



The HUMAN RESOURCE COMMITTEE Charter

Republic Act 85, s. 1986, otherwise known as the 1986 Revised Charter of the Development Bank of the Philippines provides that the Bank shall consider its relationship with its stakeholders as fundamental in determining if the Bank is on track in fulfilling its mandate for sustainable development and in consonance with its primary objective of providing banking services principally catering to the medium and long-term needs of agricultural and industrial enterprises, with emphasis on small and medium-scale industries. Its stakeholders' feedback, interests and concerns will be considered to aid its policy-making processes as well as a fuller understanding of how the stakeholders are affected by the fulfillment of the Bank's developmental mandate thus continually incorporating their legitimate interests in the Bank's operations and programs.

In support of the Bank's commitment to enhance the quality of life of its officers and employees and the belief that in doing so this will also redound to the quality of service to its stakeholders, this Charter is developed to clearly define the role, structure and functions of the Human Resource Committee (HR Comm) being a DBP Board Level Committee. The HR Committee Charter endeavors to instill a high degree/level of integrity and strengthen the DBP officers and employees' commitment to excellence in public service and cultivate their social and environmental awareness and nationalism, offer opportunities for training and values formation to assist them in their career path and provide a competitive compensation package to both officers and employees in accordance with the DBP Charter.

I. Purpose

Consistent with the DBP Manual of Corporate Governance as approved by the DBP Board on 23 April 2014 per B.R. No. 0154, the mandate of the Human Resource Committee is to assist the DBP Board of Directors in ensuring the practice of good corporate governance within the institution through the review and formalization of management recommendations on matters relating to human resource, compensation policy, and establishment of mechanism on executive and management development and succession planning for approval of the DBP Board.

II. Membership Composition and Meetings

- a) The Human Resource Committee shall be composed of at least three (3) members of the Board who shall elect the chairman among themselves.
- b) The Chairmanship and membership of the committee shall be on rotation basis for purposes of enrichment and best practices.

- c) The Head of the Corporate Services Sector, Human Resource Management Group or the highest official directly supervising the Bank's human resource management and the Chief Legal Counsel shall attend, discuss, and receive materials for meetings of the HR Committee, as observers only, without any vote on matters before the Committee.
- d) The HR Committee may, from time to time, invite or designate advisers to the HR Committee who are not directors of the Board, but who possess skills or experience that would be beneficial to the HR Committee in carrying out its mandate.

III. Role of the Committee Chair

- a) The HR Committee Chair shall oversee the effective performance of the committee and ensure that the committee's job is a representation of best human resource practices.
- b) The Chairperson shall ensure that each member of the committee has the necessary skills set and experiences to perform his or her role.
- c) The Chairperson shall ensure effective and transparent communications among members and plays an active role in setting and aligning board directors' behaviors to the corporate values.

IV. Duties and Responsibilities

The Human Resource Committee (HR Comm) shall function as a policy-making body responsible for reviewing and formalizing management recommendations on HR related matters for the Board's approval, including but not limited to the following:

- a) Annual review of the Bank's policies on recruitment, talent development, performance evaluation, promotion and retention programs to strengthen provision on talent attraction, conflict of interest, salaries and benefit policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts;
- b) Review and evaluation of qualifications of all candidates for appointment to executive positions that require Board confirmation; Ensure that officers to be appointed shall have the qualifications and none of the disqualifications mandated under the law, rules and regulations;
- c) Review of bankwide compensation and benefits programs including executive and key personnel compensation, salary ranges, bonus bases, and other quantitative boundaries for job categories as submitted by management;

- d) Provide oversight over remuneration of senior management and other key personnel to ensure that performance based compensation is provided for and is sufficient to attract and retain officers who are needed to run the Bank successfully and consistent with its culture, business strategy and control environment;
- e) Regular review of compensation plans to ensure soundness and adequacy;
- f) Review of organization plan and structure to ensure adequacy in meeting the needs of the Bank as constituted;
- g) Review of manpower plan including proposed changes or enhancement in the organizational structure to meet the Bank's growth needs;
- h) Review of management development programs, implementation and effectiveness of these programs;
- i) Oversee the adoption of Management of other policies to manage risks associated with human capital;
- j) In consultation with the executive or management committee/s, re-define the role, duties and responsibilities of the President/Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.

V. Committee Meetings and Procedures

- a) Regular HR Committee meetings shall be held at least once (1) a month. The Committee Chairperson, however, may call special meetings when deemed necessary to address matters that require immediate action or decision.
- b) A quorum of the Committee shall consist of two (2) regular members. HR Com decisions shall be based on the decision of the majority of its members being a collective approving body.
- c) Meetings of the HR Committee may take place via other modes of meetings such as video conference or teleconference. Decisions taken outside of a regular meeting of the Committee shall be in the form of written consents, must be unanimous and signed by each member of the HR Committee.
- d) The HR Committee shall keep minutes of its meetings that record all actions and decisions taken by the HR Committee.
- e) The HR Committee may designate any member of the Corporate Secretary's Office to take the minutes of its meetings and to act as the Committee Secretariat. The Secretariat shall ensure the smooth conduct of meetings and proper documentation, accuracy and confidentiality of all matters/information deliberated therein.

- f) The HR Committee Chair shall approve the agenda for each meeting. The Agenda and any pre-reading materials for each meeting shall be circulated to the members in advance.
- g) Management decisions documented through HR Committee resolutions shall be timely communicated to concerned business units
- h) At each regular Board meeting, the Committee Chair shall report to the DBP Board on the Committee's activities since the last Board meeting, if any.

VI. Effectivity

This charter will remain in effect until amended, replaced or revoked. Any amendments or revisions to this charter will require approval from the Human Resource Committee and the Board of Directors.