

<b>Committee Membership</b>	<b>Designation</b>	<b>Appointed Members</b>
Advisers	Vice Chairman Director	FCSebastian VRCuna Jr
Chairman	Independent Director	FFDel Rosario Jr
Vice Chairman	Independent Director	JALapus
Regular Member	Director Independent Director	EAGo PGSoliven
Resource Persons	Head, Financial and Control Sector Head, Financial Markets Sector Head, Credit Group Head, International Offices and Subsidiaries Group and concurrent Head, Branch Banking - Countryside Head, Operations Group Head, Internal Audit Group Head, Controllership Group	JENaing FATansingco CBNepomuceno RSSo  PRYMurga LRFragante MCBartolome-Cirilo
Secretary	Head, Risk Management Group	MBAntonio

## **RISK OVERSIGHT COMMITTEE CHARTER**

**Committee Name**      **Risk Oversight Committee**

**Short Name**      **ROC**

**Nature**      Board Committee

**Responsibility Statement**      The Risk Oversight Committee (ROC) is a Board-level committee of Metropolitan Bank and Trust Company (the Bank). As the extension of the Bank's Board of Directors (the Board), the ROC is primarily responsible for the development and oversight of the risk management framework of the Bank, its affiliates, and subsidiaries (collectively, the Group), and its Trust Banking arm.

**Duties and Responsibilities**

- The Committee's scope of authority shall be in accordance with its principal purpose and objective herein set, and guided by the principles contained in BSP Circular 969 (Enhanced Corporate Governance Guidelines for BSP-supervised Financial Institutions) and BSP Circular 971 (Guidelines on Risk Governance) herein annexed and made an inherent component of this

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Charter.

- Oversee the Risk Management Framework. The ROC shall oversee the development and implementation of the Group's enterprise risk management framework and ensure that there is periodic review of the effectiveness of the risk management systems and plans. It shall ensure that corrective actions are promptly implemented to address risk management concerns.
- Oversee development and adherence to risk appetite. The ROC shall ensure that the current and emerging risk exposures are consistent with the Group's strategic direction and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies, and procedures relating to risk management and control, and performance of management, among others.
- Evaluate the profile, direction, magnitude and distribution of risks across the Group from a consolidated perspective, thereby exercising supervision and review authority over the risk committees of the various Group subsidiaries.
- Review, evaluate, periodically assess for, and report to the Board the Group's Internal Capital Adequacy Assessment Process (ICAAP) and Recovery Plan (RP).
- Consider and periodically review product/s and product program/s directly related to altering the make-up of the risk profile of the Bank.
- Approve and oversee the continuous development of policies and procedures designed to:
  - a. Define, identify, measure, control, and monitor principal risks faced by the Bank;
  - b. Establish and communicate risk management controls throughout the Bank;
  - c. Promote a risk culture that requires the highest standards of ethical behavior by risk taking personnel and risk managers.
- Oversee the risk management function. The ROC shall be responsible for the appointment / selection, remuneration, dismissal, and the overall performance of the Chief Risk Officer (CRO); and assess the adequacy of resources of the risk management function including

personnel, systems, and other risk management capabilities necessary for the conduct of sound risk management.

- Oversee the design and operation of the remuneration and other incentives policy. The ROC shall work closely with the Board's Corporate Governance Committee, or its equivalent, in evaluating the incentives created by any remuneration system, ensuring that that the same takes into consideration risk, capital, and the likelihood and timing of earnings.
- Provide a forum for sharing strategic initiatives to ensure that the risk management function is able to address and support changes within the Group in a proactive manner.
- Delegate to Management certain authorities in the interest of instituting an efficient and responsive risk management infrastructure.
- Assume other responsibilities as are required by existing and future regulations, and/or delegated to it by the Board from time to time.

## **Composition**

- Members of the ROC must possess a range of risk management expertise and adequate knowledge of the Group's risk exposures. Membership to the committee shall be a minimum of three (3) incumbent members of the Board, majority of whom must be Independent Directors including the chairperson. The ROC's chairperson shall not be the chairperson of the BOD, or any other board-level committee.
- Each member shall serve for a maximum tenure of 9 years, or until such time any of the following occurs:
  - a. the Board withdraws his/her appointment to the ROC;
  - b. he/she ceases to be an incumbent member of the Board;
  - c. he/she voluntarily resigns the committee membership; or
  - d. he/she is disqualified under regulations issued by any of the Bank's supervisory bodies.
- The Committee members, including the chairperson, may be occasionally rotated at the discretion of the BOD

- To enable an optimal functioning of the Committee, the Chair has the authority to invite or appoint resource persons to committee meetings.
- The ROC as a body shall appoint its own Secretary who shall be tasked with keeping written minutes and relevant records of each committee meeting.

**Meetings / Quorum / Voting**

- The ROC shall hold monthly regular meetings, and at such additional times as may be necessary to discharge its duties and responsibilities.
- Meetings may be held in any designated area whereby a quorum may be physical established, or interactive participation, by whatever means, by committee members is achieved.
- The presence of a majority of members shall constitute a quorum, provided that the Chair or the Vice Chair is among those present.
- Voting on committee matters shall be on a one member-one vote basis. Where a quorum is present, a simple majority vote of all members present shall constitute an official action of the ROC.
- As a general rule, ROC decisions are only valid when such are made during regular meetings. However, on instances when a regular meeting cannot be held, or an ROC action is immediately necessary, a committee decision secured either via routing or email shall be deemed valid upon concurrence of the majority of members, one of whom must be the Chair's or the Vice Chair's. Such decisions must then be presented for confirmation in the immediately following regular meeting.

**Performance Assessment**

The Committee shall perform an annual self-assessment of the performance of its functions (Exhibit A).

**Reporting to the Board**

The ROC shall report to the Board on a periodic basis its actions and dispositions for notation, confirmation, and/or approval, including the results of its assessment of performance of its functions.

**Interaction with  
other  
Committees**

As necessary, the Committee shall interact with other Board / Management Level Committees on risk-related issues

**Charter Review**

The ROC shall, from time to time, assess the adequacy of this Charter and shall recommend any proposed change to the Board.