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 Director/Head, Overseas Banking Group	Arthur V. Ty APCYap
Secretary	Head, Anti-Money Laundering and Fraud Management – Regulatory Affairs and Advisory – Regulatory Affairs	IYLipat

Duties and Responsibilities

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:

    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 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.

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.

<u>Support Requirement:</u>

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)
Rating Sheet for the Year ___________

Name of Member: ___________________________________

The rating sheet has to be completed independently by each member of the Committee following the rating scale described below. For each of the statement in the form, please encircle the number that best reflects the member's own evaluation:

Rating Scale:

Rating	Description
5	**Outstanding** – Consistently exceeds expectations; exemplary governance.
4	**Very Satisfactory** – Frequently meets expectations; deficiencies/weaknesses are considered to be minor and insignificant.
3	**Satisfactory** – Meets expectations and requirements with some improvements needed but duties are adequately performed.
2	**Needs Improvement** – Partially meets expectations with notable weaknesses affecting effectiveness; specific improvements are needed to reach an acceptable standard.
1	**Unsatisfactory** – Does not meet expectations; significant gaps in fulfilling mandated duties requiring immediate corrective action.

	Rating
1. 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.	5 4 3 2 1
2. Reviews and approves the Bank's financial crime risk appetite statement and the related key risk indicators and risk limits/thresholds.	5 4 3 2 1
3. 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.	5 4 3 2 1
4. 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.	5 4 3 2 1
5. 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.	5 4 3 2 1
6. 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.	5 4 3 2 1
7. Monitors the financial crime investigations and the suggested next steps that are required to be submitted by the AMLCC to the committee.	5 4 3 2 1
8. 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.	5 4 3 2 1

9. 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.	5 4 3 2 1
10. 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.	5 4 3 2 1
11. Reports to the Board of Directors with updates on key financial crime-related matters	5 4 3 2 1
Average Quantitative Score:	5 4 3 2 1

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?	

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Signature over Printed Name