

## **CORPORATE GOVERNANCE COMMITTEE CHARTER**

### **I. INTRODUCTION**

The Corporate Governance Committee (CGCom) is a committee created by the Board of Directors of China Bank Savings, Inc. to perform specific functions set out hereunder. As such, its regular members (including the chairperson) shall be appointed by the Board of Directors.

### **II. PURPOSE**

The primary purposes of the Committee are as follows:

1. Assist the Board of Directors in its oversight responsibility for an effective and efficient system of governance in the Bank;
2. Develop and recommend corporate governance principles and policies;
3. Evaluate corporate governance in the Bank and compliance with the Corporate Governance Code;
4. Review and recommend to the Board, policies related to the functions and responsibilities of the Board of Directors; and
5. Assist the Board in developing and implementing the Board's performance evaluation process.

### **III. DUTIES AND RESPONSIBILITIES**

To carry out its purposes, the Committee shall have the following duties and responsibilities:

1. Be responsible for promoting the Board's effectiveness and due observance of corporate governance principles and guidelines, particularly on the following:
  - Director responsibilities
  - Director access to management
  - Director orientation and continuing education
  - Periodic performance self-evaluation by the Board and all its Committees

2. Review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Directors.
3. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
4. Oversee the periodic performance evaluation of the Board of Directors and its committees and senior management, deciding the manner by which the Board's performance may be evaluated and proposing objective performance criteria for approval by the Board.
5. Conduct an annual self-evaluation of its performance.
6. Decide whether or not a director is able to and has been adequately carrying out his duties as director, bearing in mind the director's contribution and performance (e.g., competence, candor, attendance, preparedness and participation).
7. Adopt internal guidelines that shall address the competing time commitments that are faced when directors serve on multiple boards.
8. Decide the manner by which the Board of Directors' performance may be evaluated, and propose an objective performance criteria approved by the Board of Directors. Such performance indicators shall address how the Board of Directors has enhanced long-term shareholder's value.
9. Make recommendations to the Board of Directors regarding the continuing education of directors, assignment to Board Committees, succession plan for the Board Members and Senior Officers, and their remuneration commensurate with corporate and individual performance.
10. Oversee the Compliance Office by providing mandate and direction in performing its oversight functions and compliance with the regulatory requirement.
11. Receive compliance reports from the Compliance Office of the Bank on the activities the office has undertaken, bank's level of compliance and various compliance matters that demand immediate attention
12. The performance evaluation of the Chief Compliance Officer (CCO)/Compliance Office shall be subject for confirmation of the Corporate Governance Committee.

13. Establish a formal and transparent procedure for developing a policy on executive remuneration and provide oversight over remuneration of all personnel, ensuring that compensation is consistent with the interest of all stakeholders and the Bank's culture, strategy and control environment.
14. Review and approve amount of remuneration, which shall be in a sufficient level to attract and retain directors and all personnel who are needed to manage the Bank successfully.
15. Provide in the Bank's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
16. Review the existing Human Resources Development or Personnel Handbook, if necessary, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

#### **IV. COMMITTEE STRUCTURE**

##### **A. COMPOSITION/MEMBERSHIP**

The Committee shall be composed of five (5) members of the Board of Directors, at least three (3) of whom shall be independent directors. The membership may be reduced to a number not less than three or increased to such number as the Board of Directors may deem necessary. For this purpose, an independent director shall be one who has all the qualifications set forth in the Manual of Regulations for Banks (MORB) and the Bank's Manual on Corporate Governance.

##### **B. TERM OF OFFICE**

The members of the Committee shall serve at the pleasure of the Board and for such term or terms as the Board may determine, or until their earlier resignation, death, or removal by the Board. Termination of members' term of office may be staggered to allow the retention of seasoned members and to ensure Committee's uninterrupted workflow.

#### **V. COMMITTEE PROCEDURE**

##### **A. CONDUCT OF MEETING**

The Committee shall meet every two (2) months or as often as necessary as may be required by the Chairman of the committee.

The Secretary of the Committee shall confer with the Chairman on the items to be included in the agenda for each meeting.

During each meeting, the Committee may require the attendance of relevant officer/s to address any query from the Members or to present specific reports.

**B. QUORUM**

The quorum shall be at least 51% of the regular members, one of which should be the Chairperson of the committee or in his absence the designated vice-chairman, who shall chair the meeting. A majority vote among the present shall be required to pass or defeat any resolution at the meeting, provided such majority vote shall always include the vote of the Chairperson or in his absence, the Vice Chairperson.

**C. APPROVALS**

Approvals by the Committee may be made at or during its meetings or through circulation to all members of the Committee.

**D. REPORTS/MINUTES OF MEETINGS**

Minutes of all Committee meetings shall be prepared and approved by the Committee and shall be subject to confirmation by the Board of Directors.

**VI. ANNUAL REVIEW AND UPDATE**

The Board on its own or the Committee shall review, assess and/or update this Charter at least annually and make appropriate recommendation to the Board for approval.