

CORPORATE GOVERNANCE COMMITTEE

MEMBERSHIP

Chair: Mr. Edward S. Go

Members: Mr. Richard C. Dee

Mr. Kamrul H. Tarafder

Ms. Barbara B. Custodio

CHARTER

Purpose

The Corporate Governance Committee is a standing committee appointed by the Board of Trustees to assist the Board in formulating and overseeing the implementation of the corporate governance policies of the Foundation.

Membership and Operations

The Committee shall be comprised of at least three members appointed by the Board. The Board may appoint members outside of the Board of Trustees, but the Committee shall include at least three members of the Board of Trustees. The Board shall designate one Committee member as the Committee's Chairperson.

The Committee shall meet as frequently as is necessary to carry out its duties and responsibilities under this Charter, though not less than once a year. The Chairperson or the majority of the Committee's members may also call a special meeting when deemed necessary. Members of the Committee who are unable to be physically present may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment whereby all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum to transact business. The Committee Chairperson will approve the agenda for the Committee's meetings, though any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as is practicable. The minutes of the Committee meetings shall accurately record the significant discussions of, and decisions made by, the Committee including all recommendations

to be made by the Committee to the Board, and shall be distributed to Committee members with copies given to the Chairman of the Board and the President & CEO.

The Foundation's Compliance Officer shall provide technical support to the Committee. In carrying out its duties and responsibilities, the Committee shall have the authority to meet with and seek any information it requires from employees, officers or relevant external parties. The Committee shall meet, as deemed necessary and appropriate, with management and other employees of the Foundation, in separate executive sessions. The Committee shall have direct access to, and complete and open communication with, the Foundation's management. The Committee shall have the authority to conduct investigations into any matters within its scope of responsibility.

The Committee, under the direction of the Committee Chairperson, may also employ any outside experts, legal counsel or other personnel deemed by the Committee in its collective judgment to be reasonably necessary, and in the best interests of the Foundation, to enable the Committee to ably perform its duties and satisfy its responsibilities. The Committee shall promptly notify the Chairman of the Board of the retention of any such advisors.

The Committee shall have the appropriate resources to discharge its responsibilities. The Foundation shall provide appropriate funding, as determined by the Committee, for the payment of (i) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities and (ii) reasonable compensation to any consultants and independent advisors retained by the Committee. The Foundation, at the Board's discretion, may provide (i) reasonable per diems for Committee members who are part of the Board for attending relevant meetings and (ii) reasonable compensation to Committee members who are not members of the Board.

The Committee may form and delegate to one or more subcommittees all or any portion of the Committee's authority, duties and responsibilities, and may establish such rules as it determines necessary or appropriate to conduct the Committee's business.

The Committee shall review and assess annually its performance, and report the results to the Board. The Committee shall review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.

Duties and Responsibilities

The Committee is responsible for performing the following duties and responsibilities as well as any other duties and responsibilities that are otherwise required by law or are delegated to the Committee by the Board:

- A. Recommend to the Board the most appropriate corporate governance policies for the Foundation;
- B. Encourage adherence to, and continuous improvement of, the Foundation's corporate governance policies, procedures and practices at all levels;
- C. Assist the Board in fulfilling its corporate governance responsibilities and in its oversight of the Foundation's corporate governance practices with respect to laws, rules and regulations issued by the Securities and Exchange Commission and other regulatory bodies;
- D. Ensure that a compliance program is defined for the Foundation and that compliance issues are resolved expeditiously:
 - 1. Review, at least annually, the Foundation's compliance program in accordance with existing regulatory requirements and in support of the Foundation's goals and strategies, and recommend approval thereof by the Board.
 - 2. Monitor the Foundation's compliance with applicable laws, rules and regulations of regulatory agencies and recommend to the Board appropriate actions based on the review of the reports submitted by the Audit and Compliance Committee;
- E. Monitor compliance with the risk management plan approved by the Finance and Risk Management Committee;
- F. Review all nominations for the appointment, reappointment, election or reelection of Trustees of the Foundation considering their performance, commitment and ability to contribute to the Board and make recommendations to the Board. Review the structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the non-executive members, and recommend changes if necessary;
- G. Oversee the annual performance evaluation of the Board, its committees and executive management. Recommend to the Board an orientation program for new Board members, and continuing education programs for Board members when appropriate including training on social, financial and governance goals. Recommend to the Board assignments to Board Committees, and succession plans for members of the Board and the President & CEO;
- H. Review the Foundation's policies and practices on issues relating to corporate social responsibility, charitable contributions, political spending and other significant public policy issues; and
- I. Review and assess annually its performance, and report the results to the Board. Review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.

AUDIT AND COMPLIANCE COMMITTEE

MEMBERSHIP

Chair: Mr. Eric Albert L. Gotuaco

Members: Mr. Richard C. Dee

Ms. Victoria A. Dee

Ms. Florinda M. Lacanlalay

Ms. Jinnette M. Anacio

CHARTER

Purpose

The Audit and Compliance Committee is a standing committee appointed by the Board of Trustees to assist the Board in its oversight of the Foundation's financial reporting process, internal and external audit processes, system of internal controls and compliance with applicable laws and regulations.

Membership and Operations

The Committee shall be comprised of at least three members appointed by the Board. The Board may appoint members outside of the Board of Trustees, but the Committee shall include at least three non-executive members of the Board of Trustees. The Board shall designate one Committee member as the Committee's Chairperson. At least one Committee member shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. At least one Committee member shall have relevant background in social welfare.

The Committee shall meet as frequently as is necessary to carry out its duties and responsibilities under this Charter. The Chairperson, the majority of the Committee's members or the independent auditor of the Foundation may also call a special meeting when deemed necessary. Members of the Committee who are unable to be physically present may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment whereby all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum to transact business. The Committee Chairperson will approve the agenda for the Committee's meetings, though any member may suggest items

for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as is practicable. The minutes of the Committee meetings shall accurately record the significant discussions of, and decisions made by, the Committee including all recommendations to be made by the Committee to the Board, and shall be distributed to Committee members with copies given to the Chairman of the Board and the President & CEO. The Committee shall meet with the Board at least every quarter without the presence of management.

In carrying out its duties and responsibilities, the Committee shall have the authority to meet with and seek any information it requires from employees, officers or relevant external parties. The Committee shall meet, as deemed necessary and appropriate, with management and other employees of the Foundation, in separate executive sessions. The Committee shall have direct access to, and complete and open communication with, the Foundation's management. The Committee shall have the authority to conduct investigations into any matters within its scope of responsibility.

The Committee, under the direction of the Committee Chairperson, may also employ any outside experts, legal counsel or other personnel deemed by the Committee in its collective judgment to be reasonably necessary, and in the best interests of the Foundation, to enable the Committee to ably perform its duties and satisfy its responsibilities. The Committee shall promptly notify the Chairman of the Board of the retention of any such advisors.

The Committee shall have the appropriate resources to discharge its responsibilities. The Foundation shall provide appropriate funding, as determined by the Committee, for the payment of (i) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities and (ii) reasonable compensation to any consultants and independent advisors retained by the Committee. The Foundation, at the Board's discretion, may provide (i) reasonable per diems for Committee members who are part of the Board for attending relevant meetings and (ii) reasonable compensation to Committee members who are not members of the Board.

The Committee may form and delegate to one or more subcommittees all or any portion of the Committee's authority, duties and responsibilities, and may establish such rules as it determines necessary or appropriate to conduct the Committee's business.

The Committee shall review and assess annually its performance, and report the results to the Board. The Committee shall review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.

Duties and Responsibilities

The Committee is responsible for performing the following duties and responsibilities as well as any other duties and responsibilities that are otherwise required by law or are delegated to the Committee by the Board:

- A. Monitor and evaluate the adequacy and effectiveness of the Foundation's internal control system, integrity of financial reporting, and security of physical and information assets. Ensure that a review of the effectiveness of the Foundation's internal controls, including financial, operational, information technology and compliance controls, is conducted at least annually. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (1) safeguard the Foundation's resources and ensure their effective utilization, (2) prevent occurrence of fraud and other irregularities, (3) protect the accuracy and reliability of the Foundation's financial data, and (4) ensure compliance with applicable laws, regulations and internal policies;
- B. Recommend to the Board the appointment/reappointment/removal and fees of the external auditor, who undertakes an independent audit of the Foundation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stakeholders;
- C. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure the proper coordination of audit firms if more than one is involved in the activity in order to secure proper coverage and minimize duplication of efforts;
- D. Evaluate and determine the non-audit work, if any, of the external auditor, and periodically review the non-audit fees paid to the external auditor in relation to the total fees paid to said auditor and to the Foundation's overall consultancy expenses. The Committee should disallow any non-audit work that will conflict with the external auditor's duties or may pose a threat to the external auditor's independence;
- E. Assess the external auditor's effectiveness, independence and objectivity, ensuring that key partners are rotated at appropriate intervals;
- F. Review and approve the annual internal audit risk assessment and plan, including the audit scope, audit frequency and resources needed;
- G. Perform oversight functions over the Foundation's internal and external auditors. This ensures the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- H. Review and approve the Foundation's annual financial statements before their submission to the Board, with particular focus on the following matters:
 - a. Any change/s in accounting policies and practices
 - b. Areas where a significant amount of judgment has been exercised
 - c. Significant adjustments resulting from the audit
 - d. Going concern assumptions

- e. Compliance with accounting standards
- f. Compliance with tax, legal and regulatory requirements
- I. Review the disposition of the recommendations in the external auditor's management letter;
- J. Monitor the Foundation's compliance with the laws, rules and regulations of regulatory agencies including, but not limited to, the Securities and Exchange Commission and the Anti-Money Laundering Council;
- K. Monitor the Foundation's compliance with policies and procedures written in its various guidebooks (e.g. operational guidebook);
- L. Review reports of the internal and external auditors as well as regulatory agencies, where applicable, and address all material observations, issues and concerns by ensuring that management takes appropriate corrective actions, in a timely manner, to address control weaknesses and non-compliance with policies, laws and regulations, and other identified issues. Significant matters in the said reports are to be reported to the Board;
- M. Recommend new or changes to existing accounting policies, systems and procedures based on feedback from external audit, internal audit, compliance and/or regulatory bodies;
- N. Ensure that the Foundation has a framework for fraud prevention and detection including a whistleblower program in which officers, staff and outsiders can, in confidence, raise concerns about possible improprieties or malpractices in operational, internal control, auditing, financial reporting or other matters to persons or entities that have the power to take corrective action. Mechanisms for independent investigations, follow-up actions, and the subsequent resolution of complaints should be put in place;
- O. Monitor compliance with the risk management plan approved by the Finance and Risk Management Committee; and
- P. Review and assess annually its performance, and report the results to the Board. Review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.

FINANCE AND RISK MANAGEMENT COMMITTEE

MEMBERSHIP

Chair: Mr. Richard C. Dee

Members: Mr. Eric Albert L. Gotuaco

Ms. Victoria A. Dee

Ms. Barbara B. Custodio

CHARTER

Purpose

The Finance and Risk Management Committee is a standing committee appointed by the Board of Trustees that is tasked with the continuing review of the financial affairs, as well as the determination and management of potential risks of the Foundation. The Committee will ensure that a sound risk management framework is in place to effectively identify, quantify, monitor and manage key risks.

Membership and Operations

The Committee shall be comprised of at least three members appointed by the Board. The Board may appoint members outside of the Board of Trustees, but the Committee shall include at least three members of the Board of Trustees. The Board shall designate one Committee member as the Committee's Chairperson. Each member will have an understanding of finance and risk management commensurate with the Foundation's size, complexity and capital structure.

The Committee will meet at least quarterly, or more frequently as circumstances dictate. The Chairperson or the majority of the Committee's members may also call a special meeting when deemed necessary. Members of the Committee who are unable to be physically present may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment whereby all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum to transact business. The Committee Chairperson will approve the agenda for the Committee's meetings, though any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as is practicable. The minutes of the Committee

meetings shall accurately record the significant discussions of, and decisions made by, the Committee, including all recommendations to be made by the Committee to the Board, and shall be distributed to Committee members with copies given to the Chairman of the Board and the President & CEO. The Committee will report to the Board on a regular basis.

The Foundation's Risk Officer shall provide technical support to the Committee. In carrying out its duties and responsibilities, the Committee shall have the authority to meet with and seek any information it requires from employees, officers or relevant external parties. The Committee shall meet, as deemed necessary and appropriate, with management and other employees of the Foundation, in separate executive sessions. The Committee shall have direct access to, and complete and open communication with, the Foundation's management. The Committee shall have the authority to conduct investigations into any matters within its scope of responsibility.

The Committee, under the direction of the Committee Chairperson, may also employ any outside experts, legal counsel or other personnel deemed by the Committee in its collective judgment to be reasonably necessary, and in the best interests of the Foundation, to enable the Committee to ably perform its duties and satisfy its responsibilities. The Committee shall promptly notify the Chairman of the Board of the retention of any such advisors.

The Committee shall have the appropriate resources to discharge its responsibilities. The Foundation shall provide appropriate funding, as determined by the Committee, for the payment of (i) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities and (ii) reasonable compensation to independent legal, risk and other advisors retained by the Committee. The Foundation, at the Board's discretion, may provide (i) reasonable per diems for Committee members who are part of the Board for attending relevant meetings and (ii) reasonable compensation to Committee members who are not members of the Board.

The Committee may form and delegate to one or more subcommittees all or any portion of the Committee's authority, duties and responsibilities, and may establish such rules as it determines necessary or appropriate to conduct the Committee's business.

The Committee shall review and assess annually its performance, and report the results to the Board. The Committee shall review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.

Duties and Responsibilities

The Committee is responsible for performing the following duties and responsibilities as well as any other duties and responsibilities that are otherwise required by law or are delegated to the Committee by the Board:

- A. Review and recommend to the Board the annual budget and the business plan proposed by the President & CEO;
- B. Review, study and recommend changes to the Foundation's existing capital structure and investments;
- C. Evaluate new investment opportunities, and present the Committee's recommendations to the Board from time to time as and when needed;
- D. Authorize acceptable accounting and disbursement procedures for all funds under the jurisdiction of the Foundation;
- E. Develop, implement and evaluate a risk management plan that would ensure proper determination, assessment and management of any relevant risks to the Foundation. The four main categories of risk faced by the Foundation are:
 - 1. Operational Risks – risks related to the vulnerabilities that the Foundation faces in its day-to-day operations; these are managed mainly through internal controls
 - a. Fraud Risk
 - b. Transaction Risk
 - c. Information Technology Risk
 - d. Credit Administration Risk
 - e. Human Resources Risk
 - f. Disaster Recovery
 - g. Security Risk
 - 2. Financial Risks – risks related to the assets and liabilities of the Foundation arising from financial transactions with clients or other financial institutions; these are managed by establishing limits and regular monitoring
 - a. Credit Risk
 - b. Portfolio Risk
 - c. Liquidity Risk
 - d. Market Risks -- Interest Rate, Foreign Exchange, Investment Portfolio
 - 3. Strategic Risks – encompass risks related to the Foundation's overall objectives; management of these risks is guided by the Board
 - a. Corporate Governance Risk
 - b. Commercial Mission Risk
 - c. Social Mission Risk
 - d. Execution Risk
 - e. Dependency Risk
 - f. Compliance Risk
 - g. Reputation Risk
 - h. Growth Risk
 - 4. External Risks – risks driven by factors that are largely outside the control of the Foundation's management and directors; must be monitored and strategies, policies and procedures should be adjusted accordingly

- a. Regulatory Risk
- b. Competition Risk
- c. Political Risk
- d. Macroeconomic Risk
- e. Demographic Risk
- f. Technological Risk
- g. Systemic Risk
- h. Physical Environment Risk

Come up with a written plan of action for managing and controlling the major risks. Identify practical strategies to minimize the impact of losses to the Foundation when a risk is realised. Periodically reassess the effectiveness of the risk management plan and revise it as needed;

- F. Review at least quarterly the major risk exposures of the Foundation against established risk measurement methodologies. Assess the probability of each identified risk becoming a reality and estimate its possible material financial impact and effect on the Foundation. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Foundation;
- G. Report to the Board on a regular basis, or as deemed necessary, the Foundation's material risk exposures and the actions taken to reduce the risks, and recommend further action or plans, as necessary;
- H. Advise the Board on its risk appetite levels and risk tolerance limits;
- I. Review at least annually the Foundation's risk appetite levels and risk tolerance limits based on changes and developments in the microfinance industry, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have a significant impact on the Foundation;
- J. Provide oversight over management's activities in handling risk exposures of the Foundation. Obtain information on risk exposures and risk management activities from management on a regular basis; and
- K. Review and assess annually its performance, and report the results to the Board. Review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.

COMPENSATION COMMITTEE

MEMBERSHIP

Chair: Ms. Victoria A. Dee

Members: Mr. Richard C. Dee

Mr. Kamrul H. Tarafder

Ms. Ma. Esther O. Santos

Ms. Florinda M. Lacanlalay

CHARTER

Purpose

The Compensation Committee is a standing committee appointed by the Board of Trustees to provide oversight over the Foundation's employee compensation program, ensuring that the compensation scheme is consistent with the Foundation's culture and strategy, effectively aligned with prudent risk taking, and commensurate with the performance of the Foundation and the individual.

Membership and Operations

The Committee shall be comprised of at least three members appointed by the Board. The Board may appoint members outside of the Board of Trustees, but the Committee shall include at least one member of the Board of Trustees. The Board shall designate one Committee member as the Committee's Chairperson. Each member shall possess skills or experience that would be of ongoing benefit to the Committee in carrying out its mandate.

The Committee will meet at least quarterly, or more frequently as circumstances dictate. The Chairperson or the majority of the Committee's members may also call a special meeting when deemed necessary. Members of the Committee who are unable to be physically present may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment whereby all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum to transact business. The Committee Chairperson will approve the agenda for the Committee's meetings, though any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as is practicable. The minutes of the Committee

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In carrying out its duties and responsibilities, the Committee shall have the authority to meet with and seek any information it requires from employees, officers or relevant external parties. The Committee shall meet, as deemed necessary and appropriate, with management and other employees of the Foundation, in separate executive sessions. The Committee shall have direct access to, and complete and open communication with, the Foundation's management. The Committee shall have the authority to conduct investigations into any matters within its scope of responsibility.

The Committee, under the direction of the Committee Chairperson, may also employ any outside experts, legal counsel or other personnel deemed by the Committee in its collective judgment to be reasonably necessary, and in the best interests of the Foundation, to enable the Committee to ably perform its duties and satisfy its responsibilities. The Committee shall promptly notify the Chairman of the Board of the retention of any such advisors.

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The Committee may form and delegate to one or more subcommittees all or any portion of the Committee's authority, duties and responsibilities, and may establish such rules as it determines necessary or appropriate to conduct the Committee's business.

The Committee shall review and assess annually its performance, and report the results to the Board. The Committee shall review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.

Duties and Responsibilities

The Committee is responsible for performing the following duties and responsibilities as well as any other duties and responsibilities that are otherwise required by law or are delegated to the Committee by the Board:

- A. Review the Foundation's existing policies and procedures on compensation and benefits, and recommend any changes needed;
- B. Align the remuneration of management with the nature, objectives and long-term interests of the Foundation;
- C. Review and recommend any appropriate revisions to the existing salary structures and incentive plans;
- D. Review the annual salary increase budget and any significant changes to the salary structure that may significantly impact salary costs in the short or long term;
- E. Oversee the identification and management of risks associated with the Foundation's compensation policies and practices;
- F. Ensure the timely dissemination to employees of the Foundation's policies on compensation and benefits;
- G. Review the talent development process for key management positions within the Foundation. Ensure that appropriate training programs are in place to assist employees in learning to do their jobs better and to prepare employees for assignments of greater responsibility;
- H. Review any proposals for an early retirement program as well as any severance/termination payments proposed for the Foundation's staff;
- I. Oversee the identification and management of human resource conflict of interest situations;
- J. Recommend a pension plan design to the Board if so directed; and
- K. Review and assess annually its performance, and report the results to the Board. Review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.