



## CHARTER BOARD OVERSEAS OFFICES OVERSIGHT COMMITTEE

### I. Mission

The Board Overseas Offices Oversight Committee (BOC) is created by the Board of Directors to provide the required oversight on the overseas offices to ensure their profitable operations and long-term viability consistent with the bank's strategic goals.

### II. Composition of the Committee

The Committee shall have at least seven (7) regular members of the Board of Directors, three (3) of whom shall be the independent directors, who are concurrently, also appointed as independent directors of the overseas subsidiaries.

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 be less than 2 members is required to approve any act in all the meetings of the committee.

The Committee shall invite Senior Management Group Head as Resource Persons in any of its meetings to present management reports, clarify matters and provide necessary information on the regular agenda and/or relevant issues of the Committee, as needed.

In line with the focus of the Committee, the Global Filipino Banking Group Head acts as the Committee Secretariat to handle the administrative requirements of the Committee.

**Resource Persons:** Senior Management Group Head (as needed)

Senior Management Member	Primary Area of Responsibility
Global Filipino Banking Group Head	Business Strategy/Marketing Plans, Product Programs, Marketing Tie-up Programs, Distribution Channels
Controllership Sector Head	Business Financials, Equity Investments, Consolidated Books
Treasury Sector Head	Balance sheet, liquidity, investments, fx management
Retail Banking Sector Head	Domestic Branch Banking beneficiary account opening, servicing, retail banking products and services
Institutional Banking Sector Head	Corporate Lending, corporate loan portfolios
Consumer Finance Group Head	Consumer Loan Product Programs, In-sourced loan processing, credit approval, account maintenance, collections
Human Resources Group Head	Personnel policies, hiring, training, promotions
Information Technology Group Head	IT Infrastructure: Hardware/Software IT support/in-sourced systems, systems development
Corporate Planning Group Head	Actual vs. Budget/Plan Performance, ICAAP Stress Testing
Global Operations Group Head	Outsourcing/In-sourcing Arrangements, Operations Oversight
Risk Management Group Head	Risk Management Oversight, ICAAP/RCSA Programs
Global Compliance Group Head	Regulatory, franchise, corporate governance, MCA tracking
Internal Audit Group Head	Internal Audit Reviews, in-sourcing of internal audit functions
Legal Group Head	Legal advisory, foreclosures, litigations
Remedial & Credit Management Group Head	Credit policies and procedures, remedial management

### III. Duties and Responsibilities:

1. To provide oversight on the business plans, initiatives, overall business operations and regulatory compliance of the overseas offices to include foreign branches, subsidiaries, marketing desk offices and representative offices;
2. To establish the strategic objectives and the business priorities for the overseas offices that needs to be regularly communicated throughout the overseas offices. This will include the evaluation and approval of the Bank's Short Term, Medium Term and Long Term Strategic Plans and the supporting schedules as components of the major plans and the key activities. On periodic basis, the Committee will require the re-forecasting of financial budgets/plans, capital/equity investments, contingency plans and significant changes in market positioning, budgets and re-alignment of the ICAAP Programs for specific business entities;
3. To supervise the formulation of policy guidelines and procedures to ensure the quality of compliance and risk management of the different business legal vehicles by focusing on key risk areas that require closer supervision by the Board and implementation of timely effective corrective actions and/or plans by Senior Management;
4. To conduct periodic financial performance and management profitability reviews and be informed of market and economic developments and changes in laws and regulatory environment for each of the overseas business legal vehicle, in coordination with the respective entity Board of Directors, other Board Committees and Senior Management Group Heads that provide oversight support to the overseas offices;
5. To review and approve business models/licenses, product programs, operations policy and procedures manuals, IT systems and developments, major marketing tie-ups/programs; and
6. To review and evaluate qualification of key personnel recommended to be hired or appointed for the overseas offices as well as those nominated to positions requiring the confirmation of the Board of Directors; and formulate policies for the continuing education of key officers in overseas offices, their assignment to management committees and the succession planning for the overseas offices Senior Management.

### IV. Meeting: Frequency, Agenda, Date and Venue

The BOC shall meet as often as it determines but at least monthly with a regular agenda. The monthly meeting of the Committee shall be held every third Thursday at the Board Room.

1. **On an annual basis**, the BOC needs to evaluate and approve the following:

The 3 major plans include the Strategic Plan, Marketing Plan and the ICAAP Plan

- Consolidated 3-5 Year Strategic Plan
- Consolidated 3-5 Year Marketing Plan
- Consolidated 3-5 Year ICAAP Plan

The specific schedules as components of the 3 major Plans will include the following:

- Annual Treasury Plan per Region/Entity
- Annual Business Plan per Entity
- Annual Marketing Plan per Entity
- Annual IT Plan per Entity

- Annual Operations Plan per Entity
  - Annual Compliance Program/Plan per Entity
  - Annual Audit Program/Plan per Entity
2. **On a periodic basis**, the BOC needs to evaluate and approve the following:
- Product Programs, Business Models and Financial Models
  - Marketing Programs
  - IT Infrastructure and System Developments
  - Endorsement of the appointments of Senior Officers for the overseas offices
  - BCP Manuals and Testing Results per Region/Entity
  - Staffing/Organizational Changes per Region/Entity
  - New/Significant Changes in Products, Systems, Operating Guidelines and Regulations
3. **On a quarterly basis**, the BOC needs to evaluate and approve the following:
- Re-forecasting of budget/financial plans
  - Significant changes in strategic/market position per Region/Entity
  - Quarterly Self-assessment Programs/ICAAP implementation
  - Customer Complaints/Litigation Cases
4. **On a monthly basis**, the BOC needs to be informed of the following:
- Financial performance vs. Plan per Region/Entity
  - Key Risk Indicators affecting operations, franchise and strategic position
  - Regulatory/compliance and control environment per Region/Entity
  - Credit Policies & Procedures Programs, remedial management and collection strategies
  - Credit/loan portfolio management performance per Region/Entity
  - Balance Sheet, Liquidity/Marketing policy guidelines per Region/Entity
  - In-sourcing/Out-sourcing SLA compliance
  - Customer complaints/litigation cases

## V. Charter Review

The BOC shall review and assess the adequacy of this Charter periodically and recommend changes for the approval of the Board through the endorsement of the Corporate Governance Committee.