

 <p><b>CITYSTATE</b> SAVINGS BANK <i>We Take Care of You.</i></p>	<b>CHARTER</b>	No.	<b>Version 3</b>
	<b>CORPORATE GOVERNANCE COMMITTEE</b>	Approval Date	
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		Effectivity Date	<b>27 March 2023</b>

## I. INTRODUCTION

This Charter is established by the Board of Directors of Citystate Savings Bank, Inc. (CSBI) to clearly define the Corporate Governance Committee's mandate, authority and duties and functions, among others. x

The Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of CSBI's Compliance System through the Compliance Department.

## II. ORGANIZATION and QUALIFICATIONS OF MEMBERS

The members of the Committee, including the Chairman, shall be appointed annually by the Board of Directors taking into consideration the optimal mix of skills and experience to fully understand and objectively evaluate the relevant issues. They may be replaced or removed at any time by the Board of Directors.

The Committee shall be comprised of three (3) members of the Board of Directors, who shall all be non-executive directors, majority of whom shall be independent directors including chairperson.

All members of the Committee shall have adequate understanding at least or competence at most of CSBI's operations and environment.

The Compliance Department of CSBI shall serve as the Secretariat and custodian of minutes, records and/or resolutions of the Committee.

## III. MEETING

The Committee shall meet (either through remote communication or physical/face to face meeting) at least once every other month), or whenever necessary, at such time as the Chairman of the Committee shall designate. A majority of the members of the Committee shall constitute a quorum. All decisions of the Committee shall at all times be taken by a majority of all of its members.

It is the responsibility of the Chairman to schedule and preside all meetings of the Committee. The agenda of the Committee meetings shall be prepared by the Chief Compliance Officer in consultation with the Chairman and Committee members.

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#### IV. DUTIES AND FUNCTIONS

The Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:

- a. Oversees CSBI's compliance with Anti-Money Laundering-Combating the Financing of Terrorism (AML/CFT) rules and regulations.
- b. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- c. Oversees the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- d. Ensures 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. Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- f. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- g. Proposes and plans relevant trainings for the members of the Board;
- h. Determines the nomination and election process for the company's directors/oversees the positions appointed by the Board and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- i. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates.

The establishment of a Corporate Governance Committee does not preclude the establishment of a separate Remuneration or Nomination Committees, if deem necessary by CSBI.

#### IV. SELF-ASSESSMENT

To assess the effectiveness of the Committee in performing its mandate and functions, each member of the Committee shall accomplish every November of the present year or as necessary a Self-Assessment Form approved by the Committee.

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The Compliance Department shall collate all the forms and tabulate the results of the self-assessments and shall present it for discussion before the Committee in one of its meetings in December of the present year.

#### **V. REPORTING**

The Committee shall report regularly to the Board of Directors regarding corporate governance and compliance matters.

#### **VI. CHARTER REVIEW**

This Charter shall be reviewed, updated and endorsed for approval by the Committee, at least annually, and submitted to the Board of Directors for approval.

**Adopted this 27th day of March 2023 at Pasig City, Philippines.**