



**TERMS OF REFERENCE  
CORPORATE GOVERNANCE COMMITTEE  
BDO UNIBANK, INC.  
(as of August 28, 2024)**

**1. CONSTITUTION**

The Corporate Governance Committee is a committee constituted by the Board of Directors of BDO Unibank, Inc. (BDO) pursuant to BSP Circular No. 749, Series of 2012, as amended by BSP Circular No. 969, Series of 2017 and SEC Memo Circular No. 19, Series of 2016. As mandated by these Circulars, the Committee takes a leadership role in shaping the corporate governance policies and practices of the Bank, it regularly reports to the Board recommending applicable guidelines and monitoring compliance.

**2. PURPOSE**

The Committee shall assist the Board in fulfilling its corporate governance responsibilities by providing focus on governance that will enhance the Board's performance and effectiveness, taking into consideration applicable best practices. It shall also assist the Board in upholding the reputation of BDO as a financial institution recognized for its good governance practices.

**3. SCOPE OF AUTHORITY**

The Committee, through the Corporate Governance Officer, shall have oversight responsibility over compliance of corporate governance regulations of BDO and its authority shall extend to all subsidiaries and affiliates of the Bank.

**4. DUTIES & RESPONSIBILITIES**

The Committee shall perform the following:

- a. 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 size of the Bank, complexity and business strategy, as well as its business and regulatory environments;
- b. Oversee the Sustainability initiatives of the Bank, particularly key processes, standards and strategies designed to manage environmental and social impact and governance, covering issues such as culture change towards a sustainability mindset for the organization; stakeholder communication; progress reporting on programs, metrics, targets; and sustainability reporting;
- c. Oversee the periodic performance evaluation of the Board, each director and its committees as well as executive management using approved criteria;
- d. 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;
- e. Recommend continuing education/training programs for directors and key officers;



- f. Review and assess the adequacy of the Bank's policies and practices on corporate governance including the Corporate Governance Manual and Interlocking Policy and recommend changes for approval of the Board;
- g. Advise the Board on any significant developments in the regulatory and best practices on corporate governance;
- h. Recommend the adoption of such corporate governance policies and international best practices beneficial to the Bank, ensure that these are regularly reviewed and updated, and facilitate their consistent implementation;
- i. Review and redefine the criteria for the yearly board, committee, director and executive management evaluation process to ensure continued relevance and effectiveness;
- j. Recommend a suitable induction and orientation process for new directors;
- k. Review management's plan for succession to key leadership positions within the Bank giving full consideration to the skills and expertise needed to support its strategic directions;
- l. Conduct an annual review of the Committee's constitution and terms of reference to ensure that these are operating at maximum effectiveness and to recommend any changes to the Board as needed;
- m. Report regularly to the Board on the Committee's activities; and
- n. Perform any other duties and responsibilities expressly delegated by the Board to the Committee from time to time.

## **5. MEMBERSHIP**

The Committee shall be composed of at least 3 Directors, all of whom shall be independent directors. The Committee Members shall serve for a term of one (1) year from date of appointment or re-appointment unless sooner resigned or replaced.

The Chairman of the Committee shall be one of the independent directors not concurrently the Chairman of either the Audit Committee or Risk Management Committee.

The Board of Directors may appoint Advisors of the Corporate Governance Committee. Their primary role is to provide independent and/or expert advice on matters that concern the Corporate Governance Committee. The appointment of a Committee Advisor must consider competence (i.e., must have relevant education, competencies, skills, financial literacy, training, experience) that is relevant and will add value to the work of Corporate Governance Committee to which such Advisor is appointed. Advisors shall have no voting rights and shall inhibit from participating in discussions that may pose a potential conflict of interest

## **6. MEETINGS**

The Committee shall meet at least six (6) times annually with the presence of at least two (2) independent directors with additional meetings at the discretion of the Committee Chair. Meetings may be in person, by telephone, web, or other electronic means agreeable to the Committee and allowed under existing government regulations. Ability to act on matters can be by verbal or written consent by majority of the Committee members.



## **7. SECRETARY**

The Corporate Secretary, and/or the Asst. Corporate Secretary shall attend all meetings of the Committee.

## **8. MINUTES OF THE MEETING**

The minutes of the meeting shall also include the names of those present, noted by the Corporate Secretary and circulated to all attendees.

## **9. REPORTING**

The Committee shall report its discussion to the Board by distributing the highlights thereof and where appropriate, by oral report of the Committee Chair at the next Board meeting.

## **10. DISCLOSURE**

The membership of the Committee, its activities during the year and review of corporate governance shall be disclosed and published in the Annual Report of the Bank.

## **11. COMMITTEE PERFORMANCE EVALUATION**

The Committee shall conduct a yearly self-assessment with the following assessment criteria, as may be amended or supplemented from time to time:

- a. The Committee structure and Terms of Reference provide an appropriate framework for the Committee's responsibilities and are in accordance with regulatory requirements.
- b. The Committee members have the appropriate qualifications and credentials.
- c. The number and length of Committee meetings are appropriate and in accordance with their charter.
- d. The meetings are conducted in a manner that ensures open communication and meaningful participation.
- e. The amount of information received is appropriate for Committee discussions and decision making.
- f. The materials are furnished to each member of the Committee in advance in order to allow them to adequately prepare for meetings.
- g. The Committee regularly reviews its mandate and performance.
- h. The Committee's reports (oral and written) to the Board reflect an adequate degree of diligence and deliberation and provide the full Board with an adequate understanding at the Committee's rationale for its recommendations.
- i. In order to properly execute its mandate, the Committee is provided with access to both internal resources or when necessary, outside advisers.