

24 August 2020

**Ms. RACHEL ESTHER J. GUMTANG – REMALANTE**

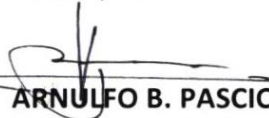
Director  
Office of the Director  
Corporate Governance and Finance Department

Dear Ms. Remalante,

In compliance with SEC Memorandum Circular No. 15, Series of 2017, we submit herewith Metrobank's 2019 Integrated Annual Corporate Governance Report (I-ACGR).

We hope you find everything in order.

Thank you.



**ARNULFO B. PASCIOLES, JR.**  
Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – I – ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the Fiscal Year Ended December 31, 2019
2. SEC Identification Number 20573      3. BIR Tax Identification Number 000-477-863
4. Exact Name of Registrant as Specified in its Charter Metropolitan Bank and Trust Company
5. Metro Manila  
Province, country or other jurisdiction of  
Incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. Metrobank Plaza, Sen. Gil Puyat Ave., Makati City  
Address of Principal Office
8. (02)8898-8000  
Issuer's Telephone Number, including area code
8. N/A  
Former name or former address, if changed from the last report





**2019 INTEGRATED ANNUAL CORPORATE  
GOVERNANCE REPORT  
(IACGR)**

THE BOARD'S GOVERNANCE RESPONSIBILITIES	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p><b>Principle 1:</b> The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.</p>			
<p><b>Recommendation 1.1</b></p>			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	<p>COMPLIANT</p>	<p>The Bank, through its Nominations Committee ensures that the Board is composed of qualified directors with collective working knowledge, experience or expertise that is relevant to the banking business.</p> <p><b><u>As provided for in the Bank's CGM (CGM):</u></b></p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p>COMPLIANT</p>	<p><i>"To the extent practicable, the members of the Board shall be selected from a broad pool of qualified candidates. External databases of professional search firms (e.g. Institute of Corporate Directors) as well as recommendations from shareholders and existing directors may be used for sourcing of possible candidates as directors.</i></p>	
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	<p>COMPLIANT</p>	<p><i>The Board shall be composed of directors with collective relevant working knowledge, experience or expertise. The Board shall ensure that its composition reflect an appropriate mix with regards to skill representation, board experience, tenure, gender, age, and geographic experience. Other considerations are personal qualities, communication capabilities, ability and commitment to devote appropriate time to properly discharge the task, professional reputation and community standing and alignment of the quality of directors with the Bank's strategic directions. The Bank may compile a board profile when considering candidates to the Board (i.e., identify the professional skills and personal characteristics present on the current Board; identify the missing skills and characteristics; and nominate individuals who could fill the possible gaps).</i></p> <p><i>All directors were selected based on their qualifications such as integrity/probity; physical/mental fitness; relevant education/financial literacy/training; possession of competencies relevant to the job, such as knowledge and experience, skills, diligence and independence of mind; and sufficiency of time to fully carry out responsibilities."</i></p> <p><b><u>Source:</u></b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 2</u></b></li> </ul> <p>We provide hereunder the profiles of the Members of our Board of Directors for 2019:</p>	

		<b>NAME</b>	<b>EXPERIENCE</b>		
		<b>ARTHUR TY</b> <b><u>Chairman</u></b>	<p>Mr. Arthur Ty, Filipino, 53 years old, has been the Bank's Chairman since 2012. He was the Bank's President from 2006 to 2012. He has been the Chairman of GTCAP since May 2016 and Metropolitan Bank China (Ltd.) (MBCL) since 2010, Vice-Chairman of PSBank since 2001 and FMIC since 2012. He earned his Bachelor of Science degree in Economics at the University of California, Los Angeles and obtained his Masters in Business Administration degree from Columbia University, New York.</p> <p>His brother Alfred Ty is the Director of the Bank. He is married to Zandra M. Ty, Metrobank First Vice-President.</p>		
		<b>FRANCISCO C. SEBASTIAN</b> <b><u>Vice-Chairman</u></b>	<p>Mr. Francisco C. Sebastian, Filipino, 65 years old, has been the Vice-Chairman of the Bank since 2006. He joined the Metrobank Group in 1997 as FMIC President until he was appointed Chairman in 2011. He was the Chairman of GTCAP from 2014 to April 2016. He has been the Vice-Chairman of GTCAP since May 2016. He earned his AB degree in Economics, Magna Cum Laude, from the Ateneo de Manila University in 1975.</p>		
		<b>FABIAN S. DEE</b> <b><u>President</u></b>	<p>Mr. Fabian S. Dee, Filipino, 57 years old, became President of Metrobank in 2012. Before becoming President, he headed the National Branch Banking Sector (2006-2012), Account Management Group (2002-2006) and Marketing Center (2001-2002). He has been the Chairman and Director of Metrobank Card Corporation (MCC) since 2006. He has been the Chairman of Metro Remittance Singapore PTE Ltd. since 2010; Chairman of LGU Guarantee Corporation since 2017; Director of Bankers Association of the Philippines since 2014 and Trustee of MBFI since 2012. He was the Chairman of SMBC Metro Investment Corporation (SMBC Metro) from 2014 to 2017 and Director of Bancnet from 2015 to 2017. He holds a degree in Management Engineering from the Ateneo de Manila University.</p>		
		<b>VICENTE R. CUNA, JR.</b> <b><u>Director</u></b>	<p>Mr. Vicente R. Cuna, Jr., Filipino, 58 years old, became a director of Metrobank in 2014. He has been the Head of the Enterprise Services Sector of Metrobank since April 2018. Prior to this, he was the President of PSBank from 2013 to 2018; Head of Institutional Banking Sector (2012-2013) and Corporate Banking Group (2006-2012) of Metrobank. He is the Chairman of ORIX Metro Leasing and Finance Corporation (ORIX Metro) since March 2016 and Vice-Chairman of PSBank since April 2018. He was the Director of FMIC from 2011 to 2015. He graduated from De La Salle University with a degree in AB Economics and pursued further studies at the Ateneo Graduate School of Business.</p>		

		<p><b>EDMUND A. GO</b> <u>Director</u></p>	<p>Mr. Edmund A. Go, Filipino, 69 years old, was first elected director in 2007. He has been a director of Metropolitan Bank China (Ltd.) since 2010, a member of the Board of Advisors of PSBank since 2009. He has also been a Director for Investments of Ateneo de Manila University since 2010 and Investment Consultant for St. Peter's Life Group since 2011. He was a director of First Metro International Investment Corporation (FMIIC) Hong Kong from 2001 to 2008. He served as Metrobank Treasurer (2000-2007) and consultant of the Philippine Dealing and Exchange Corp. on Securities Training and Development (2008-2010). Prior to 2000, he held various management positions at Citibank Manila, Hong Kong, Taiwan and New York in the areas of Treasury, Derivatives, Investment Banking and Private Banking. He is a Certified Public Accountant and holds a BS Commerce Degree in Accounting, Cum Laude, from the San Beda College and an MBA degree, with distinction, from the Asian Institute of Management.</p>		
		<p><b>ALFRED V. TY</b> <u>Director</u></p>	<p>Mr. Alfred V. Ty, Filipino, 52 years old, was first elected director in September 2015. He has been the Chairman of Toyota Motor Philippines Group of Companies and Federal Land Group of Companies. He has been the Vice-Chairman of Metro Pacific Investment Corp. since March 2018 and GTCAP since 2012. He graduated with a Bachelor of Science degree in Business Administration from the University of Southern California in 1989.</p> <p>His brother Arthur Ty is the Chairman of the Bank. He is the brother-in-law of Zandra M. Ty, Metrobank First Vice-President.</p>		
		<p><b>SOLOMON S. CUA</b> <u>Director</u></p>	<p>Mr. Solomon S. Cua, Filipino, 64 years old, is former Undersecretary of the Department of Finance. He is currently the Chairman of AXA Philippines and Charter Ping An Insurance Corporation and Vice-Chairman/Director of Philippine Racing Club, Inc. He is a Director of Profriends Developer, Inc., Grand Titan Capital Holdings, Inc. and Philippine Newton Global Solutions, Inc. He is the President of SC &amp; SSC Holdings, Inc. and Director/Treasurer of Palm Integrated Commodities, Inc. He obtained his Bachelor of Arts (Mathematical Sciences and Economics) in University of Melbourne, Australia; Bachelor of Law in University of Queensland, Australia and Masters of Laws in London School of Economics &amp; Political Science, England.</p>		
		<p><b>JESLI A. LAPUS</b> <u>Independent Director</u></p>	<p>Mr. Jesli A. Lapus, Filipino, 70 years old, became an independent director in 2010. He has been Chairman and Independent Director of STI Education Services Group, Inc. since 2013, Chairman of LBP Service Corporation since 2012 and Optimus Management Services Inc. since 2010. He has been an Independent Director of STI Education Systems Holdings Inc. since 2013 and Philippine Life Financial Assurance Corp. since June 2012. He has been a</p>		

			<p>member of the Board of Governors of Information and Communication Technology Academy, Inc. since November 2010. He is the Advisor to the Board since 2013 of Radiowealth Finance Company. He was the Chairman of Manila Tytana Colleges from 2010 to 2013. He has been the Chairman - Center for Tourism of the Asian Institute of Management since 2012. He was the Secretary of the Department of Trade and Industry (2010), Secretary of the Department of Education (2006-2010), Congressman, Third District of Tarlac, House of Representatives (1998-2006) and President/CEO and Vice- Chairman of Land Bank of the Philippines (1992-1998). He is a Certified Public Accountant and holds an Accountancy degree from the Philippine School of Business Administration and a Master's degree in Business Management from the Asian Institute of Management. He has a Doctorate in Public Administration (Honoris Causa) from the Polytechnic University of the Philippines. He also studied Investment Appraisal and Management at Harvard University; Management of Transfer of Technology at INSEAD (France), Project Management at BITS (Sweden); and Personal Financing Planning at UCLA.</p>		
		<p><b>REX C. DRILON II</b> <u>Independent Director</u></p>	<p>Mr. Rex C. Drilon II, Filipino, 73 years old, became an independent director in 2012. He also served as independent director of FMIC (2011-2014). He has been the Vice Chairman of the Institute of Corporate Directors since 2013 and Center for Excellence in Governance since 2016. He has been a member of the Board of Trustees of Institute of Solidarity in Asia since 2010 and Center for School Governance since 2016. He has been the Chairman of Keyland Corporation and YLD Holdings, Inc. since 2012. He was the President of the Institute of Corporate Directors (2010-2012), Chief Operating Officer of Ortigas &amp; Company, Limited Partnership (2001-2010) and CEO of Ayala Land's publicly listed subsidiaries Cebu Holdings, Inc. and Cebu Property Ventures Development Corp. (1998-2001). He has a Business Administration degree from the University of the East. He pursued further studies at the University of Asia and The Pacific.</p>		
		<p><b>FRANCISCO F. DEL ROSARIO, JR.</b> <u>Independent Director</u></p>	<p>Mr. Francisco F. Del Rosario, Jr., Filipino, 72 years old, was first elected independent director in 2013. He has been a director of Omnipay, Inc. since 2014 and DMCI Homes, Inc. since 2011. He has been a Trustee of ABS-CBN Foundation since 2007, Senior Executive Director of PWC Isla Lipana and Chairman for Institute for Solidarity in Asia and Trustee for Center for Family Ministries from 2009 to 2014. He was the President and CEO of the Development Bank of the Philippines from 2010 to 2012. He obtained his BSC Accounting and BA Economics degrees from De La Salle University, and his MBM degree from the Asian Institute of Management.</p>		
		<p><b>EDGAR O. CHUA</b></p>	<p>Mr. Edgar O. Chua, Filipino, 63 years old, became an independent director in</p>		

		<p><b><u>Independent Director</u></b></p>	<p>2017. He is currently the President and Chief Executive of Cavitex Holdings, Inc. He has been an Independent Director of Integrated Micro-Electronics, Inc. and Energy Development Corporation since 2013. He is also the Chairman of the Philippine Eagle Foundation since 2017, De La Salle University Board, De La Salle Science Foundation and Makati Business Club since 2016. He is a Trustee/Treasurer of Philippine Business for Education since 2007 and Trustee for the College of Saint Benilde since 2017, De La Salle Araneta Salikneta since 2015, The English-Speaking Union of the Philippines, Inc. since 2009, Gawad Kalinga Community Development Foundation Inc. since 2005, and Pilipinas Shell Foundation, Inc. since 2003. He was the Chairman of Pilipinas Shell Petroleum from September 2003 to May 2017 and the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016. He obtained his Bachelor of Science degree from De La Salle University in 1978.</p>		
		<p><b>ANGELICA H. LAVARES*</b> <b><u>Independent Director</u></b></p>	<p>Ms. Angelica H. Lavares, Filipino, 66 years old, is a Teaching Fellow at the Institute of Corporate Directors. She is an Independent Director of several companies, namely, Metrobank Card Corporation, Williamton Financing Corporation and Inter-Asia Development Bank. Her other affiliations include being Head of Strategic Support Group of Bank Of Commerce from 2009 to 2015, and as a Consultant starting November 2015 up to present. Prior to joining Bank of Commerce, she served as Chief Legal Counsel (2003 to 2007), concurrent Chief Compliance Officer and Chief Legal Officer - Legal Services Department (2007 to 2009) and Assistant Corporate Secretary (2007- 2009) of Metrobank. She was also Chief Legal Counsel and Head of Legal Services Division for United Coconut Planters bank (UCPB) from 1999 to 2002 acting concurrently as its Head for Human Resource Division. Previous to that, she was Vice President for Sales Documentation and Head of Collection Department of Filinvest Land Inc., and Special Assistant to the Commissioner for the Bureau of Customs (BOC) in 1987. She obtained her degree in AB Psychology, Cum Laude, from St. Theresa’s College, QC in 1973 and Bachelor of Laws, First Honorable Mention, from the University of the Philippines in 1981.</p>		
		<p><b>ROBIN A. KING**</b> <b><u>Independent Director</u></b></p>	<p>Mr. Robin A. King, Filipino, 72 years old, was first elected independent director in 2011. He was an independent director of FMIC (2010-2011), Toyota Financial Services Philippines Corporation (2008-2010), President and Director of Global Business Bank (1997-2002) and President and Vice-Chairman of International Bank of California (1994-1997). He is a Certified Public Accountant. He obtained his BSBA degree from the University of San Carlos in 1967 and his MBA degree major in Banking and Finance from the University of the Philippines in 1970.</p>		

*\*Elected Independent Director April 2019*

*\*\*Retired in April 2019*

**Sources:**

- **Website: About Us > Company Disclosure > 2018 SEC 20-IS, page 3 (for the directors of 2019-2020)**
- **Website: About Us > Company Disclosure > 2019 SEC 20-IS, page 5**
- **Website: About Us > Board of Directors**

The following are the qualification standards for directors, as per the Bank's CGM:

**Qualifications of a Director**

*A director shall have the following minimum qualifications:*

- a. He must be fit and proper for the position of a director of the Bank. In determining whether a person is fit and proper for the position of a director, the following matters must be considered: integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, possession of competencies relative to the job, such as knowledge and experience, skills, diligence and independence of mind; and sufficiency of time to fully carry out responsibilities*

*In assessing a director's integrity/probity, consideration shall be given to the director's market reputation, observed conduct and behavior, as well as his ability to continuously comply with company policies and applicable laws and regulations, including market conduct rules, and the relevant requirements and standards of any regulatory body, professional body, clearing house or exchange, or government and any of its instrumentalities/agencies*

*An elected director has the burden to prove that he possesses all the foregoing minimum qualifications and none of the disqualifications by submitting to the Bangko Sentral the required certifications and other documentary proof of his qualifications within twenty (20) banking days from the date of election. Non-submission of complete documentary requirements within the prescribed period shall be construed as his failure to establish his qualifications for the position and results in his removal from the Board.*

*The members of the Board shall possess the foregoing qualifications for directors in addition to those required or prescribed under R.A. No. 8791 and other existing applicable laws and regulations.*

- b. Unless otherwise exempted by existing regulations, he must have attended a seminar on corporate governance for Board of Directors. A director shall submit to the Bangko Sentral a certification of compliance with the Bangko Sentral-prescribed syllabus on corporate governance for first time directors and documentary proof of such compliance.*

**Source:**

- **Website: About Us > Corporate Governance > Metrobank Corporate Governance Manual 2019, page 13**

Recommendation 1.2																														
1. Board is composed of a majority of non-executive directors.	COMPLIANT	<p>In 2019, the Bank's Board is comprised of twelve (12) members, ten (10) of whom are non-executive directors, of which five (5) are independent directors.</p> <table border="1" data-bbox="842 300 1532 771"> <thead> <tr> <th>Name</th> <th>Type of Directorship</th> </tr> </thead> <tbody> <tr><td>Arthur V. Ty</td><td>NED</td></tr> <tr><td>Francisco C. Sebastian</td><td>NED</td></tr> <tr><td>Fabian S. Dee</td><td>ED</td></tr> <tr><td>Alfred V. Ty</td><td>NED</td></tr> <tr><td>Edmund A. Go</td><td>NED</td></tr> <tr><td>Solomon S. Cua</td><td>NED</td></tr> <tr><td>Vicente R. Cuna, Jr.</td><td>ED</td></tr> <tr><td>Jesli A. Lapus</td><td>ID</td></tr> <tr><td>Robin A. King*</td><td>ID</td></tr> <tr><td>Rex C. Drilon II</td><td>ID</td></tr> <tr><td>Francisco F. Del Rosario, Jr.</td><td>ID</td></tr> <tr><td>Edgar O. Chua</td><td>ID</td></tr> <tr><td>Angelica H. Lavares**</td><td>ID</td></tr> </tbody> </table> <p>* Retired April 2019 **Elected Director April 2019</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Board of Directors</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosures &gt; 2019 Combined Annual Report and Sustainability Report, page100-101</a></li> </ul>	Name	Type of Directorship	Arthur V. Ty	NED	Francisco C. Sebastian	NED	Fabian S. Dee	ED	Alfred V. Ty	NED	Edmund A. Go	NED	Solomon S. Cua	NED	Vicente R. Cuna, Jr.	ED	Jesli A. Lapus	ID	Robin A. King*	ID	Rex C. Drilon II	ID	Francisco F. Del Rosario, Jr.	ID	Edgar O. Chua	ID	Angelica H. Lavares**	ID
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Recommendation 1.3																														
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors	COMPLIANT	<p>Based on the Bank's CGM, the Board as a group and as individual directors should have sufficient knowledge relevant to the Bank's activities to provide effective governance and oversight.</p> <p>Pursuant to §X144.3 of the BSP's Manual of Regulations for Banks and the Corporate Governance and Compensation Committee Charter, the Corporate Governance and Compensation Committee is mandated, among others, to make recommendations to the Board regarding the continuing education of directors.</p> <p><u>Hereunder are excerpts from the Bank's CGM as regards the relevant orientation and training programs, as well as certificate of attendance for our directors:</u></p> <p><i>a. Orientation for First-Time Director</i></p>																												

*It is critical that new directors receive the training they need in order to be an effective member of the Board and help lead the organization in the right direction. As required by regulations, all directors must have attended a special seminar on corporate governance for board of directors.*

*Orientation for first-time directors shall be for at least eight (8) hours. Each first-time director shall be furnished with a copy of the Bank's Articles of Incorporation, By-Laws, the Code of Conduct and Ethics for Directors, and latest Annual Report/Financial Statements. He shall also be given a copy of this Manual. The Bank shall also furnish all the first-time directors with a copy of the general responsibility and specific duties and responsibilities of the board of directors and as an individual director. The first-time directors shall submit a certification under oath that they have received copies of such general responsibility and specific duties and responsibilities and that they fully understand and accept the same. The Bank shall submit the certification to the appropriate department of the BSP-Supervision and Examination Sector.*

*b. Continuing Education Program*

*The Board as a group and as individual directors should have sufficient knowledge relevant to the Bank's activities to provide effective governance and oversight. They should be continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Bank. The program shall include courses on corporate governance matters relevant to the Bank, including audit, internal controls, risk management, sustainability and strategy.*

*The Corporate Governance and Compensation Committee is mandated, among others, to make recommendations to the Board regarding the continuing education of directors. In compliance with this mandate and to encourage and support the continuing education of the Bank's directors, the Corporate Governance Officer (CGO) shall liaise with external training providers for training and seminars of directors. He shall also liaise with the concerned units of the Metrobank Group which may provide internal training for the directors.*

*Unless otherwise exempted by existing regulations, all directors and key officers are required to attend a minimum of four (4) hours of training every year, a program on corporate governance conducted by training providers duly accredited by SEC or through an SEC-approved in-house corporate governance training, covering all the mandated topics including financial reporting and auditing. Key officers for purposes of this requirement refer to all officers provided in the Bank's By-Laws, all members of the Audit Committee, Internal Auditor and Compliance Officer.*

*In addition, the Corporate Secretary should annually attend training on corporate governance.*

*Certificate of Attendance*

		<p><i>The Bank shall submit to the SEC the Certificate of Attendance of key officers and members of the Board in a program on corporate governance conducted by training providers duly accredited by SEC within ten (10) days from the completion of the program.</i></p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 27</u></b></li> </ul>	
2. Company has an orientation program for first time directors	COMPLIANT	As provided for in the Bank’s CGM, a first-time director has to undergo a minimum of eight (8) hours orientation program.	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p>For the continuing education of directors, all incumbent directors unless otherwise exempted as provided by the regulations, are required to attend for a minimum of four (4) hours an annual Corporate Governance seminar with an SEC - accredited service provider.</p> <p>The following are the topics covered during the four (4) hour training session in October 2019 conducted by Institute of Corporate Directors (ICD) for the Bank’s Directors and select members of Senior Management:</p> <ul style="list-style-type: none"> <li>• Boards under Fire: What Amazon, Alibaba, Google and Others Can Teach Directors in the 21<sup>st</sup> Century</li> <li>• Anti-Money Laundering in the Age of Technology</li> <li>• Beyond Compliance: Making Data Privacy Work for Your Organization</li> </ul> <p>Copies of Certificates of Attendance of the Directors have been submitted to SEC on October 23, 2019.</p>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	COMPLIANT	<p>The Bank’s CGM espouses diversity in the composition of the Board, which includes among others, experience or expertise, tenure, gender, age, etc. In 2019, the twelve (12) directors of the Board includes one (1) female director. The policy in board diversity is further discussed in below excerpts from the CGM:</p> <p><i>“To the extent practicable, the members of the Board shall be selected from a broad pool of qualified candidates. External databases of professional search firms (e.g. Institute of Corporate Directors) as well as recommendations from shareholders and existing directors may be used for sourcing of possible candidates as directors.</i></p> <p><i>The Board shall be composed of directors with collective relevant working knowledge, experience or expertise. The Board shall ensure that its composition reflect <u>an appropriate mix with regards to skill representation, board experience, tenure, gender, age, and geographic experience.</u> Other considerations are personal qualities, communication capabilities, ability and commitment to devote appropriate time to properly discharge the task, professional reputation and community standing and alignment of the quality of directors with the Bank’s strategic directions. The Bank may compile a board profile when considering candidates to the Board (i.e., identify the professional skills and personal characteristics present on the current Board; identify the missing skills and characteristics; and nominate individuals who could fill the possible gaps).”</i></p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 2</u></b></li> </ul>	

Recommendation 1.5		
1. Board is assisted by a Corporate Secretary.	COMPLIANT	<p>The Bank's Board is assisted by our Corporate Secretary, Atty. Regis V. Puno, 62 years old, Filipino, assumed the role of the Corporate Secretary of Metrobank in April 24, 2019. He is currently Special Legal Counsel of the Metrobank Group. He is a Director and Member of the Audit Committee of GT Capital since 2018. Atty. Puno is also an Of Counsel of the Angara Abello Concepcion Regala &amp; Cruz Law Offices (ACCRALAW) and formerly a Senior Partner of Puno &amp; Puno Law Offices. He was also a former Undersecretary of the Department of Justice. Atty. Puno has a Master of Laws Degree from the Georgetown University Law Center, Washington D.C., U.S.A. He obtained his Bachelor of Laws degree from the Ateneo de Manila University, where he graduated with honors, and has a Bachelor's degree in Economics from the University of the Philippines. He is also a Director of Lepanto Consolidated Mining Co.; LMG Chemicals Corporation; and is the Philippine Committee Chairman of the Alumni Admissions Program (AAP) of, Georgetown University, U.S.A. The Office of the Corporate Secretary plays a significant role in supporting the Board of Directors in discharging its responsibilities. The Corporate Secretary is a separate individual from the Compliance Officer and is not a member of the Board of Directors.</p> <p>The Corporate Secretary and the Assistant Corporate Secretary, in consultation with the Chairman, prepare the agenda for each meeting and ensure that all supporting documents required for the evaluation of the items in the Agenda are on hand, prepare the minutes of each meeting and keep records of the proceedings. In coordination with the Compliance Officer, the Office of the Corporate Secretary also communicates with the directors the relevant statutory and regulatory updates, and likewise advises them of the schedules of relevant seminars/fora that they can attend.</p> <p>The role, duties and responsibilities of the Corporate Secretary is further discussed in the Bank's CGM as follows:</p> <p><u>Corporate Secretary</u></p> <p><i>The Board should ensure that it is assisted in its duties by a Corporate Secretary, who should be a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board and should annually attend training on Corporate Governance. The Corporate Secretary is primarily responsible to the Bank and its shareholders, and not to the Chairman or President.</i></p> <p><i>Based on the By-Laws, the Corporate Secretary shall have the following duties:</i></p> <ol style="list-style-type: none"> <li>a. To attend and keep full minutes of all meetings of the Board and of the Stockholders;</li> <li>b. To keep the stock certificate book, the stock and transfer books and the corporate seal, which he shall stamp on all documents requiring such seal;</li> <li>c. To file and countersign all the certificates of stock issued, making corresponding annotations on the margins or stubs of such certificates upon issuance and sign such other instruments as may be require his signature;</li> <li>d. To give or cause to be given, all notices required by law or by these by-laws as well as notices of special meetings of the Board and of regular and special meetings of the stockholders; and</li> <li>e. To render such reports and perform such other duties as are incidental to his office or are properly required of him by the President or the Board, and as may be required by law.</li> </ol>
2. Corporate Secretary is a separate individual from the Compliance Officer	COMPLIANT	
3. Corporate Secretary is not a member of the Board of Directors	COMPLIANT	

		<p><i>In addition to the foregoing, the Corporate Secretary shall also have, among others, the following duties and responsibilities:</i></p> <ol style="list-style-type: none"> <li><i>a. Assists the Board and board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairman of the Board and its committees to set agendas for those meetings;</i></li> <li><i>b. Safekeeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation;</i></li> <li><i>c. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;</i></li> <li><i>d. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the board and its stakeholders including shareholders;</i></li> <li><i>e. Advises on the establishment of board committees and their terms of reference;</i></li> <li><i>f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;</i></li> <li><i>g. Attends all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;</i></li> <li><i>h. Performs required administrative functions;</i></li> <li><i>i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and</i></li> <li><i>j. Performs such other duties and responsibilities as may be provided by the SEC.</i></li> </ol> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, pages 38-39</u></b></li> <li>• <b><u>Website: About Us &gt; Metrobank Amended By-Laws</u></b></li> </ul>											
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>COMPLIANT</p>	<p>The Corporate Secretary is required to attend trainings on corporate governance annually. Below provides the trainings attended by the Corporate Secretary as well as the Assistant to the Corporate Secretary in 2019.</p> <table border="1" data-bbox="730 1110 1941 1317"> <thead> <tr> <th>NAME</th> <th>Date of Training</th> <th>Program</th> <th>Name of Training Institution</th> </tr> </thead> <tbody> <tr> <td><b>Atty. Regis V. Puno Corporate Secretary</b></td> <td>11-Oct-19</td> <td rowspan="2">Corporate Governance Seminar</td> <td rowspan="2">ICD</td> </tr> <tr> <td><b>Atty. Laarni D. Bernabe Asst. to the Corporate Secretary</b></td> <td>18-Oct-19</td> </tr> </tbody> </table> <p>Copies of Certificates of Attendance have been submitted to SEC on October 23, 2019.</p>	NAME	Date of Training	Program	Name of Training Institution	<b>Atty. Regis V. Puno Corporate Secretary</b>	11-Oct-19	Corporate Governance Seminar	ICD	<b>Atty. Laarni D. Bernabe Asst. to the Corporate Secretary</b>	18-Oct-19	
NAME	Date of Training	Program	Name of Training Institution										
<b>Atty. Regis V. Puno Corporate Secretary</b>	11-Oct-19	Corporate Governance Seminar	ICD										
<b>Atty. Laarni D. Bernabe Asst. to the Corporate Secretary</b>	18-Oct-19												

Optional: Recommendation 1.5		
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	<p>As stated in the Bank's CGM, the Corporate Secretary distributes the materials for Board meetings at least five (5) working days before the meeting, to wit:</p> <p><i>As part of the duties and responsibilities, the Corporate Secretary should inform members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.</i></p> <p>The Corporate Secretary confirms that the materials for board meetings are provided, as far as practicable, within 5 days before the meeting.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 39</u></b></li> </ul>
Recommendation 1.6		
1. Board is assisted by a Compliance Officer.	COMPLIANT	The Bank's Compliance Officer is Mr. Arnulfo B. Pascioles, Jr. with the rank of Vice President, a position with adequate stature and authority within the organization.
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation	COMPLIANT	<p>The role, duties and responsibilities of the Compliance Officer is further discussed in the Bank's CGM as follows:</p> <p><b><u>Compliance Officer (CO)</u></b></p> <p><i>The Bank shall appoint a CO who shall serve on a full-time basis and shall functionally report to the board of directors or board-level committee. The CO should have the necessary qualifications, experience, and professional background and should have a sound understanding of relevant laws and regulations and their potential impact on the Bank's operations. The CO should be up-to-date with the developments in laws, rules and standards maintained through continuous training.</i></p>
3. Compliance Officer is not a member of the board.	COMPLIANT	<p><i>The CO shall oversee the identification and management of the Bank's compliance risk and shall supervise the compliance function staff. He is expected to liaise with the BSP on compliance related issues and shall also be responsible for ensuring the integrity and accuracy of all documentary submissions to the BSP. He shall functionally meet/report to the Board through the Corporate Governance and Compensation Committee. In this regard, the Committee shall review and approve the performance and compensation of the CO, as well as the budget of the compliance function.</i></p> <p><i>In relation to corporate governance, the Compliance Officer shall have, among others, the following duties and responsibilities:</i></p> <ol style="list-style-type: none"> <li><i>Ensures proper onboarding of new directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws, among others);</i></li> <li><i>Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the</i></li> </ol>

		<p>relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;</p> <p>c. Reports to the President and the Board through Corporate Governance and Compensation Committee, if violations are found and recommends the imposition of appropriate disciplinary action; significant compliance issues, the general status of Bank's level of compliance and also the relevant regulations, updates &amp; other compliance matters;</p> <p>d. Ensures the integrity and accuracy of all documentary submissions to regulators;</p> <p>e. Appears before the SEC when summoned in relation to compliance with this Code;</p> <p>f. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;</p> <p>g. Identifies possible areas of compliance issues and works towards the resolution of the same;</p> <p>h. Ensures the attendance of board members and key officers to relevant trainings; and</p> <p>i. Performs such other duties and responsibilities as may be provided by the SEC.</p> <p>The Compliance Officer also exercises other specific statutory responsibilities.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 42</a></li> </ul>	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	<p>The Bank's Compliance Officer is required to attend a 4-hour Corporate Governance seminar as well as other external training programs, as warranted.</p> <p>In 2019, Mr. Pascoles, Jr. attended the Corporate Governance Training Program conducted by ICD on 11 October 2019.</p>	
<p><b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</p>			
<p><b>Recommendation 2.1</b></p>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	<p>The Bank's CGM provides the specific duties and responsibilities of a Director which will be the basis as well for the assessment of their performance.</p> <p><i>"The position of a director is a position of trust. A director assumes certain responsibilities to different constituencies or stakeholders, i.e., the Bank itself, its stockholders, its depositors and other creditors, its management and employees, the regulators, deposit insurer and the public at large. These constituencies or stakeholders have the right to expect that the Bank is being run in a prudent and sound manner. The members of the board should exercise their "duty of care" and "duty of loyalty" to the Bank."</i></p> <p>Hence the Directors are expected, among others to:</p> <p><i>Act honestly and in good faith, with loyalty and in the best interest of the Bank, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as its depositors, investors, borrowers, other clients and the general public.</i></p>	

*A director must always act in good faith, with the due diligence and care which an ordinarily prudent man would exercise under similar circumstances. While a director should always strive to promote the interest of all stockholders, he should also give due regard to the rights and interests of other stakeholders.”*

**Source:**

- **Website: About Us > Corporate Governance > Metrobank Corporate Governance Manual 2019, page 3**

Further, Annual Performance Ratings are conducted to assess the Director’s performance in the discharge of their duties. This is coursed through the Corporate Governance and Compensation Committee (CGCCom). The following are excerpts from the CGM on self-assessment:

**ANNUAL SELF-ASSESSMENT**

*The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, the President and individual members and committees.*

*The Board has created an internal self-rating system and procedures to determine and measure compliance with this Manual on Corporate Governance vis-à-vis good corporate governance principles and practices: (i) each Director self-rates and collectively rates the Board, the President and the Chairman (ii) Corporate Governance, Audit, Risk Oversight and other Board committees respectively rate themselves. Every three (3) years, as much as practicable, the assessment should be supported by an external facilitator.*

- 1. The evaluation shall cover the period April of the previous year to March of the following year (whole term).*
- 2. In order to properly assess the Board, its individual Directors, the President, the Board Committees, etc., self-assessment forms shall be used. The Secretary of the Corporate Governance and Compensation Committee shall initiate the performance evaluation every March of each year.*
- 3. Self-assessment forms must be accomplished as objectively as possible. The rating to be assigned shall reflect the personal view of the evaluator to the various corporate governance mechanisms.*
- 4. The baseline on the assessment of the effectiveness of the performance of the Board, individual Directors and various Board Committees are the duties and responsibilities as mentioned in the Manual, the Bank’s By-laws, various rules and regulations and in the respective committee charters.*
- 5. After the assessment forms have been duly accomplished, the Secretary of the Corporate Governance and Compensation Committee shall collate the forms and prepare a summary. For the various Board Committees, the secretary shall coordinate with the respective secretaries of the committees for the results of the assessment of each*

Committee. The Audit Committee shall perform its self-assessment in accordance with SEC Memorandum Circular No. 4, S.2012.

6. The Committee Secretary shall review the results and report the results to the Board through the Corporate Governance and Compensation Committee. To allow for a feedback mechanism, the criteria, process and collective results of the assessments should, as a rule, be disclosed to ensure transparency and allows shareholders and other stakeholders to determine if the directors are performing their responsibilities.

**Source:**

- **Website: About Us > Corporate Governance > Metrobank Corporate Governance Manual 2019, page 50**

Directors' attendance to meetings is likewise a testament of their performance. In 2019, the Board had 13 meetings with the incumbent directors attending more than 98% of all meetings.

2019 BOARD ATTENDANCE															
Board	Name	Number of Shares		% to Total Outstanding Shares (As Disclosed)	Board Meetings	Executive Committee	Anti-Money Laundering Committee	Risk Oversight Committee	Trust Committee	Audit Committee	Corporate Governance and Compensation Committee	Related Party Transactions Committee	Overseas Banking Committee	Nominations Committee	IT Steering Committee
		Direct	Indirect												
Group Chairman (ED)	Arthur Ty	15,205,313		0.34%	13/13	(CC) 40/52	7/7				3/4				(A) 7/7
Vice Chairman (NED)	Francisco C. Sebastian	1,442,283		0.03%	12/13	(VC) 47/52		(A) 6/12					(CC) 6/6		
President/ Director (ED)	Fabian S. Dee	734		0.00%	13/13	47/52			11/11				2/2		7/7
Director (NED)	Alfred V. Ty	17,087,722		0.38%	11/13								3/6		
Director (NED)	Edmund A. Go	7,482		0.00%	13/13		2/7	(ED) 12/12	11/11						6/7
Director (ED)	Vicente R. Cuna, Jr	129	32,770	0.00%	13/13	47/52	2/7	(A) 5/12							(CC) 7/7
Independent	Jesli A. Lapus	28,419		0.00%	13/13			(VC) 11/12	(CC) 11/11		4/4			(CC) 8/8	
Independent	Rex C. Drilon II	1,615		0.00%	13/13		5/7		(VC) 10/11		(CC) 4/4	(CC) 14/14			
Independent	Robin A. King (1)	187		0.00%	4/4			(PCC) 3/12		4/4		4/4		2/2	
Independent	Francisco F. Del Rosario, Jr.	146		0.00%	13/13			(CC) 8/12	(VC) 11/12	4/4		6/6			
Independent	Edgar O. Chua	113		0.00%	13/13		7/7		(CC) 12/12		14/14			8/8	
Director (NED)	Solomon S. Cua	113	32,770	0.00%	13/13					7/8			5/6		
Independent	Angelica H. Lavares (2)	113			9/9		5/7			8/8		10/11		6/6	

(1) Mr. King retired in April 2019  
(2) Effective April 2019

Board	Name	Date of Election	% Present
Chairman	Arthur Ty	April 24, 2019 (re-elected)	100
Vice Chairman	Francisco C. Sebastian	April 24, 2019 (re-elected)	92
President/Director	Fabian S. Dee	April 24, 2019 (re-elected)	100
Director	Alfred V. Ty	April 24, 2019 (re-elected)	85
Director	Edmund A. Go	April 24, 2019 (re-elected)	100
Director	Vicente R. Cuna, Jr	April 24, 2019 (re-elected)	100
Director	Solomon S. Cua	April 24, 2019 (re-elected)	100
Independent	Jesli A. Lapus	April 24, 2019 (re-elected)	100
Independent	Robin A. King*	April 25, 2018 (retired in April 2019)	100
Independent	Rex C. Drilon II	April 24, 2019 (re-elected)	93
Independent	Francisco F. Del Rosario, Jr.	April 24, 2019 (re-elected)	93
Independent	Edgar O. Chua	April 24, 2019 (re-elected)	100
Independent	Angelica H. Lavares**	April 24, 2019 (newly elected)	90

*\*Retired in April 2019*

*\*\* Elected Independent Director in April 2019*

**Source:**

- [Website: About Us > Company Disclosure > 2019 Combined Annual Report and Sustainability Report, page 47](#)

**Recommendation 2.2**

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>The Board oversees the Group's overall governance framework, approves and oversees the implementation of strategies to achieve objectives, monitors managements' performance against set targets and ensures appropriate controls and systems of checks and balances are in place and operating effectively.</p> <p>The Board reviews the Bank's business objectives and strategy annually.</p>	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>As provided in the Bank's CGM, part of the Board's specific duties and responsibilities are the following:</p> <p><i>The Board is primarily responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values.</i></p> <p><i>It is the Board's responsibility to foster the long-term success of the corporation, and to sustain its competitiveness and</i></p>	

		<p><i>profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.</i></p> <p><i>Specific Duties and Responsibilities of the Board</i></p> <p><i>Oversee the development, approve and monitor the implementation of strategic objectives</i></p> <p><i>Consistent with the Bank’s strategic objectives, business plans shall be established for the Bank including its trust operations, and initiatives thereto shall be implemented with clearly defined responsibilities and accountabilities. These shall take into account the Bank’s long-term financial interests, its level of risk tolerance and its ability to manage risks effectively. The Board shall establish a system for measuring performance against plans through regular monitoring and reviews, with corrective action taken as needed.</i></p> <p><i>The Board shall likewise ensure that the Bank has beneficial influence on the economy by continuously providing services and facilities which will be supportive of the national economy.</i></p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 16</u></b></li> </ul> <p><b><u>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Board of Directors</u></b></p> <p>The Board of Directors is the highest authority in the organization. Their key purpose is to ensure the Bank’s prosperity by collectively directing the company’s affairs, whilst meeting the appropriate expectations of shareholders and stakeholders. The Board’s primary responsibility is ensuring Metrobank’s long-term sustainability and success by leading the process of developing and reviewing the Bank’s strategies annually. It oversees the overall governance framework; approves and oversees strategic objectives of the Bank and its corporate values; spearheads the establishment of guidelines for acceptable level of risk; monitors management’s performance against set targets, major capital expenditures, acquisition, and divestitures; and ensures that appropriate controls and systems of checks and balances are in place and operating effectively. The Board sets the tone from the top of the organization, exemplifying the virtues of good governance as well as Metrobank’s corporate values, codes of conduct, and other ethical standards of appropriate behavior for itself, the Senior Management, and other employees.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 44</u></b></li> </ul>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p><u>The Vision-Mission of the Bank</u></p> <p>We aim to be the country’s premiere financial conglomerate, empowering our individual and business clients to realize their goals and reach their full potential. By creating and customizing financial solutions in response to our stakeholder’s</p>	

		<p>needs, continuously expanding our scope of reach, and leading in community service, we live up to our “You’re in Good Hands” promise that embodies who we are and what we do. We are Metrobank.</p> <p>We commit to be:</p> <ul style="list-style-type: none"> <li>• The trusted financial partner Our business relies on the principles of trust, honesty and integrity as we serve our customers and help them attain their financial goals.</li> <li>• The employer of choice We strengthen the organization by continuously developing and enhancing the abilities of our people. We nurture them into professional individuals with integrity and passion for service and excellence. We ensure their future by providing them with fulfilling careers.</li> <li>• A responsible bank We adhere to the highest standards of corporate governance, exercising accountability, fairness, and transparency across all our business operations. We exercise good management to provide our shareholders with sustainable returns on their investments.</li> <li>• An institution with a heart We give back to the communities we serve, committed to making meaningful contributions to the economic and social development of our nation.</li> </ul> <p>The Bank reviews the vision, mission and core values every 3 years.</p> <p>There is no change in the existing Vision, Mission and PITCH Values of the Bank.</p> <p>The Board took note of it during its January 15, 2020 meeting.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Metrobank Vision and Mission</u></a></li> </ul>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company’s business environment, and culture.</p>	<p>COMPLIANT</p>	<p><b><u>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Meaningful Governance</u></b></p> <p>The Board of Directors is the highest authority in the organization. Their key purpose is to ensure the Bank’s prosperity by collectively directing the company’s affairs whilst meeting the appropriate expectations of shareholders and stakeholders. The Board’s primary responsibility is ensuring Metrobank’s long term sustainability and success by leading the process of developing and reviewing the Bank’s strategies annually. It oversees the overall governance framework; approves and oversees strategic objectives of the Bank and its corporate values; spearheads the establishment of guidelines for acceptable level of risk; monitors management’s performance against set targets, major capital expenditures, acquisition, and divestitures; and ensures that appropriate controls and systems of checks and balances are in place and operating effectively. The Board sets the tone from the top of the organization, exemplifying the virtues of good governance as well as Metrobank’s corporate values, codes of conduct, and other ethical standards of appropriate behavior for itself, the</p>	

		<p>Senior Management, and other employees.</p> <p>To adequately fulfill their responsibilities, board members have independent access to management and the corporate secretary, as well as unfettered access to information and records kept by the company.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 44</a></li> </ul> <p>Function of the Board is to oversee the development, approve and monitor the implementation of strategic developments.</p> <p>Consistent with the Bank’s strategic objectives, business plans shall be established for the Bank including its trust operations, and initiatives thereto shall be implemented with clearly defined responsibilities and accountabilities. These shall take into account the Bank’s long-term financial interests, its level of risk tolerance and its ability to manage risks effectively. The Board shall establish a system for measuring performance against plans through regular monitoring and reviews, with corrective action taken as needed.</p> <p>The Board shall likewise ensure that the Bank has beneficial influence on the economy by continuously providing services and facilities which will be supportive of the national economy.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 3-7</a></li> </ul>	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>The Board is headed by <b>Mr. Arthur Ty</b>, Filipino, 53 years old, has been the Bank’s Chairman since 2012. He was the Bank’s President from 2006 to 2012. He has been the Chairman of GTCAP since May 2016 and Metropolitan Bank China (Ltd.) (MBCL) since 2010, Vice-Chairman of PSBank since 2001 and FMIC since 2012. He earned his Bachelor of Science degree in Economics at the University of California, Los Angeles and obtained his Master in Business Administration degree from Columbia University, New York.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC Form 20-IS, page 5</a></li> <li>• <a href="#">Website: About Us &gt; Board of Directors</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 100</a></li> </ul>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p><b><u>Retirement and Succession Policy for Key Officers and Management</u></b></p> <p>The process of identification and developing leaders has been institutionalized to objectively assess employee’s potential to assume higher responsibilities, especially to ensure succession planning. This is contained in the November 22, 2017 Board approved HR policy on Ascend – Leadership Development Program.</p>	
2. Board adopts a policy on the	COMPLIANT		

retirement for directors and key officers.		<p>The Bank provides a Retirement Plan for its employees and employee’s beneficiaries in case of the employee’s death, permanent total disability and retirement. Said plan is approved by the Bureau of Internal Review on March 25, 2014.</p> <p>The normal/compulsory retirement of Bank employees occurs at the age of 55 years old or 30 years of service, whichever comes first.</p> <p>Retirement and Succession Policies for Directors per the Bank’s CGM</p> <p><b><u>Retirement Policy</u></b> As a general rule, a director may be re-elected until the calendar year in which that director turns 75 years of age. However, on the recommendation of the Nominations Committee, the Board may waive this requirement as to any director if it deems a waiver to the best interest of the Company.</p> <p><b><u>Succession Policy</u></b> Directors are elected individually by the vote of the holders of common stock of the Bank in accordance with Section 24 of the Corporation Code and other pertinent applicable regulations. Any stockholder may submit nominations for directorial positions to the Nominations Committee. The Committee screens the qualifications of the nominees and comes up with a Final List of Candidates. Only nominees whose names appear in the list are considered for election as director at the annual meeting of the stockholders. The members of the Board of Directors shall serve for a term of one year and until their successors shall have been elected and qualified.</p> <p>On at least an annual basis, the Corporate Governance and Compensation Committee shall review the status of the Board and consider if the criteria set forth (i.e. composition of the Board, qualifications of directors, limits, etc.) are being met. It shall determine if there is reason to believe that one or more director slots shall become vacant within the remaining term. The Committee will report its findings to the Board.</p> <p>Any vacancies occurring in the Board may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, provided, that any vacancy occurring by reason of removal by stockholders, by expiration of term or increase in the number of directors shall be filled by the stockholders in a regular or special meeting called for the purpose.</p> <p><b><u>Source:</u></b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 19</u></b></li> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, pages 30 and 46</u></b></li> </ul>	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term	COMPLIANT	The compensation policy as discussed in the Bank’s CGM and Annual Report, as follows:  <b><u>Compensation Policy</u></b>	

interests of the company.		The Bank adopts a compensation policy that is aligned with the Bank’s operating and risk culture, long-term strategic and financial interest and labor laws and regulations, promotes good performance and competitive with industry standards, with a goal to attract, motivate and retain the best people.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	<p><b>Directors’ Compensation Package</b></p> <p>The members of the Board of Directors receive a fixed remuneration package based on experience, professional background, level of responsibilities and attendance in Board and committee meetings.</p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	<p><b>Executive and Employee Compensation</b></p> <p>The Bank pays salaries commensurate to the individual’s qualifications &amp; experience, nature of the job, position, and level of responsibility with reference to an approved salary scale. The Bank’s compensation package is reviewed regularly and benchmarked against competition through participation in annual compensation and benefit surveys to ensure its competitiveness vis-à-vis industry and other market considerations.</p> <p><b>Pay for Performance.</b> The Bank aims to achieve a performance-driven work culture by providing meaningful rewards for performance. Annual performance scorecards are structured to support business strategies and provide competitive rewards. Thus, the Bank grants annual merit increase and performance bonus (non-guaranteed) based on the Bank’s overall performance, Group and individual performance, and market conditions.</p> <p><b>Fair Compensation.</b> The Bank ensures that its compensation package for non-officers or rank and file employees is in accordance with the labor law requirements. They receive salaries linked to both performance and the Bank’s contractual obligation under a collective bargaining agreement which include loyalty bonuses for long-term employees.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 52</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 46</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</u></a></li> </ul> <p>As discussed in the Bank’s CGM, part of the Directors duties and responsibilities is to:</p> <p>Conduct fair business transactions with the Bank and to ensure that personal interest does not bias Board decisions.</p> <p>Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the Bank cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the Bank than those offered to others. The basic principle to be observed is that a director should not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that would compromise his impartiality. Directors are required to abstain from participating in the Board discussion on a particular agenda when they are conflicted.</p>	

		<b>Source:</b> • <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019</a>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	The Bank's CGM provides at length the formal policy for nominations and elections of the Board, including nomination procedures, rights of minority stockholders, confirmation of election/appointment, disqualification, removal, etc.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	The following are excerpts from the CGM on this subject matter:  <u>Election of Directors</u> The directors shall be elected by the vote of the holders of common stock of the Bank in accordance with Section 24 of the Corporation Code or pertinent applicable law at the annual meeting of the stockholders. All directors shall be elected for a term of one year and until their successors shall have been elected and qualified.	
3. Board nomination and election policy includes how the company accepted nomination from minority shareholders.	COMPLIANT	<u>Nomination Procedure</u>	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	1) Any stockholder may submit nominations for directorial positions to the Nominations Committee.	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	2) The nominating stockholder shall submit his proposed nomination in writing to the Nominations Committee, together with the biodata, acceptance and conformity of the would-be nominee. In the case of a nominee for the position of an independent director, the would-be nominee is also required to submit a Certification that he has all the qualifications and none of the disqualifications to become an independent director.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	3) The Nominations Committee screens the nominations of directors based on its screening policies and parameters, including among others, alignment with the strategic direction of the Bank, prior to the submission of the Definitive Information Statement and come up with a Final List of Candidates.  The Committee shall review and evaluate the qualifications of all persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the board and in light of the Bank's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members.  When identifying or screening potential candidates, the Committee may consult whatever resources it deems appropriate, including but not limited to, referrals from existing directors and officers, recommendations from a third-party search firm or suggestions from stockholders. They may also make use of external databases of the Institute of Corporate Directors or other professional search firms.	
		4) Only nominees whose names appear in the Final List of Candidates shall be eligible for election as director.	
		<u>Stockholders' Rights and Protection of Minority Stockholders' Interests</u>	

	<p>The Bank treats all its shareholders fairly and equitably, and also recognizes, protects and facilitates the exercise of their rights. The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <ol style="list-style-type: none"> <li>1) Right to vote on all matters that require their consent or approval;</li> <li>2) Right to inspect books and records of the Bank;</li> <li>3) Right to information;</li> <li>4) Right to dividends; and</li> <li>5) Appraisal right.</li> </ol> <p>The Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders’ Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders’ Meeting should be available on the Bank’s website within five (5) business days from the end of the meeting.</p> <p><u>Confirmation of Election/Appointment of Directors/Officers</u>  The election/appointment of directors/officers (i.e. Treasurer, Heads of internal audit, risk management and compliance functions and other officers with rank of Senior Vice President (SVP) and above,) of the Bank shall be subject to confirmation by the Monetary Board or the SES Committee of the BSP.</p> <p><u>Disqualifications of Directors</u>  Without prejudice to specific provisions of law prescribing disqualifications for directors, the criteria for permanent and temporary disqualifications of directors are detailed in the Bank’s CGM.</p> <p><u>Disqualification Procedures</u>  A director/officer elected/appointed who does not possess all the qualifications and/or has any of the disqualifications mentioned shall not be confirmed by MB/BSP and shall be removed from office even if he has assumed the position to which he was elected or appointed. A confirmed director/officer or officer not requiring confirmation found to possess any of the disqualifications shall be subject to the following disqualification procedures:</p> <ol style="list-style-type: none"> <li>a. The Board and Management shall be responsible for determining the existence of the ground for disqualification of a director/officer or employee and for reporting the same to BSP. While the Bank may conduct its own investigation and impose appropriate sanction/s as are allowable, this shall be without prejudice to the authority of the Monetary Board to disqualify a director/officer/employee from being elected/appointed as director/officer. Grounds for disqualification made known to the Bank, shall be reported to BSP within seventy-two (72) hours from knowledge thereof.</li> <li>b. On the basis of knowledge and evidence on the existence of any of the grounds for disqualification mentioned in BSP MORB Secs. X143.1 and X143.2, the director or officer concerned shall be notified in writing either by personal service or through registered mail with registry return receipt card at his last known address by BSP of the existence</li> </ol>	
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		<p>of the ground for his disqualification and shall be allowed to submit within fifteen (15) calendar days from receipt of such notice an explanation on why he should not be disqualified and included in the watchlisted file, together with the evidence in support of his position. BSP may allow an extension on meritorious ground.</p> <p>c. Upon receipt of the reply explanation of the director/officer concerned, BSP shall proceed to evaluate the case. The director/officer concerned shall be afforded the opportunity to defend/clear himself/herself.</p> <p>d. If no reply has been received from the director/officer concerned upon the expiration of the period prescribed under Item "b" above, said failure to reply shall be deemed a waiver and BSP shall proceed to evaluate the case based on available records/evidence.</p> <p>f. If the ground for disqualification is delinquency in the payment of obligation, the concerned director or officer shall be given a period of thirty (30) calendar days within which to settle said obligation or, restore it to its current status or, to explain why he should not be disqualified and included in the watchlisted file, before the evaluation on his disqualification and watchlisting is elevated to the Monetary Board.</p> <p>g. If the disqualification is based on dismissal from employment for cause, BSP shall, as much as practicable, endeavor to establish the specific acts or omissions constituting the offense or the ultimate facts which resulted in the dismissal to be able to determine if the disqualification of the director/officer concerned is warranted or not. The evaluation of the case shall be made for the purpose of determining if disqualification would be appropriate and not for the purpose of passing judgment on the findings and decision of the entity concerned. BSP may decide to recommend to the Monetary Board a penalty lower than disqualification (e.g., reprimand, suspension, etc.) if, in its judgment the act committed or omitted by the director/officer concerned does not warrant disqualification.</p> <p>h. All other cases of disqualification, whether permanent or temporary shall be elevated to the Monetary Board for approval and shall be subject to the procedures provided in Items "a","b","c" and "d" above.</p> <p>i. Upon approval by the Monetary Board, the concerned director/officer shall be informed by BSP in writing either by personal service or through registered mail with registry return receipt card, at his last known address of his disqualification from being elected/appointed as director/officer in any financial institution under the supervision of BSP and/or of his inclusion in the masterlist of watchlisted persons so disqualified.</p> <p>j. The Board shall be immediately informed of cases of disqualification approved by the Monetary Board and shall be directed to act thereon not later than the following Board meeting. Within seventy two (72) hours thereafter, the corporate secretary shall report to the BSP Governor the action taken by the Board on the director/officer involved.</p> <p>k. Persons who are elected or appointed as director or officer in any of the BSP-supervised institutions for the first time but are subject to any of the grounds for disqualification provided for under BSP MORB Secs. X143.1 and X143.2, shall be afforded the procedural due process prescribed above.</p>	
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<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by	COMPLIANT	The members of the Board are selected from a broad pool of qualified candidates. When identifying or screening potential candidates, the Nominations Committee may use whatever resources it deems appropriate, including but not limited to, referrals from existing directors and officers, recommendations from a third-party search firm or suggestions from stockholders. They may also make use of external databases of the Institute of Corporate Directors (ICD) or other	

<p>director or shareholder bodies) when searching for candidates to the board of directors.</p>		<p>professional search firms. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as director.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; SEC 20-IS 2019, page 15</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 45</a></li> </ul>	
<b>Recommendation 2.7</b>			
<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	COMPLIANT	<p>Metrobank, through its Board of Directors, ensures that transactions with related parties are reviewed to assess risks, are subject to appropriate restrictions to ensure that such are conducted at arm’s-length terms, and that corporate or business resources of the Bank are not misappropriated.</p> <p>In this regard, an appropriate group-wide RPT policy has been created to cover among others:</p> <ul style="list-style-type: none"> <li>• Definition and Identification of related parties. The Bank has created a group-wide RPT database as a tool to properly identify related parties.</li> </ul>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	COMPLIANT	<ul style="list-style-type: none"> <li>• Transaction coverage to include, not only those that give rise to credit and/or counterparty risks but also those that could pose material risk or potential abuse to the Bank and its stakeholders.</li> <li>• Guidelines to facilitate review of terms and conditions of related party transactions and ensure that these are done on arm’s length terms.</li> </ul>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	COMPLIANT	<ul style="list-style-type: none"> <li>• Review and approval process of related party transactions by Related Party Transactions Management Committee (RPTMC), a management-level committee composed of senior officers and the Related Party Transactions Committee (RPTC), a Board-level committee composed of independent directors that would review related party transactions, depending on the materiality threshold set by the Bank. Identity and relationship of the parties involved in the transaction. The following are some of the considerations in the review process: <ul style="list-style-type: none"> <li>1) Terms of the transaction and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances;</li> <li>2) Business purpose, timing, rationale and benefits of the transaction;</li> <li>3) Approximate monetary value of the transaction and the approximate monetary value of the Related Party’s interest in the transaction;</li> <li>4) Valuation methodology used and alternative approaches to valuation of the transaction;</li> <li>5) Information concerning potential counterparties in the transaction;</li> <li>6) Description of provisions or limitations imposed as a result of entering into the transaction;</li> <li>7) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction;</li> <li>8) Impact to a Director’s independence; and,</li> <li>9) Extent that such transaction or relationship would present an improper conflict of interest</li> <li>10) The availability of other sources of comparable products or services;</li> </ul> </li> <li>• Material related party transactions require prior written approval of the members of the Board, with the exclusion of the director concerned in case the transaction involves him or his related interests.</li> </ul>	

		<ul style="list-style-type: none"> <li>• Related party transactions are discussed in the Audited Financial Statements, particularly under Notes to the Financial Statements No. 31 on Related Party Transactions. All acts of the Board, including material related party transactions, are confirmed by the majority vote of the Bank's stockholders during the annual stockholders' meeting.</li> </ul> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 16</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	
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**Supplement to Recommendations 2.7**

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval</p>	<p>COMPLIANT</p>	<p>The Bank's policy on Related Party Transactions provides the following type of covered transactions and corresponding materiality thresholds:</p> <table border="1" data-bbox="782 493 1913 1175"> <thead> <tr> <th>Type of Related Party Transactions</th> <th>Related Party Transactions Management Committee (RPTMC)</th> <th>Related Party Transactions Committee (RPTC)</th> </tr> </thead> <tbody> <tr> <td>On- and off-balance sheet credit exposures and claims</td> <td>P100M and below</td> <td>Above P100M</td> </tr> <tr> <td>Trading and derivative transactions (based on the amount of settlement risk/pre-settlement risk)</td> <td rowspan="12">P10M and below</td> <td rowspan="12">Above P10M</td> </tr> <tr> <td>Borrowings, commitments, fund transfers and guarantees;</td> </tr> <tr> <td>Waiver of charges and fees;</td> </tr> <tr> <td>Write-offs of loans, other credit accommodations, advances and other assets;</td> </tr> <tr> <td>Investments and/or subscriptions by the Bank for debt/equity issuances of related parties;</td> </tr> <tr> <td>Consulting, professional, agency and other service arrangements/contracts (based on the amount of fee/income per year, as applicable)</td> </tr> <tr> <td>Establishment, renewal and/or extension of Trust Investment Line; Trust Placement in related parties;</td> </tr> <tr> <td>Purchases and sales of assets, including transfer of technology and intangible items (e.g., research and development, trademarks and license agreements)</td> </tr> <tr> <td>Sale, purchase or supply of any goods or materials;</td> </tr> <tr> <td>Construction arrangements/ contracts;</td> </tr> <tr> <td>Lease arrangements/contracts (based on annualized amount);</td> </tr> <tr> <td>Establishment of joint venture entities;</td> </tr> <tr> <td>Donations/Gifts/Charitable Contributions</td> </tr> </tbody> </table> <p>The materiality threshold shall be reviewed at least once a year or as necessary by the RPTC.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 16</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	Type of Related Party Transactions	Related Party Transactions Management Committee (RPTMC)	Related Party Transactions Committee (RPTC)	On- and off-balance sheet credit exposures and claims	P100M and below	Above P100M	Trading and derivative transactions (based on the amount of settlement risk/pre-settlement risk)	P10M and below	Above P10M	Borrowings, commitments, fund transfers and guarantees;	Waiver of charges and fees;	Write-offs of loans, other credit accommodations, advances and other assets;	Investments and/or subscriptions by the Bank for debt/equity issuances of related parties;	Consulting, professional, agency and other service arrangements/contracts (based on the amount of fee/income per year, as applicable)	Establishment, renewal and/or extension of Trust Investment Line; Trust Placement in related parties;	Purchases and sales of assets, including transfer of technology and intangible items (e.g., research and development, trademarks and license agreements)	Sale, purchase or supply of any goods or materials;	Construction arrangements/ contracts;	Lease arrangements/contracts (based on annualized amount);	Establishment of joint venture entities;	Donations/Gifts/Charitable Contributions	
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<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>COMPLIANT</p>	<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Minutes of the Annual Stockholder's Meeting 2019</u></a></li> </ul> <p>Excerpt from the Minutes of the Annual Stockholders Meeting of Metrobank held on April 25, 2019.</p> <p>The Meeting was attended by the shareholders (whether in person or by proxy) holding 2,825,591,618 Common Shares or 70.99% of the outstanding capital stock of 3,980,015,036.</p> <p><b>I. ATTENDANCE AT THE MEETING.</b> Present in person or by proxy were 2,825,591,618 common shares or 70.99% of the outstanding capital stock of 3,980,015,036 as of the Record Date for the Meeting.</p> <p>There was 100% attendance by the following members of the Board of Directors nominated and elected to their respective positions.</p> <p><b>II. RESOLUTIONS APPROVED:</b></p> <p>1. Approval of the Minutes of the Annual Stockholders' Meeting held on April 25, 2018: <i>(100% of shareholders present and represented voted in favor)</i></p> <p style="text-align: center;"><b><u>RESOLUTION NO. 060- MBTC-SH-2019</u></b></p> <p style="text-align: center;"><b>RESOLVED</b>, that the Minutes of the Annual Stockholders' Meeting held on April 25, 2018 be, as they are hereby approved.</p> <p>2. Approval of Special Corporate Items:</p> <p style="padding-left: 40px;">a. Amendment of the Articles of Incorporations in the Increase of Authorized Capital Stock <i>(99.93% of the shareholders present and represented voted in favor while .07% voted against, none abstained)</i></p>	
<b>Recommendation 2.8</b>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)</p>	<p>COMPLIANT</p>	<p>Part of the general responsibility of the Board is to approve the selection of the President and key members of senior management and control functions and oversee their performance. This responsibility is further discussed in the Bank's CGM under Specific Duties and Responsibilities of the Board, as follows:</p> <p>Appoint/select key members of senior management and heads of control functions and for the approval of a sound remuneration and other incentives policy for personnel.</p> <p>(a) Oversee the selection of the President and other key personnel, including members of senior management and heads of control functions based on the application of fit and proper standards. Integrity, technical expertise, and experience in the Bank's business, either current or planned, shall be the key considerations in the selection process. Moreover, the senior management shall uphold the general operating philosophy, vision and core values of the</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the</p>	<p>COMPLIANT</p>		

<p>Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Bank.</p> <p>(b) Approve and oversee the implementation of performance standards as well as remuneration and other incentives policy. The policy should be consistent with the long-term strategic objectives and financial soundness of the Bank and should promote good performance, convey acceptable risk-taking behavior, and reinforce the Bank’s operating and risk culture.</p> <p>(c) Oversee the performance of senior management and heads of control functions. The Board shall:</p> <ul style="list-style-type: none"> <li>i. Regularly monitor and assess the performance of the management team and heads of control functions based on approved performance standards.</li> <li>ii. Hold members of senior management accountable for their actions and enumerate the possible consequences if those actions are not aligned with the Board’s performance expectations. These expectations shall include adherence to the Bank’s values, risk appetite and risk culture, under all circumstances.</li> <li>iii. Regularly meet with senior management to engage in discussions, questions, and critically review the reports and information provided by the senior management.</li> <li>iv. Non-executive directors shall meet regularly, other than in meetings of the audit, risk oversight, corporate governance, and related party transactions committees, in the absence of senior management, with the external auditor and heads of internal audit, compliance and risk management functions.</li> </ul> <p>(d) Engage in the succession planning for the President and other critical positions, as appropriate.</p> <p>The Board shall establish an effective succession planning program. The program should include a system for identifying and developing potential successors for the President and other critical positions.</p> <p>It is the primary responsibility of the Board to appoint competent management team at all times, monitor and assess the performance of the management team based on established performance standards that are consistent with the Bank’s strategic objectives, and conduct regular review of Bank’s policies with the management team. It is also responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders’ value. The Board shall:</p> <ul style="list-style-type: none"> <li>(a) Apply fit and proper standards on key personnel. Integrity, technical expertise and experience in the Bank’s business, either current or planned, shall be the key considerations in the selection process. The Board shall replace members of Senior Management, when necessary, and have in place an appropriate plan of succession.</li> <li>(b) Regularly monitor the actions of Senior Management and ensure that these are consistent/at par with the</li> </ul>	
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policies/standards that it has approved. It shall put in place formal performance standards to be able to effectively assess the performance of Senior Management.

(c) Regularly meet with Senior Management to engage in discussions, question and critically review the reports and information provided by the latter.

(d) Regularly review policies, internal controls and self-assessment functions (e.g., internal audit, risk management and compliance) with Senior Management to determine areas for improvement as well as to promptly identify and address significant risks and issues.

The Board shall ensure that Senior Management’s expertise and knowledge shall remain relevant given the Bank’s strategic objectives, complexity of operations and risk profile.

Assessment of the performance of Management is done annually.

**Source:**

- **Website: About Us > Corporate Governance > Metrobank Corporate Governance Manual 2019, pages 4-7**

The CEO/President and Senior Management Team of Metrobank:

Name
Fabian S. Dee, President
Joshua E. Naing, Senior Executive Vice-President
Fernand Antonio A. Tansingco, Senior Executive Vice-President
Maritess B. Antonio, Executive Vice-President
Mary Mylene A. Caparas, Executive Vice-President
Paul Robert Y. Murga, Executive Vice-President
Corazon Ma. Therese B. Nepomuceno, Executive Vice-President
Richard Benedict S. So, Executive Vice-President
Aniceto M. Sobrepeña, Executive Vice-President
Vivian L. Tiu, Executive Vice-President
Marilou C. Bartolome, Senior Vice-President
Christine Y. Carandang, Senior Vice-President
Anna Therese Rita D. Cuenco, Senior Vice-President
Ramon Jaime L.V. Del Rosario, Senior Vice-President
Pocholo V. Dela Peña, Senior Vice-President
Rommel Enrico C. Dionisio, Senior Vice-President
Ferlou I. Evangelista, Senior Vice-President
Susan L. Niere, Senior Vice-President

		<p>Antonio R. Ocampo, Jr., Senior Vice-President</p> <p>Rowena R. Oliveros, Senior Vice-President</p> <p>Bernardino D. Ramos, Senior Vice-President</p> <p>Angelica S. Reyes, Senior Vice-President</p> <p>Leandro Antonio G. Santillan, Senior Vice-President</p> <p>Lita S. Tan, Senior Vice-President</p> <p>Leopoldo M. Ubaldo, Senior Vice-President</p> <p>Anthony Paul C. Yap, Senior Vice-President</p> <p>Leo R. Fragante, First Vice-President</p> <p>Ely Roy B. Lindo, First Vice-President</p>	
<p><b>Source:</b></p> <ul style="list-style-type: none"> <li><b><u>Website: About Us &gt; Company Disclosure &gt; SEC 20-IS 2019, page 10</u></b></li> </ul>			
<b>Recommendation 2.9</b>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and senior Management.</p>	COMPLIANT	<p>The Board, through the Bank's Manpower Committee and Human Resources Management Group ensures that the Bank's Performance Assessment &amp; Management System (PAMS) which measures the employee's performance contribution based on clearly defined targets, goals and standards is in place.</p> <p>Metrobank is committed to helping its employees advance their careers. Performance assessments of employees are conducted annually. These assessments serve as formal avenues for senior officers to provide their feedback regarding their team members' performance.</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	COMPLIANT	<p><b>Source:</b></p> <ul style="list-style-type: none"> <li><b><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 90</u></b></li> </ul>	
<b>Recommendation 2.10</b>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	COMPLIANT	<p>As an extension of the Board of Directors, the Audit Committee (AUDITCOM) assists the Board of Directors in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest through (a) effective oversight of internal and external audit functions, (b) transparency and proper reporting, (c) compliance with laws, rules and regulations; and code of conduct, and (d) adequate and effective internal controls.</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members</p>	COMPLIANT	<p>The AUDITCOM is responsible for overseeing Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including financial reporting, monitoring compliance with laws, regulations and internal policies, efficiency and</p>	

<p>and shareholders.</p>	<p>effectiveness of operations, and safeguarding of physical and information assets.</p> <p>To further strengthen the internal control system, the Bank likewise established internal policies related to conflict of interest, related party transactions and whistle blowing, excerpts of which are provided hereunder:</p> <p><b>Conflict of Interest Policy</b></p> <p>All employees are obligated to promote and safeguard the business interests of Metrobank. No employee should directly or indirectly engage in any conduct or activity that may directly or indirectly be construed as inconsistent or incompatible with Metrobank’s business interests. Conflict of interest arises when an employee is engaged in a personal activity that directly or indirectly competes with the Bank’s business, or promotes, aids or furthers the business of a direct or indirect competitor of the Bank. It also arises when the employee’s act or omission disrupts, impairs, undermines or impedes the Bank’s business or business potential. Conflict of interest may also exist where a favor of any form is accepted by an employee that compromises one’s ability to faithfully discharge his/her duties and obligations to the Bank.</p> <p>Business gifts or any form of gratuity and entertainment are courtesies designed to build understanding and goodwill among parties in a business relationship. A problem arises when a business gift compromises – whether potentially or actually – the recipient’s ability to make objective and fair business decisions, or when they are contrary to applicable laws. Metrobank prohibits the direct or indirect offering or receiving by an employee of any gift, gratuity, favor, benefit, accommodation, other payment or entertainment by an employee from any person, be they clients, vendors, suppliers, business partners or subordinates, etc. that might affect the employees’ ability to discharge his/her duties to the Bank.</p> <p>The employee is expected to effectively manage his/her personal affairs and avoid any situation or business endeavors arising from associations, interests or relationships that may lead to conflict or potential conflict between his/her personal interests and that of the Bank.</p> <p>Engaging in lending, trading or other similar business activity, borrowing and lending of money between/among employees and clients, engaging in another employment without management approval and solicitation of personal business for personal gain from clients or the Bank’s business partners are among the examples of non-acceptable behavior under this standard of conduct.</p> <p><b>Related Party Transaction Policy</b></p> <p>To ensure that the highest ethical standards consistent with the Principles for Enhancing Corporate Governance are observed, the Bank’s Board of Directors and the Board’s Related Party Transactions Committee reviews the propriety of transactions with related parties and ensures that these are conducted at arm’s-length terms.</p> <p>After the appropriate review of related party transactions, the Related Party Transactions Committee which is composed of 3 members, all of whom are independent directors, discloses all information and endorses the proposed related party</p>	
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		<p>transactions with recommendations, to the Board for approval.</p> <p><b>Whistle Blowing Policy</b></p> <p>As a way of strengthening the Bank’s system of integrity, all employees are encouraged to report irregular transactions. Towards this end, the Bank instituted a Whistle blowing policy where acts of fraud, malpractice, conflict of interest or violation of internal/regulatory policies, procedures and control may be reported to the Chief Audit Officer.</p> <p>The Whistle blowing policy applies in cases when an employee deems it more prudent to report violations or offenses to another authorized unit/person within the Bank, when the matter which is brought to the attention of the immediate superior is not acted upon in accordance with the standard reporting procedures, or is concealed, or the immediate superior is himself involved in the infraction, or the reporting employee fears reprisal.</p> <p>Under the policy, the Bank shall maintain the identity of the reporting employee as confidential and retaliation against any reporting employee shall not be allowed. Consistent with the principles of good governance, the Chief Audit Officer reports to the Board’s Audit Committee.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees &gt; Audit Committee</a></li> </ul>	
3. Board approves the Internal Audit Charter.	COMPLIANT	Internal Audit Charter is reviewed annually; updates made thereto were approved by the Audit Committee on June 11, 2019 and noted by the Board of Directors on June 19, 2019.	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	<p><b><u>The Risk Management Process</u></b></p> <p>Metrobank acknowledges that the business of banking is fundamentally that of managing risk vs. reward, as various risks are inherent across all of its business lines. As a financial institution entrusted with the responsibility of providing as well as protecting value for all its stakeholders especially depositors, Metrobank does not take risks that it does not understand, cannot manage, mitigate, or accept. It conducts its business following a risk management framework suited to its scope and complexity, and consistent with international and regulatory standards.</p>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<p>As risks emanate from most, if not all, processes in the conduct of its business, the Bank engenders its risk culture across all its employees—from client facing units to middle and back offices, from staff personnel to senior management—and all its products and services.</p> <p><b><u>Risk Management Principles</u></b></p> <p>Ultimately the philosophy of balancing risk and reward translates to the following risk management principles:</p>	

		<ol style="list-style-type: none"> <li>1. Because risk is native to the banking business, the Bank manages risks that correspond to its goals and objectives as an ongoing business;</li> <li>2. As the business landscape evolves, the Bank’s risk management practices must likewise remain appropriate and practicable, but always in consonance with standards set by its regulators;</li> <li>3. The Bank must ensure that it has the right risk governance structure in order to minimize the chances of risks becoming real losses while exploiting the gains that may accrue from business opportunities; and;</li> <li>4. Risk management is everyone’s concern – from the Board who sets the overall tone, to the officers and staff who execute the Bank’s risk management strategy.</li> </ol> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, pages 54-55</u></b></li> </ul>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	<p>The Bank’s CGM (CGM) serves as the Board Charter which clearly defines the roles, responsibilities and accountabilities of the Board in carrying out its fiduciary role. In the same token the CGM provides guidance for the Directors in the conduct of their performance.</p> <p>The CGM is available and posted in the Bank’s website:</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019</u></b></li> </ul>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company’s website.	COMPLIANT		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	COMPLIANT	<p>The Bank has an Insider Trading Policy to ensure that the shareholders are afforded protection and that individuals do not benefit from knowledge which is not generally available to the market. The policy covers the standard of conduct applicable to all directors and employees within the Metrobank Group including their immediate family members residing with them in the same household and corporations, other entities and funds subject to their influence or control to the extent that they are considered insiders having access to material nonpublic information about the securities of companies within the Metrobank Group (“Metrobank Group Securities”) as well as the securities of any of their corporate clients and business partners (“Partner’s Securities”).</p> <p>Following the Securities Regulation Code, it is a crime for a director or employee of a company within the Metrobank Group to do any of the following, directly or indirectly, while in possession of Material Nonpublic Information: (a) to trade Metrobank Group Securities or a Partner’s Securities; and (b) to communicate Material Nonpublic Information about Metrobank Group Securities or any Partner’s Securities to any person whom the director or employee has reason to believe will trade on those securities. Further, information is considered Material Nonpublic if it has not been generally</p>	

		<p>disclosed to the public and, if disclosed, would likely affect the price of the securities whether positively or negatively.</p> <p>The policy which is annexed in the Bank's CGM requires that the disclosure of Material Nonpublic Information about any of the companies within the Metrobank Group or any Partner shall be made on a reasonable need-to-know basis and in furtherance of a legitimate business purpose. It further requires the reporting insiders to confirm their respective beneficial ownership of listed shares of stock in their respective companies, if any, and report any changes thereto on the next trading day from the date of the change pursuant to the requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.</p> <p><b>2019 Combined Annual Report and Sustainability Report</b></p> <p><b><u>Insider Trading Policy</u></b></p> <p>Metrobank as a publicly traded company is governed by securities laws and regulations. The Bank strictly enforces and monitors compliance with its Insider Trading Policy to uphold applicable laws and ensure shareholders protection and that individuals do not benefit from knowledge which is not generally available to the market. The policy requires that the disclosure of material non-public information about any of the companies within the Metrobank Group or any partner shall be made on a reasonable need-to-know basis and in furtherance of a legitimate business purpose. The policy prohibits trading during black-out periods by covered persons i.e. all directors and employees within the Metrobank Group including their immediate family members residing with them in the same household and corporations, other entities and funds subject to their influence or control. It requires the reporting insiders to confirm their respective beneficial ownership of listed shares of stock in their respective companies, if any, and report any changes thereto on the next trading day from the date of the change pursuant to the requirements of the SEC and the PSE.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 51-52</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 17</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</u></a></li> </ul>	
<b>Optional: Principle 2</b>			
<p>1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates</p>	<p>COMPLIANT</p>	<p>The policy on granting loans to directors is covered under the Metrobank's RPT Policy which is available in the Bank's Website:</p> <p>The policy ensures that transactions with related parties (directors included) are reviewed to assess risks, are subject to appropriate restrictions to ensure that such are conducted at arm's-length terms, and that corporate or business resources of the Bank are not misappropriated or misapplied.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019. Annex 16</u></a></li> </ul>	

		<ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	
2. Company discloses the types of decision requiring board of directors' approval	COMPLIANT	<p>The Bank's Amended By-Laws provides the Board of Directors express powers, as follows:</p> <ol style="list-style-type: none"> <li>1. To make and change rules and regulations for the conduct of corporate business, provided that they are not contrary to the Articles of Incorporations, the By-laws or the Statutes of the Philippines.</li> <li>2. To authorize any officer of the Bank to enter into any negotiation. contract or agreement with any person, firm or entity which it may consider necessary for the best interests of the Bank and which the Bank may enter into under the statutes of the Philippines;</li> <li>3. To set aside from the surplus profits of the Bank, if any, such amounts as shall be paid to the stockholders in the form of dividends;</li> <li>4. To authorize the payment of bonuses of gratuities to any deserving directors, officers or employees of the Bank, and determines the amounts thereof;</li> <li>5. To vest in one or more committees such powers as the Board of Directors may delegate under the law; and</li> <li>6. To delegate from time to time, any of the powers of the Board which may be lawfully delegated in the course of the current or ordinary business of the Bank to any officer and officers and to designate agents and/or correspondents of the Bank both in and outside the Philippines under such terms and conditions as it may deem proper.</li> </ol> <p>And other transactions that the Board may need to approve from time to time.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Metrobank Amended By-Laws</a></li> </ul>	

**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

**Recommendation 3.1**

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p>To aid the Board in the optimal performance of its roles and responsibilities, the following board-level committees were created:</p> <ul style="list-style-type: none"> <li>• Anti-Money Laundering Committee</li> <li>• Audit Committee</li> <li>• Corporate Governance and Compensation Committee</li> <li>• Executive Committee</li> <li>• Information Technology Steering Committee</li> <li>• Nominations Committee</li> <li>• Overseas Banking Committee</li> <li>• Related Party Transactions Committee</li> <li>• Risk Oversight Committee</li> </ul>	
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		<ul style="list-style-type: none"> <li>• Trust Committee</li> </ul> <p>All the above committees have Committee Charters that provide among others, their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p> <ol style="list-style-type: none"> <li>1. <u>Anti-Money Laundering Committee</u> <p>A Board level Committee tasked to assist the Board in fulfilling its oversight responsibility over the Bank’s AML Compliance Management to make sure that the Bank complies with the provisions of the AMLA, as amended, its Revised Implementing Rules and Regulations (RIRR), and BSP regulations.</p> </li> <li>2. <u>Audit Committee</u> <p>As an extension of the Board, the Audit Committee shall assist the Board in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders’ interest through effective oversight of internal and external audit functions, transparency and proper reporting, compliance with laws, rules and regulations and code of conduct, and adequate and effective internal controls.</p> </li> <li>3. <u>Corporate Governance and Compensation Committee</u> <p>The CGCCOM shall assist the Board of Directors in fulfilling its corporate governance responsibilities and in providing oversight on the implementation of the Bank’s Compliance System. The committee is tasked with establishing a formal and transparent procedure in determining the remuneration of directors and officers that is consistent with the Bank’s culture, strategy, business environment and industry practice.</p> </li> <li>4. <u>Executive Committee</u> <p>The EXCOM shall primarily review and approve credit proposals and credit policies within its authority and limits as well as provide recommendations or conditions to lending. The EXCOM may also act on other matters as delegated by the stockholders, and the Board of Directors within its competence and in accordance with the By-Laws of the Bank.</p> </li> <li>5. <u>Information Technology Steering Committee</u> <p>The ITSC provides governance and oversight in the management of the Bank’s IT resources. Its principal function is to ensure that IT strategies are consistent with the overall business objectives. As an extension of the BOD, it shall supervise the IT Risk Management Program of the Bank and the development of policies, controls and specific accountabilities consistent with the Bank’s IT Risk Management Framework. It should regularly provide adequate information to the BOD regarding overall IT performance, status of major projects and other significant issues</p> </li> </ol>	
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		<p>related to IT risks.</p> <p>6. <u>Nominations Committee</u></p> <p>The Committee shall review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board.</p> <p>7. <u>Overseas Banking Committee</u></p> <p>The Overseas Banking Committee shall assist the Board in its oversight functions over the operations and financial performance of the overseas branches and subsidiaries, their compliance with the rules and regulations of their respective host countries and their adherence to the parent Bank’s business and corporate governance policies as prescribed by the BSP and SEC.</p> <p>8. <u>Related Party Transactions Committee</u></p> <p>A Board level Committee tasked to ensure that Bank’s transactions with related parties are reviewed to assess risks and subjected to appropriate restrictions to ensure that such are conducted at arm’s length terms and those corporate and business resources of the Bank are not misappropriated or misapplied.</p> <p>9. <u>Risk Oversight Committee</u></p> <p>The Risk Oversight Committee, as the extension of the Board, shall be responsible for the development and oversight of the risk management program for the Bank, its affiliates, and subsidiaries (collectively, the Group) and its Trust Banking arm.</p> <p>10. <u>Trust Committee</u></p> <p>The Trust Committee shall act within the sphere of its authority, including but not limited to, the confirmation of acceptance and closing of trust and fiduciary accounts, the review of assets placed under the Bank’s custody, the investment, and reinvestment and disposition of trust funds and the review and approval of transactions between trust and/or fiduciary accounts.</p> <p>The Charters of the respective Board level Committees are posted in the Bank’s website:</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees</u></b></li> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019</u></b></li> </ul>	
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<b>Recommendation 3.2</b>															
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>COMPLIANT</p>	<p>The Audit Committee (AUDITCOM) assists the Board of Directors in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest through (a) effective oversight of internal and external audit functions, (b) transparency and proper reporting, (c) compliance with laws, rules and regulations; and code of conduct, and (d) adequate and effective internal controls.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees &gt; Audit Committee</u></a></li> </ul>													
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p>The members of the AUDITCOM are appointed annually by the Board of Directors. It shall be composed of at least three (3) qualified non-executive directors, and majority of whom shall be independent directors, including the Chairperson.</p> <p>2019 Membership of Audit Committee</p> <table border="1" data-bbox="735 560 1781 771"> <thead> <tr> <th>Name of Members</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Edgar O. Chua, Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Francisco F. Del Rosario, Jr., Vice Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Solomon S. Cua, Member</td> <td>Non-Executive Director</td> </tr> <tr> <td>Angelica H. Lavares, Member</td> <td>Independent Director</td> </tr> <tr> <td>Cornelio C. Gison, Adviser</td> <td>Board Adviser</td> </tr> </tbody> </table> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees &gt; Audit Committee</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 47</u></a></li> </ul>	Name of Members	Designation	Edgar O. Chua, Chairman	Independent Director	Francisco F. Del Rosario, Jr., Vice Chairman	Independent Director	Solomon S. Cua, Member	Non-Executive Director	Angelica H. Lavares, Member	Independent Director	Cornelio C. Gison, Adviser	Board Adviser	
Name of Members	Designation														
Edgar O. Chua, Chairman	Independent Director														
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Solomon S. Cua, Member	Non-Executive Director														
Angelica H. Lavares, Member	Independent Director														
Cornelio C. Gison, Adviser	Board Adviser														
<p>3. All the members of the committee have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>All of the members of the AUDITCOM have relevant background knowledge, skills and/or experience in the areas of accounting, auditing and finance commensurate with the size, complexity of operations and risk profile of the bank.</p> <p>Profile of Members:</p> <p>Mr. Edgar O. Chua, Filipino, 63 years old, is Independent Director of the company since 2017. He is currently the President and Chief Executive of Cavitex Holdings, Inc. He has been and Independent Director of Integrated Micro-Electronics, Inc. and Energy Development Corporation since 2013. He is also the Chairman of the Philippine Eagle Foundation since 2017, De La Salle University Board, De La Salle Science Foundation and Makati Business Club since 2016. He is a Trustee/Treasurer of the Philippine Business for Education since 2007 and Trustee for the College of Saint Benilde since 2017, De La Salle Araneta Salikneta since 2015, The English-Speaking Union of the Philippines, Inc. since 2009, Gawad Kalinga Community Development Foundation, Inc. since 2005, and Pilipinas Shell Foundation, Inc. since 2003. He was the Chairman of Pilipinas Shell Petroleum from September 2003 to May 2017 and the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016. He obtained his Bachelor of Science degree from De La Salle University in 1978.</p>													

		<p>Mr. Francisco F. Del Rosario, Jr., Filipino, 72 years old, was first elected independent director in 2011. He has been a director of Omnipay, Inc. since 2014 and DMCI Homes, Inc. He has been a Trustee of ABS-CBN Foundation since 2007, Senior Executive Director of PWC Isla Lipana and Chairman for Institute for Solidarity in Asia and Director for Center for Family Advancement since 2016. He was the President and CEO of the Development Bank of the Philippines from 2010 to 2012. He obtained his BSC Accounting and BA Economics degrees from De La Salle University, and his MBM degree from the Asian Institute of Management.</p> <p>Mr. Solomon S. Cua, Filipino, 64 years old, is former Undersecretary of the Department of Finance. He is currently the Chairman of AXA Philippines and Charter Ping An Insurance Corporation and Vice-Chairman/Director of Philippine Racing Club, Inc. He is a Director of Profriends Developer, Inc., Grand Titan Capital Holdings, Inc. and Philippine Newton Global Solutions, Inc. He is the President of SC &amp; SSC Holdings, Inc. and Director/Treasurer of Palm Integrated Commodities, Inc. He obtained his Bachelor of Arts (Mathematical Sciences and Economics) in University of Melbourne, Australia; Bachelor of Law in University of Queensland, Australia and Masters of Laws in London School of Economics &amp; Political Science, England.</p> <p>Ms. Angelica H. Lavares, Filipino, 66 years old, is a Teaching Fellow at the Institute of Corporate Directors. She is an Independent Director of several companies, namely, Metrobank Card Corporation, Williamton Financing Corporation and Inter-Asia Development Bank. Her other affiliations include being Head of Strategic Support Group of Bank Of Commerce from 2009 to 2015, and as a Consultant starting November 2015 up to present. Prior to joining Bank of Commerce, she served as Chief Legal Counsel (2003 to 2007), concurrent Chief Compliance Officer and Chief Legal Officer - Legal Services Department (2007 to 2009) and Assistant Corporate Secretary (2007- 2009) of Metrobank. She was also Chief Legal Counsel and Head of Legal Services Division for United Coconut Planters bank (UCPB) from 1999 to 2002 acting concurrently as its Head for Human Resource Division. Previous to that, she was Vice President for Sales Documentation and Head of Collection Department of Filinvest Land Inc., and Special Assistant to the Commissioner for the Bureau of Customs (BOC) in 1987. She obtained her degree in AB Psychology, Cum Laude, from St. Theresa’s College, QC in 1973 and Bachelor of Laws, First Honorable Mention, from the University of the Philippines in 1981.</p> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, page 5</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 47</a></li> </ul>	
<p>4. The Chairman of the audit committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>The Chairman of the Audit Committee, Mr. Edgar O. Chua, is not the Chairman of the Board or of any other Board-level committees.</p> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, page 5</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 47-49</a></li> </ul>	
<p><b>Supplement to Recommendations 3.2</b></p>			
<p>1. Audit Committee approves all</p>	<p>COMPLIANT</p>	<p>Audit Committee Memos and Minutes of Meetings document the Audit Committee approval of the non-audit services</p>	

non-audit services conducted by the external auditor		conducted by the external auditor. <b>Source:</b> <ul style="list-style-type: none"> <li><a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 64</a></li> </ul>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Audit Committee Minutes of Meeting on September 18, 2019 document the regular meeting and dialogue with the external audit team without anyone from the management present. Said meeting is duly minuted.  <b>Source:</b> <ul style="list-style-type: none"> <li><a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 46</a></li> </ul>	
<b>Optional: Recommendation 3.2</b>			
1. Audit committee meet at least four times during the year	COMPLIANT	The Audit Committee held twelve (12) regular meetings with internal and external auditors in 2019, duly minuted and on file.  <b>Source:</b> <ul style="list-style-type: none"> <li><a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 63</a></li> </ul>	
2. Audit Committee approves the appointment and removal of the internal auditor	COMPLIANT	As stated in the Charter, the Audit Committee is responsible for the appointment/ selection, re-appointment and dismissal of the internal auditor based on fair and transparent criteria.  <ul style="list-style-type: none"> <li>i. The Senior Management may appoint the internal auditor subject to the concurrence of the Audit Committee;</li> <li>ii. If the internal auditor resigns or communicates an intention to resign, the Audit Committee should follow up the reasons/explanations giving rise to such resignation, and should consider whether it needs to take any action in response to those reasons.</li> </ul> <p>The Board approved the appointment of the internal auditor, Mr. Leo Fragante, on April 26, 2017.</p> <b>Source:</b> <ul style="list-style-type: none"> <li><a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees &gt; Audit Committee</a></li> </ul>	
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	The Corporate Governance and Compensation Committee (CGCCom) assists the Board of Directors in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of the Bank's Compliance System. The committee is tasked with establishing a formal and transparent procedure in determining the remuneration of directors and officers that is consistent with the Bank's culture, strategy, business environment and industry practice.  Duties and Responsibilities: <ol style="list-style-type: none"> <li>Oversee the implementation of the corporate governance framework and periodically reviews the same framework to ensure that it remains appropriate in light of material changes to the group's size, complexity and business strategy, as well as its business and regulatory environments.</li> </ol>	

		<ol style="list-style-type: none"> <li>2. Adopt corporate governance and compliance policies, practices and structures that will enable effective oversight over entities in the group and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance across the group.</li> <li>3. Make recommendations to the Board on matters pertaining to the assignment to Board committees, as well as succession plan for the members of the Board and senior management.</li> <li>4. Oversee the continuing education/training programs for the Board. <ol style="list-style-type: none"> <li>a. Proposes and plans relevant trainings for the members of the Board.</li> <li>b. Ensure allocation of sufficient time, budget and other resources for the continuing education of directors and draw on external expertise as needed.</li> <li>c. Establish and ensure effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for all directors</li> </ol> </li> <li>5. Oversee the performance evaluation process <ol style="list-style-type: none"> <li>a. Oversee the periodic evaluation of contribution and performance (e.g., competence, candor, attendance, preparedness and participation) evaluation of the Board and its committees, executive and senior management.</li> <li>b. Ensure that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement.</li> <li>c. Perform annual self-assessment using the self-assessment form.</li> <li>d. Determine whether or not a director or officer who has multiple positions is able to and has been adequately carrying out his/her duties and, if necessary, recommend changes to the Board based upon said performance/review.</li> </ol> </li> <li>6. Oversee the design and operation of the remuneration and other incentives policy <ol style="list-style-type: none"> <li>a. Ensure that the remuneration and other incentives policy is aligned with operating and risk culture as well as with the strategic and financial interest of the Bank, promotes good performance and conveys acceptable risk-taking behavior, and complies with legal and regulatory requirements.</li> <li>b. Work closely with the Risk Oversight Committee in evaluating the incentives created by the remuneration system</li> </ol> </li> <li>7. Provide oversight in the implementation of the Bank's compliance system. <ol style="list-style-type: none"> <li>a. Ensure that oversight on the Bank's compliance management is adequate</li> </ol> </li> </ol>	
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		<ol style="list-style-type: none"> <li>b. Ensure that a Compliance Program is defined for the Bank and that compliance issues are resolved expeditiously:</li> <li>c. Review, at least annually, the Bank's Compliance Program in accordance with existing regulatory requirements, in support of the Bank's goals and strategies and recommend approval thereof by the Board</li> <li>d. Monitor the implementation of the Bank's Compliance Program and ensure that compliance issues are resolved expeditiously</li> <li>e. Monitor the Bank's compliance with the applicable laws, regulations and rules of regulatory agencies and recommend to the Board appropriate actions</li> <li>f. Review the regular reports submitted by Compliance Division as well as reports on significant compliance issues, general status of Bank's level of compliance, relevant regulations, updates and other compliance matters.</li> </ol>	
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		<p>8. To contribute to the Board’s effective oversight functions over entities in the group, CGCCOM shall require Compliance Division to, among others:</p> <ol style="list-style-type: none"> <li>Provide compliance oversight function over the Bank’s BSP-supervised Financial Subsidiaries and Affiliates (FSAs)</li> <li>Conduct a formal review of the structure, their controls and activities to assess consistency with the Board approved policies, practices and strategies and report the results of the assessment to the CGCCOM</li> <li>Ensure open communication with BSP-supervised financial subsidiaries and affiliates thru generation and sharing of information of relevant and recent regulatory issuances and sharing and benchmarking of appropriate compliance and corporate governance best practices and policies. This is to ensure synergy of compliance policies including corporate governance between and among the group.</li> </ol> <p>9. Oversee the preparation of Annual Report and ensure that the Bank fully discloses the minimum disclosure requirements per regulation.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 5</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 48</a></li> <li>• <a href="#">Website: Corporate Governance &gt; Metrobank Board Committees&gt; Corporate Governance and Compensation Committee</a></li> </ul> <p>The Bank has a separate Nominations Committee which is a board-level committee that handles the process of identifying the quality of directors aligned with the company’s strategic direction.</p>											
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>NON-COMPLIANT with respect to the membership, all of whom should be independent directors.</p> <p>The Bank’s CGCCom is composed of 4 members, majority of whom are independent</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <p>As provided for in the updated CGCCom Charter, the members of the CGCCOM shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson. This is to align the membership requirement with BSP regulation as per the recently issued BSP Circular 969.</p> <table border="1" data-bbox="732 1114 1789 1281"> <thead> <tr> <th>Name of Members / Membership</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Rex C. Drilon II, Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Arthur V. Ty, Member</td> <td>Chairman</td> </tr> <tr> <td>Francisco F. Del Rosario Jr., Member</td> <td>Independent Director</td> </tr> <tr> <td>Jesli A. Lapus, Member</td> <td>Independent Director</td> </tr> </tbody> </table> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 48</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees&gt; Corporate Governance and</a></li> </ul>	Name of Members / Membership	Designation	Rex C. Drilon II, Chairman	Independent Director	Arthur V. Ty, Member	Chairman	Francisco F. Del Rosario Jr., Member	Independent Director	Jesli A. Lapus, Member	Independent Director	<p>Allowed by BSP regulations.</p> <p>Majority of the committee members, including the Chairman are independent directors thus the objectivity/independence of the committee in making focused decisions are preserved.</p>
Name of Members / Membership	Designation												
Rex C. Drilon II, Chairman	Independent Director												
Arthur V. Ty, Member	Chairman												
Francisco F. Del Rosario Jr., Member	Independent Director												
Jesli A. Lapus, Member	Independent Director												

	directors.	<b><u>Compensation Committee</u></b>	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	<p>Director Rex C. Drilon II, Chairman of the Corporate Governance and Compensation Committee (CGCC) is an independent director.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 48</u></b></li> </ul>	
<b>Optional: Recommendation 3.3</b>			
1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	<p>The Corporate Governance and Compensation Committee held four (4) meetings in 2019 and all are duly minuted.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 47</u></b></li> </ul>	
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	<p>The Risk Oversight Committee (ROC), as the extension of the Board of Directors (BOD), provides oversight on the credit, market, liquidity, operations, legal and other risks taken throughout the Bank, initially and Group-wide, subsequently.</p> <p>The BOD has the ultimate overall authority and responsibility for corporate risk management. By virtue of its approval of the Bank's strategic plans, the BOD effectively approves the ways and means by which the plans are carried out, including the risk stance to be adopted.</p> <p>Duties and Responsibilities:</p> <ol style="list-style-type: none"> <li>1. The Committee's scope of authority shall be in accordance with its principal purpose and objective herein set, and guided by the principles contained in BSP Circular 969 (Enhanced Corporate Governance Guidelines for BSP-supervised Financial Institutions) and BSP Circular 971 (Guidelines on Risk Governance) herein annexed and made an inherent component of this Charter.</li> <li>2. Oversee the Risk Management Framework. The ROC shall oversee the development and implementation of the Group's enterprise risk management framework and ensure that there is periodic review of the effectiveness of the risk management systems and plans. It shall ensure that corrective actions are promptly implemented to address risk management concerns.</li> <li>3. Oversee development and adherence to risk appetite. The ROC shall ensure that the current and emerging risk exposures are consistent with the Group's strategic direction and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies, and procedures relating to risk management and control, and performance of management, among others.</li> <li>4. Evaluate the profile, direction, magnitude and distribution of risks across the Group from a consolidated perspective, thereby exercising supervision and review authority over the risk committees of the various Group subsidiaries.</li> <li>5. Review, evaluate, periodically assess for, and report to the Board the Group's Internal Capital Adequacy</li> </ol>	

		<p>Assessment Process (ICAAP) and Recovery Plan (RP).</p> <ol style="list-style-type: none"> <li>6. Consider and periodically review product/s and product program/s directly related to altering the make-up of the risk profile of the Bank.</li> <li>7. Approve and oversee the continuous development of policies and procedures designed to: <ul style="list-style-type: none"> <li>- Define, identify, measure, control, and monitor principal risks faced by the Bank;</li> <li>- Establish and communicate risk management controls throughout the Bank;</li> <li>- Promote a risk culture that requires the highest standards of ethical behavior by risk taking personnel and risk managers.</li> </ul> </li> <li>8. Oversee the risk management function. The ROC shall be responsible for the appointment / selection, remuneration, dismissal, and the overall performance of the Chief Risk Officer (CRO); and assess the adequacy of resources of the risk management function including personnel, systems, and other risk management capabilities necessary for the conduct of sound risk management.</li> <li>9. Oversee the design and operation of the remuneration and other incentives policy. The ROC shall work closely with the Board's Corporate Governance Committee, or its equivalent, in evaluating the incentives created by any remuneration system, ensuring that that the same takes into consideration risk, capital, and the likelihood and timing of earnings.</li> <li>10. Provide a forum for sharing strategic initiatives to ensure that the risk management function is able to address and support changes within the Group in a proactive manner.</li> <li>11. Delegate to Management certain authorities in the interest of instituting an efficient and responsive risk management infrastructure.</li> <li>12. Assume other responsibilities as are required by existing and future regulations, and/or delegated to it by the Board from time to time.</li> </ol> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: Corporate Governance &gt; Metrobank Board Committees&gt; Risk Oversight Committee</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 49</a></li> </ul>									
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p><b>2019 Risk Oversight Committee Membership</b></p> <table border="1" data-bbox="730 1078 1547 1214"> <thead> <tr> <th>Name of Members / Membership</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Francisco F. Del Rosario, Jr., Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Jesli A. Lapus, Vice-Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Edmundo A. Go, Member</td> <td>Non-Executive Director</td> </tr> </tbody> </table> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: Corporate Governance &gt; Metrobank Board Committees&gt; Risk Oversight Committee</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 49</a></li> </ul>	Name of Members / Membership	Designation	Francisco F. Del Rosario, Jr., Chairman	Independent Director	Jesli A. Lapus, Vice-Chairman	Independent Director	Edmundo A. Go, Member	Non-Executive Director	
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Francisco F. Del Rosario, Jr., Chairman	Independent Director										
Jesli A. Lapus, Vice-Chairman	Independent Director										
Edmundo A. Go, Member	Non-Executive Director										
<p>3. The Chairman of the BROC is</p>	<p>COMPLIANT</p>	<p>Director Francisco F. Del Rosario, Jr, an independent director, is the Chairman of the Risk Oversight Committee (ROC) for</p>									

<p>not the Chairman of the Board or of any other committee.</p>		<p>2019.  <u>Source:</u></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: Corporate Governance &gt; Metrobank Board Committees&gt; Risk Oversight Committee</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 49</a></li> </ul>	
<p>4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>Committee Chairman:  <b>Mr. Francisco F. Del Rosario, Jr.</b>, Filipino, 72 years old, was first elected independent director in 2013. He has been a director of Omnipay, Inc. since 2014 and DMCI Homes, Inc. since 2011. He has been a Trustee of ABS-CBN Foundation since 2007, Senior Executive Director of PWC Isla Lipana and Chairman for Institute for Solidarity in Asia since 2017 and Trustee for Center for Family Ministries from 2009 to 2014. He was the President and CEO of the Development Bank of the Philippines from 2010 to 2012. He obtained his BSC Accounting and BA Economics degrees from De La Salle University, and his MBM degree from the Asian Institute of Management.</p> <p>Vice Chairman:  <b>Mr. Jesli A. Lapus</b>, Filipino, 70 years old, became an independent director in 2010. He has been Chairman and Independent Director of STI Education Services Group, Inc. since 2013 and Chairman of LBP Service Corporation since 2012. He has been Independent Director of STI Education Systems Holdings Inc. since 2013 and Philippine Life Financial Assurance Corp. since June 2012. He sits in the Board of Governors of Information and Communication Technology Academy, Inc. since November 2010. He is the Advisor to the Board since 2013 of Radiowealth Finance Company. He was the Chairman of Manila Tytana Colleges from 2010 to 2013. He was a member of the Board of Trustees of the Asian Institute of Management (2010-2013), Secretary of the Department of Trade and Industry (2010), Secretary of the Department of Education (2006-2010), Congressman, Third District of Tarlac, House of Representatives (1998-2006) and President/CEO and Vice- Chairman of Land Bank of the Philippines (1992-1998). He is a Certified Public Accountant and holds an Accountancy degree from the Philippine School of Business Administration and a Master’s degree in Business Management from the Asian Institute of Management. He has a Doctorate in Public Administration (Honoris Causa) from the Polytechnic University of the Philippines. He also did post-graduate studies in Investment Appraisal and Management at Harvard University; Management of Transfer of Technology at INSEAD (France), Project Management at BITS (Sweden); and Personal Financing Planning at UCLA.</p> <p>Member:  <b>Mr. Edmund A. Go</b>, Filipino, 69 years old, was first elected director in 2007. He has been a director of Metropolitan Bank China (Ltd.) since 2010. He is a member of the Board of Advisors of PSBank since 2009. He has been a Director for Investments of Ateneo de Manila University since 2010 and Investment Consultant for St. Peter’s Life Group since 2011. He was a director of FMIIC Hong Kong from 2001 to 2008. He served as Metrobank Treasurer (2000-2007) and consultant of the Philippine Dealing and Exchange Corp. on Securities Training and Development (2008-2010). Prior to 2000, he held various management positions at Citibank Manila, Hong Kong, Taiwan and New York in the areas of Treasury, Derivatives, Investment Banking and Private Banking. He is a Certified Public Accountant and holds a BS Commerce Degree in Accounting, Cum Laude, from the San Beda College and an MBA degree, with distinction, from the Asian Institute of Management.</p>	

		<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees&gt; Risk Oversight Committee</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 49, 100-101</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosures &gt; 2019 SEC 20-IS, page 5</a></li> </ul>	
<b>Recommendation 3.5</b>			
<p>1. Board establishes a Related party Transaction (RPT) Committee, which is tasked with reviewing all material related party transactions of the company</p>	<p>COMPLIANT</p>	<p>Related Party Transactions Committee (RPTC) is a board-level committee tasked to ensure that Bank’s transactions with related parties are reviewed to assess risks and are subject to appropriate restrictions to ensure that such are conducted at arm’s-length terms and that corporate and business resource of the Bank are not misappropriated or misapplied.</p> <p>Duties and Responsibilities:</p> <ul style="list-style-type: none"> <li>• Evaluate on an on-going basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.</li> <li>• Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, capital requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no resources of the Bank are misappropriated or misapplied.</li> </ul> <p>The Committee should take into account the following:</p> <ul style="list-style-type: none"> <li>○ The related party’s relationship to the Bank and interest in the transaction;</li> <li>○ The material facts of the proposed RPT, including the proposed aggregate value of such transaction;</li> <li>○ The benefits of the Bank of the proposed RPT;</li> <li>○ The availability of other sources of comparable products or services; and</li> <li>○ An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.</li> </ul> <ul style="list-style-type: none"> <li>• Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Bank’s RPT exposures, and policies on conflicts of interest or potential conflicts of interest.</li> <li>• Report to the Board on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties</li> <li>• Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.</li> <li>• Oversee the implementation of the system identifying, monitoring, measuring, controlling and reporting RPTs;</li> </ul>	

		<p>perform annual review of the RPTC policies to make sure that these are updated and remain relevant vis-à-vis current regulatory environment</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 10</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees&gt; Related Party Transaction Committee</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 49, 100-101</u></a></li> </ul>									
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman</p>	<p>COMPLIANT</p>	<p>As provided in the RPTC Charter, membership shall be composed of at least three (3), two (2) of whom shall be independent directors, including the chairman. The Committee shall at all times be entirely composed of independent director and non-executive directors, with independent directors comprising majority members.</p> <p>2019 RPTC Membership</p> <table border="1" data-bbox="730 626 1789 760"> <thead> <tr> <th>Name of Members / Membership</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Rex C. Drilon II, Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Angelica H. Lavares, Member</td> <td>Independent Director</td> </tr> <tr> <td>Edgar O. Chua, Member</td> <td>Independent Director</td> </tr> </tbody> </table> <p>Committee Chairman:  <b>Mr. Rex C. Drilon II</b>, Filipino, 73 years old, became an independent director in 2012. He also served as independent director of FMIC (2011-2014). He has been a member of the Board of Trustees of the Institute of Corporate Directors since 2013, member of the Board of Trustees of Institute of Solidarity in Asia since 2010, and Chairman of Keyland Corporation and YLD Holdings, Inc. since 2012. He was the President of the Institute of Corporate Directors (2010-2012), Chief Operating Officer of Ortigas &amp; Company, Limited Partnership (2001-2010) and CEO of Ayala Land’s publicly listed subsidiaries CHI and CPVDC (1998-2001). He has a Business Administration degree from the University of the East. He pursued further studies at the University of Asia and The Pacific.</p> <p>Member:  <b>Ms. Angelica H. Lavares</b>, Filipino, 66 years old, is a Teaching Fellow at the Institute of Corporate Directors. She is an Independent Director of several companies, namely, Prulife UK and MCC (April 2018 - January 2020). Her other affiliations include being Head of Strategic Support Group of Bank of Commerce from 2009 to 2015, and as a Consultant starting November 2015 up to present. Prior to joining Bank of Commerce, she served as Chief Legal Counsel (2003 to 2007), concurrent Chief Compliance Officer and Chief Legal Officer - Legal Services Department (2007 to 2009) and Assistant Corporate Secretary (2007-2009) of Metrobank. She was also the Chief Legal Counsel and Head of Legal Services Division for United Coconut Planters Bank (UCPB) from 1999 to 2002 acting concurrently as its Head for Human Resource Division. Previous to that, she was the Vice-President for Sales Documentation and Head of Collection Department of Filinvest Land Inc. and Special Assistant to the Commissioner for the Bureau of Customs in 1987. She obtained her degree in AB</p>	Name of Members / Membership	Designation	Rex C. Drilon II, Chairman	Independent Director	Angelica H. Lavares, Member	Independent Director	Edgar O. Chua, Member	Independent Director	
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		<p>Psychology, Cum Laude, from St. Theresa’s College, QC in 1973 and Bachelor of Laws, First Honorable Mention, from the University of the Philippines in 1981</p> <p><b>Mr. Edgar O. Chua</b>, Filipino, 63 years old, is currently an Independent Director of Integrated Micro-Electronics, Inc. (IMI) and Energy Development Corporation (EDC) since 2013. He was the Chairman of Pilipinas Shell Petroleum until May 2017. He is also the Chairman of the Philippine Eagle Foundation (2017), De La Salle University Board (2016), De La Salle Science Foundation (2016), Makati Business Club (2016) and Energy Council of the Philippines (2014). He is a Trustee/Treasurer of Philippine Business for Education since 2007 and Trustee for College of Saint Benilde (2017), De La Salle Araneta Salikneta (2015), De La Salle National Mission Council, Gawad Kalinga Community Development Foundation, Inc. (2005). He is also a Trustee of Pilipinas Shell Foundation, Inc. (2003), Foundation for Rural Electrification for Economic Development (FREED) since 2003 and Trustee of the English-Speaking Union of the Philippines, Inc. (2009). He was the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016. He obtained his Bachelor of Science degree from De La Salle University in 1978.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees&gt; Related Party Transaction Committee</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 49, 100-101</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, page 5</u></a></li> </ul>	
<b>Recommendation 3.6</b>			
<p>1. All established committees have a committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p>	COMPLIANT	<p>All Board-level Committee Charters are included in the Bank’s CGM. Each charter provides among others, the respective responsibility statement, duties and responsibilities, meeting schedules, which likewise serve as basis for the performance evaluation process of the committee.</p> <p>All committees have its own performance assessment rating standards</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 3 - 12</u></a></li> </ul>	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	COMPLIANT		
<p>3. Committee Charters were fully disclosed on the company’s website.</p>	COMPLIANT	<p>All board-level committee charters are disclosed in the Bank’s website</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees</u></a></li> </ul>	

**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation’s business.

**Recommendation 4.1**

<p>1. The Directors attend and actively participate in all meetings of the Board. Committees and shareholders in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>COMPLIANT</p>	<p>Conduct of Board Meetings and Quorum Requirements as provided in the Bank’s CGM</p> <p><i>A director’s commitment to the company is evident in the amount of time he dedicates to performing his duties and responsibilities, which includes his presence in all meetings of the Board, Committees and shareholders. In this way, the director is able to effectively perform his duty to the Bank and its shareholders.</i></p> <p><i>The directors shall act only as a Board, and the individual directors shall have no power as such. A majority of the Board shall constitute a quorum for the transaction of business and the vote of a majority of the quorum of the Board shall always be needed to decide any action. It shall meet regularly to properly discharge its functions. It shall also ensure that independent views in Board meetings shall be given full consideration and all such meetings shall be duly minuted.</i></p> <p><i>The directors shall attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele/videoconferencing conducted in accordance with the rules and regulations, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In board and committee meetings, the director should review meeting materials and, if called for, ask the necessary questions or seek clarifications and explanations.</i></p> <p><i>The meetings of the Board may be conducted through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein. Every member of the Board shall participate in at least fifty percent (50%) and shall physically attend at least twenty five percent (25%) of all Board meetings every year.</i></p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 12</u></b></li> </ul> <p><b>Board Meetings</b></p> <p>Regularly scheduled Board meeting are held to keep directors up to date on the Bank’s performance as well as approve strategies, appointments, and other decisions requiring their attention. The organizational meeting of the Board is held immediately after the Annual Stockholder’s Meeting. Board-level committees are reconstituted during the organizational meeting. Regular Board meetings are held every second Wednesday of each month. Special meetings may be called at any time by the Chairman, or in the Chairman’s absence, by the Vice Chairman. Special meeting may also be called pursuant to the written request of any four directors.</p> <p>The directors are encouraged to attend and actively participate in all meetings of the Board, Committees, and shareholders in person or through telecommuting conducted in accordance with all rules and regulations. Directors are allowed to miss a</p>	
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meeting when justifiable causes, such as illness, death in the immediate family or serious accidents, prevent them from attending. The meeting of the Board may be conducted through modern technology such as, but not limited to, teleconferencing or video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein. In Board and committee meetings, directors must review meeting materials, and if called for, ask the necessary questions to seek clarifications and explanations.

The Office of the Corporate Secretary plays a significant role in supporting the Board in discharging its responsibilities. It prepares the agenda of each meeting and sends out notices and materials needed at least five business days before the meeting dates. It also prepares and distributes the minutes of the previous meeting and keeps full minutes of all Board and stockholder meetings.

In 2019, the Board had thirteen meetings with the incumbent directors attending more than 98% of all meetings. Non-executive directors likewise meet once a year with the external auditor and heads of internal audit, compliance, and risk without any senior executive present to bring independent judgment to issues of strategy, performance, resources, and standards of conduct. In 2019, this was conducted on September 18, 2019.

2019 BOARD ATTENDANCE															
Board	Name	Number of Shares		% to Total Outstanding Shares (As Disclosed)	Board Meetings	Executive Committee	Anti-Money Laundering Committee	Risk Oversight Committee	Trust Committee	Audit Committee	Corporate Governance and Compensation Committee	Related Party Transactions Committee	Overseas Banking Committee	Nominations Committee	IT Steering Committee
		Direct	Indirect												
Group Chairman (ED)	Arthur Ty	15,205,313		0.34%	13/13	(CC) 40/52	7/7				3/4				(A) 7/7
Vice Chairman (NED)	Francisco C. Sebastian	1,442,283		0.03%	12/13	(VC) 47/52		(A) 6/12					(CC) 6/6		
President/Director (ED)	Fabian S. Dee	734		0.00%	13/13	47/52			11/11				2/2		7/7
Director (NED)	Alfred V. Ty	17,087,722		0.58%	11/13								3/6		
Director (NED)	Edmund A. Go	7,482		0.00%	13/13		2/7	(ED) 12/12	11/11						6/7
Director (ED)	Vicente R. Cuna, Jr	129	32,770	0.00%	13/13	47/52	2/7	(A) 5/12							(CC) 7/7
Independent	Jesli A. Lapus	28,419		0.00%	13/13			(VC) 11/12	(CC) 11/11		4/4			(CC) 8/8	
Independent	Rex C. Drilon II	1,615		0.00%	13/13		5/7		(VC) 10/11		(CC) 4/4	(CC) 14/14			
Independent	Robin A. King (1)	187		0.00%	4/4			(PCC) 3/12		4/4		4/4		2/2	
Independent	Francisco F. Del Rosario, Jr.	146		0.00%	13/13			(CC) 8/12		(VC) 11/12	4/4		6/6		
Independent	Edgar O. Chua	113		0.00%	13/13		7/7			(CC) 12/12		14/14		8/8	
Director (NED)	Solomon S. Cua	113	32,770	0.00%	13/13					7/8			5/6		
Independent	Angelica H. Lavares (2)	113			9/9		5/7			8/8		10/11		6/6	

(1) Mr. King retired in April 2019  
(2) Effective April 2019

		<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, pages 46-47</a></li> </ul>	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>Materials are provided to members for review within the agreed timeframe. As far as practicable, materials for the Board meeting should be provided within five (5) banking days before the meeting.</p> <p>Due to the confidentiality of the email communications and materials of the Board and Committee meetings, no documents shall be provided. However, the Corporate Secretary confirms that the BOD reviews the meeting materials for all Board and Committee meetings.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 12</a></li> </ul>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>As stated in the Bank's CGM, in the conduct of Board meetings, the directors are expected to attend and actively participate in all meetings of the Board, Committees and shareholders, review meeting materials and, if called for, ask the necessary questions or seek clarifications and explanations.</p> <p>Due to the confidentiality of the minutes of the Board and Committee meetings, no documents shall be provided. However, the Corporate Secretary confirms that the Directors ask the necessary questions and seek clarifications during Board and Committee meetings. Such questions are duly minuted.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 12</a></li> </ul>	
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	<p>The Bank has a policy on multiple board seats that sets the limit of board seats a non-executive director can hold simultaneously. The policy is embedded in the Bank's CGM and posted in the website, excerpts below:</p> <p><u>Multiple Board Seats</u> Taking into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities, the nature and kind of corporations he may be director of and the limitations on concurrent directorship between banks or between a bank and a quasi-bank under existing regulations, non-executive directors of the Board could, as a rule, concurrently serve as directors only to a maximum of five (5) publicly listed companies, making sure however that the shareholders' legal right to vote and be voted directors remains inviolable. In applying this provision to concurrent directorship in entities within a conglomerate, each entity where the non-executive director is concurrently serving as director shall be considered separately in assessing compliance with this requirement.</p> <p>A director should notify the Board before accepting a directorship in another company.</p>	

		<p>For the information on the directorship positions of the directors in other companies both listed and non-listed, please refer to the profiles of each director as provided in our response under Recommendation 1.1 above or refer to below link:</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 28</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, pages 100-101</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, pages 5-8</a></li> </ul>	
<b>Recommendation 4.3</b>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	COMPLIANT	<p>No actual case recorded for 2019 Minutes of BOD Meeting. However, the Company observes the policy embodied in the Bank's CGM stated under Multiple Board Seats as:</p> <p><i>A director should notify the Board before accepting a directorship in another company. This is for the Board to be able to assess if his present responsibilities and commitment to the Bank will be affected and if the director can still adequately provide what is expected of him.</i></p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 28</a></li> </ul>	
<b>Optional: Principle 4</b>			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>	COMPLIANT	<p>The Bank does not have any Executive Director/s who serve in more than two boards of listed companies outside of the group.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, pages 5-8</a></li> </ul>	
<p>2. Company schedules boards of directors' meetings before the start of the financial year.</p>	COMPLIANT	<p>Notices for the Board Meetings were sent at least one month ahead of the ensuing month's schedule.</p> <p>Per the Bank's Amended By-laws, the Board of Directors shall hold meetings every Wednesday of each month at 4:30pm.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Metrobank Amended By-Laws</a></li> </ul>	
<p>3. Board of directors meet at least six times during the year.</p>	COMPLIANT	<p>Indicate the number of board meetings during the year and provide proof</p> <p>For the year 2019, a total of 13 Board Meetings were held, all Minutes of the Board Meetings from the period January 1, 2019 to December 31, 2019 are complete and on file.</p>	

<b>Board</b>	<b>Name</b>	<b>Date of Election</b>	<b>% Present</b>
Chairman	Arthur Ty	April 24, 2019 (re-elected)	100
Vice Chairman	Francisco C. Sebastian	April 24, 2019 (re-elected)	92
President/Director	Fabian S. Dee	April 24, 2019 (re-elected)	100
Director	Alfred V. Ty	April 24, 2019 (re-elected)	85
Director	Edmund A. Go	April 24, 2019 (re-elected)	100
Director	Vicente R. Cuna, Jr	April 24, 2019 (re-elected)	100
Director	Solomon S. Cua	April 24, 2019 (re-elected)	100
Independent	Jesli A. Lapus	April 24, 2019 (re-elected)	100
Independent	Robin A. King*	April 25, 2018 (retired in April 2019)	100
Independent	Rex C. Drilon II	April 24, 2019 (re-elected)	93
Independent	Francisco F. Del Rosario, Jr.	April 24, 2019 (re-elected)	93
Independent	Edgar O. Chua	April 24, 2019 (re-elected)	100
Independent	Angelica H. Lavares**	April 24, 2019 (newly elected)	90

*\*Retired in April 2019*

*\*\* Elected Independent Director in April 2019*

2019 BOARD ATTENDANCE															
Board	Name	Number of Shares		% to Total Outstanding Shares (As Disclosed)	Board Meetings	Executive Committee	Anti-Money Laundering Committee	Risk Oversight Committee	Trust Committee	Audit Committee	Corporate Governance and Compensation Committee	Related Party Transactions Committee	Overseas Banking Committee	Nominations Committee	IT Steering Committee
		Direct	Indirect												
Group Chairman (ED)	Arthur Ty	15,205,313		0.34%	13/13	(CC) 40/52	7/7				3/4				(A) 7/7
Vice Chairman (NED)	Francisco C. Sebastian	1,442,283		0.03%	12/13	(VC) 47/52		(A) 6/12					(CC) 6/6		
President/Director (ED)	Fabian S. Dee	734		0.00%	13/13	47/52			11/11				2/2		7/7
Director (NED)	Alfred V. Ty	17,087,722		0.38%	11/13								3/6		
Director (NED)	Edmund A. Go	7,482		0.00%	13/13		2/7	(ED) 12/12	11/11						6/7
Director (ED)	Vicente R. Cuna, Jr	129	32,770	0.00%	13/13	47/52	2/7	(A) 5/12							(CC) 7/7
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Independent	Rex C. Drilon II	1,615		0.00%	13/13		5/7		(VC) 10/11		(CC) 4/4	(CC) 14/14			
Independent	Robin A. King (1)	187		0.00%	4/4			(PCC) 3/12		4/4		4/4		2/2	
Independent	Francisco F. Del Rosario, Jr.	146		0.00%	13/13			(CC) 8/12	(VC) 11/12		4/4		6/6		
Independent	Edgar O. Chua	113		0.00%	13/13		7/7		(CC) 12/12			14/14		8/8	
Director (NED)	Solomon S. Cua	113	32,770	0.00%	13/13					7/8			5/6		
Independent	Angelica H. Lavres (2)	113			9/9		5/7			8/8		10/11		6/6	

(1) Mr. King retired in April 2019  
(2) Effective April 2019

**Source:**

- [Website: About Us > Company Disclosure > 2019 Combined Annual Report and Sustainability Report, page 47](#)

**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs

**Recommendation 5.1**

1. The Board has at least 3 independent directors or such number as to constitute one-third

COMPLIANT

As stated in the Bank’s CGM on Composition of the Board:

As a rule, non-executive directors, who shall include independent directors, shall comprise at least majority of the Board to promote the independent oversight of management by the Board. They shall possess the necessary qualifications to effectively participate and help secure objective, independent judgement on corporate affairs and to substantiate proper checks and balances. Non-executive members of the Board shall refer to those who have no executive responsibility and are not part of the day to day management of banking operations and shall include the independent directors.

The Board should have at least one-third (1/3) but not less than (2) independent directors. Provided, that any fractional result from applying the required minimum proportion, i.e., one-third (1/3) shall be rounded up to the nearest whole

		<p>number.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 2</a></li> </ul> <p>In 2019, our Board is comprised of twelve directors, five (5) of whom are independent directors namely:  Mr. Jesli A. Lopus  Mr. Rex C. Drilon II  Mr. Francisco F. Del Rosario, Jr.  Mr. Edgar O. Chua  Ms. Angelica H. Lavares</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, pages 100-101</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, pages 5-8</a></li> <li>• <a href="#">Website: About Us &gt; Board of Directors</a></li> </ul>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualification and none of the disqualification to hold the positions.	COMPLIANT	<p>Profiles of directors are provided in the Annual Report, SEC Form 20-IS and Bank’s website.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, pages 100-101</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, pages 5-8</a></li> <li>• <a href="#">Website: About Us &gt; Board of Directors</a></li> </ul>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors’ ability to vote independently.	COMPLIANT	<p>There are no shareholder agreements, voting trust agreements, confidentiality agreements or any such other agreements that may impact the control, ownership and strategic direction of the Company.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; How We Work &gt; Metrobank Organizational Chart, Conglomerate Map and Shareholding Structure</a></li> </ul>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from	COMPLIANT	No independent director has served for a cumulative term of nine years (reckoned from 2012)	

2012)		<table border="1"> <thead> <tr> <th data-bbox="732 134 1081 203">Independent Directors</th> <th data-bbox="1081 134 1435 203">Tenure</th> <th data-bbox="1435 134 1789 203">Number of Years as ID (reckoned from 2012)</th> </tr> </thead> <tbody> <tr> <td data-bbox="732 203 1081 240">Jesli A. Lopus</td> <td data-bbox="1081 203 1435 240">Dir. since August 2010</td> <td data-bbox="1435 203 1789 240">7 years</td> </tr> <tr> <td data-bbox="732 240 1081 277">Rex C. Drilon II</td> <td data-bbox="1081 240 1435 277">Dir. since August 2012</td> <td data-bbox="1435 240 1789 277">7 years</td> </tr> <tr> <td data-bbox="732 277 1081 315">Francisco F. Del Rosario, Jr.</td> <td data-bbox="1081 277 1435 315">Dir. since April 2013</td> <td data-bbox="1435 277 1789 315">6 years</td> </tr> <tr> <td data-bbox="732 315 1081 352">Edgar O. Chua</td> <td data-bbox="1081 315 1435 352">Dir. since April 2017</td> <td data-bbox="1435 315 1789 352">2 years</td> </tr> <tr> <td data-bbox="732 352 1081 378">Angelica H. Lavares</td> <td data-bbox="1081 352 1435 378">Dir. since April 2019</td> <td data-bbox="1435 352 1789 378">8 months</td> </tr> </tbody> </table>	Independent Directors	Tenure	Number of Years as ID (reckoned from 2012)	Jesli A. Lopus	Dir. since August 2010	7 years	Rex C. Drilon II	Dir. since August 2012	7 years	Francisco F. Del Rosario, Jr.	Dir. since April 2013	6 years	Edgar O. Chua	Dir. since April 2017	2 years	Angelica H. Lavares	Dir. since April 2019	8 months		
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Angelica H. Lavares	Dir. since April 2019	8 months																				
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	<p data-bbox="732 609 2080 641">Term Limits for Independent Directors</p> <p data-bbox="732 673 2080 803"><i>As a rule, the Board's independent directors may serve for a maximum cumulative term of nine (9) years, making sure however that the shareholders' legal right to vote and be voted remains inviolable. After which, the independent director shall be perpetually barred from serving as such, but may continue to serve as regular director. The nine (9) year maximum cumulative term for independent directors shall be reckoned from 2012.</i></p> <p data-bbox="732 836 2080 868"><b>Source:</b></p> <ul data-bbox="782 868 2080 901" style="list-style-type: none"> <li data-bbox="782 868 2080 901">• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 16</a></li> </ul>																				
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	<p data-bbox="732 933 2080 998">For Year 2019, there was no case/instance discussed regarding retention of a director in the same capacity after maximum tenure of 9 years. All independent directors are still within the maximum term limit of 9 years.</p> <p data-bbox="732 1031 2080 1063"><b>Source:</b></p> <ul data-bbox="782 1063 2080 1193" style="list-style-type: none"> <li data-bbox="782 1063 2080 1128">• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, pages 100-101</a></li> <li data-bbox="782 1128 2080 1161">• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, pages 5-8</a></li> <li data-bbox="782 1161 2080 1193">• <a href="#">Website: About Us &gt; Board of Directors</a></li> </ul>																				
<b>Recommendation 5.4</b>																						
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	<p data-bbox="732 1258 2080 1291">The Bank's Chairman of the Board and Chief Executive Officer are held by the following individuals separately:</p> <p data-bbox="732 1323 2080 1356"><b>Mr. Arthur Ty</b>, Chairman of the Board</p> <p data-bbox="732 1356 2080 1388"><b>Mr. Fabian S. Dee</b>, President/CEO</p>																				

		<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, pages 100-101</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Board of Directors</u></a></li> </ul>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>The positions of Chairman of the Board and Chief Executive Officer are held by two separate individuals.</p> <p>The following are excerpts from the Bank’s CGM on the roles and responsibilities of the Chairman of the Board and the President:</p> <p><b>THE CHAIRMAN OF THE BOARD AND THE PRESIDENT</b></p> <p><i>The roles of the Chairman and the President shall, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. Each should have clearly defined responsibilities, such separation of roles will facilitate effective decision-making and good governance.</i></p> <p><i>To promote checks and balances, the Chairman of the Board shall be a non-executive director or an independent director, and must not have served as CEO/President of the Bank within the past three (3) years.</i></p> <p>1. <i>The Chairman shall provide leadership in the Board of Directors. He shall ensure effective functioning of the Board of Directors, including maintaining a relationship of trust with members of the board of directors. He shall: (1) ensure that the meeting agenda focuses on strategic matters including discussion on risk appetites, and key governance concerns; (2) ensure a sound decision-making process; (3) encourage and promote critical discussion; (4) ensure that dissenting views can be expressed and discussed within the decision-making process; (5) ensure that members of the Board receive accurate, timely, and relevant information; (6) ensure the conduct of proper orientation for first-time directors and provide training opportunities for all directors; and (7) ensure conduct of performance evaluation of the Board of Directors at least once a year.</i></p> <p><i>Specifically, the respective powers and duties of the Chairman and the President are delineated in the Bank’s By-Laws.</i></p> <p><i>Based on the By-Laws, the Chairman shall have the following powers and duties:</i></p> <p>a. <i>To preside at all meetings of the stockholders and of the Board, and to ensure that the meeting of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary;</i></p> <p>b. <i>To supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the President, management and the directors;</i></p>	

		<p>c. <i>To maintain qualitative and timely lines of communication and information between the Board and management;</i></p> <p>d. <i>To submit an annual report of the operations of the Bank to the stockholders at the annual meeting;</i></p> <p>e. <i>Exercises such general supervision as may be necessary to determine whether the resolutions and orders of the Board and of any authorized committee have been carried out by the management; and</i></p> <p>f. <i>To exercise such other powers and perform such other duties as the Board may from time to time fix or delegate.</i></p> <p><i>In addition to the foregoing, the Chairperson shall also have, among others, the following duties and responsibilities:</i></p> <p>a. <i>Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns and contentious issues that will significantly affect operations;</i></p> <p>b. <i>Guarantees that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;</i></p> <p>c. <i>Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;</i></p> <p>d. <i>Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;</i></p> <p>e. <i>Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and</i></p> <p>f. <i>Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.</i></p> <p>2. <i>The President shall be the overall-in-charge for the management of the business and affairs of the Bank governed by the strategic direction and risk appetite approved by the Board. He shall be primarily accountable to the Board in championing the desired conduct and behavior, implementing strategies, and in promoting the long-term interest of the Bank.</i></p> <p><i>Based on the By-Laws, the President shall have the following powers and duties:</i></p> <p>a. <i>To exercise direct and active management of the business and operations of the Bank, conducting the same according to the orders, resolutions and instructions of the Board and of any authorized committee, and according to his own discretion wherever the same is not expressly limited by such orders, resolutions and instructions;</i></p> <p>b. <i>To exercise general superintendence and direction over the other officers and the employees of the Bank and to see to it that their respective duties are properly performed;</i></p> <p>c. <i>To recommend to the Board, the appointment or removal of any of the management officers, employees and agents of the Bank, the fixing of their salaries and wages, to prescribe their duties, and to require guarantees</i></p>	
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<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead	NON-COMPLIANT	Policy as provided for in the Bank's CGM  <u>Lead Independent Director</u>	Allowed by BSP regulations.  The Bank has not named a

<p>director among the independent directors.</p>	<p>The Bank has no Lead Independent Director, but certainly provides a policy for the nomination of one, if warranted.</p>	<p><i>In exceptional cases where the position of Chairman of the Board and President is allowed to be held by one (1) person as approved by the Monetary Board, a lead independent director shall be appointed.</i></p> <p><i>The Board shall ensure that the lead independent director functions in an environment that allows him to effectively challenge the President as circumstances may warrant. The lead independent director shall perform a more enhanced function over the other independent directors and shall: xx`</i></p> <p><i>a. lead the independent directors at Board meetings in raising queries and pursuing matters; and</i></p> <p><i>b. lead meetings of independent directors, without the presence of executive directors.</i></p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 15</u></b></li> </ul>	<p>Lead Independent Director, since the positions of Chairman of the Board and the Chief Executive Officer/President are held by separate individuals. The Chairman is not independent.</p> <p>The Bank warrants that proper mechanisms are in place to ensure independent views and perspectives, avoid abuse of power or monopoly of authority and potential conflict of interest.</p> <p>The Bank's Board is composed of majority of non-executive directors, a deliberate stance to promote objectivity and independence in the board. The Board is comprised of a total of twelve (12) directors, ten (10) of whom are non-executive directors (NED), of which five (5) are independent directors.</p> <p>The Board also ensures that non-executive board members meet with the external auditor and heads of internal audit, compliance and risk management functions other than in meetings of the audit and risk oversight committees, in</p>
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			the absence of senior management. This mechanism provides a valuable channel of communication should there be any concern/s the directors may wish to discuss relating to the Chairman or CEO/President or Management.
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	<p>The Bank's CGM provides that <i>Directors should conduct fair business transactions with the Bank and ensure that personal interest does not bias Board decisions.</i></p> <p><i>Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the Bank cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the Bank than those offered to others. The basic principle to be observed is that a director should not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that would compromise his impartiality. Directors are required to abstain from participating in the Board discussion on a particular agenda when they are conflicted.</i></p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 16</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 51</a></li> </ul>	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present	COMPLIANT	<p>The non-executive directors meet at least once a year without the presence of any executive. In 2019, the meeting was held on September 18, 2019.</p> <p>The meeting was attended NEDs, majority of whom are independent directors without the presence of any executives, hence, objectivity and independence is maintained.</p> <p>The meeting was headed by an Independent Director.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 46</a></li> </ul>	
2. The meetings are chaired by the lead independent director.	COMPLIANT		
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in	COMPLIANT	In the past two years i.e. 2017-2019, Mr. Fabian S. Dee has remained the Bank's President/CEO.	

the past 2 years.			
<b>Principle 6:</b> The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	<p><b><u>Board Performance Evaluation and Self- Assessment</u></b></p> <p>Board effectiveness can only be gauged if the Board regularly assesses its own performance and the performance of the individual directors. At Metrobank, to determine the effectiveness of the Board, Chairman of the Board, President, Board Committees and each of the individual directors, annual evaluation of their performance is conducted using approved rating sheets. The performance rating sheet normally circulated on paper or online using questionnaires that are tailor-made to the Bank’s needs and objectives. This evaluation process allows the Board to consider the accomplishments of individuals and the group of individuals within the Board and this also serves as an avenue to revisit existing process or areas in need of improvement within the Board.</p> <p>The Board conducts its annual evaluation process through the Corporate Governance and Compensation Committee. It has adopted an internal self-rating system and procedure to determine and measure compliance vis-à-vis good corporate governance principles and practices as prescribed in the Code of Corporate Governance: (i) Each Director self-rates and collectively rates the Board, the Chairman of the Board, and the President; (ii) Corporate Governance, Audit, Risk Oversight and other Board committees conduct self-rating.</p> <p>The summary results of the performance evaluation are presented to the Corporate Governance and Compensation Committee and endorsed to the Board. For 2019, the overall assessment showed that the Board, Board committees, the individual directors, the Chairman, and the President possess the right mix of backgrounds and competencies to fulfill their duties and the Bank has fully complied with the materials requirements of the SEC Code of Corporate Governance.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 50</u></b></li> <li>• <b><u>Website: About Us - Company Disclosure - 2019 Combined Annual Report and Sustainability Report, page 50</u></b></li> </ul>	
2. The Chairman conducts a self-assessment of his performance	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	The Bank had already approached an external facilitator for the engagement. Awaiting offers from other facilitators.	
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors	COMPLIANT	<p>In compliance with this recommendation, Annual Self-Assessment procedures are included in the Bank’s CGM, as follows:</p> <p>The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, the President and individual members and committees.</p>	

and committees.		The Board has created an internal self-rating system and procedures to determine and measure compliance with this	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<p>Manual on Corporate Governance vis-à-vis good corporate governance principles and practices: (i) each Director self-rates and collectively rates the Board, the President and the Chairman (ii) Corporate Governance, Audit, Risk Oversight and other Board committees respectively rate themselves. Every three (3) years, as much as practicable, the assessment should be supported by an external facilitator.</p> <ol style="list-style-type: none"> <li>1. The evaluation shall cover the period April of the previous year to March of the following year (whole term).</li> <li>2. In order to properly assess the Board, its individual Directors, the President, the Board Committees, etc., self-assessment forms shall be used. The Secretary of the Corporate Governance and Compensation Committee shall initiate the performance evaluation every March of each year.</li> <li>3. Self-assessment forms must be accomplished as objectively as possible. The rating to be assigned shall reflect the personal view of the evaluator to the various corporate governance mechanisms.</li> <li>4. The baseline on the assessment of the effectiveness of the performance of the Board, individual Directors and various Board Committees are the duties and responsibilities as mentioned in the Manual, the Bank's By-laws, various rules and regulations and in the respective committee charters.</li> <li>5. After the assessment forms have been duly accomplished, the Secretary of the Corporate Governance and Compensation Committee shall collate the forms and prepare a summary. For the various Board Committees, the secretary shall coordinate with the respective secretaries of the committees for the results of the assessment of each Committee. The Audit Committee shall perform its self-assessment in accordance with SEC Memorandum Circular No. 4, S.2012.</li> <li>6. The Committee Secretary shall review the results and report the results to the Board through the Corporate Governance and Compensation Committee. To allow for a feedback mechanism, the criteria, process and collective results of the assessments should, as a rule, be disclosed to ensure transparency and allows shareholders and other stakeholders to determine if the directors are performing their responsibilities.</li> </ol> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 50</u></b></li> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 50</u></b></li> </ul> <p>The Bank has a system for feedback mechanism from the shareholders through the Stockholders' meetings where the Bank conducts open forum and voting mechanism in ratifying the acts of the directors. Shareholders are also given access to communicate anytime through the Investor Relations Hotline in the Bank's website.</p>	

		<p>For more information, you may reach the Metrobank Investor Relations Department through the following:</p> <p>Investor Relations Department</p> <p>Email Address: <a href="mailto:investor.relations@metrobank.com.ph">investor.relations@metrobank.com.ph</a></p> <p>Telephone no: (02) 8857 5348</p> <p>Fax no: (02) 8817 6355</p> <p>Address: 11/F Metrobank Plaza, Sen. Gil Puyat Avenue, Makati City, Philippines 1200</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Metrobank Investor Relations Program</u></b></li> </ul>	
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**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	<p>The following Codes of Conduct are posted in the Bank’s website and included in the CGM:</p> <ul style="list-style-type: none"> <li>• Code of Conduct and Ethics for Bank Directors</li> <li>• Code of Conduct for Employees</li> </ul> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 13-14</u></b></li> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 50-51</u></b></li> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Code of Conduct and Ethics for Bank Directors</u></b></li> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Code of Ethics for Employees</u></b></li> </ul>	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	<p>The Code of Conduct is discussed with the new employees of the bank during their New Employee’s Orientation (every 1st and 16th of the month). There are regular advisories about the Code and standards of right behavior are shared during training and on various units’ meetings.</p> <p>E-learning courses for understanding the Bank’s Code of Conduct and Fraud Awareness were conducted in 2019. Aside from checking the knowledge of the employees on the Bank’s Code of Conduct, this course also tests whether the employees are guided by the same Code in certain decision-making scenarios.</p>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Code of Conduct and Ethics for Bank Directors</u></b></li> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Code of Ethics for Employees</u></b></li> </ul>	

**Supplement to Recommendation 7.1**

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>COMPLIANT</p>	<p>Under the standard of Avoidance of Conflict of Interest, it clearly states that “Bribery, fraud, extortion, collusion, conflict of interest, and money laundering, and other corrupt practices have no role in the way we conduct our affairs.”</p> <p>Commission of any form of bribery is categorized as a Class D Offense and is punishable by termination under the Code of Conduct.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 14</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 51</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Code of Ethics for Employees</a></li> </ul>	
<b>Recommendation 7.2</b>			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics</p>	<p>COMPLIANT</p>	<p>The Bank’s Code of Conduct has strict implementing guidelines to ensure clarity and consistency of implementation. Bank’s policies and procedures to support the Code are articulated and announced via bankwide announcements. Units also issue the appropriate advisories whenever updates or new policies are to be implemented. Training programs use live cases from bank operations to illustrate right behavior.</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>COMPLIANT</p>	<p>All employees are required to comply with the Code of Business Conduct and Ethics. The Board of Directors is likewise bound to comply with the Code of Conduct and Ethics for Directors.</p> <p>There are bank units that monitor the bank’s compliance to rules &amp; policies, such as (but not limited to) Branch Operations &amp; Control Division (BOCD), Internal Audit Group. Any breach in the Code of Conduct and/or policies &amp; procedures follows the prescribed administrative due process (to include investigation and decision) by the appropriate Committee to ascertain accountability.</p> <p>Further, as an extension of the Board of Directors, the Audit Committee (AUDITCOM) assists the Board of Directors in fulfilling its statutory and fiduciary responsibilities, which include among others, ensuring compliance with Bank policies, and applicable laws, rules and regulations and code of conduct; ensuring adequate and effective internal controls.</p> <p>As part of the Internal Audit Charter, the IAG Head, in the discharge of his/her duties, shall be accountable to Management and the Audit Committee for providing annual assessment on the adequacy and effectiveness of the Bank’s processes for controlling its operations and managing its risks in the areas set forth under the mission and scope of work.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Code of Ethics for Employees</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee</a></li> </ul>	
<b>Disclosure and Transparency</b>			

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

**Recommendation 8.1**

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that give a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>COMPLIANT</p>	<p>Company disclosures are posted in the Bank's website.</p> <p>The Bank has policies and procedures in place for the required bank disclosures which is now in process of updating to align and comply with new regulations issued by SEC, PSE and BSP.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure</a></li> </ul>	
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**Supplement to Recommendation 8.1**

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>COMPLIANT</p>	<p>The Bank has submitted/published the consolidated/interim financial reports within the required period as follows:</p> <table border="1" data-bbox="735 625 1789 860"> <thead> <tr> <th>17Q (Quarterly Unaudited FS)</th> <th>Date Submitted to SEC</th> <th>No. of Days</th> </tr> </thead> <tbody> <tr> <td>March 31, 2019</td> <td>May 06, 2019</td> <td>36</td> </tr> <tr> <td>June 30, 2019</td> <td>July 25, 2019</td> <td>25</td> </tr> <tr> <td>September 30, 2019</td> <td>October 25, 2019</td> <td>25</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>2019 Audited FS</td> <td></td> <td></td> </tr> <tr> <td>With Management Discussion</td> <td>February 20, 2020</td> <td>51</td> </tr> </tbody> </table> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure</a></li> </ul>	17Q (Quarterly Unaudited FS)	Date Submitted to SEC	No. of Days	March 31, 2019	May 06, 2019	36	June 30, 2019	July 25, 2019	25	September 30, 2019	October 25, 2019	25				2019 Audited FS			With Management Discussion	February 20, 2020	51	
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With Management Discussion	February 20, 2020	51																						

<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>COMPLIANT</p>	<p>There are no shareholder agreements, voting trust agreements, confidentiality agreements or any such other agreements that may impact the control, ownership and strategic direction of the Company.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 SEC 17-A</a></li> </ul>	
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**Recommendation 8.2**

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	Metrobank has instituted its own Insider Trading Policy to ensure that shareholders are afforded protection and that individuals do not benefit from knowledge which is not generally available to the market. The policy requires that the disclosure of material non-public information about any of the companies within the Metrobank Group or any partner shall be made on a reasonable need-to-know basis and in furtherance of a legitimate business purpose. The policy covers the standard of conduct applicable to all directors and employees within the Metrobank Group including their immediate family members residing with them in the same household and corporations, other entities and funds subject to their influence or control. It requires the reporting insiders to confirm their respective beneficial ownership of listed shares of stock in their respective companies, if any, and report any changes thereto on the next trading day from the date of the change pursuant to the requirements of the SEC and the PSE.	
2. Company has a policy requiring all officers to disclose/report to the company's shares within three business days.	COMPLIANT		<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 17</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 51</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Company Policies</a></li> </ul>

**Supplement to Recommendation 8.2**

1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	<p><b>2019 SEC 17-A: Security Ownership of Management</b></p> <table border="1" data-bbox="737 703 1829 1133"> <thead> <tr> <th>Class of Shares</th> <th>Name of Beneficial Owner</th> <th>Citizenship</th> <th>No. of Shares as of December 31, 2018</th> <th>Additions/ (Disposal)</th> <th>No. of Shares as of December 31, 2019</th> <th>Nature</th> <th>Percent of Class</th> </tr> </thead> <tbody> <tr> <td colspan="8"><b>Directors (12)</b></td> </tr> <tr> <td>1</td> <td>Common</td> <td>ARTHUR TY</td> <td>Filipino</td> <td>13,456,030</td> <td>1,749,283</td> <td>15,205,313</td> <td>Direct</td> <td>0.338</td> </tr> <tr> <td>2</td> <td>Common</td> <td>FRANCISCO C. SEBASTIAN</td> <td>Filipino</td> <td>1,026,357</td> <td>415,926</td> <td>1,442,283</td> <td>Direct</td> <td>0.032</td> </tr> <tr> <td>3</td> <td>Common</td> <td>FABIAN S. DEE (a)</td> <td>Filipino</td> <td>650</td> <td>84</td> <td>734</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td>4</td> <td>Common</td> <td>ALFRED V. TY</td> <td>Filipino</td> <td>15,121,879</td> <td>1,965,843</td> <td>17,087,722</td> <td>Direct</td> <td>0.380</td> </tr> <tr> <td>5</td> <td>Common</td> <td>EDMUND A. GO</td> <td>Filipino</td> <td>6,622</td> <td>860</td> <td>7,482</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td>6</td> <td>Common</td> <td>VICENTE R. CUNA, JR. (b)</td> <td>Filipino</td> <td>115</td> <td>14</td> <td>129</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td>7</td> <td>Common</td> <td>SOLOMON S. CUA</td> <td>Filipino</td> <td>100</td> <td>13</td> <td>113</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td>8</td> <td>Common</td> <td>JESLI A. LAPUS (c)</td> <td>Filipino</td> <td>20,150</td> <td>8,269</td> <td>28,419</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td>9</td> <td>Common</td> <td>REX C. DRILON II (c)</td> <td>Filipino</td> <td>1,430</td> <td>185</td> <td>1,615</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td>10</td> <td>Common</td> <td>FRANCISCO F. DEL ROSARIO, JR. (c)</td> <td>Filipino</td> <td>130</td> <td>16</td> <td>146</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td>11</td> <td>Common</td> <td>EDGAR O. CHUA (c)</td> <td>Filipino</td> <td>100</td> <td>13</td> <td>113</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td>12</td> <td>Common</td> <td>ANGELICA H. LAVARES (c)</td> <td>Filipino</td> <td>-</td> <td>113</td> <td>113</td> <td>Direct</td> <td>0.000</td> </tr> <tr> <td colspan="3">Sub-total</td> <td></td> <td>29,633,563</td> <td>4,140,619</td> <td>33,774,182</td> <td></td> <td>0.751</td> </tr> </tbody> </table>	Class of Shares	Name of Beneficial Owner	Citizenship	No. of Shares as of December 31, 2018	Additions/ (Disposal)	No. of Shares as of December 31, 2019	Nature	Percent of Class	<b>Directors (12)</b>								1	Common	ARTHUR TY	Filipino	13,456,030	1,749,283	15,205,313	Direct	0.338	2	Common	FRANCISCO C. SEBASTIAN	Filipino	1,026,357	415,926	1,442,283	Direct	0.032	3	Common	FABIAN S. DEE (a)	Filipino	650	84	734	Direct	0.000	4	Common	ALFRED V. TY	Filipino	15,121,879	1,965,843	17,087,722	Direct	0.380	5	Common	EDMUND A. GO	Filipino	6,622	860	7,482	Direct	0.000	6	Common	VICENTE R. CUNA, JR. (b)	Filipino	115	14	129	Direct	0.000	7	Common	SOLOMON S. CUA	Filipino	100	13	113	Direct	0.000	8	Common	JESLI A. LAPUS (c)	Filipino	20,150	8,269	28,419	Direct	0.000	9	Common	REX C. DRILON II (c)	Filipino	1,430	185	1,615	Direct	0.000	10	Common	FRANCISCO F. DEL ROSARIO, JR. (c)	Filipino	130	16	146	Direct	0.000	11	Common	EDGAR O. CHUA (c)	Filipino	100	13	113	Direct	0.000	12	Common	ANGELICA H. LAVARES (c)	Filipino	-	113	113	Direct	0.000	Sub-total				29,633,563	4,140,619	33,774,182		0.751	
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Class of Shares	Name of Beneficial Owner	Citizenship	No. of Shares as of December 31, 2018	Additions/ (Disposal)	No. of Shares as of December 31, 2019	Nature	Percent of Class	
<b>Officers (23)</b>								
<b>Senior Executive Vice Presidents (2)</b>								
1	Common	JOSHUA E. NAING	Filipino	300,000	39,000	339,000	Direct	0.007
2	Common	FERNAND ANTONIO A. TANSINGCO	Filipino	40,605	16,579	57,184	Direct	0.001
<b>Executive Vice Presidents (7)</b>								
3		MARITESS B. ANTONIO	Filipino	-	-	-		
4		MARY MYLENE A. CAPARAS	Filipino	-	-	-		
5		PAUL ROBERT Y. MURGA	Filipino	-	-	-		
6		CORAZON MA. THERESE B. NEPOMUCENO	Filipino	-	-	-		
7		RICHARD BENEDICT S. SO	Filipino	-	-	-		
8	Common	ANICETO M. SOBREPENA	Filipino	9,177	1,193	10,370	Direct	0.000
9		VIVIAN L. TIU	Filipino	-	-	-		
<b>Senior Vice Presidents (13)</b>								
10		MARILOU C. BARTOLOME-CIRILO	Filipino	-	-	-		
11	Common	CHISTINE Y. CARANDANG	Filipino	-	-	-		
12		POCHOLO V. DELA PEÑA	Filipino	-	-	-		
13		FERLOU I. EVANGELISTA	Filipino	-	-	-		
14		QUINTIN T. MEDRANO	Filipino	-	-	-		
15		SUSAN L. NIERE	Filipino	-	-	-		
16		ANTONIO R. OCAMPO, JR.	Filipino	-	-	-		
17	Common	BERNARDINO D. RAMOS	Filipino	4,122	535	4,657	Direct	0.000
18		ANGELICA S. REYES	Filipino	-	-	-		
19		LEANDRO ANTONIO G. SANTILLAN	Filipino	-	-	-		
20	Common	LITA S. TAN	Filipino	8,288	1,077	9,365	Direct	0.000
21		LEOPOLDO M. UBALDO	Filipino	-	-	-		
22	Common	ANTHONY PAUL C. YAP	Filipino	17,302	2,249	19,551	Direct	0.00
<b>First Vice President (1)</b>								
23		LEO R. FRAGANTE	Filipino	-	-	-		
Sub-total				379,494	60,633	440,127		0.010
<b>Total (Directors and Officers)</b>				<b>30,013,057</b>	<b>4,201,252</b>	<b>34,214,309</b>		<b>0.761</b>

(a) Director and President

(b) Director and Senior Executive Vice-President

(c) Independent Directors

**PSE EDGE: 2019 Initial Statement of / Statement of Changes in Beneficial Ownership of Securities**

<b>Company Name</b>	<b>Template Name</b>	<b>PSE Form Number</b>	<b>Announce Date and Time</b>	<b>Report Number</b>
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 26, 2019 10:13 AM	CR07792-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 23, 2019 08:04 AM	CR07760-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 02:51 PM	CR07521-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 02:09 PM	CR07520-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 02:06 PM	CR07519-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 10:16 AM	CR07511-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 10:16 AM	CR07510-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 10:07 AM	CR07509-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 07:29 AM	CR07503-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 07:29 AM	CR07502-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 03, 2019 07:29 AM	CR07501-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 01:05 PM	CR07498-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 01:00 PM	CR07497-2019

		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:57 PM	CR07496-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:52 PM	CR07495-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:48 PM	CR07494-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:47 PM	CR07493-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:41 PM	CR07492-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:41 PM	CR07491-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:40 PM	CR07490-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:40 PM	CR07489-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:39 PM	CR07488-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Dec 02, 2019 12:39 PM	CR07487-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Oct 10, 2019 08:46 AM	CR06165-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Sep 27, 2019 03:07 PM	CR05833-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Sep 18, 2019 07:58 AM	CR05732-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Sep 16, 2019 08:01 AM	CR05703-2019	
		Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Sep 11, 2019 07:41 AM	CR05668-2019	

Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Aug 20, 2019 04:06 PM	CR05468-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Jul 01, 2019 03:05 PM	CR04099-2019
Metropolitan Bank & Trust Company	Initial Statement of Beneficial Ownership of Securities	17-6	Apr 26, 2019 12:00 PM	CR02513-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Mar 26, 2019 08:14 AM	CR01366-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Mar 08, 2019 03:09 PM	CR01185-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Mar 01, 2019 08:17 AM	CR01096-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Feb 22, 2019 07:36 AM	CR01064-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Feb 19, 2019 07:53 AM	CR01045-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Feb 14, 2019 07:59 AM	CR00993-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Feb 11, 2019 08:12 AM	CR00941-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Feb 04, 2019 03:26 PM	CR00880-2019
Metropolitan Bank & Trust Company	Statement of Changes in Beneficial Ownership of Securities	17-7	Jan 08, 2019 03:29 PM	CR00228-2019

### **PSE EDGE: 2019 Public Ownership Report**

#### **A. Directors**

<b>Name</b>	<b>Direct</b>	<b>Indirect</b>	<b>Total direct &amp; indirect shares</b>	<b>% to Total Outstanding Shares</b>
ARTHUR VY TY	15,205,313	-	15,205,313	0.34
ALFRED TY	17,087,722	-	17,087,722	0.38
FRANCISCO C. SEBASTIAN	1,442,283	-	1,442,283	0.03
FABIAN S. DEE	734	-	734	-
FRANCISCO F. DEL ROSARIO, JR.	146	-	146	-
EDMUND A. GO	7,482	-	7,482	-
JESLI A. LAPUS	28,419	-	28,419	-
EDGAR O. CHUA	113	-	113	-
REX C. DRILON, II	1,615	-	1,615	-
ANGELICA H. LAVARES	113	-	113	-
SOLOMON S. CUA	113	47,560	47,673	-
VICENTE R. CUNA, JR.	129	32,770	32,899	-
	33,774,182	80,330	33,854,512	0.75




		<p><b>B. Officers</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Direct</th> <th>Indirect</th> <th>Total direct &amp; indirect shares</th> <th>% to Total Outstanding Shares</th> </tr> </thead> <tbody> <tr> <td>ANICETO M. SOBREPEÑA</td> <td>10,370</td> <td>5,102</td> <td>15,472</td> <td>-</td> </tr> <tr> <td>MARIE EDGETTE C. GAMBOA</td> <td>14,103</td> <td>-</td> <td>14,103</td> <td>-</td> </tr> <tr> <td>JOSHUA E. NAING</td> <td>339,000</td> <td>-</td> <td>339,000</td> <td>0.01</td> </tr> <tr> <td>BERNARDINO D. RAMOS</td> <td>4,657</td> <td>-</td> <td>4,657</td> <td>-</td> </tr> <tr> <td>FERNAND A. TANSINGCO</td> <td>57,184</td> <td>-</td> <td>57,184</td> <td>-</td> </tr> <tr> <td>LAARNI D. BERNABE</td> <td>2,554</td> <td>-</td> <td>2,554</td> <td>-</td> </tr> <tr> <td>LITA S. TAN</td> <td>9,365</td> <td>-</td> <td>9,365</td> <td>-</td> </tr> <tr> <td>ANTHONY PAUL C. YAP</td> <td>19,551</td> <td>-</td> <td>19,551</td> <td>-</td> </tr> <tr> <td></td> <td>456,784</td> <td>5,102</td> <td>461,886</td> <td>0.01</td> </tr> </tbody> </table> <p><b>C. Principal/Substantial Stockholders</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Direct</th> <th>Indirect</th> <th>Total direct &amp; indirect shares</th> <th>% to Total Outstanding Shares</th> </tr> </thead> <tbody> <tr> <td>GT CAPITAL HOLDINGS, INC.</td> <td>1,644,791,210</td> <td>-</td> <td>1,644,791,210</td> <td>36.57</td> </tr> <tr> <td></td> <td>1,644,791,210</td> <td>0</td> <td>1,644,791,210</td> <td>36.57</td> </tr> </tbody> </table> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 SEC 17-A, pages 51-52</a></li> <li>• <a href="#">PSE EDGE / PDEX: Metrobank 2019 Initial Statement of / Statement of Changes in Beneficial Ownership</a></li> <li>• <a href="#">PSE EDGE / PDEX: Metrobank 2019 Public Ownership Report</a></li> </ul>	Name	Direct	Indirect	Total direct & indirect shares	% to Total Outstanding Shares	ANICETO M. SOBREPEÑA	10,370	5,102	15,472	-	MARIE EDGETTE C. GAMBOA	14,103	-	14,103	-	JOSHUA E. NAING	339,000	-	339,000	0.01	BERNARDINO D. RAMOS	4,657	-	4,657	-	FERNAND A. TANSINGCO	57,184	-	57,184	-	LAARNI D. BERNABE	2,554	-	2,554	-	LITA S. TAN	9,365	-	9,365	-	ANTHONY PAUL C. YAP	19,551	-	19,551	-		456,784	5,102	461,886	0.01	Name	Direct	Indirect	Total direct & indirect shares	% to Total Outstanding Shares	GT CAPITAL HOLDINGS, INC.	1,644,791,210	-	1,644,791,210	36.57		1,644,791,210	0	1,644,791,210	36.57	
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<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgement.</p>	COMPLIANT	<p>Please follow below links for the relevant and material information on the directors, such as but not limited to academic qualifications, professional/employment history, share ownership, trainings attended.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 SEC 20-IS, pages 5-8</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report pages 100-101</a></li> <li>• <a href="#">Website: About Us &gt; Board of Directors</a></li> </ul>																																																																		
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualification, and assess any potential conflicts of interest that might affect their judgement</p>	COMPLIANT	<p>Please follow below links for the relevant and material information on key officers/executives, such as but not limited to academic qualifications, professional/employment history, share ownership, trainings attended.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosures &gt; 2019 SEC 20-IS</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report</a></li> <li>• <a href="#">Website: About Us &gt; People &gt; Metrobank Directors, Advisers, and Principal Officers</a></li> </ul>																																																																		

<b>Recommendation 8.4</b>		
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	<p><b>Directors' Compensation Package</b></p> <p>The members of the Board of Directors receive a fixed remuneration package based on experience, professional background, level of responsibilities and attendance in Board and committee meetings.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 46</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 52</a></li> </ul>
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	<p><b>Executive and Employee Compensation</b></p> <p>The Bank pays salaries commensurate to the individual's qualifications &amp; experience, nature of the job, position, and level of responsibility with reference to an approved salary scale. The Bank's compensation package is reviewed regularly and benchmarked against competition through participation in annual compensation and benefit surveys conducted by an accredited and recognized third party, Towers Watson, to ensure its competitiveness vis-à-vis industry and other market considerations.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 46</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report, page 52</a></li> </ul>
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	<p>The Bank discloses information on its directors and executive based on the existing disclosure rules of the SEC and PSE, while respecting individual executive's right to data privacy.</p> <p>In line with the above explanation, the Bank discloses annual remuneration of its directors and executive officers in the aggregate. It also provides the components of such remuneration.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosures &gt; 2019 SEC 20-IS</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 19</a></li> </ul>
<b>Recommendation 8.5</b>		
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance	COMPLIANT	<p>As provided in the Bank's CGM, the Bank has adopted a policy on related party transactions where transactions with related parties are reviewed by either the Related Party Transactions Management Committee, a management-level committee composed of senior officers, or the Related Party Transactions Committee, a Board-level committee composed of independent directors, depending on the materiality threshold set by the Bank.</p> <p>Directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of such transaction. No director or officer shall participate in the RPTC, RPTMC or Board discussion of a related party</p>

		<p>transaction for which he, she or any member of his or her close family or related interest is involved, including transactions of subordinates, except in order to provide material information on the related party transaction to the RPTC/Board.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 16</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	
2. Company discloses material or significant RPTs reviewed and approved during the year	COMPLIANT	<p>Significant RPTs are disclosed in Note 31 of the 2019 Audited Financial Statements.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosures &gt; 2019 SEC 20-IS</a></li> </ul>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interest.	COMPLIANT	<p>Directors are required to provide their biographical data and disclose any probable conflict of interests which are part and parcel of the assessment and nomination process for directors.</p> <p>At the onset of review of a related party transaction, a director with interest in the particular transaction or any other conflict of interest should disclose such and should abstain from participating in the deliberation of the particular transaction.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 16 and Annex 16</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies &gt; Related Party Transaction</a></li> </ul>	
<b>Optional: Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	<p>Company disclosures on RPTs are found in the Annual Report, SEC Form 20-IS, SEC 17-A and Bank's website.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 16 and Annex 16</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies &gt; Related Party Transaction</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosures &gt; Metrobank 2019 SEC 20-IS</a></li> </ul>	
<b>Recommendation 8.6</b>			
2. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition	COMPLIANT	<p>The Bank's material subsequent events are disclosed in SEC Form 20-IS, SEC 17-A as follows:</p> <p><b>For 2019</b></p> <p><a href="#">Material Subsequent Events (Declared in 2018 SEC 20-IS)</a></p>	

<p>or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>		<ol style="list-style-type: none"> <li>1. On January 11, 2019, PSBank concluded its P8.0 billion SRO, involving 142,856,925 common shares priced at P56.00 per share and listed at the PSE on January 18, 2019. This was approved by the BOD of PSBank on October 15, 2018 and noted by the BSP on October 19, 2018. The Bank exercised its rights to purchase thus increasing its ownership in PSBank to 88.38%.</li> <li>2. On January 17, 2019, the BOD of PSBank declared a 7.50% regular cash dividend for the fourth quarter of 2018 amounting to P180.2 million or P0.75 per share, payable not later than February 18, 2019 to all common stockholders as of record date of February 1, 2019.</li> <li>3. On February 13, 2019, the BOD of the Bank approved the following: <ol style="list-style-type: none"> <li>i. Declaration of 5% regular cash dividend payable on March 14, 2019 to all stockholders of record as of March 1, 2019;</li> <li>ii. Exercise of the call option on the Bank's P16.0 billion 2024 Peso Notes described in Note 20 on June 27, 2019 in accordance with its terms and conditions; and</li> <li>iii. Increase in the authorized capital stock of the Bank from P100.0 billion to P140.0 billion and the declaration of a 13% stock dividend equivalent to 517,401,955 shares amounting to P10.3 billion representing the minimum 25% subscription and paid-up capital for the increase in the authorized capital stock. These shall be subject to receipt of regulatory approvals and stockholders' approval during the Annual Stockholders' Meeting scheduled on April 24, 2019.</li> </ol> </li> </ol> <p><u>Others as of December 31, 2019, the Group has no significant matters to report on the following:</u></p> <ol style="list-style-type: none"> <li>1. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.</li> <li>2. Explanatory comments about the seasonality or cyclical nature of operations.</li> <li>3. Issuances, repurchases and repayments of debt and equity securities except for the issuances of =P17.5 billion, P=11.25 billion and P=13.75 billion fixed rate bonds and the redemption of the 2024 Peso Notes by the Bank; the issuance of =P6.3 billion fixed rate bonds and the redemption of the 2024 Peso Notes by PSBank; and the issuance of =P4.16 billion fixed rate bonds by ORIX Metro as discussed in Notes 19 and 20 of the audited financial statements of the Group as presented in Exhibit</li> <li>4. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payments of cash dividends by the Bank as discussed in Note 23 of the audited financial statements of the Group as presented in Exhibit 6; and</li> <li>5. Effect of changes in the composition of the Group during the year, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations (except as discussed in Notes 2 and 11 of the audited financial statements of the Group as presented in Exhibit 6)</li> </ol> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosures &gt; Metrobank 2019 SEC 20-IS, page 36</u></a></li> </ul>	
<p>3. Board appoints an independent party to evaluate the fairness of the transaction price on the</p>	<p>NOT APPLICABLE</p>		

acquisition or disposal of assets.			
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership and strategic direction of the company.	COMPLIANT	As per the Bank's Annual Report, there are no shareholder agreements, voting trust agreement, confidentiality agreements or any such other agreements that may impact the control, ownership and strategic direction of the company.  <b>Source:</b> <ul style="list-style-type: none"> <li><a href="#"><u>Website: About Us &gt; Company Disclosure &gt; 2019 Combined Annual Report and Sustainability Report</u></a></li> </ul>	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG)	COMPLIANT	The Bank's CGM is disclosed in the Bank's website.  <b>Source:</b> <ul style="list-style-type: none"> <li><a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019</u></a></li> </ul>	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices	COMPLIANT		

		<p>31 May 2017</p> <p><b>Atty. Justina F. Callangan</b> Director Corporate Governance and Finance Department Securities and Exchange Commission</p>  <p>Dear Atty. Callangan,</p> <p>In compliance with SEC Memorandum Circular No. 19, s2016 and SEC Memorandum Circular No. 08, s2017, we submit herewith a copy of the revised Corporate Governance Manual of Metropolitan Bank and Trust Company.</p> <p>We hope you find everything in order.</p> <p>Thank you.</p> <p> <b>ATTY. DONATO V. ESPINO</b> Compliance Officer</p> <p> <b>ARTHUR TY</b> Chairman of the Board</p>	
<p>1. Does the company's Annual Report disclose the following information:</p> <p>a. Corporate Objectives</p>	<p>COMPLIANT</p>	<p><b>2019 SEC 17-A: Plans for 2020</b></p> <p>A year after the Bank's 2018 relaunch of its Core Values program, the Bank introduced the Meaningful Banking campaign first to its employees as reinforcement of the work ethic and institutional values in their daily lives, then to the public as testament to its commitment of delivering the "You're in Good Hands" promise to each client. The Bank plans to continue this to sustain and increase market relevance, alongside with continuous improvement in customer experience, products and services, operational efficiency and people development. Moreover, the Bank aims to deepen its commitment to instill financial discipline across new and underserved markets, and explore venues outside its current CSR activities by which it can increase its socio-economic impact.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 SEC 17-A, page 36</a></li> </ul>	
<p>b. Financial performance indicators</p>	<p>COMPLIANT</p>	<p><b><u>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT</u></b></p> <ul style="list-style-type: none"> <li>• Summary of Financial Statements (p. 99)</li> <li>• President's Report (pp. 8-11)</li> </ul>	

**2019 FINANCIAL STATEMENTS**

- Summary of Financial Statements (p. 1)
- Results of Operation (p. 2)

Metropolitan Bank & Trust Company (Metrobank) posted an audited consolidated net income of Php28.1 billion in 2019, representing a 27% increase year-on-year.

In 2019, net interest income expanded 12% to Php77.0 billion, accounting for 72% of Metrobank’s total revenues of Php106.9 billion, bringing net interest margin to 3.8%.

Meanwhile, non-interest income rose 26% to Php29.9 billion, benefiting from higher customer flows in fixed income and foreign exchange, on top of a favorable financial market environment. Service fees and commissions grew 12% to Php14.3 billion, while trading and FX gains more than tripled to Php9.3 billion.

With the continued focus on improving efficiency and productivity, operating expense grew at a manageable level of 8%. This, coupled with relatively strong revenue growth for the period, led to an improvement in the cost-to-income ratio to 54.6% from 58.5% in 2018.

In 2019, Metrobank allotted Php10.1 billion provision for credit and impairment losses and Php10.1 billion provision for income tax.

As a result, Metrobank registered 9.5% in return on average equity and 1.2% in return on average assets.

The Philippine Stock Exchange index (PSEi) closed 2019 at 7,815.26, up 5% year-on- year. Metrobank’s share price at the end of 2019 was at Php66.30 per share for a market capitalization of Php298.2 billion.

- Financial Condition (p. 3)

Metrobank grew CASA deposits by 12% from Php964.9 billion in 2018 to Php1.1 trillion in 2019, driving overall robust deposit growth of 10% to Php1.7 trillion. As such, the Bank closed 2019 with an improved 63% CASA ratio, providing liquidity to support loan growth of 7% to Php1.5 trillion. Aligned with continued Philippine economic expansion, the rise in credit demand was driven by the commercial segment’s 7% increase as well as sustained consumer lending growth led by the 23% jump in the credit cards business.

Modest portfolio growth ensured adherence to the Metrobank’s credit standards.

**Source:**

- [\*\*Website: About Us > Company Disclosure > 2019 Combined Annual Report and Sustainability Report\*\*](#)

c. Non-financial performance indicators

COMPLIANT

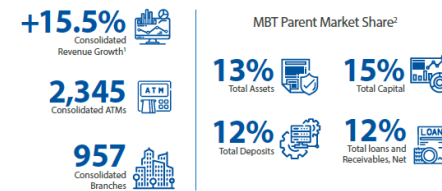
**2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT**

- Strength in Numbers (pp. 2-3)

# STRENGTH in numbers

Metrobank's performance in 2019 has been nothing short of phenomenal. The company's overall growth, customer demand, talent recruitment, industry reputation, third-party collected independent rankings and metrics clearly show our reliability, resilience, and strength. Our numbers do not lie and we are confident that even greater heights are waiting for us in the future.

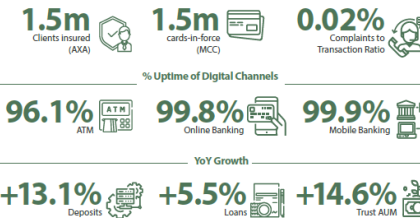
## Ensuring growth while managing future risks



<sup>1</sup>Includes share in net income of subsidiaries, associates and a JV  
<sup>2</sup>Based on Bangko Sentral ng Pilipinas' Rankings  
 Note: Unless otherwise stated, these correspond to Parent Bank data.

MAKING BANKING MEANINGFUL

## Customer Demand



## Attracting and retaining talent



## Brand and Reputation



- President's Report (pp. 8-11)
- Banking Whenever, Wherever; Remittance Services; Shifting Customer Banking Habits (p. 21)
- Protecting our Partners (pp. 22-23)
- Business Banking (p. 27)
- Employee Demographics (p. 34)
- Metrobank Foundation; Purple Hearts Club (pp. 38-39)
- Domestic Subsidiaries (pp. 66-71)
- Contact Information

**Source:**

- [Website: About Us > Company Disclosure > 2019 Combined Annual Report and Sustainability Report](#)

<p>d. Dividend Policy</p>	<p>COMPLIANT</p>	<p><b>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Dividend Policy</b></p> <p>The Bank’s dividend policy is an integral component of its capital management policy rather than a stand-alone process. Its fundamental and overriding policy is sustainability.</p> <p>Dividends are declared and paid out of unrestricted retained earnings of the Bank at such intervals as the Board of Directors may determine and in accordance with the provisions of law and the regulations of the BSP and the SEC. Historically, the Bank has declared annual cash dividends equal to Php 1.00 per common share, equivalent to 5% of par value. The payment of dividends in the future will depend on the Bank’s earnings, cash flow, financial condition, regulatory requirements for capital, and other factors. The Board of Directors may, at any time, modify the Bank’s dividend payout ratio depending on the results of current operations as well as future projects and plans of the Bank.</p> <p>Cash dividends are subject to approval by at least a majority of the Board of Directors. On the other hand, stock dividend requires prior clearance from the BSP, the SEC and the PSE.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 52</u></a></li> </ul>							
<p>e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors</p>	<p>COMPLIANT</p>	<p><b>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Board of Directors (BOD)</b></p> <p><b>Photos with BOD Profile</b></p> <table border="1" data-bbox="727 881 1839 1323"> <tr> <td data-bbox="727 881 1084 1079"> <p><b>Arthur Ty</b> Chairman Director since April 2002 53 years old Chairman, GT Capital Holdings, Inc.* Vice Chairman, Philippine Savings Bank* Vice Chairman, First Metro Investment Corp. Vice Chairman, AXA Philippines Chairman, Metropolitan Bank (China) Ltd. MBA, Columbia University, New York</p> </td> <td data-bbox="1084 881 1457 1079"> <p><b>Francisco C. Sebastian</b> Vice Chairman Director since April 2002 65 years old Co-Vice Chairman, GT Capital Holdings, Inc.* Director, Metro Pacific Investments Corporation* Chairman, First Metro Investment Corp. Chairman, First Metro Asset Management Inc. Director, Property Company of Friends Inc. Director, Federal Land, Inc. AB Economics, Ateneo de Manila</p> </td> <td data-bbox="1457 881 1839 1079"> <p><b>Fabian S. Dee</b> President/Director President/Director since April 2012 (also served as Director from September 2007 to March 2011) 57 years old Chairman, Metrobank Card Corporation Chairman, Metro Remittance, Singapore PTE Ltd. Chairman, LGU Guarantee Corporation Director, Bancnet, Inc. Trustee, Metrobank Foundation, Inc. BS Management Engineering, Ateneo de Manila</p> </td> </tr> <tr> <td data-bbox="727 1101 1084 1323"> <p><b>Alfred V. Ty</b> Director Director since September 2015 52 years old Co-Vice Chairman, GT Capital Holdings, Inc.* Vice Chairman, Metro Pacific Investments Corporation* Vice Chairman, Toyota Motor Philippines Corporation Chairman, Lexus Manila, Inc. Chairman, Federal Land, Inc. Chairman, Property Company of Friends, Inc. BS Business Administration, University of Southern California</p> </td> <td data-bbox="1084 1101 1457 1323"> <p><b>Solomon S. Cua</b> Director Director since April 2018 64 years old Vice Chairman/Director, Philippine Racing Club, Inc.* Chairman, Philippine AXA Life, Inc. Chairman, Charter Ping-An Insurance Corp. Director, Profriends Developer, Inc. Director, Grand Titan Capital Holdings, Inc. Former Undersecretary of The Department of Finance Masters of Laws, London School of Economics &amp; Political Science</p> </td> <td data-bbox="1457 1101 1839 1323"> <p><b>Vicente R. Cuna, Jr.</b> Director Director since April 2014 58 years old Head, Enterprise Services Sector Former President, Philippine Savings Bank* Former Director, First Metro Investment Corporation AB Economics, De la Salle University</p> </td> </tr> </table> <p>*Listed on PSE. Note: All directors are Filipinos.</p>	<p><b>Arthur Ty</b> Chairman Director since April 2002 53 years old Chairman, GT Capital Holdings, Inc.* Vice Chairman, Philippine Savings Bank* Vice Chairman, First Metro Investment Corp. Vice Chairman, AXA Philippines Chairman, Metropolitan Bank (China) Ltd. MBA, Columbia University, New York</p>	<p><b>Francisco C. Sebastian</b> Vice Chairman Director since April 2002 65 years old Co-Vice Chairman, GT Capital Holdings, Inc.* Director, Metro Pacific Investments Corporation* Chairman, First Metro Investment Corp. Chairman, First Metro Asset Management Inc. Director, Property Company of Friends Inc. Director, Federal Land, Inc. AB Economics, Ateneo de Manila</p>	<p><b>Fabian S. Dee</b> President/Director President/Director since April 2012 (also served as Director from September 2007 to March 2011) 57 years old Chairman, Metrobank Card Corporation Chairman, Metro Remittance, Singapore PTE Ltd. Chairman, LGU Guarantee Corporation Director, Bancnet, Inc. Trustee, Metrobank Foundation, Inc. BS Management Engineering, Ateneo de Manila</p>	<p><b>Alfred V. Ty</b> Director Director since September 2015 52 years old Co-Vice Chairman, GT Capital Holdings, Inc.* Vice Chairman, Metro Pacific Investments Corporation* Vice Chairman, Toyota Motor Philippines Corporation Chairman, Lexus Manila, Inc. Chairman, Federal Land, Inc. Chairman, Property Company of Friends, Inc. BS Business Administration, University of Southern California</p>	<p><b>Solomon S. Cua</b> Director Director since April 2018 64 years old Vice Chairman/Director, Philippine Racing Club, Inc.* Chairman, Philippine AXA Life, Inc. Chairman, Charter Ping-An Insurance Corp. Director, Profriends Developer, Inc. Director, Grand Titan Capital Holdings, Inc. Former Undersecretary of The Department of Finance Masters of Laws, London School of Economics &amp; Political Science</p>	<p><b>Vicente R. Cuna, Jr.</b> Director Director since April 2014 58 years old Head, Enterprise Services Sector Former President, Philippine Savings Bank* Former Director, First Metro Investment Corporation AB Economics, De la Salle University</p>	
<p><b>Arthur Ty</b> Chairman Director since April 2002 53 years old Chairman, GT Capital Holdings, Inc.* Vice Chairman, Philippine Savings Bank* Vice Chairman, First Metro Investment Corp. Vice Chairman, AXA Philippines Chairman, Metropolitan Bank (China) Ltd. MBA, Columbia University, New York</p>	<p><b>Francisco C. Sebastian</b> Vice Chairman Director since April 2002 65 years old Co-Vice Chairman, GT Capital Holdings, Inc.* Director, Metro Pacific Investments Corporation* Chairman, First Metro Investment Corp. Chairman, First Metro Asset Management Inc. Director, Property Company of Friends Inc. Director, Federal Land, Inc. AB Economics, Ateneo de Manila</p>	<p><b>Fabian S. Dee</b> President/Director President/Director since April 2012 (also served as Director from September 2007 to March 2011) 57 years old Chairman, Metrobank Card Corporation Chairman, Metro Remittance, Singapore PTE Ltd. Chairman, LGU Guarantee Corporation Director, Bancnet, Inc. Trustee, Metrobank Foundation, Inc. BS Management Engineering, Ateneo de Manila</p>							
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		<p><b>Angelica H. Lavares</b> Independent Director Director since April 2019 66 years old Teaching Fellow, Institute of Corporate Directors Independent Director, Metrobank Card Corporation Independent Director, Inter-Asia Development Bank Former Executive Vice President, Bank Of Commerce Former Chief Legal Counsel and Compliance Officer, Metrobank Bachelor of Laws, University of the Philippines</p> <p><b>Edmund A. Go</b> Director Director since May 2007 69 years old Advisor, Philippine Savings Bank* Director for Investments, Ateneo de Manila University Director, Metropolitan Bank (China) Ltd. Investment Consultant, St. Peter Life Group MBM, Asian Institute of Management</p> <p><b>Edgar O. Chua</b> Independent Director Director since April 2017 63 years old Independent Director, Integrated Micro-electronics, Inc. * Independent Director, Energy Development Corporation* Trustee, Pilipinas Shell Foundation, Inc. Chairman, De La Salle University Board Chairman, Makati Business Club President and CEO, Cavite Holdings Inc. BS Chemical Engineering, De La Salle University</p> <p><b>Dr. Jesli A. Lapus</b> Independent Director Director since August 2010 70 years old Independent Director, STI Education Systems Holdings Inc.* Chairman, STI Education Services Group Inc. Chairman – Center for Tourism, Asian Institute of Management Independent Director, Philippine Life Financial Assurance Corporation Chairman, LBP Service Corporation Former Secretary, Department of Trade and Industry Former Secretary, Department of Education Former President/CEO, Landbank of the Philippines MBM, Asian Institute of Management</p> <p><b>Rex C. Drilon II</b> Independent Director Director since August 2012 73 years old Vice Chairman, Institute of Corporate Directors Trustee, Institute for Solidarity in Asia Former President/Director, Cebu Holdings, Inc. * Former President/Director, Cebu Property Ventures and Development Corporation * Former Chief Operating Officer, Ortigas &amp; Company Former Independent Director, First Metro Investment Corp. Chairman, Keyland Corporation Chairman, YLD Holdings, Inc. BS Business Administration, University of the East</p> <p><b>Francisco F. Del Rosario, Jr.</b> Independent Director Director since April 2013 72 years old Director, DMCI Homes, Inc. Trustee, ABS-CBN Foundation Chairman, Institute for Solidarity in Asia Senior Executive Director, PWC Isla Lipana Former Cabinet Member, Habitat for Humanity Philippines Former President, Management Association of the Philippines Former Vice Chairman/President/CEO, Development Bank of the Philippines Former Undersecretary for Finance, Department of National Defense MBM, Asian Institute of Management</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 100-101</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 SEC 17-A, pages 43-45</u></a></li> </ul>	
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	<b>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Board Attendance</b>	

2019 BOARD ATTENDANCE															
Board	Name	Number of Shares		% to Total Outstanding Shares (As Disclosed)	Board Meetings	Executive Committee	Anti-Money Laundering Committee	Risk Oversight Committee	Trust Committee	Audit Committee	Corporate Governance and Compensation Committee	Related Party Transactions Committee	Overseas Banking Committee	Nominations Committee	IT Steering Committee
		Direct	Indirect												
Group Chairman (ED)	Arthur Ty	15,205,313		0.34%	13/13	(CC) 40/52	7/7				3/4				(A) 7/7
Vice Chairman (NED)	Francisco C. Sebastian	1,442,283		0.03%	12/13	(VC) 47/52		(A) 6/12					(CC) 6/6		
President/Director (ED)	Fabian S. Dee	734		0.00%	13/13	47/52			11/11				2/2		7/7
Director (NED)	Alfred V. Ty	17,087,722		0.38%	11/13								3/6		
Director (NED)	Edmund A. Go	7,482		0.00%	13/13		2/7	(ED) 12/12	11/11						6/7
Director (ED)	Vicente R. Cuna, Jr	129	32,770	0.00%	13/13	47/52	2/7	(A) 5/12							(CC) 7/7
Independent	Jessi A. Lapus	28,419		0.00%	13/13			(VC) 11/12	(CC) 11/11		4/4			(CC) 8/8	
Independent	Rex C. Drilon II	1,615		0.00%	13/13		5/7		(VC) 10/11		(CC) 4/4	(CC) 14/14			
Independent	Robin A. King (1)	187		0.00%	4/4			(PC) 3/12		4/4		4/4		2/2	
Independent	Francisco F. Del Rosario, Jr.	146		0.00%	13/13			(CC) 8/12	(VC) 11/12	4/4			6/6		
Independent	Edgar O. Chua	113		0.00%	13/13		7/7			(CC) 12/12		14/14		8/8	
Director (NED)	Solomon S. Cua	113	47,560	0.00%	13/13					7/8			5/6		
Independent	Angelica H. Lavaras (2)	113		0.00%	9/9		5/7			8/8		10/11		6/6	

(1) Mr. King retired in April 2019  
(2) Effective April 2019

**2019 SEC 17-A: Board Meetings**

In 2019, the Board had 13 meetings with the incumbent directors attending more than 98% of all meetings. This demonstrated the commitment of the directors and their ability to fulfill their fiduciary responsibilities.

**Source:**

- [Website: About Us > Company Disclosure > Metrobank 2019 Combined Annual Report and Sustainability Report, page 47](#)
- [Website: About Us > Company Disclosure > Metrobank 2019 SEC Form 17-A, page 20](#)

g. Total remuneration of each member of the board of directors

COMPLIANT

**2019 SEC 17-A: Item 10 – Executive Compensation**

Inclusive of directors’ per diem and transportation allowances amounting to P43.84 million, P39.82 million and P35.68 million as of December 31, 2020, 2019, and 2018, respectively, or an average of P304,416.67, P255,269.23 and P228,730.77 per month/per director in 2020, 2019 and 2018, respectively.

**Source:**

		<ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 SEC Form 17-A, page 50</a></li> </ul>	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	COMPLIANT	<p><b>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Board Performance Evaluation and Self-Assessment</b></p> <p>The summary results of the performance evaluation are presented to the Corporate Governance and Compensation Committee and endorsed to the Board. For 2019, the overall assessment showed that the Board, Board committees, the individual directors, the Chairman, and the President possess the right mix of backgrounds and competencies to fulfill their duties and the Bank has fully complied with the materials requirements of the SEC Code of Corporate Governance.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 50</a></li> </ul>	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT	<p><b>2019 Combined Annual Report and Sustainability Report</b></p> <p>Material Risks</p> <ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Credit Concentration Risk</li> <li>• Market Risk</li> <li>• Interest Rate Risk in the Banking Book (IRRBB)</li> <li>• Liquidity Risk</li> <li>• Operational Risk, including Legal</li> <li>• Technology Risk</li> <li>• Reputation Risk</li> <li>• Compliance and Regulatory Risk</li> <li>• Strategic Risk</li> </ul> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 55-60</a></li> </ul>	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management	COMPLIANT	<p><b>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Audit Committee Report to the Board of Directors</b></p> <p>Based on the Committee's accomplishments, representation letter from the Bank Management, External Auditor's unqualified opinion on the financial statements, and the Chief Audit Executive's overall satisfactory assessment on the general adequacy and effectiveness of the Bank's internal controls, risk management, and governance processes, the Committee conclude that the business risks are managed in accordance with the policies set by the Board of Directors and in compliance with relevant regulatory requirements, and that the Management is fully aware of its responsibility for</p>	

systems.		<p>consistent implementation of internal controls.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 63-64</u></a></li> </ul>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, and economic).</p>	<p>COMPLIANT</p>	<p><b>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Material Risks</b></p> <p>As a Domestic Systemically Important Bank (DSIB), Metrobank faces a broad range of risks reflecting such a status. These risks include those resulting from its lending activity, treasury operations, and extensive client-facing network, including its branches. The Bank recognizes that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities. Acceptance of some risk, therefore, is often necessary to foster growth and efficiencies within business practices. At all times, however, the Bank ensures that any risk-taking activity is aligned with its corporate objectives and capabilities, and that an effective risk management process is in place. The following are some of the material risks the Bank faces and the strategies for managing the same. Supplemental discussions and disclosures are likewise found under Note 4 of the 2019 Audited Financial Statements (AFS).</p> <p><u>Credit Risk</u></p> <p>Credit Risk is the risk that the borrower, issuer or counterparty in a transaction may default and cause potential loss to the Bank. It arises from lending, trade finance, treasury, derivatives, and other similar activities. The Bank’s appetite for this risk is low-to-moderate, reflective of its core business and the social responsibility that comes with being one of the financial system’s largest lenders.</p> <p>As a matter of general strategy, the Bank manages this risk through a system of policies, metrics, and authorities that govern the processes and practices of all credit-originating and relationship management units, as well as other units involved in the credit cycle. On the transactional and portfolio levels, to ensure that financial undertakings are balanced with prudential control, the Bank is guided by a credit process that begins with the Bank’s defined strategies and risk appetite driving the ensuing steps of origination, evaluation, approval, availment, and monitoring.</p> <p>The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are updated regularly following internal and regulatory guidelines. Generally, collateral is not held over loans and advances to other banks, except when securities are held as part of reverse repurchase and securities borrowing activities. Collateral usually is not held against investment securities. The Bank also holds collateral against loans and receivables in the form of hold-out on deposits, real estate mortgage, standby letters of credit or bank guaranty, government guaranty, chattel mortgage, assignment of receivables, pledge of shares, personal and corporate guaranty, and other forms of security.</p> <p>The standards of acceptability, valuation, enforceability, and monitoring/reporting of sufficiency of risk mitigants are covered by Board approved policies and procedures. Notes 4 and 9 of the 2019 AFS present an estimate of the fair values of collaterals held against loans and receivables.</p>	

	<p>To ensure that the portfolio remains within the defined strategy and risk appetite, constant monitoring is performed by both front and middle offices. Lending units, in coordination with Credit Group, evaluate the performance of their accounts, and make regular presentations on watch-listed/ classified accounts to the Non- Performing Asset Committee (NPAC) which provides direction on the next steps for the concerned problem accounts.</p> <p>Independently, the RSK-Credit Risk Division monitors the Bank's credit portfolio against set limits, and reviews sample accounts of the various business groups, focusing on credit quality and policy compliance, to provide assurance and control over the effectiveness of the credit risk management process throughout the Bank. The results of these activities are regularly reported to the ROC.</p> <p><u>Credit Concentration Risk</u> Credit Concentration Risk is the current and prospective negative impact to earnings and capital arising from over-exposure to specific industries and/or borrowers or counterparties. The Bank has a moderate appetite for this risk, recognizing that specific growth areas may need credit support more than others, and that lending to highly integrated customers often lead to pockets of concentration. The Bank manages this risk via adherence to processes relating to industry and counterparty assessments, observance of regulatory ceilings, and setting of internal limits. Additional discussions and disclosures may be found in Note 4 of the 2019 AFS.</p> <p><u>Market Risk</u> Market Risk results from adverse movements in the general level of or volatility of market rates or commodity/equity prices possibly affecting the Bank's financial condition. With due consideration of macroeconomic conditions, financial markets trends, and possible events/regulations that would affect these, and of the risk appetite set by the Board of Directors, Senior Management, through the Asset and Liability Committee (ALCO), sets a general business model for its trading portfolio. This is implemented by the Financial Markets Sector which originates transactions and/or crafts new products needed by clients, whilst keeping itself updated on the financial environment and working within set limits and policies.</p> <p>The Bank's appetite for this risk is low, and manages this risk via a process of identifying, analyzing, measuring, and controlling relevant market risk factors, and establishing appropriate limits for the various products and exposures. Quantitative expressions of this appetite include Value-at-Risk limits, rolling 21-day P/L triggers, rolling 21-day stop loss limits, YTD trigger/limits, product caps, sensitivity limits, tenor limits, and qualitative limits. These limits are always set against the expected returns to ensure that the risk taken is commensurate to the benefit that the Bank will reap from such trading activity. To remain relevant, they are reviewed at least annually, with possible changes within the year as dictated by the emergence of new regulations, developments in the market risk management landscape, complexity of the products being traded, and other major movements in the business environment.</p> <p>The Bank maintains Limits Monitoring and Reporting Guidelines which detail how the risk measures are compared against the approved limits. Included in the guidelines are the set of standard procedures in handling excesses or breaches in limits</p>	
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and loss trigger hits. On a daily basis, the RSK-Market and Liquidity Risk Division provides the limits compliance reports to key officers of the business units and RSK. The results of the limits monitoring process are also reported to ALCO on a weekly basis and to the ROC and BOD on a monthly basis.

Further discussions and disclosures are found under Note 4 of the 2019 AFS.

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in the Banking Book is the current and prospective negative impact to earnings and capital arising from movements or shifts in interest rates. The risk becomes inherent in the current and prospective interest gapping of the Bank's balance sheet, as the Bank's core business involves intermediation activities such as deposit-taking and lending that inadvertently creates both maturity and rate mismatch. This translates to a possible negative impact to the Net Interest Income (NII) and economic value, as interest rate movements affect interest earned/paid as well as the value of assets, liabilities, and off-balance sheet items. Thus, before embarking on any new asset and liability management (ALM) strategy, both the Financial Markets Sector and RSK perform separate assessments on profitability and risks considering the impact of movements in rates. This ensures that the strategy will not result to a risk level higher than what is deemed to be the appetite of the Bank.

The appetite for this risk is low. The Bank follows a set of policies on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. This set of limits is a major tool in monitoring and controlling the degree of interest rate risk that the banking book is exposed to at any given point in time. Limits include Earnings-at-Risk (NII-at-Risk) limits, management action triggers (MAT), Delta Economic Value of Equity ( $\Delta$ EVE) limits, FVOCI MtM loss triggers, position limits, and tenor limits.

The limits are proposed by the RSK, in coordination with the Strategic Planning Division and Treasury Group, against the expected income and capital, to ensure that risk taken is commensurate to the returns the Bank will generate from its banking book positions. Also considered are the actual NII, strategies, economic forecasts, and results of stress testing.

The limits are reviewed annually or on an interim basis to ensure that these reflect the business environment, changes in strategies, and regulations.

The Bank maintains Limits Monitoring and Reporting Guidelines which detail how the related risk measures are compared against the approved limits. Included in the guidelines are the set of standard procedures in handling excesses or breaches in limits and loss trigger hits.

On a daily basis, the RSK-Market and Liquidity Risk Division provides the IRRBB limits compliance reports to key officers of the business units and RSK. The results of the limits monitoring process are also reported to ALCO on a weekly basis and the ROC and BOD on a monthly basis.

Liquidity Risk

	<p>Liquidity Risk is the risk to earnings or capital arising from the Bank's inability to meet its obligations when they become due. The Bank considers liquidity risk as the most important considering that liquidity is the lifeline of any bank. As such, the appetite for liquidity risk is low.</p> <p>The Bank's strategy for managing this risk is generally via limiting the maturity mismatch between assets and liabilities, improving the stickiness of its deposit and liabilities profile, and by holding sufficient liquid assets of appropriate quality and marketability.</p> <p>The Bank's liquidity management practice is guided by a Funding Strategy Framework that serves as a blueprint for the utilization of the Bank's funding sources under both BAU and stress scenarios, while taking into consideration various internal and regulatory limits. The Bank's Macro Funding Strategy is to reduce liquidity risk by increasing the Bank's base for long term funding, which is put into motion with the Bank's Term Funding Plan over the next three years. In terms of short term funding, the Bank monitors various indicators of liquidity, including the Bank's usage of its BAU Funding Capacity and Intraday Liquidity. The Bank also maintains a Contingency Funding Plan to ensure preparedness to withstand stress scenarios.</p> <p>The Bank recognizes that liquidity risk is one of its most important risks, and that it has to be managed promptly and properly as any mistake can lead to a bank run and, ultimately, its insolvency which could further trickle down to the financial industry considering its role as a DSIB. As such, it sets limits or triggers on cashflows over specific periods of time (Maximum Cumulative Outflow limit), available funding sources (Liquidity Coverage Ratio MAT, Net Stable Funding Ratio MAT, Funding Utilization MAT) and funding concentration (Funding Concentration MAT) to ensure that the level of the Bank's liquidity is adequate to support funding requirements at all times.</p> <p>Similar with other risks, the liquidity risk limits and policy guidelines are reviewed annually or on an interim basis, as deemed necessary to ensure that they remain prudent and relevant.</p> <p>The Treasury Group-Asset &amp; Liability Management Division (TG-ALMD) is the primary unit responsible for managing the liquidity of the Bank, its foreign branches and selected subsidiaries. It manages and closely monitors the daily, as well as short-to-medium term liquidity positions of the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU) books. It also ensures that the Bank complies with regulatory liquidity and reserve requirements.</p> <p>On the other hand, the RSK-Market and Liquidity Risk Division generates liquidity risk reports on a daily basis. At a minimum, the reports provide the exposures and established thresholds to determine compliance with limits and identify emerging concerns on liquidity. The exposures and profiles are provided to TG-ALMD on a daily basis and reported to the ALCO on a weekly basis, and to the ROC and the BOD monthly. Any breach in liquidity risk limits are reported to the appropriate level of management for immediate action.</p> <p><u>Operational Risk</u> Operational Risk arises from the potential that inadequate information system, operations or transactional problems</p>	
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	<p>(related to service or product delivery), breaches in internal controls, fraud or unforeseen catastrophes will result in unexpected loss.</p> <p>The Bank’s operational risk management framework seeks to constantly identify, assess, monitor, mitigate, and control key areas where losses would most probably materialize or where losses would be significant. It espouses a mitigation and control culture of risk management being everyone’s responsibility, and is to be performed by three (3) lines of defense:</p> <ol style="list-style-type: none"> <li>a. First Line of Defense – Business Units</li> <li>b. Second Line of Defense – RSK’s Head Office Operational Risk Management Division (HOORMD) and Branch Operational Risk Management Division (BORMD)</li> <li>c. Third Line of Defense – Internal Audit Group</li> </ol> <p>Operational risk management tools include the following:</p> <ol style="list-style-type: none"> <li>a. Process Risk and Control Self-Assessment (Process RCSA)</li> <li>b. Risk Event Database (RED)</li> <li>c. Results of internal/external audit and supervisory issues raised in the BSP Report of Examination (ROE)</li> <li>d. Risk Incident Report (RIR)</li> <li>e. System Risk and Control Self- Assessment (System RCSA)</li> <li>f. Business Process Mappings</li> <li>g. Disaster Risk Assessment</li> <li>h. Business Impact Analysis</li> </ol> <p>The Bank’s appetite for operational risk is low, and is managed via a framework involving various tools that promote a strong control environment, escalation, monitoring and reporting of risk events, and adequate mitigation of assessed risks. In particular, this appetite is manifested in the thresholds it sets for institutional and business unit level key risk indicators (KRIs) and key performance indicators (KPIs). KRIs are used to monitor main drivers of exposures associated with key risks; while KPIs give insight into the status of operational processes which may, in turn, provide an understanding of the operational weaknesses, failures, and potential losses. Both are used with escalation triggers to warn when risk levels approach or exceed acceptable ranges, and prompt mitigation plans.</p> <p>Mitigation and control of the Bank’s identified operational risks call for the preparation of a Risk Treatment Plan which identifies, assesses, prepares, and implements a range of risk treatment options. Depending on the availability/feasibility of preventive/corrective measures, and the benefits that come from an exposure, the Bank may choose from the following approaches to treat risks: Acceptance, Avoidance, Transfer, and Reduction.</p> <p>Following the general risk management framework where risks are monitored in both individual and portfolio bases, institutional and business unit level KRIs and KPIs are regularly monitored and reported to appropriate management committees and to the Board of Directors through the Risk Oversight Committee.</p> <p>At the micro level, business/ operating units, as the Bank’s first line of defense, are responsible for identifying, measuring,</p>	
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		<p>controlling, monitoring, managing, and reporting operational risks on day-to-day basis. As risk incidents affecting their area of operation occur, they are mandated to report such within 24 hours through the Risk Incident Report (RIR). The units are further assisted by their Business Risk Managers (BRMs) who are expected to monitor the effectiveness of the internal controls in all activities and of the established KRIs.</p> <p>On a bank-wide level, the HOORMD and BORMD monitor the operational risk profiles, material exposures, and current status of established KRIs and KPIs of Head Office units and of the branches, respectively; and report these to senior management and the BOD through the ROC.</p> <p><u>Technology Risk</u> Technology Risk is the current and prospective negative impact to earnings arising from failure of the Bank’s IT systems, including information and cyber security. The Bank’s appetite for IT risk is low. Its strategy in managing this risk is embodied in a comprehensive information technology management policy that encompasses IT risk assessment, vulnerability testing, monitoring, controls, and mitigation.</p> <p><u>Reputation Risk</u> Reputation Risk is the current and prospective negative impact to earnings and capital arising from negative public opinion. As a bank essentially survives on its reputation, the Bank has very low appetite for reputation risk and always aims to proactively build on its good name. The Bank holds that reputation risk is a consequence of other risks. Its management therefore is tied closely to the manner by which it manages its other risks. By ensuring effective identification, assessment, control, monitoring, and reporting of the other material risks, reputation risk is likewise effectively managed.</p> <p><u>Compliance and Regulatory Risk</u> Compliance and Regulatory Risk is the current and prospective negative impact to earnings and capital arising from failure to comply with all applicable laws, regulations, and standards of good governance and practice. The appetite for this risk is low, and is managed via the conduct of a defined Compliance program. Specific to Money Laundering &amp; Terrorist Financing (ML/TF) Risk, the Bank has zero tolerance for the same, and is managed separately by the Bank’s Anti- Money Laundering Division (AML) reporting directly to the Board’s AML Committee.</p> <p><u>Strategic Risk</u> Strategic Risk is the current and prospective negative impact to earnings arising from adverse business decisions, improper implementation of decisions, and/or lack of responsiveness to industry changes. The Bank’s strategy in managing this risk is to embed the same in the various business functions as espoused in its strategic and business planning processes.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 57-60</u></b></li> </ul>	
<p><b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor and exercise effective oversight of the same to strengthen the external auditor’s independence and enhance</p>			

audit quality.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditors.	COMPLIANT	<p>As stated in the Charter, the Audit Committee shall be responsible for recommending the appointment, re-appointment and termination of the independent external auditor based on fair and transparent criteria.</p> <ol style="list-style-type: none"> <li>i. In the case of the external auditor, the appointed auditor should be selected from the List of Selected External Auditors for BSFIs and the recommendation should be approved by the Board and ratified by the shareholders;</li> <li>ii. If the internal/ external auditor resigns or communicates an intention to resign, the AUDITCOM should follow up the reasons/ explanations giving rise to such resignation, and should consider whether it needs to take any action in response to those reasons. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures;</li> <li>iii. The external auditor, including the engagement and quality control partners, shall be periodically rotated in accordance with the relevant regulatory requirements</li> </ol> <p>Duties and Responsibilities 1.h.</p> <p>The Audit Committee shall evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the total annual income of the external auditor and in relation to the Bank's total expenditure on consultancy and disallow any non-audit work that will conflict with or pose a threat to the independence of the external auditor. The non-audit work, if allowed, should be disclosed in the Annual Report and Annual Corporate Governance Report.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee</u></b></li> </ul>	
2. The appointment, reappointment, removal and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	<p>5. Appointment of External Auditor (84.34% of shareholders present and represented voted in favor; 15.63% voted against while 0.03% abstained)</p>	

		<p style="text-align: center;"><b><u>RESOLUTION NO. 066- MBTC-SH-2019</u></b></p> <p style="text-align: center;"><b>RESOLVED</b>, that as recommended by the Audit Committee and approved by the Board of Directors, SGV &amp; Co. is hereby appointed as the External Auditors of Metrobank for the year 2019.</p> <p>The proxies, attendance and votes cast at the Meeting were tabulated by the Bank's Stock Transfer Agent (the Metrobank -Trust Banking Group), and validated by SGV &amp; Co. in its capacity as third-party validator.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; Metrobank Minutes of All General and Special Stockholders' Meetings 2019</u></b></li> </ul>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>COMPLIANT</p>	<p>As stated in the revised Charter of the Audit Committee under:</p> <p>Duties and Responsibilities 1.a.iv.</p> <p>If the internal/ external auditor resigns or communicates an intention to resign, the AUDITCOM should follow up the reasons/ explanations giving rise to such resignation, and should consider whether it needs to take any action in response to those reasons. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures;</p> <p><b>The Bank had no case or incident of removal or change of external auditor in 2019.</b></p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee</u></b></li> </ul>	
<p><b>Supplement to Recommendation 9.1</b></p>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>COMPLIANT</p>	<p>SGV has been the external auditors of the registrant since 1962. In compliance with the amended SRC Rule 68 (3) (b) (ix), the signing partners are rotated after every five years reckoned from the year 2002 (increased to seven years effective August 2019).</p>	

		<p><b><u>Information on Independent Accountant</u></b></p> <p>1. SGV has been the external auditors of the registrant since 1962. In compliance with the revised SRC Rule 68 (3) (b) (ix), the signing partners are rotated after every five years reckoned from the year 2002 (increased to seven years effective August 2019). The following SGV Partners have reviewed/audited the financial statements of the registrant and signed the reports of the independent auditors for the years ended as indicated below:</p> <table border="1" data-bbox="884 358 1622 670"> <thead> <tr> <th>SGV Partner</th> <th>Years Ended December 31</th> </tr> </thead> <tbody> <tr> <td>Ms. Josephine Adrienne A. Abarca</td> <td>2019 and 2018</td> </tr> <tr> <td rowspan="4">Ms. Janeth T. Nuñez-Javier</td> <td>2018 and 2017</td> </tr> <tr> <td>2017 and 2016</td> </tr> <tr> <td>2016 and 2015</td> </tr> <tr> <td>2015 and 2014</td> </tr> <tr> <td rowspan="5">Mr. Aris C. Malantic</td> <td>2014 and 2013</td> </tr> <tr> <td>2013 and 2012</td> </tr> <tr> <td>2012 and 2011</td> </tr> <tr> <td>2011 and 2010</td> </tr> <tr> <td>2010 and 2009</td> </tr> <tr> <td></td> <td>2009 and 2008</td> </tr> </tbody> </table> <p>2. The Bank intends to retain SGV as its external auditors for the year 2020. The external auditors are appointed annually by the registrant’s Board of Directors in its organizational meeting held immediately after the Annual Stockholders’ Meeting.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 SEC Form 17-A, page 40</a></li> </ul>	SGV Partner	Years Ended December 31	Ms. Josephine Adrienne A. Abarca	2019 and 2018	Ms. Janeth T. Nuñez-Javier	2018 and 2017	2017 and 2016	2016 and 2015	2015 and 2014	Mr. Aris C. Malantic	2014 and 2013	2013 and 2012	2012 and 2011	2011 and 2010	2010 and 2009		2009 and 2008	
SGV Partner	Years Ended December 31																			
Ms. Josephine Adrienne A. Abarca	2019 and 2018																			
Ms. Janeth T. Nuñez-Javier	2018 and 2017																			
	2017 and 2016																			
	2016 and 2015																			
	2015 and 2014																			
Mr. Aris C. Malantic	2014 and 2013																			
	2013 and 2012																			
	2012 and 2011																			
	2011 and 2010																			
	2010 and 2009																			
	2009 and 2008																			

<b>Recommendation 9.2</b>			
<p>1. Audit Committee Charter includes the Audit Committee’s responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and</p>	<p>COMPLIANT</p>	<p>Provided in the Revised Charter of the Audit Committee as part of:</p> <p>Duties and Responsibilities 1.n.iii</p> <p>Assess and monitor the integrity, independence and objectivity of external auditor, and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. Also, AUDITCOM shall review and monitor the external auditor’s suitability and effectiveness on an annual basis;</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee</a></li> </ul>	

<p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>	<p>Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis is stated in the Revised Charter of the Audit Committee under:</p> <p>Duties and Responsibilities 1.n.iii</p> <p>Assess and monitor the integrity, independence and objectivity of external auditor, and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. Also, AUDITCOM shall review and monitor the external auditor's suitability and effectiveness on an annual basis.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee</a></li> </ul>	
<p><b>Supplement to Recommendation 9.2</b></p>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions</p>	<p>COMPLIANT</p>	<p>Said responsibility is stated under Duties and Responsibilities 1.n.iii</p> <p>Assess and monitor the integrity, independence and objectivity of external auditor, and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. Also, AUDITCOM shall review and monitor the external auditor's suitability and effectiveness on an annual basis.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee</a></li> </ul>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures</p>	<p>COMPLIANT</p>	<p>Said responsibility is stated under Duties and Responsibilities 1.n.iii</p> <p>Assess and monitor the integrity, independence and objectivity of external auditor, and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. Also, AUDITCOM shall review and monitor the external auditor's suitability and effectiveness on an annual basis.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee</a></li> </ul>	

<b>Recommendation 9.3</b>			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>COMPLIANT</p>	<p><b>Audit Committee Report to the Board of Directors</b></p> <p>Ensured the External Auditor’s objectivity, independence and compliance with ethical and professional standards; approved the reappointment of SGV &amp; Co. as the Bank’s independent auditor; ensured that the appointed auditor is selected from the List of Selected External Auditors for BSP-Supervised Financial Institutions; ensured that the lead audit partner is periodically rotated in accordance with regulatory requirement; discussed and agreed to the terms of audit engagement, coverage and audit fees; reviewed and approved all non-audit services of the External Auditor and related fees to ensure no conflict or threat to independence; reviewed the audit plan, approach and scope of work; reviewed the results of audit and recommendations in the External Auditor’s Management Letter; reviewed and approved the Management Representation Letter and monitored disposition and corrective actions taken by Management on reported issues; and, assessed the overall performance of SGV &amp; Co. and the effectiveness of its processes.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 64</u></a></li> </ul>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor’s objectivity.</p>	<p>COMPLIANT</p>	<p>As provided in the Audit Committee Charter under Duties and Responsibilities section 1.h., The Audit Committee shall evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the total annual income of the external auditor and in relation to the Bank’s total expenditure on consultancy and disallow any non-audit work that will conflict with or pose a threat to the independence of the external auditor. The non-audit work, if allowed, should be disclosed in the Annual Report and Annual Corporate Governance Report.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee</u></a></li> </ul>	
<p><b>Supplement to Recommendation 9.3</b></p>			

1. Fees paid for non-audit services do not outweigh the fees paid for audit services	COMPLIANT	<p>3. The aggregate fees billed and paid for each of the last two fiscal years for professional services rendered by the registrant’s external auditors are summarized below:</p> <table border="1" data-bbox="817 232 1873 557"> <thead> <tr> <th colspan="2" data-bbox="817 232 1662 305" rowspan="2">Nature of Services Rendered</th> <th colspan="2" data-bbox="1662 232 1873 280">Aggregate Fees (in millions)</th> </tr> <tr> <th data-bbox="1662 280 1764 305">2019</th> <th data-bbox="1764 280 1873 305">2018</th> </tr> </thead> <tbody> <tr> <td data-bbox="817 305 974 480">Audit and Audit-Related Fees</td> <td data-bbox="974 305 1662 480">Annual and interim audit of the Consolidated, Parent Company and FCDU Financial Statements in connection with statutory and regulatory filings; annual audit of the Combined Financial Statements of Trust and Managed Funds Operated by the Trust Banking Group with Supplementary Combined Information; limited review of financial statements and offering circulars based on agreed-upon procedures and issuance of comfort letters relative to the issuances of debt securities (LTNCDs, bonds) and shares of stocks.</td> <td data-bbox="1662 305 1764 480">P41.77</td> <td data-bbox="1764 305 1873 480">P16.85</td> </tr> <tr> <td data-bbox="817 480 974 505">Tax Fees</td> <td data-bbox="974 480 1662 505"></td> <td data-bbox="1662 480 1764 505">-</td> <td data-bbox="1764 480 1873 505">-</td> </tr> <tr> <td data-bbox="817 505 974 529">All Other Fees</td> <td data-bbox="974 505 1662 529">Seminars and others</td> <td data-bbox="1662 505 1764 529">4.61</td> <td data-bbox="1764 505 1873 529">22.14</td> </tr> <tr> <td colspan="2" data-bbox="817 529 1662 557"><b>Total Fees</b></td> <td data-bbox="1662 529 1764 557"><b>P46.38</b></td> <td data-bbox="1764 529 1873 557"><b>P38.99</b></td> </tr> </tbody> </table> <p data-bbox="725 589 817 613"><b>Source:</b></p> <ul data-bbox="775 621 1654 651" style="list-style-type: none"> <li data-bbox="775 621 1654 651">• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 20-IS, page 34</a></li> </ul>	Nature of Services Rendered		Aggregate Fees (in millions)		2019	2018	Audit and Audit-Related Fees	Annual and interim audit of the Consolidated, Parent Company and FCDU Financial Statements in connection with statutory and regulatory filings; annual audit of the Combined Financial Statements of Trust and Managed Funds Operated by the Trust Banking Group with Supplementary Combined Information; limited review of financial statements and offering circulars based on agreed-upon procedures and issuance of comfort letters relative to the issuances of debt securities (LTNCDs, bonds) and shares of stocks.	P41.77	P16.85	Tax Fees		-	-	All Other Fees	Seminars and others	4.61	22.14	<b>Total Fees</b>		<b>P46.38</b>	<b>P38.99</b>	
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All Other Fees	Seminars and others	4.61	22.14																						
<b>Total Fees</b>		<b>P46.38</b>	<b>P38.99</b>																						
1. Company’s external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p data-bbox="725 735 1236 862">Audit Partner: Ms. Josephine Adrienne Abarca SEC Accreditation No. 0466-AR-4 Date Accredited: 13-Nov-2018 Expiry Date: 12-Nov-2021</p> <p data-bbox="725 898 1178 1024">Auditing Firm: SyCip Gorres Velayo &amp; Co SEC Accreditation No. 0012-FR-5 Date Accredited: 06-Nov-2018 Expiry Date: 05-Nov-2021</p> <p data-bbox="725 1060 1360 1084">Both SGV and Ms. Abarca have an SEC accreditation of “A”</p>																							
2. Company’s external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC’s Office of the General Accountant (OGA).	COMPLIANT	As advised by external auditor, SGV was subjected to SOAR inspection last November 12 to 23, 2018 and the names of the members of the engagement team were provided by SGV to the SEC during the SOAR inspection.																							
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.																									

<b>Recommendation 10.1</b>			
<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability</p>	<p>COMPLIANT</p>	<p>The Bank’s Investor Relations Department is tasked to disclose all pertinent non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of the Bank’s business which underpin sustainability. To the extent possible, EESG discussion is included in the 2019 Combined Annual Report and Sustainability Report.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 36-64 and 74-98</u></a></li> </ul>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>	<p>Making Banking Meaningful is Metrobank’s first Sustainability Report which communicates the Bank’s impacts and management approach governing economic, environmental, social and governance topics as well as endeavors of the foundation from January 1 to December 31 2019. The report has been prepared in accordance with the GRI Standards: Core Option. The Philippines’ Securities and Exchange Commission’s Sustainability Reporting Guidelines for Publicly-listed Companies was also used as reference in making the report, which does not include international operations and those of its subsidiaries, unless otherwise specified.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 36-64 and 74-98</u></a></li> </ul>	
<p><b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			
<b>Recommendation 11.1</b>			
<p>1. Company has media and analysts’ briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>COMPLIANT</p>	<p>Metrobank updates the public by providing timely and relevant disclosures through PSE EDGE, PDEX, news agencies, and its website. Latest IR presentation and list of recent investor conferences and media and analysts’ briefings are also posted online.</p>	

**Media and Analysts' Briefings**

Date	Agenda	Venue
May 4, 2020	Media and Analysts Briefing: Q1 2020 Results	via Webex
November 14, 2019	Media and Analysts Briefing: 9M 2019 Results	Grand Hyatt Hotel
August 15, 2019	Media and Analysts Briefing: 1H 2019 Results	Grand Hyatt Hotel
May 14, 2019	Media and Analysts Briefing: Q1 2019 Results	Grand Hyatt Hotel
March 27, 2019	Media and Analysts Briefing: FY 2018 Results	Grand Hyatt Hotel



**Source:**

- [Website: About Us > Metrobank Investors Relations Program](#)
- [Website: About Us > Metrobank Company Disclosures](#)
- [PSE EDGE: Metrobank Company Disclosures](#)
- [PDEX: Metrobank](#)
- [GTCAP Quarterly Briefing Slides \(Metrobank as Panelist\)](#)

**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly)	COMPLIANT	<b>Sources:</b>	
		<ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank SEC 17-A</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank SEC 17-Q</a></li> </ul>	
b. Materials provided in briefings to analyst and media	COMPLIANT	<b>Source:</b>	
		<ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Investor Relations &gt; Metrobank Q1 2020 Company Presentation</a></li> </ul>	
c. Downloadable annual report	COMPLIANT	<b>Sources:</b>	
		<ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 SEC 17-A</a></li> </ul>	
d. Notice of ASM and/or SSM	COMPLIANT	<b>Source:</b>	

		<a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank Notices of Annual or Special Stockholders' Meeting</a>	
e. Minutes of ASM and/or SSM	COMPLIANT	<b>Source:</b> <ul style="list-style-type: none"> <li><a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank Minutes of Annual or Special Stockholders' Meeting</a></li> </ul>	
f. Company's Articles of Incorporation and By-laws	COMPLIANT	<b>Sources:</b> <ul style="list-style-type: none"> <li><a href="#">Website: About Us &gt; Metrobank Articles of Incorporation</a></li> <li><a href="#">Website: About Us &gt; Metrobank Amended By-Laws</a></li> </ul>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	COMPLIANT	Yes.	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p><b>Internal Audit Charter</b></p> <p>The scope of work of IAG includes all processes, systems, units and activities (including outsourced services) of the Bank (including its subsidiaries and affiliates whose audits are directly handled by IAG). The scope of work of IAG shall cover, among others, the following:</p> <ol style="list-style-type: none"> <li>Evaluation of the adequacy, efficiency and effectiveness of internal control, risk management and governance systems in the context of current and potential future risks;</li> <li>Review of the reliability, effectiveness and integrity of management and financial information systems, including the electronic information system and electronic banking services;</li> <li>Review of the systems and procedures of safeguarding the bank's physical and information assets;</li> <li>Review of the compliance of trading activities with relevant laws, rules and regulations;</li> <li>Review of the compliance system and implementation of established policies and procedures; and</li> <li>Review of areas of interest to regulators such as, among others monitoring of compliance with relevant laws, rules and regulations, including but not limited to the assessment of the adequacy of capital and provisions; liquidity level; regulatory and internal reporting.</li> </ol> <p>The IAG Head, in the discharge of his/her duties, shall provide annual assessment on the adequacy and effectiveness of the Bank's processes for controlling its operations and managing its risks in the areas set forth under the mission and scope of work.</p> <p><b>Audit Committee Report to the Board of Directors</b></p> <p>Performed a robust assessment of the Bank's risk profile, and evaluated adequacy and monitored effectiveness of the Bank's risk management system and internal controls through evaluation of audit assessment results on high priority risk controls and critical operational areas. Proactively engaged and involved the Management in monitoring timely resolution</p>	

		<p>of audit observations and recommendations, effectively conveying the culture of risk ownership within the organization.</p> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report pages 63 - 64</u></b></li> </ul>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>The Risk Management Group (RSK) is an independent unit of the Bank that identifies, analyzes, measures, and monitors identified material risks in close coordination with other business units. It exercises oversight on the risk management units of various subsidiaries and affiliates with the goal of ensuring compliance with relevant regulations, and the implementation of a consistent risk management framework across the Metrobank group.</p> <p>RSK reports directly to the Board of Directors through the Risk Oversight Committee, which is composed primarily of independent members of the Board. The Committee’s active role in overseeing the Bank’s risk infrastructure, operating policies, and exposures ensures a good balance between risk appetite and prudence.</p> <p><b>Risk Management Principles</b> Ultimately this philosophy of balancing risk and reward translates to the following risk management principles:</p> <ul style="list-style-type: none"> <li>○ Because risk is native to the banking business, the Bank manages risks that correspond to its goals and objectives as an ongoing business;</li> <li>○ As the business landscape evolves, the Bank’s risk management practices must likewise remain appropriate and practicable, but always in consonance with standards set by its regulators;</li> <li>○ The Bank must ensure that it has the right risk governance structure in order to minimize the chances of risks becoming real losses while exploiting the gains that may accrue from business opportunities; and</li> <li>○ Risk management is everyone’s concern – from the Board who sets the overall tone, to the officers and staff who execute the Bank’s risk management strategy.</li> </ul> <p><i>The Risk Management Process</i> The Bank’s risk management process focuses on the interplay among business, concomitant risks, and required capital with the goal of sustaining the franchise through the rise and ebb of the business cycle. It provides the engine for the determination of the Bank’s strategic goals, its material risks, and its appetite for said risks. Risk exposure identification, measurement, management, and monitoring provide the support on which business budgets are afforded the chance of being achieved and for which capital adequacy to support the effort is continuously assured.</p> <p>Metrics and risk assessment tools, both adopted from regulation and best practice and internal to the Bank are then used to measure identified risks. The use of these tools complements the conduct of business as they help prevent risks from being realized into serious issues, as well as cue the possibility of any instance that capital may be called to absorb losses.</p> <p><b>Sources:</b></p>	

		<ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report pages 54-60</a></li> </ul>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	COMPLIANT	<p>Metrobank is committed to full compliance with applicable laws and regulations and promote the safety and soundness of its banking operations through an enabling policy and environment governed by high standards and acceptable practices of good corporate governance.</p> <p>To further enhance the Bank’s commitment, the Bank’s Compliance Policy Manual (CPM) was developed to formalize and document the Bank’s Compliance Risk Management System, which forms an integral part of its culture and risk governance framework, designed to specifically identify and mitigate risk that may erode the franchise value of the Bank, such as risks of legal or regulatory sanctions, material financial loss, or loss to reputation, that the Bank may suffer as a result of its failure to comply with laws, rules, related self-regulatory organization standards, and codes of conduct applicable to its activities. Said risk may also arise from failure to manage conflicts of interest or treat customers fairly.</p> <p>An important component of our Compliance Risk Management System is having a clear, open and two-way communication process within the Bank to educate and address compliance matters. The Compliance Division, in partnership with Learning and Development Division, provides training to officers and staff thru classroom training and e-learning.</p> <p>The CPM is reviewed annually and provides reasonable assurance that the Bank and its employees comply with relevant banking and corporate laws, regulations, rules and standards.</p>	
<b>Optional: Recommendation 12.1</b>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	COMPLIANT	<p>On behalf of the Board of Directors (BOD), the Information Technology Steering Committee (ITSC) provides governance and oversight in the management of the Bank’s IT resources. Its principal function is to ensure that IT strategies are consistent with the overall business objectives. It shall have oversight of the IT Risk Management Program of the Bank and the development of policies, controls and specific accountabilities consistent with the Bank’s IT Risk Management Framework.</p> <p>As delegated by the BOD, it shall also approve IT-related requests and other IT-related services/ arrangements, including outsourcing/insourcing activities. It should regularly render periodic report to the BOD regarding overall IT performance, status of major projects and other significant issues related to IT risks.</p> <p>Information Technology Group and Information Security Division Monthly Performance Reports (MPRs) are being provided to ITSC. MPRs contain resulting measures/statuses of IT/IS matters such as Business Recovery Center (BRC) Technical Test Results, critical systems and network availability, major incidents, SLA performance and cyber security status.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Board Committees &gt; Information Technology Steering Committee</a></li> </ul>	
<b>Recommendation 12.2</b>			
<p>11. Company has in place an</p>	COMPLIANT	<p>The Internal Audit Group is established by the Board of Directors, and its responsibilities are defined by the Audit</p>	

<p>independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations</p>		<p>Committee as part of its oversight function. The Audit Committee and Management take all the necessary measures to provide the appropriate resources and staffing, including free access to all functions, records or documents, information, properties, and personnel that would enable Internal Audit to fully carry out its functions and achieve its objectives while adhering to the principles required by the International Standards for the Professional Practice of Internal Auditing (Standards) and Code of Ethics.</p> <p>The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.</p> <p>The scope of work of the Internal Audit Group ensures that risks are appropriately identified and managed and interaction with the various governance groups occurs, as needed, through validation on whether significant financial, managerial, and operating information is accurate, reliable, and timely; operations and system functionalities are in compliance with Bank's code of conduct, policies, standards, procedures, and applicable laws and regulations, including adequacy and effectiveness of controls associated with money laundering and terrorist financing; resources are acquired economically, used efficiently, and adequately protected; Bank's programs, plans, and objectives are achieved; quality and continuous improvement are fostered in the Bank's control process and significant operational risks and issues are addressed.</p> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report pages 61-62</u></a></li> </ul>	
<b>Recommendation 12.3</b>			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board</p>	<p>COMPLIANT</p>	<p>Mr. Leo R. Fragante, FVP, is the Bank's Chief Audit Executive (CAE). His appointment was approved by the Board on April 26, 2017. He has been the acting Head of the Internal Audit Group since August 1, 2016.</p> <p>The CAE's responsibilities are detailed in the Internal Audit Charter which includes among others:</p> <ol style="list-style-type: none"> <li>1. Developing a flexible annual business plan using an appropriate risk-based methodology, considering the internal audit activities to be provided to subsidiaries/associates, internal audit activities to be outsourced, and any risks or control concerns identified by or inputs of Management and the Board of Directors/Audit Committee; ensuring that such plan is comprehensive and adequately covers regulatory matters; and submitting the plan to the Audit Committee for review and approval, as well as periodic updates.</li> <li>2. Implementing the annual audit plan, as approved, including as appropriate any special tasks or projects requested by Management and the Audit Committee.</li> <li>3. Ensuring that IAG has adequate human resources with sufficient knowledge, skills, experience, and professional qualifications/certifications to meet the requirements of regulations, the IAG Manual and this Charter. Furthermore, the IAG shall conduct periodic assessment and monitoring of the skill-set of the internal audit function and ensuring that there is an adequate development program for the internal audit staff that shall enable them to meet the growing technical complexity of banking operations. The skill set of the internal audit staff shall</li> </ol>	

		<p>be complemented with appropriate audit methodologies and tools as well as sufficient knowledge of auditing techniques in the conduct of audit activities. More so, the IAG Head shall demonstrate appropriate leadership and have the necessary skills to fulfill his responsibilities for maintaining the unit's independence and objectivity.</p> <ol style="list-style-type: none"> <li>4. Evaluating and assessing significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion (i.e., participating, from the start, in all critical computerized projects of the Bank to ensure adequacy and effectiveness of security and control)</li> <li>5. Issuing periodic reports to the Audit Committee and Management summarizing results of internal audit activities.</li> <li>6. Keeping the Audit Committee abreast and informed of emerging trends and best practices in internal auditing.</li> <li>7. Providing a list of significant measurement goals and results to the Audit Committee.</li> <li>8. Assisting the Bank in fraud prevention by examining and evaluating the adequacy and effectiveness of the internal controls' system commensurate with the extent of a potential exposure within the organization.</li> <li>9. Exercising due professional care to the degree that fraud may be present in activities covered in the normal course of audit work, and in accordance with the internal audit standards and the IAG Manual.</li> <li>10. Conducting investigation of suspected fraudulent activities and irregularities within the Bank including suspected money laundering/terrorist financing (MLTF) activities and informing Management and the Audit Committee of the results. Suspicions can result from complaints, informal tips, or an on-going audit engagement. When conducting investigations, internal audit may seek assistance from/coordination with management, legal counsel, and other specialists, such as human resources and insurance risk management, as appropriate throughout the course of the investigation.</li> <li>11. Considering the scope of work of the external auditors, external service providers, and regulators, as appropriate, for the purpose of providing optimal audit coverage.</li> <li>12. Establishing a quality assurance and improvement program by which the IAG Head (also the Chief Audit Executive) assures the operation of internal auditing activities in compliance with audit standards and communicates the results thereof, including results of ongoing internal assessments and external assessments conducted at least every five (5) years, to Senior Management and the Board.</li> <li>13. Performing consulting services, beyond internal audit's assurance services, to assist management in meeting its objectives (i.e., counsel, facilitation, process design, training, and advisory services). Categories include: <ol style="list-style-type: none"> <li>a. Formal consulting engagements - planned and subject to written agreement.</li> <li>b. Informal consulting engagements - routine activities, such as attendance on standing committees (as resource persons) as requested by the President/Senior Management (e.g., POLCOM, BIDCOM, AMLCC, Risk Management Committee, etc.), limited-life projects, ad hoc meetings, and routine information exchange.</li> <li>c. Special consulting engagements - participation on a merger and acquisition team or system conversion team.</li> <li>d. Emergency consulting engagements - participation on a team established for recovery or maintenance of operations after a disaster or other extraordinary business event or a team assembled to supply temporary help to meet a special request or unusual deadline.</li> </ol> </li> </ol> <p>IAG shall ensure adherence to the policies and procedures on consulting or advisory services defined in the IAG Manual.</p>	
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2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT	See preceding item on the list of CAE's responsibilities which includes ensuring that the terms and conditions stipulated in the service agreement/contract for the outsourced audit activities/functions are met	
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	NOT APPLICABLE	Metrobank internal audit activity is not outsourced.	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, asses and monitor key risk exposures.	COMPLIANT	The Risk Management Group (RSK) is an independent unit of the Bank that identifies, analyzes, measures, and monitors identified material risks in close coordination with other business units. It exercises oversight on the risk management units of various subsidiaries and affiliates with the goal of ensuring compliance with relevant regulations, and the implementation of a consistent risk management framework across the Metrobank group.	

		<p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report pages 54-60</a></li> </ul>	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally	COMPLIANT	The Bank engages external subject matter experts from time to time. The most recent is the engagement with SGV-EY for the PFRS9 migration.	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<p>Ms. Maritess B. Antonio, EVP assumed the position as Chief Risk Officer under Risk Management Group last August 2016. She was the Chief Audit Executive and Head of Internal Audit Group from June 2010 to July 2016 after serving as Deputy Chief Audit Executive from 2008 to 2010.</p> <p>As Chief Risk Officer, Ms. Antonio is responsible for providing independent oversight for any and all activities that may subject the Bank to risk. Specific duties and responsibilities include among others:</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities	COMPLIANT	<ul style="list-style-type: none"> <li>• Identification of key risk exposures for the purpose of assessing and measuring the extent of such exposures of the Bank and its trust operations;</li> <li>• Monitor risk exposures and determine corresponding capital requirement in accordance with the Basel capital adequacy framework and the risk exposure's consistency with the board approved policies on risk tolerance; as well as, effectiveness of risk mitigation measures employed;</li> <li>• Oversee collection and construction of historical databases required for risk analysis and measurement methodology</li> <li>• Provide quantitative estimates of market risk levels taken by risk-taking personnel independently and collectively. Reviews risk-taking personnel profit and loss reports</li> <li>• Oversee documentation and review of each model used by the front and back offices for valuation and hedging; recommends enhancements thereof, if and when necessary</li> <li>• Act as the Group Supervisor for Risk Management to assist the Board of Directors (BOD) in ensuring effective oversight over BSP-supervised financial subsidiaries and affiliates;</li> <li>• Report to senior management and the BOD the results of assessment and monitoring;</li> <li>• Perform other related functions that may be assigned from time to time.</li> </ul> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report page 107</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 20-IS, page 10</a></li> </ul>	

<b>Additional Recommendation to Principle 12</b>		
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	<p><b>Audit Committee Report</b></p> <p>The report contains overall assessment on the adequacy and effectiveness of the Bank's internal control, risk management and governance processes.</p> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report pages 63-64</a></li> </ul>
<b>Cultivating a Synergic Relationship with Shareholders</b>		
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.		
<b>Recommendation 13.1</b>		
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<p>The Bank's CGM provides the basic shareholder rights as follows:</p> <p>Stockholders' Rights and Protection of Minority Stockholders' Interests</p> <p>The Bank treats all its shareholders fairly and equitably, and also recognizes, protects and facilitates the exercise of their rights. The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <ol style="list-style-type: none"> <li>1) Right to vote on all matters that require their consent or approval;</li> <li>2) Right to inspect books and records of the Bank;</li> <li>3) Right to information;</li> <li>4) Right to dividends; and</li> <li>5) Appraisal right.</li> </ol> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 10</a></li> </ul>
2. Board ensures that basic shareholder rights are disclosed on the company's website	COMPLIANT	<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 10</a></li> </ul>
<b>Supplement to Recommendation 13.1</b>		
1. Company's common share has one vote for one share	COMPLIANT	<p>The Bank's common shares carry one (1) vote for one (1) share.</p> <p>Every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock in his name</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 11</a></li> </ul>

		<ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Metrobank Amended By-Laws</a></li> </ul>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	<p>Metrobank issues one class of shares i.e. common stock. Each stockholder is entitled to one (1) vote for each share of stock in his name.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Metrobank Articles of Incorporation</a></li> <li>• <a href="#">Website: About Us &gt; Metrobank Amended By-Laws</a></li> </ul>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<p>Voting is done manually. Votes are counted based on submitted proxies and actual votes received during the Annual Stockholders' Meeting.</p> <p><b>For 2019 ASM (2018 – 2019):</b></p> <p>Voting Procedures</p> <ol style="list-style-type: none"> <li>1. At least 2/3 of the outstanding capital stock is required for the approval of the following: <ol style="list-style-type: none"> <li>a) Increase in the Authorized Capital Stock</li> <li>b) Declaration of 13% Stock Dividends</li> <li>c) Merger of MCC into Metrobank</li> </ol> </li> <li>2. Majority vote is required for the following: <ol style="list-style-type: none"> <li>a) Approval of the minutes of the annual meeting of the stockholders held on April 25, 2018</li> <li>b) Ratification of Corporate Acts</li> <li>c) Election of External Auditors</li> </ol> <p>On the election of directors, nominees receiving the highest number of votes shall be declared elected following the provisions of the Corporation Code.</p> </li> <li>3. Every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock in his name. Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name as of the record date multiplied by the number of directors to be elected. Matters submitted to stockholders for ratification shall be decided by the required vote of stockholders present in person or by proxy.</li> <li>4. Metrobank has not solicited any discretionary authority to cumulative voting.</li> <li>5. Votes cast at the meeting shall be counted by the Bank's Stock Transfer Agent and validated by SGV.</li> </ol> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 20-IS, Agenda Item 10</a></li> </ul>	

<p>4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>COMPLIANT</p>	<p>The Bank treats all its shareholders fairly and equitably, and also recognizes, protects and facilitates the exercise of their rights. The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <ol style="list-style-type: none"> <li>1) Right to vote on all matters that require their consent or approval;</li> <li>2) Right to inspect books and records of the Bank;</li> <li>3) Right to information;</li> <li>4) Right to dividends; and</li> <li>5) Appraisal right.</li> </ol> <p>Voting mechanism is simple majority as per Corporation Code.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><b>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 10</b></a></li> </ul>	
<p>5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting</p>	<p>COMPLIANT</p>	<p>The Board upholds the rights of Stockholders and protection of minority Stockholders’ interest as provided for in the Bank’s CGM:</p> <p>Special meeting of the stockholders of the Bank may be held at any time pursuant to a resolution of the Board of Directors, upon the call of the Chairman, or, in his absence, of the Vice Chairman, or upon the written request of stockholders registered as the owners of at least one-half of the subscribed capital stock of the Bank entitled to vote at such meeting.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><b>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 11</b></a></li> </ul>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders</p>	<p>COMPLIANT</p>	<p><u>Stockholders’ Rights and Protection of Minority Stockholders’ Interests</u></p> <p>The Bank treats all its shareholders fairly and equitably, and also recognizes, protects and facilitates the exercise of their rights. The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <ol style="list-style-type: none"> <li>1) Right to vote on all matters that require their consent or approval;</li> <li>2) Right to inspect books and records of the Bank;</li> <li>3) Right to information;</li> <li>4) Right to dividends; and</li> <li>5) Appraisal right.</li> </ol> <p>a. Stockholders’ Participation</p> <p>The Board shall be transparent and fair in the conduct of the annual and special stockholders’ meetings of the Bank. The Bank shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders’</p>	

		<p>Meeting with sufficient and relevant information, as a rule, at least 28 days before the meeting. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of the right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p> <p>The Board shall also encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the Bank's website within five (5) business days from the end of the meeting.</p> <p>Special meeting of the stockholders of the Bank may be held at any time pursuant to a resolution of the Board of Directors, upon the call of the Chairman, or, in his absence, of the Vice Chairman, or upon the written request of stockholders registered as the owners of at least one-half of the subscribed capital stock of the Bank entitled to vote at such meeting.</p> <p><u>Voting Procedures</u></p> <p>Every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock in his name. Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name as of the record date multiplied by the number of directors to be elected. Matters submitted to stockholders for the ratification shall be decided by the required vote of stockholders present in person or by proxy.</p> <p>Majority vote is required for the following:</p> <ol style="list-style-type: none"> <li>1) Approval of the minutes of the annual meeting of the stockholders</li> <li>2) Ratification of corporate acts</li> <li>3) Election of external auditors</li> </ol> <p>On the election of directors, nominees receiving the highest number of votes shall be declared elected following the provision of the Corporation Code.</p> <p>b. The Board shall promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights. All shareholders shall have the opportunity to obtain effective redress for violation of their rights.</p> <p>c. The Board shall make available to the stockholders accurate and timely information to enable the latter to make a sound judgment on all matters brought to their attention for consideration or approval.</p>	
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		<p>d. Dissenter’s Right of Appraisal</p> <p>In general, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence. Appraisal right is also available in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the property and assets of the corporation; in case of merger or consolidation.</p> <p>In the above instances, the appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the corporation for payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.</p> <p>e. For amicable settlement of disputes, controversies and/or legal issues between the Bank and its stockholders and/or the Bank and third parties, the Bank may resort to alternative modes of dispute resolution as may be agreed upon with the adverse party.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, pages 10-12</u></b></li> <li>• <b><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report page 53</u></b></li> </ul>	
7. Company has a transparent and specific dividend policy	COMPLIANT	<p><b><u>DIVIDEND POLICY</u></b></p> <p>The Bank’s dividend policy is an integral component of its capital management policy rather than a stand-alone process. Its fundamental and overriding policy is sustainability.</p> <p>Dividends are declared and paid out of unrestricted retained earnings of the Bank at such intervals as the Board of Directors may determine and in accordance with the provisions of law and the regulations of the BSP and the SEC. Historically, the Bank has declared annual cash dividends equal to P1.00 per common share, equivalent to 5% of par value.</p> <p>Cash dividends are subject to approval by at least a majority of the Board of Directors, with the record date not being earlier than 10 trading days from declaration, and the payment date not later than 18 trading days from the record date. On the other hand, stock dividends require prior clearance from the Bangko Sentral ng Pilipinas, the Securities and Exchange Commission and the Philippine Stock Exchange.</p>	

		<p>The payment of dividends in the future will depend on the Bank’s earnings, cash flow, financial condition, regulatory requirements for capital and other factors. Circumstances which could restrict the payment of cash dividends include, but are not limited to, when the Bank undertakes major projects and developments requiring substantial cash expenditures. The Board of Directors may, at any time, modify the Bank’s dividend payout ratio depending on the results of operations and future projects and plans of the Bank.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, pages 45-46</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report page 52</a></li> </ul>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders’ Meeting.	COMPLIANT	<p>The proxies, attendance and votes cast at the meeting were tabulated by the Bank’s Stock Transfer Agent (The Metrobank-Trust Banking Grp) and validated by SGV &amp; Co. in its capacity as third- party validator.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank Announcements of General and Special Stockholders’ Meetings &gt; 2019 Notice of Annual Stockholders</a></li> </ul>	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders’ Meeting with sufficient and relevant information at least 28 days before the meeting.	COMPLIANT	<p>Notice of Annual Stockholders’ Meeting (ASM) in 2019 was sent out on 17<sup>th</sup> January 2019. ASM was held on 24<sup>th</sup> April 2019</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank Announcements of General and Special Stockholders’ Meetings &gt; 2019 Notice of Annual Stockholders</a></li> <li>• <a href="#">PSE EDGE: MBT &gt; Company Disclosures &gt; January 17, 2019</a></li> </ul> <p>As provided in the Bank’s CGM, the Bank encourages active shareholder participation by sending the Notice of Annual Stockholders’ Meeting with sufficient and relevant information, as a rule, at least 28 days before the meeting.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 10</a></li> </ul>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company’s Notice of Annual Stockholders’ Meeting contains the following information:			
a. The profiles of directors	COMPLIANT		

(i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)		<b>Source:</b>	
b. Auditors seeking appointment/re-appointment	COMPLIANT	<ul style="list-style-type: none"> <li><a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank Announcements of General and Special Stockholders' Meetings &gt; 2019 Notice of Annual Stockholders</u></a></li> </ul>	
c. Proxy documents	COMPLIANT		
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<p>Agenda Items for the Annual Stockholders' Meeting is accompanied by "Explanatory Notes to the Agenda" as a requisite in the filing of its Definitive Information Sheet with SEC.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li><a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank Announcements of General and Special Stockholders' Meetings &gt; 2019 Notice of Annual Stockholders</u></a></li> </ul>	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the vote taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	<p>The Bank's CGM provides under Stockholder's Participation that, the Board shall also encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the Bank's website within five (5) business days from the end of the meeting.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li><a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 10</u></a></li> <li><a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report page 53</u></a></li> <li><a href="#"><u>PSE EDGE: MBT &gt; Company Disclosures &gt; April 25, 2019</u></a></li> </ul>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	<p>The results were made available immediately a day after the ASM (25<sup>th</sup> April 2019).</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li><a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank Minutes of All General and Special Stockholders' Meetings &gt; 2019</u></a></li> <li><a href="#"><u>PSE EDGE: MBT &gt; Company Disclosures &gt; April 25, 2019</u></a></li> </ul>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to	COMPLIANT	The Bank's Stock Transfer Agent (MB-Trust Banking Grp) and External Auditor, SGV & Co. were present during the ASM/SSM.	

answer shareholders questions during the ASM and SSM		<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank Minutes of All General and Special Stockholders' Meetings &gt; 2019</u></a></li> <li>• <a href="#"><u>PSE EDGE: MBT &gt; Company Disclosures &gt; April 25, 2019</u></a></li> </ul>	
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	<p>Under the Stockholders' Rights and Protection of Minority Stockholders' Interests section of the Bank's CGM, states that:</p> <p>For amicable settlement of disputes, controversies and/or legal issues between the Bank and its stockholders and/or the Bank and third parties, the Bank may resort to alternative modes of dispute resolution as may be agreed upon with the adverse party.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 12 and Annex 1</u></a></li> </ul>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance	COMPLIANT	<p><b>Policy on Alternative Dispute Resolution (ADR)</b></p> <p>For amicable settlement of disputes, controversies and/or legal issues between the Bank and its stockholders and/or the Bank and third parties, the Bank may resort to alternative modes of dispute resolution as may be agreed upon with the adverse party, such as but not limited to the following:</p> <ol style="list-style-type: none"> <li>Arbitration - process in which one or more arbitrators, appointed in accordance with the agreement of the parties, resolve a dispute by rendering an award.</li> <li>Mediation - process in which a mediator, selected by the disputing parties, facilitates communication and negotiation, and assists the parties in reaching a voluntary agreement regarding a dispute.</li> <li>Conciliation - process in which a neutral third party (conciliator) conveys information between parties and attempts to improve direct communication between them.</li> <li>Early Neutral Evaluation - process wherein parties and their lawyers are brought together early in a pre-trial phase to present summaries of their cases and receive a nonbinding assessment by an experienced, neutral person, with expertise in the subject in the substance of the dispute.</li> <li>Mini-trial - method in which the merits of a case are argued before a panel comprising senior decision makers with or without the presence of a neutral third person after which the parties seek a negotiated settlement.</li> </ol> <p>Any dispute, controversy and/or issues with stockholders or other third parties may be resolved using such alternative mode of dispute resolution, other than the foregoing, as may be allowed by law, upon agreement of the parties in writing and/or through a written contract binding between the parties.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 1</u></a></li> </ul>	

<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	<p>The Bank's Investor Relations Office is under the Strategic Planning Division, contact details are as follows:</p> <p>Ms. Jette Gamboa  Head, Strategic Planning &amp; Investor Relations  Tel: +632 8857 9690  Email: investor.relations@metrobank.com.ph</p> <p><b>Investor Relations Department</b></p> <p><b>Email Address:</b> <a href="mailto:investor.relations@metrobank.com.ph">investor.relations@metrobank.com.ph</a></p> <p><b>Telephone no:</b> (02) 8857 5348</p> <p><b>Fax no:</b> (02) 8817 6355</p> <p><b>Address:</b> 11/F Metrobank Plaza, Sen. Gil Puyat Avenue, Makati City, Philippines 1200</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <b><u>Website: About Us &gt; Metrobank Investors Relations Program</u></b></li> </ul>	
2. IRO is present at every shareholder's meeting.	COMPLIANT	Yes, IRO was present during the ASM.	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	<p>The Board avoids any anti-takeover measures/defenses by setting the following voting procedures:</p> <ol style="list-style-type: none"> <li>1. At least 2/3 of the outstanding capital stock is required for the approval of the following: <ol style="list-style-type: none"> <li>a) Amendment of Articles of Incorporation to Create a New Class of Shares</li> </ol> </li> <li>2. Majority vote is required for the following: <ol style="list-style-type: none"> <li>a) Approval of the minutes of the annual meeting of the stockholders</li> <li>b) Ratification of Corporate Acts</li> <li>c) Election of External Auditors</li> </ol> </li> </ol> <p>On the election of directors, nominees receiving the highest number of votes shall be declared elected following the provisions of the Corporation Code.</p>	

		<p>3. Every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock in his name. Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name as of the record date multiplied by the number of directors to be elected. Matters submitted to stockholders for ratification shall be decided by the required vote of stockholders present in person or by proxy.</p> <p>4. Metrobank has not solicited any discretionary authority to cumulative voting.</p> <p>5. Votes cast at the meeting shall be counted by the Bank's Stock Transfer Agent and validated by SGV &amp; Co.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 11</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 20-IS, Agenda Item 10</a></li> </ul>									
<p>6. Company has at least thirty percent (30%) public float to increase liquidity in the market</p>	<p>COMPLIANT</p>	<p>As of December 31, 2019, the public float of MBTC is at 48.77%.</p> <table border="1" data-bbox="742 662 1258 987"> <tr> <td><b>Number of Listed Common Shares</b></td> <td>4,497,415,555</td> </tr> <tr> <td><b>Total Number of Non-Public Shares</b></td> <td>2,304,223,777</td> </tr> <tr> <td><b>Total Number of Shares Owned by the Public</b></td> <td>2,193,191,778</td> </tr> <tr> <td><b>Public Ownership Percentage</b></td> <td>48.77</td> </tr> </table> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Metrobank Organizational Chart, Conglomerate Map, and Shareholding Structure</a></li> <li>• <a href="#">PSE EDGE: MBT &gt; Company Disclosures</a></li> </ul>	<b>Number of Listed Common Shares</b>	4,497,415,555	<b>Total Number of Non-Public Shares</b>	2,304,223,777	<b>Total Number of Shares Owned by the Public</b>	2,193,191,778	<b>Public Ownership Percentage</b>	48.77	
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<b>Public Ownership Percentage</b>	48.77										
<b>Optional: Principle 13</b>											
<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>COMPLIANT</p>	<p>The Bank's Whistleblowing policy provides opportunity for shareholders to engage with the Bank beyond the stockholders' meeting by reporting complaints which may be filed via email or text.</p> <p>The shareholders can also engage with the company thru the Bank's customer hotline.</p> <p><b>Whistle Blowing Policy</b></p>									

		<p>Metrobank is committed to maintaining the highest possible standards of ethics, honesty, accountability and adhering to the principles of good governance. All employees are encouraged to play their part in improving the overall effectiveness and success of the Bank and in strengthening the Bank's system of integrity by creating an atmosphere of openness and trust and by providing an avenue for employees to raise concerns and receive feedback on any action taken.</p> <p>The Bank's Whistle Blowing Policy aims to guide officers and staff as well as other stakeholders on reporting complaints related to fraud, malpractice, conflict of interest or violation of internal/regulatory policies, procedures and controls. The policy also provides for the protection of the reporting employee.</p> <p>Under the policy, the Bank shall maintain the identity of the reporting employee as confidential and retaliation against any reporting employee shall not be allowed. Complaints/concerns may be filed through the Bank's website or send via email at <a href="mailto:whistleblowing@metrobank.com.ph">whistleblowing@metrobank.com.ph</a> or text hotline +639427471359.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 47</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report page 52</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	
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**Duties to Stakeholders**

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interest are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability,</p>	<p>COMPLIANT</p>	<p><b><u>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Interest of Stakeholders</u></b></p> <p>Metrobank has a responsibility to all its stakeholders to address their needs. The Bank has policies that safeguard the interests of customers, creditors, suppliers, employees, shareholders, and the environment.</p> <p><b><u>Customers and Creditors</u></b></p> <p>The Bank is committed to safeguarding its customers' and creditors' welfare, fulfilling their needs, and helping them achieve their financial goals. To this end, the Bank views Consumer Protection as a priority and a responsibility for every single person in the organization, from the Directors down to the rank and file employees.</p> <p>The Board of Directors provides effective oversight of the Bank's financial customer protection program. As such, the Bank has a board-approved Customer Protection Policy Manual which provides basic principles and ethical business practices that govern the conduct of the Bank in dealing with its customers, setting out the standards of consumer protection in the areas of disclosure and transparency, protection of client information, fair treatment, effective recourse and financial education. It provides assurance that the Bank and its employees comply with consumer protection laws, rules, and regulations, thus ensuring that consumer protection practices are embedded in the Bank's business operations which</p>	
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address and prevent identified risks to the Bank and associated risk of financial harm or loss to its customers. The Manual is created to ensure that customer protection is inherent in the Bank's day-to-day operations, providing the foundation that ensures the Bank's adherence to customer protection standards of conduct.

**Stockholders' Rights and Protection of Minority Stockholders' Interests**

The Board respects the rights of the stockholders as provided for in the Corporation Code. It promotes the rights of the stockholders, removes impediments to the exercise of those rights, and provides an adequate avenue for them to seek timely redress for the breach of their rights.

The Board makes available to the stockholders accurate and timely information to enable the latter to make sound judgments on all matters brought to their attention for consideration or approval. All material information about the Bank is disclosed in a timely manner to the SEC and PSE.

The Board is transparent and fair in the conduct of the annual stockholders' meetings of the Bank. The Bank encourages the stockholders to personally attend such meetings. If they cannot attend, they are informed ahead of time of their right to appoint a proxy. Subject to the requirements of the By- Laws, the exercise of this right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

Every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock in his name. Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name as of the record date multiplied by the number of directors to be elected. Matters submitted to stockholders for ratification shall be decided by the required vote of stockholders present in person or by proxy. All shareholders shall have the opportunity to obtain effective redress for violation of their rights.

**Supplier & Contract Selection**

To mitigate the risk of dealing with unqualified suppliers/ contractor, the Bank maintains policies and guidelines in the accreditation/re-accreditation and selection process of supplier and contractor that is in accordance and compliant with BSP regulations. Annual performance evaluation is conducted as part of appropriate controls in determining the ability and performance of the contractor/ service provider.

The Bank practices the policy of canvassing and bidding services in the conduct of purchase of products or contracts for services to ensure that the Bank secures the best deal in terms of price, quality of materials or work services, delivery time frame, and related terms and conditions.

**Health, Safety, and Welfare of Employees**

The safety and security of its clients and employees is of paramount importance to the Bank. The Bank actively promotes a safe, healthy, and drug-and-alcohol-free work environment that is conducive to the well-being and professional

	<p>development of its employees. In doing so, employee morale as well as productivity is greatly improved.</p> <p>Regular wellness checks are held to enable the Bank to institute the best and most relevant health interventions for the workforce. Lectures on bank security and safety are likewise conducted to properly equip personnel in handling situations that may compromise the safety and security of the Bank’s people, property, and information.</p> <p>Employee welfare also involves guiding employees to achieve their full potential. Through the Metrobank Academy, employees have access to a wide range of suitable programs to assist in their continuing professional development. The Bank recognizes that having the people with the right skills, knowledge, and work ethic is the secret to future sustainable success for the organization.</p> <p><b><u>Economic &amp; Social Development</u></b></p> <p>Metrobank is an institution with a heart. The bank is committed to making meaningful contributions to the economic and social development of the larger community to which it belongs by giving back through a number of programs. Success is not only measured via financial performance but also through the completion of its social objectives.</p> <p>Metrobank has a host of comprehensive community and social responsibility programs conducted by the Metrobank Foundation, its corporate social responsibility arm, and the employees through the Purple Hearts Club. Employees participate in an array of CSR programs that focus on education, environmental stewardship, and health. The Purple Hearts Club also collaborates with partners across several industries to introduce employees to new opportunities for volunteerism that benefit and support other marginalized sectors of society.</p> <p><b><u>Environment Protection</u></b></p> <p>As part of Metrobank’s core value of being a responsible corporate citizen, it believes that sustainable development is a fundamental aspect of sound business management and recognizes that this must rank among the top priorities of its lending portfolio.</p> <p>Metrobank is focused on developing a loan portfolio that directly protects and promotes environmental and social care, and likewise instilling in the borrowers the awareness that social and environmental care are inextricable to economic growth in order to achieve sustainable development. Sound environmental stewardship begins at home. To this end, the Bank seeks to promote the conservation of energy, water, and other natural resources in its own operations.</p> <p>Various policies on optimizing the use of paper, the shutdown of office equipment to minimize resource usage and to save on electricity costs, encouraging the use of vehicles for carpools, and the regular maintenance and servicing of vehicles to reduce transportation cost and carbon emissions are in place.</p> <p>The restoration of our green habitats is another issue that the Bank aims to support through the You’re In Green Hands</p>	
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		<p>program. Headed by the Purple Hearts Club, You're In Green Hands runs multiple tree planting, mangrove planting, and coastal clean-up drives throughout the year.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 53-54</u></a></li> </ul>	
<b>Recommendation 14.2</b>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p><b><u>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Fair Business Transactions &amp; Managing Conflicts of Interest</u></b></p> <p>The Bank conducts business fairly and sincerely, adhering to ethical principles and refraining from unfair practices and any form of bribery or corruption, to contribute to sound and economic development through fair competition in the market. The Bank champions the fair treatment and protection of all stakeholders, particularly our customers, resource providers, creditors, and the community in which we operate and believe that fair, professional and objective dealings forge enduring relationships. The members of the Board conduct fair business transactions with the Bank and ensure that personal interest does not bias Board decisions. They should not take advantage of their positions for personal gain. All board members are expected to act ethically at all times, notify the Board promptly of any material facts or potential conflicts of interest, and take appropriate corrective action.</p> <p>The directors are expected to act honestly and in good faith, with loyalty and in the best interest of the Bank, the stockholders (regardless of the amount of their stockholdings), and other stakeholders. Employees are expected to effectively manage their personal affairs and avoid any situation or business endeavor arising from associations, interests, or relationships that may lead to conflict or potential conflict between their personal interest and of the Bank.</p> <p>All related party transactions are conducted at arm's-length basis. If transactions with the Bank cannot be avoided, it is done in the regular course of business and upon terms not less favorable to the Bank than those offered to others and subject to the Bank's policy on related party transactions. Transactions with related parties are reviewed by either the Related Party Transactions Management Committee (RPTMC), a management-level committee composed of senior officers or the Related Party Transactions Committee (RPTC), a Board-level committee composed of independent directors, depending on the materiality threshold set by the Bank. Directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of transaction. No director or officer shall participate in the RPTC or RPTMC or BOD discussion of a related party transaction for which he, she, or any member of his or her close family or related interest is involved, including transactions of subordinates, except in order to provide material information on the related party transaction to the RPTC/BOD. All acts of the Board, including material related party transactions, are confirmed by the majority vote of the Bank's stockholders during the Annual Stockholders' Meeting.</p> <p>Related party transactions are discussed in the Audited Financial Statements, particularly under Notes to the Financial Statements No. 31 on Related Party Transactions.</p>	

		<p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 51</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	
<b>Recommendation 14.3</b>			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	COMPLIANT	<p><b>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Whistle-Blowing Policy</b></p> <p>The Bank’s culture of trust and integrity is key to providing a safe space for all employees and stakeholders. The Whistle-Blowing Policy provides an avenue to raise concern and report acts of fraud, malpractice, conflict of interest, or violation of internal/regulatory policies, procedures, and control to the Chief Audit Executive. The policy also provides for the protection of the reporting entity. The Bank shall maintain the identity of the reporting entity as confidential and retaliation against any reporting entity shall not be allowed.</p> <p>Complaints/concerns may be filed through the Bank’s website or sent via email (<a href="mailto:whistleblowing@metrobank.com.ph">whistleblowing@metrobank.com.ph</a>) or text hotline (+639427471359).</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 47</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report page 52</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	
<b>Supplement to Recommendation 14.3</b>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner</p>	COMPLIANT	<p><b><u>Policy on Alternative Dispute Resolution (ADR)</u></b></p> <p>For amicable settlement of disputes, controversies and/or legal issues between the Bank and its stockholders and/or the Bank and third parties, the Bank may resort to alternative modes of dispute resolution as may be agreed upon with the adverse party, such as but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Arbitration - process in which one or more arbitrators, appointed in accordance with the agreement of the parties, resolve a dispute by rendering an award.</li> <li>• Mediation - process in which a mediator, selected by the disputing parties, facilitates communication and negotiation, and assists the parties in reaching a voluntary agreement regarding a dispute.</li> <li>• Conciliation - process in which a neutral third party (conciliator) conveys information between parties and attempts to improve direct communication between them.</li> <li>• Early Neutral Evaluation - process wherein parties and their lawyers are brought together early in a pre-trial phase to present summaries of their cases and receive a nonbinding assessment by an experienced, neutral person, with expertise in the subject in the substance of the dispute.</li> </ul>	

		<ul style="list-style-type: none"> <li>Mini-trial - method in which the merits of a case are argued before a panel comprising senior decision makers with or without the presence of a neutral third person after which the parties seek a negotiated settlement.</li> </ul> <p>Any dispute, controversy and/or issues with stockholders or other third parties may be resolved using such alternative mode of dispute resolution, other than the foregoing, as may be allowed by law, upon agreement of the parties in writing and/or through a written contract binding between the parties.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li><a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, Annex 1</u></a></li> </ul>	
<b>Additional Recommendations to Principle 14</b>			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	For 2019, no exemptions were sought by the Bank to any governing bodies.	
2. Company respects intellectual property rights	COMPLIANT	<p>The Bank's Acceptable Use of Assets Policy aims to deter any infringement of intellectual property rights or other proprietary rights including, without limitation, material protected by copyright, trademark, patent, trade secret or other intellectual property right.</p> <p>Distributing, installing, copying or using pirated or other software products that are not appropriately licensed for the use of the bank is strictly prohibited.</p> <p>Unauthorized copying of copyrighted material including but not limited to, digitization, distribution and/or posting of photographs from magazines, books or other copyrighted sources, logos, copyrighted music, videos and the installation of any copyrighted software for which the bank or the end user does not have an active license is strictly prohibited.</p> <p>Generally, all users authorized to access the Bank's information, information systems and information processing facilities must comply with the required user responsibilities to maintain effective access controls that prevent unauthorized access, compromise of information systems and processing facilities or theft of information.</p> <p>All confidential bank information assets must not be shared with unauthorized personnel such as but not limited to</p>	

		<p>unauthorized bank personnel, family or household members and non-bank personnel.</p> <p>All covered individuals must only use bank assets (information, technology, devices, etc.) to the extent necessary to fulfill their business and/or job responsibilities through authorized activities in accordance with bank policies, standards and procedures.</p> <p>All covered individuals are prohibited from revealing, sharing or using any bank confidential or restricted information, trade secrets or any other material considered as bank information when engaged in blogging or participating in discussions in social networking sites, conferences, seminars and the like. This includes but is not limited to the job title, bank official activities, bank operating information, etc.</p>	
<b>Optional: Principle 14</b>			
<p>1. Company discloses its policies and practices that address customers' welfare</p>	<p>COMPLIANT</p>	<p><b><u>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Protecting our Partners</u></b></p> <p>Metrobank considers every customer as a partner, and thus remains committed to making their welfare a top priority. It is the responsibility of every Metrobanker—from the Bank's Board of Directors, to the Management, down to the rank and file employees—to look out for the customers' best interest.</p> <p><b>Overall Customer Protection</b>  Customer protection is inherent in the Bank's day-to-day operations and is guided by the Bank Customer Protection Policy Manual (CPPM) that governs the conduct of the Bank in dealing with its customers. The CPPM ensures that the Bank and its employees comply with customer protection laws, rules, and regulations.</p> <p>The Bank has identified key entities ultimately responsible for the overall strategy and oversight of the Bank's desired customer experience The Board of Directors (BOD), through the Executive Committee (ExCom), provides the effective oversight of the Bank's Financial Customer Protection program and its implementation in accordance to BSP Circular on Consumer Protection.</p> <p>The Senior Management, through the Customer Experience Committee (CX Com) ensures that the Bank's developed Consumer Protection Risk Management System (CPRMS) is maintained and reviewed as it is fully integrated into the overall framework of its entire product and service lifecycle. The responsibilities of the Senior Management through the Customer Experience Committee (CX Com) also includes the formulation of the Bank's Customer Protection Program as embodied in the Bank's CPPM and monitoring of the effectiveness of the CX projects under the Customer Protection Program.</p> <p>The Service Excellence Group works with business and operational units to achieve excellent customer experience through the Voice of the Customer Program, process efficiency initiatives, and manage performance monitoring. The responsibilities of the Service Excellence Group include oversight functions in handling of customer complaints and reporting to Senior Management of performance on key customer metrics.</p>	

**Customer Assistance / Complaints Handling**

Providing immediate assistance is a critical component of the Bank’s Customer Protection Program. Customers have different accessible channels through which they could communicate with the Bank to raise concerns or provide feedback, either through our 24/7 Contact Center, Social Media (Facebook), our MetrobankDirect Online, or Mobile Banking app.

Specific to customer complaints, the Bank has in-place the Customer Incident Management Policy and System, which standardizes the handling of complaints to ensure that these are addressed within a set turnaround time through centralized logging and monitoring. Recurring incidents and emerging complaints are analyzed to identify action plans to address the root cause of the problem.

In 2019, the Bank managed to lower its complaints level by 5% despite the increase in transaction volume. The drop in complaints level is mainly attributed to the implementation of specific initiatives for the top complaints particularly in the use of the electronic channels.

The Bank continued to improve its performance in resolving complaints within a shorter period of time vs. prior years, ensuring communication of the Bank’s commitment to the customer.

**Convenient / Hassle-free Customer Experience at Touchpoints**

The banking experience was streamlined for the benefit of our customers. The account opening process was simplified and the Bank implemented the initial phase of the Queue Management System. These changes resulted in faster, form-free transactions and greatly reduced waiting time for our customers.

Metrobank also launched the Mobile Remittance app for migrant workers, expanded the Contact Center hotline to accommodate more calls, increased availability of ATMs and Cash Accept Machines (CAMs), and achieved faster resolution of complaints related to the use of ATMs and CAMs.

**Product Features/ Enhancements**

Existing product features and services were also upgraded. The Bank increased withdrawal limits on ATMs and purchase transaction limits using the EMV contactless card. To protect our customers, 3D security features for online purchases were also implemented. Lastly, approvals for home & car loan applications were expedited for shorter turnaround times.

**Consumer Education**

Regular financial education campaigns through the Bank’s social media accounts provided tips and instructions on how to protect their personal information and personal accounts from being accessed by unauthorized groups.

**Customer Feedback Program**

Metrobank is committed to listening to customers to identify opportunities improve overall experience with the Bank. A more frequent conduct of Net Promoter Score (NPS) was implemented to continuously monitor customers’ overall commitment and loyalty to our brand. Regular Branch Customer Satisfaction (CSAT) collected immediate feedback of

		customers' experience at the branch. Biannual Mystery Shopping were also done to check service delivery across branches.  <b>Source:</b> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 17, 22-23</u></a></li> </ul>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	<b><u>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Supplier &amp; Contract Selection</u></b>  To mitigate the risk of dealing with unqualified suppliers/ contractor, the Bank maintains policies and guidelines in the accreditation/re-accreditation and selection process of supplier and contractor that is in accordance and compliant with BSP regulations. Annual performance evaluation is conducted as part of appropriate controls in determining the ability and performance of the contractor/ service provider.  The Bank practices the policy of canvassing and bidding services in the conduct of purchase of products or contracts for services to ensure that the Bank secures the best deal in terms of price, quality of materials or work services, delivery time frame, and related terms and conditions.  <b>Source:</b> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 53</u></a></li> </ul>	
<b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance	COMPLIANT	<b>Employee Engagement</b>  Employee engagement is our key to performance, and leadership is our key to employee engagement. In 2019, we partnered extensively with our Union and their leaders through various programs that strengthened the capability, integrity, and loyalty of our workforce.  We also continued our leader and employee engagement programs by providing coaching and mentoring support for leaders across the Bank. We took this further by involving our employees in the process through a 360° Feedback tool that	

		<p>was rolled out for supervisors, for them to leverage for their own development as they journey to become the best enablers of their respective teams' performance.</p> <p>Our aspiration is for every leader to be the good hands, through which Metrobank helps its employees find meaningful work and meaningful careers.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 30-33</u></a></li> </ul>	
<b>Supplement to Recommendation 15.1</b>			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>COMPLIANT</p>	<p><b>Compensation Policy</b></p> <p>The Bank adopts a compensation package that is aligned with the Bank's operating and risk culture, long-term strategic and financial interest and labor laws and regulations, promotes good performance and competitive with industry standards, with a goal to attract, motivate and retain the best people.</p> <p><b>Executive and Employee Compensation</b></p> <p>The Bank pays salaries commensurate to the individual's qualifications &amp; experience, nature of the job, position, and level of responsibility with reference to an approved salary scale.</p> <p>The Bank's compensation package is reviewed regularly and benchmarked against competition through participation in annual industry compensation and benefit surveys to ensure its competitiveness vis-à-vis industry and other market considerations.</p> <p><b>Pay for Performance</b></p> <p>The Bank aims to achieve a performance-driven work culture by providing meaningful rewards for performance. Annual performance scorecards are structured to support business strategies and provide competitive rewards. Thus, the Bank grants annual merit increase and performance bonus (non-guaranteed) based on the Bank's overall performance, Group and individual performance, and market conditions.</p> <p><b>Fair Compensation</b></p> <p>The Bank ensures that its compensation package for non-officers or rank and file employees is in accordance with the labor law requirements. They receive salaries linked to both performance and the Bank's contractual obligation under a</p>	

		<p>collective bargaining agreement which include loyalty bonuses for long-term employees.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 52-53</u></a></li> </ul>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	COMPLIANT	<p>Metrobank actively promotes a safe and healthy work environment that is conducive to the well-being and professional development of its employees.</p> <p><b>Health, Safety, and Welfare of Employees</b></p> <p>The safety and security of its clients and employees is of paramount importance to the Bank. The Bank actively promotes a safe, healthy, and drug-and-alcohol-free work environment that is conducive to the well-being and professional development of its employees. In doing so, employee morale as well as productivity is greatly improve.</p> <p>Regular wellness checks are held to enable the Bank to institute the best and most relevant health interventions for the workforce. Lectures on bank security and safety are likewise conducted to properly equip personnel in handling situations that may compromise the safety and security of the Bank’s people, property, and information.</p> <p>Employee welfare also involves guiding employees to achieve their full potential. Through the Metrobank Academy, employees have access to a wide range of suitable programs to assist in their continuing professional development. The Bank recognizes that having the people with the right skills, knowledge, and work ethic is the secret to future sustainable success for the organization.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies &gt; Policy on Health, Safety and Welfare of employees, including Company sponsored trainings</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 53-54</u></a></li> </ul>	
<p>3. Company has policies and practices on training and development of its employees.</p>	COMPLIANT	<p><b>We strive to empower Metrobankers with the right skills, knowledge, work ethics, and expertise that are relevant to the stakeholders.</b></p> <p>We are fully committed to ensuring that all employees perform their work consistently to high standards and achieve their full potential. We recognize that training and development is fundamental to the to the improvement of the bank’s operational performance and the achievement of the bank’s strategy and goals.</p> <p>The Metrobank Academy was established to provide all officers with a wide range of suitable programs to assist in their continuing professional development, so that the organization will have the right quality of people for the business to grow</p>	

		<p>and achieve its goals. In the Metrobank Academy, we enforce a Training Certification policy which assigns a structured training plan customized for each position in the Bank, to equip incumbent employees with the specific job-related technical skills required of them at work. Training and assessment modules are developed together with in-house and externally-sourced subject matter experts to ensure that all materials are correct, suitable and updated. This Training Certification policy also addresses employees' behavioral development, as values-based programs are included in the training plans to instill in them the proper mindset and desired leadership and management competencies.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#"><u>Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies &gt; Policy on Health, Safety and Welfare of employees, including Company sponsored trainings</u></a></li> <li>• <a href="#"><u>Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, page 53-54</u></a></li> </ul>	
<b>Recommendation 15.2</b>			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct</p>	<p>COMPLIANT</p>	<p><b>Fair Business Transactions &amp; Managing Conflicts of Interest</b></p> <p>The Bank conducts business fairly and sincerely, adhering to ethical principles and refraining from unfair practices and any form of bribery or corruption, to contribute to sound and economic development through fair competition in the market. The Bank champions the fair treatment and protection of all stakeholders, particularly our customers, resource providers, creditors, and the community in which we operate and believe that fair, professional and objective dealings forge enduring relationships. The members of the Board conduct fair business transactions with the Bank and ensure that personal interest does not bias Board decisions. They should not take advantage of their positions for personal gain. All board members are expected to act ethically at all times, notify the Board promptly of any material facts or potential conflicts of interest, and take appropriate corrective action.</p> <p>The directors are expected to act honestly and in good faith, with loyalty and in the best interest of the Bank, the stockholders (regardless of the amount of their stockholdings), and other stakeholders. Employees are expected to effectively manage their personal affairs and avoid any situation or business endeavor arising from associations, interests, or relationships that may lead to conflict or potential conflict between their personal interest and of the Bank.</p> <p><b>Avoidance of conflicts of interest</b></p> <p>We promote and aid in the advancement of the Bank's interests. Our personal and professional endeavors seek business potential for the Bank. While we are challenged by the competition, we dedicate our time and talent in faithfully carrying out the tasks laid before us by the Bank.</p> <p>We reflect Metrobank's objective and fair business decisions which are anchored on integrity and good governance. Our stakeholders are partners for the organization's overall development. Our interactions and service nurture their goodwill.</p>	

		<p>We effectively manage our personal affairs and avoid any situation or business endeavors arising from associations, interests or relationships that may lead to conflict or potential conflict between our personal interests and that of the Bank's.</p> <p>We adopt an anti-corruption way of life. Bribery, fraud, extortion, collusion, conflict of interest, and money laundering, and other corrupt practices have no role in the way we conduct our affairs</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Code of Ethics for Employees</a></li> </ul>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>The Code of Conduct is disseminated to all employees through Human Resources Management Group. The employees are required to acknowledge receipt and confirm that they have read, understood and will observe the aforesaid Code. The employees further acknowledge the authority of the Bank to fully implement its rules and regulations.</p> <p>Revised Code of Conduct Effectivity: January 01, 2018 Disseminated to Employees: January 05, 2018</p> <p>No revisions for 2019</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Code of Ethics for Employees</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank 2019 Corporate Governance Manual, Annex 14</a></li> </ul>	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes	COMPLIANT	<p>The Bank's Code of Conduct states that:</p> <p>Avoidance of conflicts of interest</p> <p>We promote and aid in the advancement of the Bank's interests. Our personal and professional endeavors seek business potential for the Bank. While we are challenged by the competition, we dedicate our time and talent in faithfully carrying out the tasks laid before us by the Bank.</p> <p>We reflect Metrobank's objective and fair business decisions which are anchored on integrity and good governance. Our stakeholders are partners for the organization's overall development. Our interactions and service nurture their goodwill. We effectively manage our personal affairs and avoid any situation or business endeavors arising from associations, interests or relationships that may lead to conflict or potential conflict between our personal interests and that of the Bank's.</p>	

		<p>We adopt an anti-corruption way of life. Bribery, fraud, extortion, collusion, conflict of interest, and money laundering, and other corrupt practices have no role in the way we conduct our affairs.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Code of Ethics for Employees</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank 2019 Corporate Governance Manual, Annex 14</a></li> </ul>	
<b>Recommendation 15.3</b>			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>COMPLIANT</p>	<p>Below is an excerpt from the Bank's <b>Manual of Policies and Procedures on Whistle Blowing</b>.</p> <p>As a way of strengthening the Bank's system of integrity, all employees are encouraged to report irregular transactions. Towards this end, the Bank instituted a Whistle blowing policy where acts of fraud, malpractice, conflict of interest or violation of internal/regulatory policies, procedures and control may be reported to the Chief Audit Officer.</p> <p>The Whistle blowing policy applies in cases when an employee deems it more prudent to report violations or offenses to another authorized unit/person within the Bank, when the matter which is brought to the attention of the immediate superior is not acted upon in accordance with the standard reporting procedures, or is concealed, or the immediate superior is himself involved in the infraction, or the reporting employee fears reprisal.</p> <p>Under the policy, the Bank shall maintain the identity of the reporting employee as confidential and retaliation against any reporting employee shall not be allowed. Consistent with the principles of good governance, the Chief Audit Officer reports to the Board's Audit Committee</p> <p><b>Responsible Units:</b> The Head of the Internal Audit Group (IAG) is the designated recipient of complaints from Reporting Employees and is authorized to implement this policy. The IAG and Human Resource Management Group (HRMG) shall be responsible for the following: undertaking investigations under this policy and regular dissemination and communication of the whistle blowing policy to all employees and determining the activities that will be used as avenues for the dissemination (such as but not limited to New Employee Orientation (NEO), Officer Development Program (ODP), IAG Roadshow and Pre-audit Engagement/Audit Entrance Meeting with Auditees)</p> <p><b>Protection of Reporting Employee:</b> The Bank shall maintain the identity of the Reporting Employee as confidential unless: such person agrees to be identified; identification is necessary to allow the Bank to investigate or respond effectively to the disclosure; identification is required by law; in such eventuality, the IAG Head shall be responsible for securing the consent of the Reporting Employee prior to revealing his/her identity. In case of unauthorized disclosure of identity, the erring employee shall be subject to existing policies on <i>Omissions/Errors/Offenses</i> and relevant provisions of the <i>Bank's Code of Conduct</i>. Retaliation (as described under Definitions) shall not be allowed against any Reporting Employee. Retaliatory actions shall be considered as misconduct and erring officers/staff involved shall be dealt with following existing policies on <i>Omissions/Errors/Offenses</i>.</p>	

		<p>Complaint/ Disclosure Form shall be addressed to the IAG Head via pouch or email <a href="mailto:whistleblowing@metrobank.com.ph">whistleblowing@metrobank.com.ph</a> or contact IAG via Cellphone hotline 09427471359</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 47</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report page 52</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	COMPLIANT	<p><b>2019 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Whistle-Blowing Policy</b></p> <p>The Bank’s culture of trust and integrity is key to providing a safe space for all employees and stakeholders. The Whistle-Blowing Policy provides an avenue to raise concern and report acts of fraud, malpractice, conflict of interest, or violation of internal/regulatory policies, procedures, and control to the Chief Audit Executive. The policy also provides for the protection of the reporting entity. The Bank shall maintain the identity of the reporting entity as confidential and retaliation against any reporting entity shall not be allowed.</p> <p>Complaints/concerns may be filed through the Bank’s website or sent via email (<a href="mailto:whistleblowing@metrobank.com.ph">whistleblowing@metrobank.com.ph</a>) or text hotline (+639427471359).</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Corporate Governance Manual 2019, page 47</a></li> <li>• <a href="#">Website: About Us &gt; Company Disclosure &gt; Metrobank 2019 Combined Annual Report and Sustainability Report page 52</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Company Policies</a></li> </ul>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	COMPLIANT	<p>As an extension of the Board of Directors, the Audit Committee (AUDITCOM) shall assist the Board of Directors in fulfilling its statutory and fiduciary responsibilities</p> <p>Duties and Responsibilities of the Committee excerpts:</p> <p>(3) Compliance with Bank Policies, and applicable laws, rules and regulations and code of business conduct:</p> <p>c. Establish and maintain mechanisms by which officers and staff may, in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing or other issues to persons or entities that have the power to take corrective action. AUDITCOM shall ensure that arrangements are in place for the independent investigation, appropriate follow-up action, subsequent resolution of complaints, and that reporting employee or stakeholder who raise the concerns are protected from detrimental treatment or reprisals</p> <p><b>Source:</b></p>	

		<ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Board Committees &gt; Audit Committee</a></li> </ul>	
<p><b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p><b>Recommendation 16.1</b></p>			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates</p>	COMPLIANT	<p>Corporate Social Responsibility initiatives of the Bank through its Purple Hearts Club and Metrobank Foundation Inc. are discussed in the 2019 Combined Annual Report and Sustainability Report.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 36-39 and 95-98</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Foundation</a></li> </ul>	
<p><b>Optional: Principle 16</b></p>			
<p>1. Company ensures that its value chain is environmentally friendly or it consistent with promoting sustainable development</p>	COMPLIANT	<p>The Bank's economic, environmental, social and governance contributions hinged on the sustainable development of the communities in which it operates are presented in the 2019 Combined Annual Report and Sustainability Report.</p> <p><b>Source:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank 2019 Combined Annual Report and Sustainability Report, pages 36-39, 54 and 74-98</a></li> <li>• <a href="#">Website: About Us &gt; Corporate Governance &gt; Metrobank Foundation</a></li> </ul>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	COMPLIANT		

Pursuant to the requirement of the Securities and Exchange Commission and Philippine Stock Exchange, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on \_\_\_\_\_.


**SIGNATURES**


  
Arthur Ty  
Chairman


  
Jesli A. Lapus  
Independent Director

  
Philip G. Soliven  
Independent Director

  
Arnulfo B. Pascoles, Jr.  
Compliance Officer

  
Francisco F. Del Rosario, Jr.  
Independent Director

  
Fabian S. Dee  
President

  
Angelica H. Lavares  
Independent Director

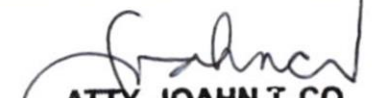
  
Edgar O. Chua  
Independent Director

  
Atty. Regis V. Puno  
Corporate Secretary

Subscribed and Sworn to me before this AUG 28, 2020 day of AUGUST, 2020, affiant(s) exhibiting to be their \_\_\_\_\_, as follows:

Name	TIN / SSS Number	Name	TIN / SSS Number
Arthur Ty	121-526-580	Fabian S. Dee	123-466-183
Jesli A. Lapus	117-802-402	Angelica H. Lavares	134-509-801
Philip G. Soliven	182-028-516	Edgar O. Chua	121-509-950
Francisco F. Del Rosario, Jr	119-180-704	Atty. Regis V. Puno	131-013-328
Arnulfo B. Pascoles, Jr.	174-881-208		

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Book No. IV  
Series of 2020

  
**ATTY. JOAHN T. CO**  
APPOINTMENT NO. 2 (2020-2021)  
NOTARY PUBLIC FOR TAGUIG CITY  
UNTIL DECEMBER 31, 2021  
16F Metrobank Center, 35th Street corner 7th Avenue,  
Bonifacio Global City, Taguig City  
Roll of Attorney No. 64427; 4-28-15  
PTR No. A-4760870; 1-02-2020; Taguig City  
IBP No. 100372; 1-02-2020; Isabela  
MCLE Compliance No. VI-0003707; 10-25-2017