candor, attendance, preparedness and participation*) of the Board of Directors, Board-level committees, and senior management.
2. Ensure that the Board's performance is evaluated by an external facilitator<sup>4</sup> every three (3) years.
3. Adopt guidelines that address the competing time commitments of directors serving on multiple boards.
4. Ensure that the results of the Board evaluation and the corresponding third-party validation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement.<sup>5</sup>

F. Remuneration

1. Together with the Remuneration Committee, the Corporate Governance Committee shall establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Bank's culture and strategy as well as the business environment in which it operates.

---

<sup>4</sup> Any independent entity such as; but not limited to a 1) consulting firm, 2) academic institution, or 3) professional organization

<sup>5</sup> SEC Memo No 19 S2016 Code of Corporate Governance for Publicly-listed Companies, Recommendation no. 3.3.

2. Oversee the design and operation of the remuneration and other incentives policy to ensure that remuneration is commensurate with corporate and individual performance.
3. The Committee shall work closely with the Bank's Risk Oversight Committee in evaluating the incentives created by the remuneration system.
4. The Committee shall ensure that the remuneration and other incentives policy is aligned with operating and risk culture as well as with the strategic and financial interest of the Bank, promotes good performance and conveys acceptable risk-taking behavior defined under its Code of Ethics, and complies with legal and regulatory requirements.
5. The Committee shall monitor and review the remuneration and other incentives policy including plans, processes, and outcomes to ensure that it operates and achieves the objectives as intended.

G. Sustainable Finance

In areas of governance, assist the Board carry-out its oversight on sustainable finance by requiring and discussing updates from the concerned unit/s, on a periodic or as needed basis.

**VI. Review and Performance Evaluation**

1. The Board shall review and assess the adequacy of this Charter annually or as the need arises.
2. The Committee shall conduct an annual review of its performance based on established self-assessment evaluation. The results thereof shall be reported to the Board through the Corporate Governance Committee of the Bank.

*Reviewed as of December 2024*

***Contains INTERNAL Information***

These materials are regarded as INTERNAL information of the China Banking Corporation and must be handled in accordance to the appropriate handling guidelines. No part of these materials should be reproduced, published, transmitted or distributed in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any information storage or retrieval system of any nature nor should the materials be disclosed to third parties without prior express written authorization of China Banking Corporation.