



REMUNERATION COMMITTEE CHARTER

I. Purpose and Objective

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

The Remuneration Committee shall provide oversight over the remuneration of directors and key executives, ensuring that compensation is consistent with the Bank's culture, strategy, and control environment¹.

II. Membership

The Committee shall be composed of at least three (3) members of the Board, majority of whom shall be independent directors, including the Chairperson.²

III. Meetings

1. The Committee shall meet at least twice a year at the Bank's Principal Office, on a date and time as may be agreed upon by the members.
2. The members of the Remuneration 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. Duties and Responsibilities

1. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing and overseeing the remuneration packages of all Bank personnel, ensuring that compensation is consistent with the interest of all stakeholders and the Bank's culture, strategy, and control environment.³
2. Review and approve the amount of remuneration, which shall be in a sufficient level to attract and retain directors and all personnel who are needed to manage the Bank successfully.
3. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.

¹ Control environment – The control environment includes the integrity, ethical values, policies, actions, management style and competence of the entity's people, which set the tone of firm's day-to-day activities; control environment is the foundation for all other components of internal control.

² ASEAN CG Scorecard, items E.2.14 and E.2.15

³ BSP Circular No. 283

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4. Disallow any director to decide his/her own remuneration.
5. Provide in the Bank's annual reports, information, and proxy statements a clear, concise, and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
6. Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives, and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.
7. In the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above.

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

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

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