



**TERMS OF REFERENCE
INFORMATION TECHNOLOGY STEERING COMMITTEE
(as of 26 July 2025)**

I. Constitution

The Information Technology (IT) Steering Committee (ITSC) is a committee constituted by the Board of Directors of BDO Unibank, Inc. (BDO Unibank or Bank) in consonance with the requirements of Monetary Board Resolution No. 1286, dated 01 August 2013, as implemented by BSP Circular No. 808, dated 22 August 2013, SEC Memo Circular 19 Series of 2016 (Code of Corporate Governance for Publicly-Listed Companies), and BSP Circular No. 969 Series of 2017 (Enhanced Corporate Governance Guidelines for BSP - Supervised Financial Institutions), as may be amended from time to time.

II. Purpose

The ITSC ensures the Bank's IT functions are effectively managed and aligned with strategic goals. It provides oversight and governance, confirms/ratifies IT-related policies and practices, and informs the Board about IT developments, challenges, risks, and progress. The ITSC endorses best practices, strategic plans, and procedures, manages and mitigates technology risks, and monitors IT performance, including major projects and issues. This ensures the bank leverages technology effectively while safeguarding against potential risks.

III. Scope of Authority

The ITSC is primarily responsible for overseeing the Bank's IT Function to ensure that they are effectively managed, strategically aligned, and compliant with governance standards. It confirms/ratifies IT-related policies, monitors performance and major projects, and addresses key technology risks. The ITSC also promotes best practices, supports strategic planning, and provides the Board with updates on IT developments, challenges and risk mitigations efforts, ensuring the Bank leverages technology securely and effectively.

IV. Membership and Tenure

The ITSC, as a minimum, will have as members a non-executive Board director who oversees the institution's IT function, the head of the IT Group, and the President. The head of control groups should participate in ITSC meetings in advisory capacity only.



The Board of Directors may appoint ITSC Advisors. Their primary role is to provide independent and/or expert advice on matters that concern the ITSC. The appointment of an ITSC Advisor must consider competence (i.e., must have relevant education, competencies, skills, financial literacy, training, experience) that is relevant and will add value to the work of ITSC to which such Advisor is appointed. Advisors shall have no voting rights and shall inhibit themselves from participating in discussions that may pose a potential conflict of interest.

The ITSC members shall serve for a term of one (1) year from date of appointment or re-appointment unless sooner resigned or replaced.

V. Meetings

1. The ITSC shall meet at least quarterly, with additional meetings held at the discretion of the ITSC Chair.
2. The list of agenda matters which may be taken up during ITSC meetings and their corresponding presenters may include the following topics:
 - a. Board / ITSC Updates
 - b. Major IT Projects Status Updates, including related financial / business reviews
 - c. Strategic Plan progress updates
 - d. Compliance and Security issues
 - e. New IT Initiatives
 - f. Other Matters requiring Board Knowledge or Approval
3. The objective of ITSC meetings is to regularly inform and update ITSC members of both internal and external IT-related developments and activities, potential challenges and risks, progress versus strategic objectives, and to establish a forum where IT-related best practices, strategic plans, new initiatives, and other matters requiring board involvement may be discussed with or by the ITSC, and then forwarded to the Board for approval or notation. Presentations to the ITSC shall be primarily aimed at information sharing and to assist the ITSC in relation to its duties and responsibilities. Suggestions and inputs to the ITSC to enhance the IT organization, systems and processes are expected.
4. Meetings may be in person. ITSC members who are unable to attend or vote in person can participate remotely via videoconferencing, teleconferencing, or other suitable platforms acceptable to the ITSC that provide reasonable opportunity for participation and as allowed under existing government regulations.
5. The presence of a majority of the ITSC members shall constitute a quorum. Every decision made by a majority of ITSC members present at a meeting with a quorum shall be valid, unless a specific number of votes is required by existing laws and



regulations. Members participating via remote communication shall be considered present for quorum purposes.

6. The designated Secretary of the Meeting shall attend all ITSC meetings and shall ensure that appropriate records (e.g., minutes of meetings or summary of matters reviewed, and decisions taken) of ITSC deliberations / decisions are maintained.
7. ITSC members and meeting attendees should be furnished with copies of the minutes of each meeting.

VI. Duties and Responsibilities of the ITSC

Accountability is a key concern of ITSC and this may be achieved via an organizational structure that has well-defined roles for the responsibility of information, business processes, applications, and IT infrastructure.

The ITSC is responsible for the following:

- a. Understanding technology risks that confront the Bank and its subsidiaries, and ensuring that they are properly managed and mitigated.
- b. Monitoring IT performance and recommending appropriate actions to ensure achievement of desired results. Such as;
 - i. Providing the Board with adequate information on IT performance, status of major IT projects or other significant issues, to enable the Board to make well-informed decisions on the Bank's IT operations.
 - ii. Review, regular monitoring, and recommending revisions to the Board, of the Bank's IT Strategic Plan in the context of the Bank's business strategy.
- c. Compliance oversight
- d. Review and assessment of the adequacy of the Terms of Reference at least annually or updating whenever there are significant changes therein, and ensuring that subsequent changes are approved by the Board of Directors.
- e. On an annual basis, the ITSC shall conduct a self-assessment of its performance in accordance with the following assessment criteria, as may be amended or supplemented from time to time to ensure that it is operating at maximum effectiveness and to recommend any changes it considers necessary to the Board for approval:



- i. The ITSC structure and Terms of Reference provide an appropriate framework for the ITSC's responsibilities and in accordance with regulatory requirements.
 - ii. The composition of the ITSC is based on experience and credentials.
 - iii. The number and length of ITSC meetings are appropriate and in accordance with their charter.
 - iv. The meetings are conducted in a manner that ensures open communication and meaningful participation.
 - v. The amount of information received is appropriate for discussion and decision-making purposes.
 - vi. The materials are furnished to each ITSC member in advance to allow them to adequately prepare for meetings.
 - vii. The ITSC regularly reviews its mandate and performance.
 - viii. The ITSC's reports (oral and written) to the Board reflect an adequate degree of diligence and deliberation and provide the full Board with an adequate understanding at the ITSC's rationale for its recommendations.
 - ix. The ITSC to properly execute its mandate, is provided with sufficient resources and access to both internal and external advisers, as necessary.
- f. Perform any other duties and responsibilities expressly delegated by the Board to the ITSC from time to time.
- g. ITSC may delegate authority on specific matters to designated individuals or subcommittees, subject to formal authorization.

VII. Reporting

The ITSC will report its discussions to the Board by distributing the highlights and the minutes of meeting thereof, and where appropriate, by the oral report of the ITSC Chair.

VIII. Disclosure

ITSC membership and its activities shall be disclosed and published in the Bank's annual regulatory disclosures. The Terms of Reference shall be disclosed on the Bank's website.