

PERSONNEL AND COMPENSATION COMMITTEE CHARTER

(As amended November 13, 2024)

MISSION STATEMENT

The Personnel and Compensation Committee (PERCOM) shall direct and ensure the development and implementation of long-term Human Resources (HR) Strategy / Plan based on the Board's vision of the organization. Such a strategy should embody:

A. THE ORGANIZATION'S VALUES

The BPI values are the foundation of the Bank's culture. Through the growth of the business and future changes in its direction, the Bank's values endure to achieve its vision of Building a Better Philippines, one family, one community at a time.

The following NICE values reflect the behaviors that shape the tone of how we work with each other and with our partners. When lived, these articulate in our words and actions our approach to conducting work every single day.

1. WE ARE NURTURING

- We show concern to people
- We help our customers achieve a better life
- We serve with passion and care

2. WE ACT WITH INTEGRITY

- We act honestly, responsibly, and respectfully at all times
- We treat everyone with fairness
- We deliver on our commitments and take ownership of our actions

3. WE ARE CUSTOMER OBSESSED

- We anticipate our customers' needs and serve with a heart
- We innovate to give them the best solutions
- We make it easy for our customers

4. WE ACT WITH EXCELLENCE

- We work as one to get the job done
- We do things right the first time
- We give our best to all

B. THE HUMAN RESOURCE'S PHILOSOPHY AND POLICIES

- Human Resources Management is a line management responsibility
- Each job should be filled with the best qualified employee available
- Employees should be paid well and fairly
- Employees should be informed of matters that affect them
- The Bank should maintain benefit plans that will assist the employee in providing for his economic security
- The Bank will provide training programs that will assist employees in learning to do their jobs better and to prepare for assignments of greater responsibility

- The Bank will provide safe and healthful working conditions
- The Bank should maintain a healthy Labor Management Relations

C. RECOGNITION AND REWARDS PHILOSOPHIES AND GUIDELINES

Bank of the Philippine Islands is committed to providing competitive and appropriate reward programs that will be able to attract, retain the right talent and motivate employees to deliver the desired level of performance to customers and other stakeholders.

Performance is generally measured on the performance of the employee, the business unit, or the Bank as a whole, or using a combination of all as the executive's responsibilities may dictate. Factors include revenues, volume, earnings, EPS, ROE, ROA, capital strength, risk containment, corporate governance, customer satisfaction, adherence to corporate values, contributions both to operating unit and company-wide achievement.

In conducting its assessment, the PERCOM reviews changes in the Bank's and the business unit's overall results over time, as well as similar data from local and foreign banks to the extent available. The President / Chief Human Resource Officer (CHRO) presents to the Committee the ratings of the executives, their accomplishments, and the individual and corporate performance.

D. SUCCESSION DEVELOPMENT PLANS FOR CRITICAL POSITIONS

In consultation with the President/CEO, the PERCOM reviews the talent development process within the Bank to ensure it is effectively managed. Senior management will provide a report to PERCOM regarding its talent and performance review process for key management positions and other high potential individuals. The purpose of the performance and talent review is to ensure that there is sufficient pool of qualified internal candidates to fill senior and leadership positions and to identify opportunities, performance gaps and next steps as part of the Bank's executive succession planning, development process, all of which shall be reviewed with the PERCOM.

In consultation with the Board and the CEO, either the PERCOM as a whole or a sub-committee thereof, shall, as part of the executive planning process, evaluate, and nominate potential successors to the CEO.

The qualitative nature of the Organization in terms of desired demographics (such as age), degree of development, desired levels and quality of staffing, reaction to change, and labor relations shall also be reviewed and evaluated by the PERCOM.

The PERCOM shall also initiate, require and review reports as well as receive periodic feedback regarding the quality and status of the overall organizational morale and degree of job satisfaction within the Unibank. This shall include initiating the conduct of any organizational assessment to determine the level of effectiveness and "health" of organizational members from time to time.

E. COMMITTEE MEMBERSHIP

The PERCOM shall be composed of five (5) members of the Board who are not officers of the Bank and one of whom shall be an independent director. The Board of Directors shall elect the Committee Chairman and the Board of Directors shall also fill vacancies.

F. ORGANIZATION

The PERCOM will meet, as it deems necessary or appropriate to carry out its responsibilities.



The Chairperson shall, in consultation with other Committee Members, set the agenda for and preside at meetings of the Committee. The Corporate Secretary or any designated individual shall record and keep the minutes of all Committee meetings.

The Committee may invite such members of management to its meetings, as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation discussions.

1. While the committee is governed by the same rules regarding meetings as are applicable to the BPI Board of Directors, the Committee is authorized to adopt its own rules of procedure not inconsistent with any provision of this Charter, the Articles of Incorporation or Bylaws of BPI, or any applicable law.
2. Special meetings or actions may be called for as needed.
3. Action required or permitted to be taken by the Committee may be taken without a meeting by written consents, identical in content, setting out the action taken and signed by all the members of the Committee. The written consents shall have the same effect as a unanimous vote and may be made in electronic counterparts. The written consents shall be documented as minutes of action.
4. Unanimous consent resolutions shall be documented as minutes of action. The written action is effective and dated as of the date that the last board or committee member (as the case may be) has given his/her consent by electronic mail unless a different effectivity date is provided in the resolution.
 - 4.1.1 Any member of the Committee may request that the proposal for which a written consent is sought be discussed and deliberated upon by the Committee, in which case the proposal shall be included in the agenda of the next meeting.
 - 4.1.2 Directors shall be paid a per diem for every decision-making exercise or instance utilizing written unanimous consent resolutions, which is half the per diem allocated in an actual meeting (physical or virtual).
5. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent (i.e., minutes of action).
6. The key matters reviewed and approved by the Committee and the minutes of meetings, minutes of action, including agenda and supporting materials if needed, are to be presented regularly to the Board of Directors for confirmation.

G. DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

- a. The Committee shall have oversight in the implementation of the remuneration policy, succession planning and human resources policies and programs across the BPI Group. Oversight shall be exercised in consultation and coordination with the Board of Directors or relevant board-level committee of the subsidiary or affiliate.
- b. Annually review and approve corporate goals and objectives relevant to CEO compensation, the board of directors, senior management and key officers of the bank to enable the bank to attract and keep superior human talent in its fold.
- c. Annually review and approve base salary, incentive compensation for senior management, board of directors, and key officers and recommend appropriate remuneration package to the Board for approval.
- d. Ensure the establishment, documentation through a formal manual, timely dissemination and proper implementation of personnel policies and guidelines covering:
 - BPI's Core Corporate Values
 - Recruitment and Selection
 - Performance Management
 - Training and Development

- Remuneration and Compensation
 - Succession Planning
 - Career Management
 - Adequacy of Complement
 - Code of Conduct including sanctions on non-compliance with the code of conduct and/or management policies
 - Policies on Conflict of Interest
 - Separation from Service
- e. Review and approve recommendations for promotions to and from the rank of Assistant Vice President and up and submit to the Executive Committee for confirmation / approval.
- f. Review and endorse proposals on Early Retirement Program as well as any severance payment or similar termination payments proposed to be made by BPI to its officers and staff.
- g. Review the impact on compensation, the plans of mergers, spin-offs and other similar organizational or operating changes.
- h. Review together with the CEO, the talent development process within the Bank. Senior management will provide the PERCOM an annual report regarding its talent and performance review process for key officers and other high potential individuals. The purpose of the performance and talent review is to ensure that there is a sufficient pool of qualified internal candidates to fill senior and leadership positions and to identify opportunities, performance gaps and next steps as part of the Bank's executive succession planning and development process, all of which shall be reviewed with the PERCOM.
- i. Review of Personnel Handbook.
- j. Perform an annual review of PERCOM performance. Periodically assess the adequacy of its charter and recommend changes to the Board as needed.
- k. Exercise such powers and duties as may from time to time be delegated by the Board to the PERCOM.

H. RESOURCES AND AUTHORITY OF THE PERCOM

The PERCOM shall have direct access to, and complete and open communications with senior management, and may obtain advice and assistance from internal legal, accounting, and other advisors to assist it. The PERCOM may retain independent legal, accounting, and other advisors to assist it, and may determine the compensation of such advisors, and the Bank shall be responsible for any costs or expenses so incurred.