

Committee Name	Anti-Money Laundering Committee
Short Name	AMLACOM
Nature	Board Level Committee
Responsibility Statement	AMLACOM, as tasked by the Board, shall provide board level oversight and governance over Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) control environment within the Bank and take required decisions to implement appropriate solutions where required.

Membership

Committee Membership	Designation	Appointed Members
Chair	Independent Director	AHLavares
Regular Members	Chairman Independent Director Director	Arthur V. Ty EOChua JVLAlde
Secretary	Legal Officer, Anti-Money Laundering Division	IYLipat

Duties and Responsibilities	<ul style="list-style-type: none"> a. Monitors and reviews the overall effectiveness of AML/CFT Framework, including AML/CFT sanctions, particularly its progress on the implementation of its overall business plan. b. Reviews and approves the Bank's financial crime risk appetite statement and the related key risk indicators and risk limits/thresholds. c. Approves the institutional risk assessment methodology and the periodic assessment results, challenging, as necessary, whether current and emerging AML/CFT risk exposures are consistent with the Group's strategic direction and overall risk appetite, and are properly managed. d. Reviews and approves the Bank's AML/CFT Program, in particular ensuring that AML/CFT policies are consistent with the provisions of AMLA, its RIRR, BSP Circular 706, as amended by BSP Circulars 950 and 1022, and other relevant regulations as well as the Bank's risk appetite. Ensures that policy and procedures are updated at the required frequency and/or as necessary. e. Monitors and reviews the effectiveness of the implementation of the AML/CFT Program as well as the needed enhancements thereto as identified by the AMLCC in its effort to improve the Bank's overall Compliance Program: <ul style="list-style-type: none"> 1. Reviews and approves the AML/CFT resourcing plan and monitors delivery against plan. 2. Reviews and approves the training plan for individuals with AML/CFT roles and responsibilities and oversees the effectiveness of delivery against the plan and the effectiveness of the communication process in place, taking into account appropriate feedback and training requests in the training plan. 3. Reviews significant deficiencies identified from the Bank's quality and controls
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assurance testing, Internal Audit work, BSP and other external inspections, and other sources, and approves the actions to address those identified deficiencies.

4. Reviews and approves any specific material change/ enhancements/ remediation projects or investigations considered necessary.
- f. Reviews and approves new and modifications to methodologies and systems to ensure they are consistent with risk-based approach (RBA) to managing AML/CFT risk.
- g. Monitors the financial crime investigations and the suggested next steps that are required to be submitted by the AMLCC to the committee.
- h. Reviews and approves the adequacy of response and actions proposed by AMLCC to mitigate risks arising from material requests from the law enforcement and other government agencies.
- i. Reviews and discusses regulatory developments and/or business impact in relation to financial crime issues and where appropriate, makes the required decisions to implement solutions, and reviews and monitors the execution of the corresponding action plan.
- j. Reviews and discusses significant financial crime issues that a member wishes to bring to the Committee's attention, ensuring co-operation and synergies with other Business Units are being maximized.
- k. Reports to the Board of Directors with updates on key financial crime-related matters.

Composition

Members of the AMLACOM 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.

Each member shall serve for a maximum tenure of 9 years, or until such time any of the following occurs:

- the Board withdraws his/her appointment to the AMLACOM;
- he/she ceases to be an incumbent member of the Board;
- he/she voluntarily resigns the committee membership; or
- he/she is disqualified under regulations issued by any of the Bank's supervisory bodies.

To enable an optimal functioning of the Committee, the Chair has the authority to invite or appoint resource persons to committee meetings.

The AMLACOM as a body shall appoint its own Secretary who shall be tasked with keeping written minutes and relevant records of each committee meeting.

The Committee members, including the Chairperson, may also be occasionally rotated.

Support Requirement:

The AMLACOM Secretary shall:

- Send agenda at least three (3) banking days before the meeting.
- Send Minutes of the Meeting not later than ten (10) banking days from the date of the meeting.
- Maintain records of the AMLACOM deliberations and decisions.

**Quorum/
Majority Votes**

- a. Meetings may be held in any designated area whereby a quorum may be physically established, or interactive participation, by whatever means, by committee members is achieved.
- b. The presence of a majority of members shall constitute a quorum, provided that the Chair is among those present.
- c. 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 AMLACOM.
- d. As a general rule, AMLACOM decisions are only valid when such are made during regular meetings. However, on instances when a regular meeting cannot be held, or an AMLACOM 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. Such decisions must then be presented for confirmation in the immediately following regular meeting.

**Meeting
Schedule**

The AMLACOM shall hold regular meetings every 2 months, and at such additional times as may be necessary to discharge its duties and responsibilities. Members may attend the meetings via video-conferencing, and such attendance shall be duly recorded and considered as if physically present at the meeting.

**Performance
Assessment**

The AMLACOM shall perform an annual self-assessment of the performance of its functions (*See Exhibit*).

Charter Review

The AMLACOM shall review annually the AMLACOM Charter to reassess its adequacy, incorporate best practices and propose necessary changes thereto.

**Reporting to
the Board**

The AMLACOM 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 needed

Metropolitan Bank & Trust Company
ANTI-MONEY LAUNDERING COMMITTEE (AMLACOM)
Annual Self-Assessment Rating Sheet

Name of Director/Member: _____

The rating sheet has to be completed by each member independently. For each of the statement in this form, the member has to check the applicable rating using the following codes:

Rating Scale:

Rating	Description
5	Strong – exceeds what is considered necessary given the size, risk profile and complexity of operations of the Bank. Deficiencies/weaknesses are considered to be minor and insignificant.
4	Satisfactory – meets what is considered necessary given the size, risk profile and complexity of operations of the Bank. Deficiencies/weaknesses are considered to be minor and insignificant.
3	Less than Satisfactory – does not meet what is considered necessary given the size, risk profile and complexity of operations of the Bank. However, the Board is committed (with ability and willingness) to correct the situation in a timely manner.
2	Deficient – deficient, in a material way, to meet what is considered necessary given the size, risk profile and complexity of operations of the Bank. Moreover, the ability of the Board to correct the situation in a timely manner is doubtful.
1	Critically deficient – critically deficient to meet what is considered necessary given the size, risk profile and complexity of operations of the Bank. The deficiencies/weaknesses pose an imminent threat to the safety and soundness of the Bank.

A. Roles and Responsibilities

Particulars	Rating				
	5	4	3	2	1
1. The Charter clearly, comprehensively and appropriately sets out the Committee's roles and responsibilities.					
2. The scope of the roles and responsibilities of the Committee is clearly identified and separated from that of the Board and the other committees.					
3. The Committee has adequate access and optics over matters on which it is responsible.					
4. The Charter is regularly reviewed to ensure it remains current and adequate.					
5. The Committee has performed its responsibilities pursuant to the Charter, in particular, those set out in Duties and Responsibilities					
6. The Committee is committed to competence, integrity and fostering of a climate of trust and a no-surprises environment.					
Comments:					

B. Skills and Competencies

Particulars	Rating				
	5	4	3	2	1
1. The balance and mix of skills and experience of members allows the Committee to perform effectively.					
2. The Committee's capacity to carry out its responsibilities is not impaired by any conflicts of interest of members.					
3. The Committee makes recommendations in relation to taking a risk-based approach to the AML program, in terms of risk identification and management, emerging issues, and control breakdowns brought to the Committee's attention.					
4. The Committee has a sound understanding of the following:					
• framework for managing AML risk in a group-wide basis					
• Metrobank's AML Risk Assessment and Risk Appetite/Tolerance					
• control systems in place to mitigate ML/TF risks					
• system for quality assurance					
• process for identifying and assessing emerging ML/TF risks					
• the current staffing and resources commitment to the AML program					
• the training and development plan					
• the application of technology to mitigate ML/TF risks					
Comments:					

C. Practices and Procedures

Particulars	Rating				
	5	4	3	2	1
1. The process for setting the agenda enables Committee members to raise issues and concerns.					
2. Management can propose materials for the inclusion in the agenda.					
3. The agenda for the Committee meetings is dealt with in an efficient way and is structured to allow sufficient time to discuss the most complex and difficult issues.					
4. Members question and debate issues when matters of concern are raised.					
5. Committee meetings are effective in their use of member's time.					
6. The expectations and concerns of members are met with respect to the nature, clarity, quality and timeliness of information generally - and particularly with respect to the following:					
• the framework for managing AML risk on enterprise-wide basis					
• Metrobank's AML Risk Assessment processes					
• control framework designed by management to manage and mitigate risks under each element of the AML program					
• significant issues in relation to the AML risks including significant or regulatory findings or notifications of regulatory non-compliance/violation and complaints					
• escalation of matters for adjudication or decision such as customer exit, changes to risk ratings, exceptions to policies and procedures					
7. The process to review and approve urgent matters is appropriate.					
8. The Committee Chairman conducts the meeting in an orderly and business-like manner.					
9. Management is responsive to requests by the AMLACOM for clarification.					

Exhibit

10. The Committee makes adequate time for preparation and follow-up outside the formal meeting times.					
11. Meeting notices, minutes and Committee papers are circulated/distributed in a timely manner.					
12. Minutes of Committee meetings reflect the major discussion points and resolutions.					
13. The Committee has adequate access to appropriate internal and/or external resources to assist the Committee to discharge its responsibilities.					
14. The induction process for new Committee members adequately prepares a new member to fulfill their role and responsibilities as a member.					
Comments:					

D. Collaboration and Style

Particulars	Rating				
	5	4	3	2	1
1. The Working relationship between the AMLACOM Chairman and AMLCC Chairman is open, constructive, and effective.					
2. The relationship and discussions between the AMLACOM, AMLCC and AMLD is open, constructive and effective.					
3. The Committee Chairman demonstrates effective leadership in the discharge of the Committee's role and responsibilities.					
4. The relationships and discussions within the Committee are constructive.					
5. All Committee members work well together as a team, and deal with conflict in an open and constructive manner.					
Comments:					

E. Communication with the Board

Particulars	Rating				
	5	4	3	2	1
1. Quality communications are provided to the Board about the AML program, ML/TF risks and AMLACOM's/AMLCC's deliberations.					
2. AMLACOM reports to and interacts with the Board in an effective manner.					
3. The Board is well-informed on a sufficiently timely basis regarding the AML-related matters.					
Comments:					

F. Committee Outcomes

Particulars	Rating				
	5	4	3	2	1
1. The Committee has worked well together in delivering on its roles and responsibilities.					

Exhibit

2. The Committee has added value to Metrobank and the Board.					
3. In thinking about the progress towards an effective, best in class ALML Program, how far is Metrobank along the journey?					
4. Overall, how would you assess the Committee's performance?					
Comments:					

G. Qualitative Questions:

Committee Member's Evaluation	
1. What are the strengths of the Committee?	
2. What was the Committee's greatest contribution during the period?	
3. What are the Committee's areas for improvement?	
4. If you could change anything with the Committee, what would you change and why?	

Signature over Printed Name

Date