



CHARTER
BOARD IT GOVERNANCE COMMITTEE (BITGC)
May 2019

- **Mission**

The Board IT Governance Committee (BITGC) is created to assist the Board in performing its oversight functions in reviewing, approving and monitoring the IT Risk Management Framework and IT Strategic Plan of the PNB Group.

- **Composition of the Committee**

- a) The Board IT Governance Committee shall be composed of at least three (3) regular members of the board of directors. The Chairman of the Committee shall be a Non-Executive Director and to be appointed by the Board.
- b) The Committee shall invite Senior Management Group Heads of both the Business and Support Groups to provide management reports, to clarify information on relevant issues of the Committee and/or invite consultants to provide professional and/or technical advice to the Committee.
- c) The presence of the majority of the members of the committee less 1 member shall constitute a quorum; but the vote of the majority of the quorum which in no case is less than 2 members is required to approve any act in all the meetings of the committee.
- d) When there is a lack of quorum due to the absence of other members, an alternate member from among the Board Members may be appointed to attend a particular meeting and automatically sit as a voting member.
- e) Subject to Section 35 of the Corporation Code, the Board of Directors shall have the power, at any time, to change, to increase or decrease the membership of the IT Corporate Governance Committee or to fill vacancies therein, and to determine from time to time, by resolution, the number of members to constitute a quorum.

- **Authority**

The BITGC has the authority to:

1. Oversee the development of the long-term and short-term Enterprise IT Strategic Plans.
2. Ensure that IT laws; IT regulatory guidelines and IT corporate standards are considered in the proper and effective implementation of IT risk management policies and procedures.
3. Endorse IT policies to the Board for approval.
4. Review new projects that require any IT hardware, software, maintenance support and services, and endorse the needed budget for final approval by the Board.
5. Review and approve the renewal of IT contracts that are part of the overall IT budget.

- **Duties and Responsibilities**

The Board IT Governance Committee:

1. Committee –

- a) Has oversight of the IT Risk Management System.
- b) Review and endorse for approval of the Board the Enterprise IT Strategic Plans of the Parent Bank, its subsidiaries and affiliates.
- c) Evaluate and endorse for approval of the Board the IT Organizational Structure of the PNB Parent Bank and related entities belonging to the PNB Group - foreign branches, domestic and foreign subsidiaries and affiliates.
- d) Review and endorse for approval of the Board the IT Risk Assessment of the PNB Group and its member entities.
- e) Review and endorse for approval of the Board the IT Policies and ensuring adherence to existing laws, rules and regulations, and global best practices;
- Review and inform the Board in a timely manner critical IT Projects and approve necessary IT budgets (within Php5.0M limit) to support business plans and priorities.

**** Items beyond Php5.0 Million shall be endorsed to the Executive Committee for approval.*

- Oversee that IT Project proposals are consistent with the overall IT Strategic Plans.
- Monitor the IT Group performance, IT Projects and in-sourcing and out-sourcing activities of IT functions and services provided to related entities.
- Review and monitor significant IT concerns and corrective actions arising from regulatory examinations, internal audits and external reviews.

2. Committee Chairman

- To call, convene and preside over all the committee meetings;
- Provide leadership to ensure effective functioning of the committee; and
- Ensure a sound decision making process

3. Committee Resource Persons: Senior Officers &/or IT Consultants shall:

- Present Management Reports and clarify matters; and
- Provide information relevant to the decision making.

Presence of resource persons will be upon invitation of the Chairman.

- **Frequency of Meeting**

The BITGC shall conduct monthly meetings or whenever necessary to properly discharge its functions, keep minutes of its actions and report thereon to the Board of Directors.

- **Secretariat**

The IT Group Head shall act as the Committee Secretariat to handle the administrative requirements of the Committee.

- **Review of the Charter**

The Committee shall review and assess the adequacy of this Charter annually and recommends any proposed changes for approval of the Board of Directors.