

26 May 2021

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 2020 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, 2020
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

COVER SHEET

2 0 5 7 3

SEC Registration Number

M E T R O P O L I T A N B A N K & T R U S T C O M P A N Y

(Company's Full Name)

M e t r o b a n k P l a z a , S e n . G i l J . P u y a t

A v e n u e , U r d a n e t a V i l l a g e , 1 2 0 0

M a k a t i C i t y

(Business Address: No. Street City/Town/Province)

ARNULFO B. PASCIOLES, JR.

(Contact Person)

8898-9026

(Company Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

LETTER

(Form Type)

0 4 2 8

Month Day
(Annual Meeting)

NONE

(Secondary License Type, If Applicable)

Corporation Finance Department

Dept. Requiring this Doc.

Amended Articles Number/Section

3,004 as of
March 12, 2021
Record date

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.



**2020 INTEGRATED ANNUAL CORPORATE
GOVERNANCE REPORT
(IACGR)**

THE BOARD'S GOVERNANCE RESPONSIBILITIES	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Principle 1: 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>Recommendation 1.1</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 highly qualified directors with collective working knowledge, experience or expertise that is relevant to the banking business. 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.</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p>COMPLIANT</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>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</p> <p>The composition and qualification standards of the Board can be found in the Bank's Corporate Governance Manual which can be accessed by our stakeholders in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Composition of the Board pp. 2-3; Qualifications of a Director pp. 14-16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf <p>The profiles of our directors for the year 2020 are included in our 2020 Annual Report (SEC Form 17-A or Annual Report) and Definitive Information Statement (SEC Form 20-IS or DIS). All of which are uploaded on our company website, which our stakeholders can easily access, view and/or download:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.114-115) https://metrobank.com.ph/img/2020-annual-report.pdf • Bank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers, pp.5-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	

		<ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for 2020ASM 2020 covering Year 2019 (Item 5 Directors and Executive Officers, pp.5-9) https://metrobank.com.ph/img/metrobank-sec-20-is_-definitive-information-statement.pdf 	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	<p>In 2020, 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> <p>Results of the election of our directors during all ASMs were properly disclosed and posted on our website. Our 2019 ASM was held on 24 April 2019, while our most recent ASM was held on 28 May 2020 and can be accessed in the website through the following link:</p> <ul style="list-style-type: none"> • Bank's Website: Metrobank Minutes of All General and Special Stockholders' Meetings https://metrobank.com.ph/about-us/regulatory-filings-minutes-stockholders-meetings <p>This is disclosed in our 2020 Annual Report (SEC Form 17-A or Annual Report) and Definitive Information Statement (SEC Form 20-IS or DIS). All of which are uploaded on our company website, which our stakeholders can easily access, view and/or download:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.114-115) https://metrobank.com.ph/img/2020-annual-report.pdf • Bank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers, pp.5-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank SEC Form 20-IS for ASM 2020 covering Year 2019 (Item 5 Directors and Executive Officers, pp.5-9) https://metrobank.com.ph/img/metrobank-sec-20-is_-definitive-information-statement.pdf 	
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 Sec. 133 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>	
2. Company has an orientation program for first time directors	COMPLIANT		
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p>As provided for in the Bank's CGM, a first-time director has to undergo a minimum of eight (8) hours orientation program.</p> <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 relevant orientation and training programs, as well as certificate of attendance for our directors is provided in the Bank's CGM, which also represents as the Board Charter, can be accessed by our stakeholders in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Orientation and Continuing Education pp. 27-28, Annex 2) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf <p>For 2020, in its letter dated 12 October 2020, the Bank requested the Securities and Exchange Commission for the deferment of its compliance with the annual four (4) hour Corporate Governance training of its directors and key officers due to the disruption brought upon by the COVID-19 pandemic.</p> <p>As to ensure constant education of the directors and key officers, the Bank took advantage of available public seminars via online platforms for them to attend such as the ABCOMP Training on the new BSP Supervisory Assessment Framework (SAFr) which replaced the CAMELS Rating System, albeit not accredited by the SEC which was eventually noted by the later in their Advisement Letter to Metrobank dated 09 November 2020.</p> <p>The list of seminars attended was reflected in the Bank's Annual Report and can be accessed in the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.44) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Orientation Program for New Directors and Continuing Education, p.24) https://metrobank.com.ph/img/2020-sec17a.pdf 	
Recommendation 1.4			
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 2020, the twelve (12) directors of the Board includes one (1) female director – Director Angelica H. Lavares.</p> <p>The discussion on board diversity can be accessed thru the Bank's CGM and Annual Report by our stakeholders in the following link:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Composition of the Board p. 2) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.36) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	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 not a member of the Board of Directors. He is a Director and Member of the Audit Committee of GT Capital since 2018.	
2. Corporate Secretary is a	COMPLIANT		

separate individual from the Compliance Officer		Atty. Puno is also an Of Counsel of the Angara Abello Concepcion Regala & Cruz Law Offices (ACCRAALAW) and formerly a Senior Partner of Puno & 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.	
3. Corporate Secretary is not a member of the Board of Directors	COMPLIANT	<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/training that they can attend.</p> <p>The role, duties and responsibilities of the Corporate Secretary is further discussed in the Bank's CGM and By-Laws and can be accessed by our stakeholders in the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Corporate Secretary, pp. 38-39) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Bank's Website: About Us – Metrobank Amended By Laws https://metrobank.com.ph/about-us#content-by-laws 	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>The Corporate Secretary is required to attend trainings on corporate governance annually.</p> <p>For 2020, in its letter dated 12 October 2020, the Bank requested the Securities and Exchange Commission for the deferment of its compliance with the annual four (4) hour Corporate Governance training of its directors and key officers due to the disruption brought upon by the COVID-19 pandemic.</p> <p>As to ensure constant education of the key officers, the Bank took advantage of available public seminars via online platforms for them to attend such as the ABCOMP Training on the new BSP Supervisory Assessment Framework (SAFr) which replaced the CAMELS Rating System, albeit not accredited by the SEC which was eventually noted by the later in their Advisement Letter to Metrobank dated 09 November 2020.</p> <p>The list of seminars attended was reflected in the Bank's Annual Report and can be accessed in the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.44) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes	COMPLIANT	As stated in the Bank's CGM, the Corporate Secretary distributes the materials for Board meetings at least five (5) working	

<p>materials for board meetings at least five business days before scheduled meeting.</p>		<p>days before the meeting. The Corporate Secretary confirms that the materials for board meetings are provided, as far as practicable, within 5 days before the meeting.</p> <p>The Bank's Corporate Governance Manual can be accessed by our stakeholders in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Conduct of Board Meetings and Quorum Requirements, p.14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Recommendation 1.6			
<p>1. Board is assisted by a Compliance Officer.</p>	COMPLIANT	<p>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.</p>	
<p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation</p>	COMPLIANT	<p>As per Bank's CGM, 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.</p>	
<p>3. Compliance Officer is not a member of the board.</p>	COMPLIANT	<p>The role, duties and responsibilities of the Compliance Officer is further discussed in the Bank's CGM and can be accessed by our stakeholders in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Compliance Officer, pp.42-43) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.45) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>4. Compliance Officer attends training/s on corporate governance.</p>	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>For 2020, in its letter dated 12 October 2020, the Bank requested the Securities and Exchange Commission for the deferment of its compliance with the annual four (4) hour Corporate Governance training of its directors and key officers due to the disruption brought upon by the COVID-19 pandemic.</p> <p>As to ensure constant education of the key officers, the Bank took advantage of available public seminars via online platform for them to attend such as the ABCOMP Training on the new BSP Supervisory Assessment Framework (SAFr) which replaced the CAMELS Rating System, albeit not accredited by the SEC which was eventually noted by the later in their Advisement Letter to Metrobank dated 09 November 2020.</p> <p>The list of seminars attended was reflected in the Bank's Annual Report and can be accessed in the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.44) https://metrobank.com.ph/img/2020-annual-report.pdf 	

Principle 2: 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.

Recommendation 2.1

<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.</p>	<p>COMPLIANT</p>	<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. 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).</p> <p>The Bank’s CGM can be accessed by our stakeholders in the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 [Specific Duties and Responsibilities of the Board pp.3-11, 50 (Annual Self-Assessment)] https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf <p>Directors’ attendance to meetings is likewise a testament of their performance. In 2020, the Board had 14 meetings with the incumbent directors attending 100% of all meetings which exhibits active participation among the directors.</p> <p>This is disclosed in our 2020 Annual Report (SEC Form 17-A or Annual Report) and Definitive Information Statement (SEC Form 20-IS or DIS). All of which are uploaded on our company website, which our stakeholders can easily access, view and/or download:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II – Board Meetings, p.16) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.38-39) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part 2, pp. 20-21) https://metrobank.com.ph/img/2020-sec17a.pdf 	
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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, this is part of the Board’s specific duties and responsibilities and discussed as well in the 2020 Annual Report. The Bank’s CGM can be accessed by our stakeholders in the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Specific Duties and Responsibilities of a Director, p.17) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	

		<p>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Board of Directors</p> <p>An active and competent Board of Directors, as the steward of the institution it serves, is responsible for the governance of the Bank. The Board sets the corporate governance tone by collectively directing the company’s affairs, whilst meeting the interest of shareholders and other stakeholders. It leads the process of developing and reviewing the Bank’s strategies annually. It oversees the development, review, and approval of the Bank’s mission, vision, a sound corporate governance framework, strategic and business plans, risk management, internal control system, financial performance and environmental, social and governance framework. The detailed responsibilities of the Board are disclosed in the Corporate Governance Manual posted on the company’s website through the Corporate Governance page.</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.36) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Supplement to Recommendation 2.2			
<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>COMPLIANT</p>	<p><u>The Vision-Mission of the Bank</u> 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 stakeholders’ 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>The Bank’s existing Vision, Mission and Core Values has been reconfirmed by the Board during its January 15, 2020 meeting. The next review will be in January 2023.</p> <p>The Bank’s Vision, Mission and core values can be accessed in the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank’s Vision and Mission https://metrobank.com.ph/about-us#vision-and-mission • Metrobank’s Core Values https://metrobank.com.ph/about-us/corporate-governance-code-of-ethics-employees 	
<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><u>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Board of Directors</u></p> <p>An active and competent Board of Directors, as the steward of the institution it serves, is responsible for the governance of the Bank. The Board sets the corporate governance tone by collectively directing the company’s affairs, whilst meeting the interest of shareholders and other stakeholders. It leads the process of developing and reviewing the Bank’s strategies annually. It oversees the development, review, and approval of the Bank’s mission, vision, a sound corporate governance framework, strategic and business plans, risk management, internal control system, financial performance and</p>	

		<p>environmental, social and governance framework. The detailed responsibilities of the Board are disclosed in the Corporate Governance Manual posted on the company’s website through the Corporate Governance page.</p> <p>To adequately fulfill its responsibilities, the Board has separate and independent access to the Corporate Secretary who manages the flow of information to the Board prior to the meetings.</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.36) https://metrobank.com.ph/img/2020-annual-report.pdf <p>As provided in the Bank’s CGM, function of the Board is to oversee the development, approve and monitor the implementation of strategic developments. The Bank’s CGM can be accessed by our stakeholders in the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Specific Duties and Responsibilities of the Board, p.4) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Recommendation 2.3			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	COMPLIANT	<p>The profile of our Chairperson for the year 2020 is included in our 2020 Annual Report (SEC Form 17-A or Annual Report) and Definitive Information Statement (SEC Form 20-IS or DIS) and uploaded on our company website, which our stakeholders can easily access, view and/or download:</p> <ul style="list-style-type: none"> • Metrobank’s Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers, p.6) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.114) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part II The Chairman of the Board and the President, p.20) https://metrobank.com.ph/img/2020-sec17a.pdf 	
Recommendation 2.4			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	COMPLIANT	<p>Retirement and Succession Policy for key officers</p> <p>The Bank developed the Leadership Potential Assessment, which tracked leadership indicators, specifically: intellectual capacity, interpersonal skills, and intensity among potential executives. These traits and skills serve as the primary basis in hiring, appointing, and promoting Metrobank leaders, who are expected to bring the organization to the next level of Banking excellence. It continues to find the best talent through Talent Reviews that will vet the most likely successor-candidates for the organization.</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	COMPLIANT	<p>Developing talent and the necessary skills in the Bank means creating opportunities for continuous learning and quickly adapting to unsettling environments. Metrobank’s promotion of talent development is to pivot from the limited classroom</p>	

		<p>set-up to the more inclusive and technologically enhanced platforms like webinars and real-time online learning. These overcame distance barriers and other limitations, sustained development programs and retained talent</p> <p>Identifying and developing future leaders includes a process to objectively assess an 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> <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>The retirement and succession policy for the directors were also included in the Bank’s CGM and 2020 Annual Report. Such were uploaded in the Bank’s website, which our stakeholders can easily access, view and/or download:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Retirement Policy for Directors, pp.19-20) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.30, 45-46) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	<p>The compensation policy for the Board of Directors and Key Employees can be found in the Bank’s CGM, Annual Report and Bank Policies which can be accessed by our stakeholders in the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 [p. 17 (Specific Duties and Responsibilities of the Board and pp.46-47 (Compensation Policy))] https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.30, 48-49) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 6 , Executive Compensation, pp.15-16) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf <p>As discussed also in the Bank’s CGM, part of the Directors duties and responsibilities is to conduct fair business transactions with the Bank and to ensure that personal interest does not bias Board decisions. Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. Directors are required to abstain from participating in the Board discussion on a particular agenda when they are conflicted.</p>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		

Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p>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. which can be accessed by our stakeholders in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Election of Directors pp.18-27) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf <p>A discussion on the nomination/election can also be found in the Bank's Annual Report and can be accessed in the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.36-37) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part II Board Composition, pp.19-20) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Nomination Procedure, Nominee Directors - Final List of Candidates , pp.13-14) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nomination from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
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		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	<p>The members of the Board are elected annually. In accordance with Bank's By-Laws, any stockholder may submit nominations for directorial positions to represent his interest in promoting long-term value creation.</p> <p>The Board through its Nominations Committee strives to ensure the optimal mix of skills and talent and balanced membership of the Board to achieve its strategic objectives. When identifying or screening potential candidates, the Committee may use whatever resources it deems appropriate, including but not limited to, referrals from existing directors and officers, recommendations, and suggestions from stockholders. To the extent possible, it also makes use of external databases or external search firms. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as director.</p> <p>The information can be accessed by our stakeholders in the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.36-37) 	

		<p>https://metrobank.com.ph/img/2020-annual-report.pdf</p> <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II, Board Composition p.15) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Nomination Procedure p.19) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Recommendation 2.7			
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.	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>The Related Party Transaction Policy can be found in the Bank’s CGM as well as in the Bank’s website which can be accessed by our stockholders in the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transactions p.47, Annex 16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies 	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	<p>A discussion on Related Party Policy can also be found in the Bank’s Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.47) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Supplement to Recommendations 2.7			
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	COMPLIANT	<p>The Bank’s policy on Related Party Transactions provides the various type of covered transactions and corresponding materiality threshold which can be found in the Bank’s Corporate Governance Manual as well as in the Bank’s website which can be accessed by our stockholders in the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transactions p.47, Annex 16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Fair Business Transactions & Managing Conflicts of Interest, p.21) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	

approval			
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	<p>Should the transactions require shareholders' approval during the ASM, the Bank will provide its shareholders with complete information of the RPTs as stated in our policy on RPTs. The Bank's voting procedures are included in our By-Laws, CGM and DIS which are all accessible in the Bank's Website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Voting Procedures pp. 12-14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Amended By Laws https://metrobank.com.ph/about-us#content-by-laws • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Votes Required for Approval or Election, p.19) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Recommendation 2.8			
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)	COMPLIANT	<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. Assessment of the performance of Management is done annually.</p> <p>This responsibility is further discussed in the Bank's CGM under Specific Duties and Responsibilities of the Board, which can be accessed by our stockholders in the following link:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Specific Duties and Responsibilities of the Board pp.3-11) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
2. Board is primarily responsible for assessing the performance 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).	COMPLIANT	<p>The list of key management officers can be found in the following links:</p> <ul style="list-style-type: none"> • Metrobank Directors, Advisers, and Principal Officers https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers, p.10-13 and Part II Performance Evaluation and Self-Assessment, p.21) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf <p>The Bank ensures that the appointment of the Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive is consistent with the qualifications set forth by the Bangko Sentral ng Pilipinas and it ascertained that said officers are fit and proper to assume the role.</p> <p>The Bank has job descriptions for these positions, and assesses the qualifications of candidates for these roles.</p> <p>The candidates undergo a series of interviews by the Line Head, HRMG, President, Chairman and the appropriate board committee. Any hiring and appointment to these role is approved by the appropriate board committee, Manpower Committee (Mancom), Nominations Committee (NomCom) and the Board. Bank's recruitment and senior management selection procedures can be accessed through the following link:</p>	

		<ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp. 31 & 99) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 2.9			
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.	COMPLIANT	<p>The Board, through the Bank's Manpower Committee, Human Resources Management Group and Strategic Planning Division has established the Bank's Performance Assessment & Management System (PAMS) to ensure that each employee's performance contributions are based on clearly defined targets, goals and standards.</p> <p>The disruptive effects of the pandemic on the work environment compelled the Bank to revisit its performance management framework and its processes. To better monitor productivity and optimize employee performance, the Bank created an enhanced performance management process, based on the principles of meritocracy, differentiation, and fairness. This empowers people managers to recognize their top performers and support those who can do better.</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.	COMPLIANT	<p>Information on performance management can be accessed through the Bank's Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.30-31, 48, 49 & 101) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	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.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<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, These policies are all available in the Bank's website which can be accessed by our stockholders in the following links:</p> <ul style="list-style-type: none"> • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transaction p.47, Annex 10 & 16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.40) https://metrobank.com.ph/img/2020-annual-report.pdf 	
3. Board approves the Internal Audit Charter.	COMPLIANT	Internal Audit Charter is reviewed annually; updates made thereto were approved by the Audit Committee on August 13, 2020 and noted by the Board of Directors on August 19, 2020.	

Recommendation 2.11		
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	The banking business is all about managing risks vis-à-vis gaining rewards. Metrobank has been in this business for the past 58 years and the magnitude to which it has built the enterprise reflects on how it responsibly manages and protects financial resources entrusted to it by its stakeholders. The Bank only takes in risks that it understands, can manage, mitigate, or accept, and wisely conducts its business based on a risk management framework suited to its scope and complexity, consistent with international regulatory standards.
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	Risk Management Principles and Processes can be accessed in the Bank's Annual Report: <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.52-54) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Board Committees: Risk Oversight Committee https://metrobank.com.ph/img/risk-oversight-committee-charter-as-of-07-02-20.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Annex 11) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf
Recommendation 2.12		
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	The Bank's 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.
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	The CGM is available and posted in the Bank's website: <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	
Additional Recommendation to Principle 2		
1. Board has a clear insider trading policy.	COMPLIANT	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").
		The Insider Trading Policy can be accessed by our stakeholders in the Bank's website through the following links: <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Policy on Insider Trading p.48, Annex 17)

		<ul style="list-style-type: none"> https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies Metrobank 2020 Combined Annual Report and Sustainability Report (p.47) https://metrobank.com.ph/img/2020-annual-report.pdf Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Policy on Insider Trading pp.21-22) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Optional: Principle 2			
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.	COMPLIANT	<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> <ul style="list-style-type: none"> Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transactions p.47, Annex 16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies <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>	
2. Company discloses the types of decision requiring board of directors' approval	COMPLIANT	<p>The following links provide information on the types of decision requiring board of director's approval.</p> <ul style="list-style-type: none"> Metrobank Amended By-laws https://metrobank.com.ph/about-us#content-by-laws Metrobank 2020 Combined Annual Report and Sustainability Report (p.36) https://metrobank.com.ph/img/2020-annual-report.pdf Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Power, Responsibilities and Duties of the Board p.3) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
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, various board-level committees were created.</p> <p>The Board Committee Charters that provide among others, their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information. The Charters of the respective Board-level Committees were posted in the Bank's website through this links:</p> <ul style="list-style-type: none"> Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Annexes 3-12) 	

		<p>https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf</p> <ul style="list-style-type: none"> • Metrobank Board Committee Charters https://metrobank.com.ph/about-us/corporate-governance-board-committees • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.39-43) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 3.2			
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.	COMPLIANT	<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>The primary responsibilities of the Audit Committee are: provide effective oversight of external and internal audit functions, including internal audit activities provided to subsidiaries/associates and outsourced internal audit activities; ensure transparency and proper reporting with emphasis on the reports' integrity, timeliness and compliance with standards; ensure compliance with Bank policies, and applicable laws, rules and regulations and code of conduct; and, ensure adequate and effective internal controls.</p> <p>The information on the Audit Committee can be accessed through the following links:</p> <ul style="list-style-type: none"> • Metrobank's Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.40) https://metrobank.com.ph/img/2020-annual-report.pdf 	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	<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>2020 Membership of Audit Committee can be accessed in the following links:</p> <ul style="list-style-type: none"> • Metrobank's Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf • Metrobank SEC Form 20-IS ASM 2021 covering Year 2020 (Part II Board Level Committees p.17) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.40) https://metrobank.com.ph/img/2020-annual-report.pdf 	
3. All the members of the committee have relevant background, knowledge, skills and/or experience in the areas	COMPLIANT	<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. Their profiles were included in our 2020 Annual Report (SEC Form 17-A or Annual Report) and Definitive Information Statement (SEC Form 20-IS or DIS). All of which are uploaded on our company website, which our stakeholders can easily access, view</p>	

of accounting, auditing and finance.		and/or download: <ul style="list-style-type: none"> • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.40) https://metrobank.com.ph/img/2020-annual-report.pdf 	
4. The Chairman of the audit committee is not the Chairman of the Board or of any other committee.	COMPLIANT	The Chairman of the Audit Committee, Mr. Edgar O. Chua, is not the Chairman of the Board or of any other Board-level committees. <ul style="list-style-type: none"> • Metrobank's Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.40) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Supplement to Recommendations 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor	COMPLIANT	Audit Committee Memos and Minutes of Meetings document the Audit Committee approval of the non-audit services conducted by the external auditor. <ul style="list-style-type: none"> • Metrobank's Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.65-67) https://metrobank.com.ph/img/2020-annual-report.pdf 	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Audit Committee held a regular meeting and dialogue with the external audit team without anyone from the management present on November 18, 2020. Information can be accessed in the following links in the Bank's website: <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part 2, page 21) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.38) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Optional: Recommendation 3.2			
1. Audit committee meet at least four times during the year	COMPLIANT	The Audit Committee held fourteen (14) regular meetings with internal and/or external auditors in 2020, duly minuted and on file. Information can be accessed in the following links in the Bank's website: <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.40) https://metrobank.com.ph/img/2020-annual-report.pdf 	

		<ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part 2, pp. 21-22) https://metrobank.com.ph/img/2020-sec17a.pdf 	
2. Audit Committee approves the appointment and removal of the internal auditor	COMPLIANT	<p>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.</p> <ol style="list-style-type: none"> The Senior Management may appoint the internal auditor subject to the concurrence of the Audit Committee; If the internal auditor resigns or communicates an intention to resign, the Audit Committee should follow up the reasons or explanations giving rise to such resignation, and should consider whether it needs to take any action in response to those reasons <p>The Board approved the appointment of the internal auditor, Mr. Leo Fragante, on April 26, 2017.</p> <p>The Charter can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> • Metrobank’s Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf 	
Recommendation 3.3			
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	<p>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.</p> <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>The Board Committees can be accessed in the Bank’s website through the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Board Committees pp.33-35, Annex 5 & 8) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Board Committee Charters https://metrobank.com.ph/about-us/corporate-governance-board-committees • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.40, 42) https://metrobank.com.ph/img/2020-annual-report.pdf 	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	NON-COMPLIANT with respect to the membership, all of whom	<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> <p>The Charter can be accessed in the Bank’s website through the following links:</p>	<p>Allowed by BSP regulations.</p> <p>Majority of the committee members, including the Chairman are independent directors thus the</p>

	<p>should be independent directors.</p> <p>The Bank's CGCCom is composed of 4 members, majority of whom are independent directors.</p>	<ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Annex 5) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Board Committees: Corporate Governance and Compensation Committee https://metrobank.com.ph/img/cgcom-charter-as-of-october-2020.pdf 	<p>objectivity/independence of the committee in making focused decisions is preserved.</p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>COMPLIANT</p>	<p>Director Angelica H. Lavares, Chairman of the Corporate Governance and Compensation Committee (CGCC) is an independent director.</p> <p>Her information can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.40) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Board Committees: Corporate Governance and Compensation Committee https://metrobank.com.ph/img/cgcom-charter-as-of-october-2020.pdf • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers p. 9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Optional: Recommendation 3.3			
<p>1. Corporate Governance Committee meet at least twice during the year.</p>	<p>COMPLIANT</p>	<p>The Corporate Governance and Compensation Committee held three (3) meetings in 2020 that was attended 100% by all members and were duly minuted.</p> <p>The information can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.40) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Board Level Committees, p.17) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Recommendation 3.4			
<p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should</p>	<p>COMPLIANT</p>	<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>be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</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>Information on ROC can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.43) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Risk Oversight Committee p.36, Annex 11) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Board Committees: Risk Oversight Committee https://metrobank.com.ph/img/risk-oversight-committee-charter-as-of-07-02-20.pdf 	
<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>2020 Risk Oversight Committee Membership can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.43) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Board Committees: Risk Oversight Committee https://metrobank.com.ph/img/risk-oversight-committee-charter-as-of-07-02-20.pdf • Metrobank SEC Form 20-IS ASM 2021 covering Year 2020 (Part II Board Level Committee p.18-19) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Director Francisco F. Del Rosario, Jr, an independent director, is the Chairman of the Risk Oversight Committee (ROC) for 2020. He is not the Chairman of the Board or of any other committee.</p> <p>ROC Chairman's information can be accessed through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.43, 114) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers p. 8) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people 	
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>The Committee member's information can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.43, 114) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank Board Committees: Risk Oversight Committee 	

		https://metrobank.com.ph/img/risk-oversight-committee-charter-as-of-07-02-20.pdf	
Recommendation 3.5			
1. Board establishes a Related party Transaction (RPT) Committee, which is tasked with reviewing all material related party transactions of the company	COMPLIANT	<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>Information on RPTC can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.42) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transaction p.35, Annex 10) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Board Committees: Related Party Transactions Committee https://metrobank.com.ph/img/rptc-charter-updated-as-of-october-2020.pdf 	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman	COMPLIANT	<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>Information on RPTC can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.42) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transaction p.35, Annex 10) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Board Committees: Related Party Transactions Committee https://metrobank.com.ph/img/rptc-charter-updated-as-of-october-2020.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Recommendation 3.6			
1. All established committees have a committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant	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>The Board Committee Charters can be accessed in the Bank's website through the following links:</p>	

information.			
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	<ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Board Committees pp.33-35, Annex 5 & 8) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Board Committee Charters https://metrobank.com.ph/about-us/corporate-governance-board-committees 	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<p>All board-level committee charters are disclosed in the Bank's website.</p> <ul style="list-style-type: none"> • Metrobank Board Committee Charters https://metrobank.com.ph/about-us/corporate-governance-board-committees 	

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

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.	COMPLIANT	<p>Conduct of Board Meetings and Quorum Requirements is provided in the Bank's Corporate Governance Manual and can be accessed through the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Conduct of Board Meetings and Quorum Requirements, pp.13-14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf <p>For 2020, the Board held 14 meetings and the attendance is at 100%. The Board's attendance is presented in the Bank's Annual Report and SEC Form 20-IS, also both accessible through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.38-39) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Board Meetings p. 16) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
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>In 2020, to support the measures in controlling the spread of COVID-19 outbreak, at the start of the imposed community quarantine, the Bank transitioned the Board as well as the committee meetings from in-person to virtual meetings with the use of videoconferencing tools. The Bank also created an alternative mode, safely accessible through the internet or mobile technology in providing the pertinent materials for discussion to address the administrative, technical and logistical issues of the current situation.</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Corporate Secretary, p.39) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.38-39) https://metrobank.com.ph/img/2020-annual-report.pdf 	

		<ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Board Meetings , p. 16) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
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> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Conduct of Board Meetings and Quorum Requirements pp.13-14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Recommendation 4.2			
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.</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 links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.36-37) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Multiple Board Seats p.28) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf <p>None of the Bank's directors serve in more than five (5) publicly listed.</p>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	<p>No actual case recorded for 2020 Minutes of BOD Meeting. However, the Company observes the policy embodied in the Bank's Corporate Governance Manual stated under Multiple Board Seats and available in the website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Multiple Board Seats, p.28) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of	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> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.36-37) 	

listed companies outside of the group.		https://metrobank.com.ph/img/2020-annual-report.pdf	
2. Company schedules boards of directors' meetings before the start of the financial year.	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> <ul style="list-style-type: none"> • Metrobank's Amended By-laws https://metrobank.com.ph/about-us#content-by-laws 	
3. Board of directors meet at least six times during the year.	COMPLIANT	<p>For the year 2020, a total of 14 Board Meetings were held, all Minutes of the Board Meetings from the period January 1, 2020 to December 31, 2020 are complete and on file. The Board's attendance is presented in the Bank's Annual Report and SEC Form 20-IS, also both accessible in through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.38-39) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Board Meetings p. 16) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
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	<p>As stated in the Bank's CGM, 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 number.</p> <p>The information on the Bank's independent directors can be accessed through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.114) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Composition of the Board, pp.2-3) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Recommendation 5.2			
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> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.114) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) 	

		https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf	
Supplement to Recommendation 5.2			
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>Such information can be accessed through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.68) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012)	COMPLIANT	<p>Reckoned from 2012 election, none of the independent directors has reached the maximum cumulative term of more than nine years.</p> <p>Information is provided in the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p. 37) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	<p>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.</p> <p>The discussion on term limits for Independent Directors is available in the Bank's CGM and available in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Term Limits of Independent Director, pp.16-17) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p. 37) https://metrobank.com.ph/img/2020-annual-report.pdf 	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious	COMPLIANT	<p>For Year 2020, 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>The information on the tenure of the independent directors can be found in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p. 37) 	

<p>justification and seeks shareholders' approval during the annual shareholders' meeting.</p>		<p>https://metrobank.com.ph/img/2020-annual-report.pdf</p> <ul style="list-style-type: none"> • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	COMPLIANT	<p>The Bank's Chairman of the Board and Chief Executive Officer are held by separate individuals as presented in the Bank's Annual Report, SEC Form 20-IS and in the Bank's Website:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp. 37-38,114) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	COMPLIANT	<p>The positions of Chairman of the Board and Chief Executive Officer are held by two separate individuals and their responsibilities were clearly defined in the Bank's CGM, Amended By-Laws and Annual Report which can be accessed thru the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (The Chairman of the Board and the President pp.30-33) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp. 37-38) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank's Amended By-laws https://metrobank.com.ph/about-us#content-by-laws 	
Recommendation 5.5			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>NON-COMPLIANT</p> <p>The Bank has no Lead Independent Director, but certainly provides a policy for the</p>	<p>The policy on Lead Independent Director is provided for in the Bank's CGM and available in the Bank's website thru the following link:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Lead Independent Director p.16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	<p>As allowed by BSP regulations, the Bank has not named a Lead Independent Director, since the positions of Chairman of the Board and the Chief Executive Officer/President are held by separate individuals.</p> <p>The Bank warrants that</p>

	<p>nomination of one, if warranted.</p>		<p>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 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.</p>
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Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>COMPLIANT</p>	<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>The Bank's CGM can be accessed thru the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Specific Duties and Responsibilities of a Director, p.17) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf <p>Directors and officers with personal interest in the transaction must abstain from the discussion, approval, and management of the transaction were also discussed in the Bank's Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.47) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 5.7			
<p>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</p>	<p>COMPLIANT</p>	<p>The Bank's non-executive directors meet at least once a year without the presence of any executive. In 2020, the meeting was held on November 18, 2020 via virtual meeting together with the Bank's External Auditors, Risk Officer, Compliance Officer and Chief Audit Executive.</p> <p>The meeting was led by Vice-Chairman Francisco C. Sebastian and all NEDs were present. Among the agenda is the discussion on the challenges faced by the control function units brought about by the pandemic, corporate governance matters and on-going initiatives.</p> <p>This information is disclosed in the Bank's SEC Form 20-IS for Year 2020 and Annual Report which can be accessed in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Board Meetings, p.16) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.38) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>NON – COMPLIANT The Bank has no Lead Independent Director</p>		<p>As allowed by BSP regulations, the Bank has not named a Lead Independent Director, since the positions of Chairman of the Board and the Chief Executive Officer/President are held by separate individuals. The Bank warrants that proper mechanisms are in place to ensure independent</p>

			<p>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 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.</p>
Optional: Principle 5			
1. None of the directors is a	COMPLIANT	In the past three years i.e. 2017-2020, Mr. Fabian S. Dee has remained the Bank's President/CEO.	

former CEO of the company in the past 2 years.		<ul style="list-style-type: none"> • Metrobank’s Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people • Metrobank 2020 Combined Annual Report and Sustainability Report (p.114) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Principle 6: 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.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	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.	
2. The Chairman conducts a self-assessment of his performance	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT	The summary results of the performance evaluation are presented to the Corporate Governance and Compensation Committee and endorsed to the Board. For 2020, 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.	
4. Each committee conducts a self-assessment of its performance.	COMPLIANT	<p>The policy and procedures on self-assessment can be accessed through the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Annual Self-Assessment, pp.50-51) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.44-45) https://metrobank.com.ph/img/2020-annual-report.pdf 	
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	<p>For 2020, the Bank commissioned Reyes Tacandong & Co. to facilitate the Board effectiveness evaluation in compliance with the SEC Code of Corporate Governance, and to further align its governance framework with the principles of the said Code and global best practices.</p> <p>This will provide an independent review of the effectiveness of the Board and the efficiency of the execution of the roles and responsibilities of the Board under existing governance arrangements, considering the review, communication, and reportorial requirements and procedures within the Board and between the Board and Management.</p> <p>The information is available in the Bank’s Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.45) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 6.2			
1. Board has in place a system	COMPLIANT	In compliance with this recommendation, Annual Self-Assessment procedures are included in the Bank’s CGM and Annual	

that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.		<p>Report in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Annual Self-Assessment, pp.50-51) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.44-45) https://metrobank.com.ph/img/2020-annual-report.pdf 	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<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> <ul style="list-style-type: none"> • Metrobank Investor Relations Program https://metrobank.com.ph/about-us/investor-relations-program 	
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 and accessible in the following links:</p> <ul style="list-style-type: none"> • Metrobank Code of Conduct and Ethics for Bank Directors https://metrobank.com.ph/about-us/corporate-governance-code-of-conduct-and-ethics-bank-directors • Metrobank Code of Ethics For Employees https://metrobank.com.ph/about-us/corporate-governance-code-of-ethics-employees • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Code of Conduct and Ethics pp.44-45; Annex 13-14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.46) https://metrobank.com.ph/img/2020-annual-report.pdf 	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	<p>The Bank's on-boarding program inculcates its Code of Business Conduct and Ethics to employees from the time they become part of the organization, and this is regularly reviewed in mandatory training programs, employee engagement events, leadership feedback systems, reward and recognition programs, and in disciplinary proceeding</p> <p>The Code of Conduct is discussed with the new employees of the bank during their New Employee's Orientation. There are regular advisories about the Code and standards of right behavior are shared during training and on various units' meetings.</p> <p>Each first-time director is provided with an orientation kit, which contains a copy of the Bank's Articles of Incorporation, By-Laws, Code of Conduct, Bank's CGM and applicable Board Committee Charters.</p> <p>Information can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank Code of Conduct and Ethics for Bank Directors 	

		<p>https://metrobank.com.ph/about-us/corporate-governance-code-of-conduct-and-ethics-bank-directors</p> <ul style="list-style-type: none"> • Metrobank Code of Ethics For Employees https://metrobank.com.ph/about-us/corporate-governance-code-of-ethics-employees • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Code of Conduct and Ethics pp.44-45; Annex 13-14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp. 31, 44 & 46) https://metrobank.com.ph/img/2020-annual-report.pdf 	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p>The Code is disclosed and made available to the public through the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Code of Conduct and Ethics pp.44-45; Annex 13-14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank 2020 Combined Annual Report and Sustainability Report (p.46) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	<p>The Bank's Anti-Bribery and Corruption (ABC) policy is contained in Policy Circular No. 034, 2020. Said policy contains guidelines to Bank employees and directors with respect to their expected behaviors in order for the Bank to continue conducting business "in a legal, honest and ethical and way."</p> <p>The ABC policy is echoed in the Bank's standard on the Avoidance of Conflict of Interest, which 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>This can be accessed by our stakeholders in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Code of Conduct for Employees, Annex 14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Code of Ethics https://metrobank.com.ph/about-us/corporate-governance-code-of-ethics-employees • Metrobank 2020 Combined Annual Report and Sustainability Report (p.47) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Company Policies 	

		https://metrobank.com.ph/about-us/corporate-governance-company-policies	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics	COMPLIANT	The Bank's Code of Conduct has clear and specific implementing guidelines to ensure consistency of implementation. Bank policies and procedures to support are announced bankwide and are readily available in the Bank's Intranet facility. 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.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<p>Also, 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>Information can be accessed in the following links in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Code of Conduct for Employees Annex 14) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.46-47) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Code of Conduct and Ethics for Bank Directors https://metrobank.com.ph/about-us/corporate-governance-code-of-conduct-and-ethics-bank-directors • Metrobank Code of Ethics For Employees https://metrobank.com.ph/about-us/corporate-governance-code-of-ethics-employees 	
Disclosure and Transparency			
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			
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	COMPLIANT	<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> <ul style="list-style-type: none"> • Metrobank Company Disclosures https://metrobank.com.ph/about-us 	

complete picture of a company's financial condition, results and business operations.			
Supplement to Recommendation 8.1			
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.	COMPLIANT	<p>The Bank has submitted/published the consolidated/interim financial reports within the required period which are all accessible in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Company Disclosures https://metrobank.com.ph/about-us • Metrobank SEC Form 17-A (Annual Reports) https://metrobank.com.ph/about-us/regulatory-filings-SEC17A • Metrobank SEC Form 17-C (Current Reports) https://metrobank.com.ph/about-us/regulatory-filings-SEC17C • Metrobank SEC Form 17-Q (Quarterly Reports) https://metrobank.com.ph/about-us/regulatory-filings-SEC17Q • Metrobank SEC Form 20-IS (Information Statements) https://metrobank.com.ph/about-us/regulatory-filings-SEC20IS 	
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.	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> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.68) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020_(Part II Stockholders' Rights and Protection of Minority Stockholders' Interests , p.22) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
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	<p>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Policy on Insider Trading</p> <p>The policy prohibits trading during black-out periods by specific individuals which include all directors and specific employees within the Metrobank Group, and their immediate family members residing in the same household, and corporations, other entities, and funds subject to their influence or control. It mandates the reporting insiders to disclose their respective beneficial ownership of listed shares of stock in their various companies, if any, and report any changes on the next trading day following the date of the change, as per SEC and the PSE requirements.</p>	
2. Company has a policy requiring all officers to disclose/report to the company's shares within three business days.	COMPLIANT	<p>The policy is disclosed and made available to the public through the following links:</p>	

		<ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.47) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Policy on Insider Trading p.48; Annex 17) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies 	
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>The disclosures can be found in the Bank's website and can be accessed by the Bank's stakeholders:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 4 Voting Securities and Principal Holders Thereof , pp.3-5) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank's Top 100 Stockholders https://metrobank.com.ph/img/12312020-top-100-mbt.pdf • Metrobank's General Information Sheet https://metrobank.com.ph/img/2020-general-information-sheet.pdf 	
Recommendation 8.3			
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.	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> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.114) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers pp.6-9) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Bank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people 	
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	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> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.118-123) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Directors and Executive Officers, pp.10-13) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Bank's Website: About Us – Board of Directors https://metrobank.com.ph/about-us#people-organization https://metrobank.com.ph/about-us/our-people 	
Recommendation 8.4			

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>The Director’s Compensation Policy can be accessed by our stakeholders in the Bank’s website through the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Compensation Policy, p.46) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.48-49) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>The Executive and Employee Compensation policy can be accessed by our stakeholders in the Bank’s website through the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Executive and Employee Compensation p.47) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.48-49, 103) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>COMPLIANT</p>	<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 and can be accessed thru the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 6 Executive Compensation pp.15-16, 130) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part 3, p.55) https://metrobank.com.ph/img/2020-sec17a.pdf 	
<p>Recommendation 8.5</p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance</p>	<p>COMPLIANT</p>	<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>The RPT policy can be found in the Bank’s Corporate Governance Manual which can be accessed by our stakeholders in the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transaction p.47, Annex 16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies 	

		https://metrobank.com.ph/about-us/corporate-governance-company-policies	
2. Company discloses material or significant RPTs reviewed and approved during the year	COMPLIANT	<p>Significant RPTs are disclosed in the Item 12 – Certain Relationships and Related Transactions and Note 31 – Related Party Transactions of the 2020 Audited Financial Statements as reported in the SEC Form 17-A for the year ended December 31, 2020 and can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Item 12 pp. 58-59; Note 31) https://metrobank.com.ph/img/2020-sec17a.pdf 	
Supplement to Recommendation 8.5			
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>The RPT policy can be found in the Bank’s Corporate Governance Manual which can be accessed by our stakeholders in the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transaction p.47, Annex 16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank 2020 Combined Annual Report and Sustainability Report (p.47) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Optional: Recommendation 8.5			
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 which stakeholders can access through the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transaction p.47, Annex 16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Item 12 pp. 58-59; Note 31) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Item 5 Certain Relationships and Related Transactions pp.14-15, Note 31) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	

		<ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.47) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 8.6			
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 or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	<p>The Bank's material subsequent events are disclosed in SEC Form 20-IS and SEC 17-A and can be accessed in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (p.42) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020(Part 3 Material Subsequent Events , p.38) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Supplement to Recommendation 8.6			
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	<p>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.</p> <p>Such information can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.68) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG)	COMPLIANT	<p>The Bank's CGM is disclosed in the Bank's website and can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices	COMPLIANT	The Bank submitted to SEC on 26 May 2017 an updated Corporate Governance Manual in compliance with SEC Memorandum Circular No. 19, s2016 and SEC Memorandum Circular No.s2017.	

<p>1. Does the company's Annual Report disclose the following information:</p> <p>a. Corporate Objectives</p>	<p>COMPLIANT</p>	<p>Plans for 2021</p> <p>Metrobank continues to reinforce its Core Values program and maintains the principles and standards espoused in its Meaningful Banking campaign as the Bank navigates through a new operating environment under this pandemic to deliver the "You're in Good Hands" promise to each client. This commitment underpins the Bank's continued focus on sustaining market relevance, alongside 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>To adapt to an evolving environment, the Bank believes that fulfilling its promises will be dependent on a sustainable culture transformation and change management program, a robust IT infrastructure, as well as sound control and risk management practices. Thus, the Bank's investments in people are further backed by investments in IT and information security, process efficiencies, and risk and control systems.</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (p.38-39) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.22-27) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>b. Financial performance indicators</p>	<p>COMPLIANT</p>	<p><u>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT</u></p> <ul style="list-style-type: none"> • Summary of Financial Statements (p. 113) • Financial Highlights (pp. 12-13) • Chairman's Message (pp. 2-5) • President's Report (pp. 6-11) <p><u>2020 FINANCIAL STATEMENTS</u></p> <ul style="list-style-type: none"> • Summary of Financial Statements (p. 1) • Results of Operation (p. 2) <p>Metropolitan Bank & Trust Company (Metrobank) reported income before provisions of Php61.8 billion in 2020, up 26% year-on-year. In line with its strategy to better prepare for the risks associated with the pandemic, the Bank booked provisions of Php40.8 billion, resulting in a full year 2020 net income of Php13.8 billion.</p> <p>The growth in operating income was supported by strong revenues and improving operating efficiency. Healthy CASA deposit generation helped ease the overall funding cost in 2020 and supported net interest margins, which improved by 14 basis points to 3.98%. As a result, net interest income rose 11.8% from the previous year.</p> <p>Non-interest income expanded by 20%, lifted by trading and FX gains of Php19.2 billion as the Bank optimized its investment portfolio under a record-low interest rate environment.</p>	

		<p>Growth in operating expenses was kept at 4% to Php60.1 billion, underscored by continued efforts to enhance productivity and operational efficiency. Cost-to-income ratio improved to 50% from 55%, previously.</p> <p>In line with the Bank’s conservative strategy to proactively manage asset quality risks, it has set aside Php40.8 billion in provisions for bad loans, four times more than the Php10.1 billion provisions booked in 2019.</p> <p>Metrobank’s share price at the end of 2020 was at Php49.05 per share for a market capitalization of Php220.6 billion.</p> <ul style="list-style-type: none"> • Financial Condition (p. 3) <p>Metrobank ended 2020 as the country’s second largest bank with consolidated assets of Php2.5 trillion.</p> <p>Gross loans recorded a 13% contraction to Php1.3 trillion as the economic impact of the pandemic affected business and consumer confidence. Commercial clients trimmed working capital loans and deferred expansion plans while consumer customers limited spending to essential goods and deferred big ticket purchases.</p> <p>Non-performing loans have been manageable, with an NPL ratio of 2.4% from 1.3% in 2019. Nonetheless, the aggressive provisioning has raised NPL cover to 163% from 103% in 2019 strengthening the Bank’s capacity to withstand higher NPLs.</p> <p>Metrobank’s low cost current and savings accounts (CASA) increased 22% to Php1.3 trillion, propelling total deposits to reach Php1.8 trillion in 2020, reflecting the Bank’s solid deposit franchise. CASA ratio improved to 73% from 63% a year ago.</p> <p>The Bank’s capital ratios are among the highest in the industry, with capital adequacy ratio (CAR) of 20.2% and Common Equity Tier 1 (CET1) ratio of 19.3%, both substantially higher than the minimum regulatory thresholds.</p> <p>Bank’s Annual Report can be accessed through the following links:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (p.33) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report https://metrobank.com.ph/img/2020-annual-report.pdf 	
c. Non-financial performance indicators	COMPLIANT	<p><u>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT</u></p> <ul style="list-style-type: none"> • Chairman’s Message (pp. 2-3) • President’s Report (pp. 6-11) • We aim to serve our customers over and beyond their expectations (pp. 14-27) • We take pride in serving as frontliners and ambassadors of meaningful banking (pp. 28-31) • Employee Demographics (p. 32) • Metrobank Foundation; Purple Hearts Club (pp. 78-81) 	

		<ul style="list-style-type: none"> • Domestic Subsidiaries (pp. 70-76) • Meaningful Assistance (pp. 110-111) • Contact Information <p>Bank's Annual Report can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report https://metrobank.com.ph/img/2020-annual-report.pdf 	
d. Dividend Policy	COMPLIANT	<p>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Dividend Policy</p> <p>The Bank's dividend policy, which is an integral component of its capital management policy, intends to balance shareholder returns and maintaining a strong capital base..</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 based on the laws and the regulations under the BSP and SEC. Historically, the Bank declares annual cash dividends equal to Php1.00 per common share, equivalent to 5 percent of par value. In 2021, the Board declared an annual cash dividend of 20 percent equivalent of par value comprised of Php1.00 per common share and a special dividend of Php3.00 per common share. Future dividend payments will depend on a multi-year capital planning process that will evaluate Bank's earnings, cash flow, financial and economic environment, 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 operations and future projects and plans of the Bank.</p> <p>Cash dividends are subject to an approval of at least majority of the Board of Directors. On the other hand, stock dividend requires prior clearance from the BSP, SEC and the PSE.</p> <p>Bank's Annual Report can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.48) https://metrobank.com.ph/img/2020-annual-report.pdf 	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	<p>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Board of Directors (BOD) Photos with BOD Profile</p> <p>Bank's Annual Report can be accessed through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.114-115) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (p.46-50) https://metrobank.com.ph/img/2020-sec17a.pdf 	
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	<p>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Board Attendance</p> <p>In 2020, the Board held a total of fourteen meetings with the incumbent directors attending all the meetings. The Board's perfect attendance reflects its members' key interest in being actively involved. It further demonstrates the board's willingness to provide an optimal level of contribution especially given the current situation.</p>	

		<p>The information can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (p.20-21) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.38-39) https://metrobank.com.ph/img/2020-annual-report.pdf 	
g. Total remuneration of each member of the board of directors	COMPLIANT	<p>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Compensation Policy</p> <p>The Board of Directors receive a fixed remuneration package based on market, experience, professional background, level of responsibilities and attendance in Board and committee meetings.</p> <p>Summary of Compensation Table can be accessed in SEC Form 17-A in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Item 10 p.55-56) https://metrobank.com.ph/img/2020-sec17a.pdf 	
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>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Performance Evaluation and Self-Assessment</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 procedures to determine and measure compliance vis-à-vis good corporate governance principles and practices as prescribed in the Code of Corporate Governance.</p> <p>In July 2020, the summary results of the self-assessments and evaluation covering the performance of the Board of Directors, individual directors, Chairman, President, and to board-level committees of the Bank were presented to the Corporate Governance Compensation Committee and endorsed to the Board. The assessment showed that the Bank's key persons possess the right mix of backgrounds and competencies to fulfill their duties.</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.44-45) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020(Part II Plans for Improvement on Corporate Governance p.24) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
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>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Material Risks</p> <ul style="list-style-type: none"> • Credit Risk • Credit Concentration Risk • Market Risk • Interest Rate Risk in the Banking Book • Liquidity Risk • Operational Risk 	

		<ul style="list-style-type: none"> • Technology Risk • Reputation Risk • Compliance and Regulatory Risk • Strategic Risk • Contagion Risk <p>Bank's Annual Report can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.55-60) https://metrobank.com.ph/img/2020-annual-report.pdf 	
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 systems.	COMPLIANT	<p>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Audit Committee Report to the Board of Directors</p> <p>Based on the result of the Committee's accomplishments, representation from the Bank Management, External Auditor's unqualified opinion on financial statements, and Chief Audit Executive's overall satisfactory assessment on the adequacy and effectiveness of Bank's internal controls, risk management, and governance processes, the Audit Committee conclude that the emerging business risks and threats brought by the COVID-19 pandemic are effectively mitigated in accordance with the Bank's policies and relevant regulations.</p> <p>Bank's Annual Report can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.65-67) https://metrobank.com.ph/img/2020-annual-report.pdf 	
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).	COMPLIANT	<p>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Material Risks</p> <p>As a Domestic Systemically Important Bank (DSIB), Metrobank faces a broad range of risks reflecting such 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 accompanying 2020 Audited Financial Statements (AFS).</p> <ul style="list-style-type: none"> • Credit Risk • Credit Concentration Risk • Market Risk • Interest Rate Risk in the Banking Book • Liquidity Risk • Operational Risk • Technology Risk • Reputation Risk • Compliance and Regulatory Risk 	

		<ul style="list-style-type: none"> • Strategic Risk • Contagion Risk <p>Bank's Annual Report can be accessed through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.55-60) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Principle 9: 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 audit quality.			
Recommendation 9.1			
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/ selection, re-appointment and dismissal of the independent external auditor based on fair and transparent criteria.</p> <ol style="list-style-type: none"> The recommendation should be approved by the Board and ratified by the shareholders; If the external 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. 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>Under 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>The Audit Committee Charter can be accessed in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf 	
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><u>Board Resolution No. 070 – MBTC-SH-2020</u></p> <p>At the Annual Stockholder's Meeting of Metrobank held on May 28, 2020 at which a majority was present and acting throughout, the following resolution was approved:</p> <p>Resolved, that as recommended by the Audit Committee and approved by the Board of Directors, SGV & Co. is hereby appointed as the External Auditors of Metrobank for the year 2020.</p> <p>(98.86% of shareholders present and represented voted in favor)</p> <p>The information can be accessed in the Bank's website through the following link:</p>	

		<ul style="list-style-type: none"> • Metrobank Minutes of All General and Special Stockholders' Meetings https://metrobank.com.ph/img/minutes-of-the-stockholders-meeting-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.50) https://metrobank.com.ph/img/2020-annual-report.pdf 	
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.	COMPLIANT	<p>As stated in the revised Charter of the Audit Committee under:</p> <p>Duties and Responsibilities 1.a.iv. 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>The Bank had no case or incident of removal or change of external auditor in 2020.</p> <p>The Audit Committee Charter can be accessed in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf 	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	<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>Discussions on Information on Independent Accountants can be accessed in the Bank's website through the following links:</p> <p>Information can be accessed in the following links in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Item 6, pp. 42-43) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020(Part III Information on Independent Accountant, p. 36) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors;	COMPLIANT	<p>As stated in the Audit Committee Charter, under Duties and Responsibilities 1.n.iii, the Audit Committee shall 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.</p> <p>The Audit Committee Charter can be accessed in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf 	

<p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <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>	COMPLIANT	<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>The Audit Committee Charter can be accessed in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf 	
Supplement to Recommendation 9.2			
<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>	COMPLIANT	<p>To ensure that external auditors are credible and competent, the Audit Committee reviews and monitors the overall suitability and effectiveness and conducts regular performance appraisal of external auditors.</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>The Audit Committee Charter can be accessed in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf 	

<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures</p>	<p>COMPLIANT</p>	<p>To ensure that external auditor has adequate quality control procedures, it is part of Audit Committee’s responsibility to review and monitor the overall suitability and effectiveness and conduct regular performance appraisal of external auditors.</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>The Audit Committee Charter can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf 	
<p>Recommendation 9.3</p>			
<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>Audit Committee Report to the Board of Directors</p> <p>Exercised effective oversight of external audit function as the Committee assessed and approved the reappointment of SyCip Gorres Velayo & Co., as the Bank’s external auditor for 2020; ensured the external auditor’s objectivity, independence and compliance with ethical and professional standards; discussed and agreed to the terms of audit engagement, coverage and audit fees; reviewed and approved all nonaudit services and expenses and related fees (i.e., validation of votes cast at the annual stockholders’ meeting, issuance of comfort letter, vulnerability assessment and penetration testing of publicly accessible servers, network, devices and services) to ensure no conflict to independence; reviewed the external audit engagement plan, approach and scope of work; reviewed the results of audit and recommendations in the External Auditor’s Management Letter and action plans of the Management on reported observations, including monitoring of disposition and status of corrective actions.</p> <p>The Audit Committee Report is presented in the Bank’s Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.65-67) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<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.:</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>The Audit Committee Charter can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: Audit Committee 	

		<p>https://metrobank.com.ph/img/audit-committee-charter.pdf</p> <p>The Audit Committee Report is presented in the Bank's Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.65-67) <p>https://metrobank.com.ph/img/2020-annual-report.pdf</p>	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services	COMPLIANT	<p>Non-audit fees did not outweigh the fees paid for audit services.</p> <p>Information can be accessed in the following links in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Item 6, pp. 43) <p>https://metrobank.com.ph/img/2020-sec17a.pdf</p> <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020(Part III Information on Independent Accountant, p. 36) <p>https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf</p>	
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>Audit Partner: Ms. Josephine Adrienne Abarca SEC Accreditation No. 0466-AR-4 Date Accredited: 13-Nov-2018 Expiry Date: 12-Nov-2021</p> <p>Auditing Firm: SyCip Gorres Velayo & Co SEC Accreditation No. 0012-FR-5 Date Accredited: 06-Nov-2018 Expiry Date: 05-Nov-2021</p> <p>Both SGV and Ms. Abarca have an SEC accreditation of "A"</p> <p>Information can be accessed in the following links in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Item 6, pp.42- 43) <p>https://metrobank.com.ph/img/2020-sec17a.pdf</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.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

<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 2020 Combined Annual Report and Sustainability Report and available in the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.82-111) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>	<p>Sustainable Banking in the New Normal is the second Sustainability Report of Metropolitan Bank & Trust Company (the “Bank”) which communicates the manner by which the Bank’s management approach in governing economic, environmental, social and governance issues as well as the endeavors of the Foundation from January 1 to December 31, 2020 have created an impact, leaving an imprint of the Bank’s efforts in environmental and social responsibility concerns. This 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 this report, which does not include international operations and those of its subsidiaries, unless otherwise specified. The 2020 Combined Annual Report and Sustainability Report and available in the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.82-111) https://metrobank.com.ph/img/2020-annual-report.pdf 	

Principle 11: 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.

Recommendation 11.1

<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>The Investor Relations Department serves as the resource for shareholders, equity and financial analysts, rating agencies, regulators and the media to appreciate the Bank’s business, recent performance and significant developments.</p> <p>Regular updates are disseminated through the Bank’s company filings and disclosures. These are also discussed and presented in one-on-one meetings, investor/analyst briefings and conferences, and media briefings.</p> <p>Information can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Investor Relations Program https://metrobank.com.ph/about-us/investor-relations-program • Metrobank 2020 Combined Annual Report and Sustainability Report (p.140) https://metrobank.com.ph/img/2020-annual-report.pdf 	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly)	COMPLIANT	Information can be accessed in the Bank's website through the following links: <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) https://metrobank.com.ph/about-us/regulatory-filings-SEC17A • Metrobank SEC Form 17-Q (Quarterly Reports) https://metrobank.com.ph/about-us/regulatory-filings-SEC17Q 	
b. Materials provided in briefings to analyst and media	COMPLIANT	Information can be accessed in the Bank's website through the following link: <ul style="list-style-type: none"> • Metrobank Investor Relations Program https://metrobank.com.ph/about-us/investor-relations-program 	
c. Downloadable annual report	COMPLIANT	Information can be accessed in the Bank's website through the following links: <ul style="list-style-type: none"> • Metrobank Annual Report https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) https://metrobank.com.ph/about-us/regulatory-filings-SEC17A 	
d. Notice of ASM and/or SSM	COMPLIANT	Information can be accessed in the Bank's website through the following link: <ul style="list-style-type: none"> • Metrobank Announcements of General and Special Stockholders' Meetings https://metrobank.com.ph/about-us/regulatory-filings-stockholders-meetings 	
e. Minutes of ASM and/or SSM	COMPLIANT	Information can be accessed in the Bank's website through the following link: <ul style="list-style-type: none"> • Metrobank Minutes of All General and Special Stockholders' Meetings https://metrobank.com.ph/about-us/regulatory-filings-minutes-stockholders-meetings 	
f. Company's Articles of Incorporation and By-laws	COMPLIANT	Information can be accessed in the Bank's website through the following links: <ul style="list-style-type: none"> • Metrobank Articles of Incorporation https://metrobank.com.ph/about-us#articles-of-incorporation • Metrobank Ammended By-laws https://metrobank.com.ph/about-us#content-by-laws 	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	Yes. The Bank is compliant with SEC-prescribed website template.	
Internal Control System and Risk Management Framework			
Principle 12: 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.			
Recommendation 12.1			
1. Company has an adequate and effective internal control	COMPLIANT	Internal Audit Charter The scope of work of IAG includes all processes, systems, units and activities (including outsourced services) of the Bank	

<p>system in the conduct of its business.</p>		<p>(including its subsidiaries/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"> 1. Evaluation of the adequacy, efficiency and effectiveness of internal control, risk management and governance systems in the context of current and potential future risks; 2. Review of the reliability, effectiveness and integrity of management and financial information systems, including the electronic information system and electronic banking services; 3. Review of the systems and procedures of safeguarding the bank's physical and information assets; 4. Review of the compliance of trading activities with relevant laws, rules and regulations; 5. Review of the compliance system and implementation of established policies and procedures; and 6. 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. <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> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.63,64) https://metrobank.com.ph/img/2020-annual-report.pdf <p>Internal Audit Group (IAG) Annual Year-end Report</p> <p>IAG's Annual Year-end Report provides overall assessment on the adequacy and effectiveness of internal control, risk management and governance processes.</p> <p>AUDIT COMMITTEE REPORT TO THE BOARD OF DIRECTORS</p> <p>Performed a robust assessment of the Bank's risk profile, and evaluated the adequacy and effectiveness of the Bank's internal control policies and procedures, systems and processes through the audit assessment results derived from the focused testing performed on high priority risk units and areas such as on crisis management, business continuity, fraud and anti-money laundering, cybersecurity, online banking, capital and liquidity risk management, occupational health and safety, complaints handling, among others. The Audit Committee continued the proactive engagement and involvement of Management in monitoring timely resolution of audit observations and recommendations, effectively conveying the culture of risk ownership within the organization.</p> <p>The Audit Committee Report is presented in the Bank's Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.65-67) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>2. Company has an adequate and</p>	<p>COMPLIANT</p>	<p>The Banking business is all about managing risks vis-à-vis gaining rewards. Metrobank has been in this business for the past</p>	

<p>effective enterprise risk management framework in the conduct of its business.</p>		<p>58 years and the magnitude to which it has built the enterprise reflects on how it responsibly manages and protects financial resources entrusted to it by its stakeholders. The Bank only takes in risks that it understands, can manage, mitigate, or accept, and wisely conducts its business based on a risk management framework suited to its scope and complexity, consistent with international regulatory standards.</p> <p>The Risk Management Principles, Risk Management Process and Risk Governance is presented in the Bank's Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.52-55) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Supplement to Recommendations 12.1			
<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>	<p>COMPLIANT</p>	<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> <p>A discussion on CPM as part of the guiding manuals of the Bank can be found in the Bank's Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.45) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Optional: Recommendation 12.1			
<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>	<p>COMPLIANT</p>	<p>On behalf of the Board of Directors (BOD), 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. 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>The IT Steering Committee can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: IT Steering Committee https://metrobank.com.ph/img/it-steering-committee-2021.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.41) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 12.2			
<p>1. Company has in place an 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>	COMPLIANT	<p>The Internal Audit Group is established by the Board of Directors, and its responsibilities are defined by the Audit 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>Information on the Bank’s Internal Audit can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.63-64) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 12.3			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board</p>	COMPLIANT	<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 Head of the Internal Audit Group since August 1, 2016.</p> <p>Information can be accessed in the following links in the Bank’s website:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Item 6, pp. 53) 	

		<p>https://metrobank.com.ph/img/2020-sec17a.pdf</p> <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (p.12) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
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	<p>Internal Audit Charter</p> <p>The CAE’s responsibilities in Internal Audit Group, including for outsourced activities, are enumerated in the Internal Audit Charter and approved Job Description.</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.63) https://metrobank.com.ph/img/2020-annual-report.pdf <p>Internal audit for Metrobank New York Branch is co-sourced with Mercadien. Re-appointment of Mercadien and its audit plan for 2020 -2021 (covering the period July 1, 2020 to June 30, 2021) were approved by Audit Committee on September 10, 2020.</p>	
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	<p>Internal Audit Charter</p> <p>Metrobank internal audit activity is not outsourced. Metrobank has an in-house internal audit function that was established by the Board of Directors, and its responsibilities are defined by the Audit Committee as part of its oversight function.</p>	
Recommendation 12.4			
1. Company has a separate risk management function to identify, asses and monitor key risk exposures.	COMPLIANT	<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>Information on the Bank’s RSK can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.52-54) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally	COMPLIANT	<p>The Bank engages external subject matter experts from time to time. The latest source of external technical support on Risk Management from SGV was the PFRS 9 Conversion Project in 2017.</p>	
Recommendation 12.5			
1. In managing the company’s Risk	COMPLIANT	Ms. Maritess B. Antonio, EVP assumed the position as Chief Risk Officer under Risk Management Group last August 2016.	

<p>Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>		<p>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>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities</p>	<p>COMPLIANT</p>	<ul style="list-style-type: none"> • Identification of key risk exposures for the purpose of assessing and measuring the extent of such exposures of the Bank and its trust operations; • 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; • Oversee collection and construction of historical databases required for risk analysis and measurement methodology • Provide quantitative estimates of market risk levels taken by risk-taking personnel independently and collectively. Reviews risk-taking personnel profit and loss reports • 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 • 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; • Report to senior management and the BOD the results of assessment and monitoring; • Perform other related functions that may be assigned from time to time. <p>Information can be accessed in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Item 6, pp. 53) https://metrobank.com.ph/img/2020-sec17a.pdf • Metrobank SEC Form 20-IS for ASM 2020 covering Year 2019 (Item 5 Directors and Executive Officers p.10) https://metrobank.com.ph/img/metrobank-sec-20-is-definitive-information-statement.pdf 	
<p>Additional Recommendation to Principle 12</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>IAG's Annual Year-end Report</p> <p>IAG's Annual Year-end Report attested by the Chief Audit Executive contains the overall assessment on the adequacy and effectiveness of the Bank's internal control, risk management and governance processes. Copy of the IAG's Annual Year-end Report was noted by the President.</p> <p>The Report is presented in the Bank's Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.65-67) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>Cultivating a Synergic Relationship with Shareholders</p>			
<p>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</p>			

Recommendation 13.1			
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. 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.</p> <p>The Bank's CGM can be accessed to the following link:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Stockholders' Rights and Protection of Minority Stockholders' Interests p.11) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
2. Board ensures that basic shareholder rights are disclosed on the company's website	COMPLIANT	<p>The Board respects the rights of the stockholders as provided for in the Corporation Code. It honors the rights of the stockholders by removing barriers that prevent the exercise of those rights and gives adequate solutions for them to seek remedies when those rights are compromised.</p> <p>This is disclosed in the Bank's Annual Report:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.49-50) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part 2, p.22) https://metrobank.com.ph/img/2020-sec17a.pdf 	
Supplement to Recommendation 13.1			
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. This can be found in the Bank's Corporate Governance Manual, Annual Report and Amended By-laws which can be accessed by our stakeholders in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Voting Procedures, p.12) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank's Amended By-Laws https://metrobank.com.ph/about-us#content-by-laws • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.49-50) https://metrobank.com.ph/img/2020-annual-report.pdf 	
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>This information can be found in the following links:</p> <ul style="list-style-type: none"> • Metrobank's Articles of Incorporation https://metrobank.com.ph/about-us#articles-of-incorporation • Metrobank's Amended By-Laws https://metrobank.com.ph/about-us#content-by-laws • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.49-50) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Stockholders' Rights and Protection of 	

		Minority Stockholders’ Interests, pp. 22-23) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Voting is done manually. Votes are counted based on submitted proxies and actual votes received during the Annual Stockholders’ Meeting. The information is discussed in the following links: <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Stockholders’ Rights and Protection of Minority Stockholders’ Interests, pp. 22-23) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.49-50) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Voting Procedures, p.12) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
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.	COMPLIANT	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. Voting mechanism is simple majority as per Corporation Code. Information on voting mechanism can be accessed to the following link: <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Stockholders’ Rights and Protection of Minority Stockholders’ Interests, p.11) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
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	COMPLIANT	The Bank treats all its shareholders fairly and equitably, and also recognizes, protects and facilitates the exercise of their rights. The information is discussed in the following links: <ul style="list-style-type: none"> • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Part II Stockholders’ Rights and Protection of Minority Stockholders’ Interests, pp. 22-23) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.49-50) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Stockholders’ Rights and Protection of Minority Stockholders’ Interests pp.11-12) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders	COMPLIANT		
7. Company has a transparent and specific dividend policy	COMPLIANT	Provided in the Bank’s CGM and Annual Report which can be accessed by our stakeholders in the Bank’s website: <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (p.46) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (p.48) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Optional: Recommendation 13.1			
1. Company appoints an	COMPLIANT	The proxies, attendance and votes cast at the meeting were tabulated by the Bank’s Stock Transfer Agent (The Metrobank-	

independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Trust Banking Grp) and validated by SGV & Co. in its capacity as third- party validator. This information is provided in the following links: <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.49-50) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 20-IS for ASM 2021 covering Year 2020 (Votes Required for Approval or Election, p.19) https://metrobank.com.ph/img/asm2021-sec-20-is-definitive-information-statement.pdf 	
Recommendation 13.2			
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	Notice of Annual Stockholders' Meeting (ASM) in 2020 was sent out on 7 th May 2021. ASM was held on 28 th May 2020. <ul style="list-style-type: none"> • Metrobank Announcements of General and Special Stockholders' Meetings https://metrobank.com.ph/img/asm2020_amended-notice-of-annual-stockholders-meeting.pdf 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. <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Stockholders' Rights and Protection of Minority Stockholders' Interests p.11) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	Notice of Annual Stockholders' Meeting (ASM) in 2020 can be accessed in the following link: <ul style="list-style-type: none"> • Metrobank Announcements of General and Special Stockholders' Meetings https://metrobank.com.ph/about-us/regulatory-filings-stockholders-meetings 	
b. Auditors seeking appointment/re-appointment	COMPLIANT		
c. Proxy documents	COMPLIANT		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	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. Notice of Annual Stockholders' Meeting (ASM) in 2020 can be accessed in the following links: <ul style="list-style-type: none"> • Metrobank Announcements of General and Special Stockholders' Meetings https://metrobank.com.ph/about-us/regulatory-filings-stockholders-meetings 	
Recommendation 13.3			
1. Board encourages active	COMPLIANT	The Bank's CGM provides under Stockholder's Participation that, the Board shall also encourage active shareholder	

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.		<p>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>The information is discussed in the following link:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Stockholders' Rights and Protection of Minority Stockholders' Interests pp.11-12) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
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 on 1st June 2020, 2 business days after the 2020 ASM.</p> <ul style="list-style-type: none"> • Metrobank Minutes of All General and Special Stockholders' Meetings https://metrobank.com.ph/img/minutes-of-the-stockholders-meeting-2020.pdf 	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM	COMPLIANT	<p>The Bank's Stock Transfer Agent (MB-Trust Banking Grp) and External Auditor, SGV & Co. were present during the ASM/SSM.</p> <ul style="list-style-type: none"> • Metrobank Minutes of All General and Special Stockholders' Meetings https://metrobank.com.ph/img/minutes-of-the-stockholders-meeting-2020.pdf 	
Recommendation 13.4			
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>The Bank's CGM can be accessed to the following link:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Stockholders' Rights and Protection of Minority Stockholders' Interests p.11, Annex 1) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance	COMPLIANT	<p>Policy on Alternative Dispute Resolution (ADR) can be accessed through Bank's CGM:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Annex 1) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its	COMPLIANT	<p>The Bank's Investor Relations Office is under the Strategic Planning Division, contact details are as follows:</p> <p>Ms. Minda A. Olanan</p>	

shareholders.		<p>Head, Investor Relations Tel. No. 8857-5733 Email address: investor.relations@metrobank.com.ph</p> <p>Investor Relations Department Email Address: investor.relations@metrobank.com.ph Telephone no: (02) 8857 5348 Fax no: (02) 8817 6355 Address: 11/F Metrobank Plaza, Sen. Gil Puyat Avenue, Makati City, Philippines 1200</p> <p>Information can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank Investor Relations Program https://metrobank.com.ph/about-us/investor-relations-program • Metrobank 2020 Combined Annual Report and Sustainability Report, p.140 https://metrobank.com.ph/img/2020-annual-report.pdf 	
2. IRO is present at every shareholder's meeting.	COMPLIANT	Yes, IRO was present during the ASM.	
Supplemental Recommendations to Principle 13			
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 voting procedures as reflected in the Bank's CGM:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Dissenter's Right of Appraisal p.12-13) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
1. Company has at least thirty percent (30%) public float to increase liquidity in the market	COMPLIANT	<p>As of December 31, 2020, the public float of MBTC is at 48.16% This can be accessed by our stakeholders in the Bank's website:</p> <ul style="list-style-type: none"> • Metrobank's Organizational Chart, Conglomerate Map, and Shareholding Structure https://metrobank.com.ph/about-us/org-chart 	
Optional: Principle 13			

<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. The shareholders can also engage with the company thru the Bank's customer hotline.</p> <p>Information can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report, p.48 https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Whistleblowing Policy p.47, Annex 15) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies 	
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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><u>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Interest of Stakeholders</u></p> <ul style="list-style-type: none"> • Customers' Welfare • Stockholders' Rights and Protection of Minority Stockholders' Interests • Supplier & Contract Selection • Policy on Health, Safety, and Welfare of Employees • Economic & Social Development • Environmental Protection <p>Complete information can be accessed in the Bank's website through the following link</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report, pp.49-52 https://metrobank.com.ph/img/2020-annual-report.pdf 	
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Recommendation 14.2

<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><u>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Fair Business Transactions & Managing Conflicts of Interest</u></p> <p>The Bank adopted the Anti-Bribery and Corruption Policy, which requires the directors and employees to conduct business in accordance with the highest standards of ethics, honesty, accountability, and good governance. The Bank does not tolerate any form of bribery or corruption. Directors, officers, and employee are prohibited from taking advantage of their positions in the Bank to derive personal gain or profit directly or indirectly.</p> <p>It is also part of the Bank’s corporate governance framework that all related parties are properly identified, and related party transactions are vetted and approved either by 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.</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>Complete information can be accessed in the Bank’s website through the following link</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report, p.47 https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Related Party Transaction Policy p.47, Annex 16) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Recommendation 14.3			
<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>	<p>COMPLIANT</p>	<p><u>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Whistle-Blowing Policy</u></p> <p>The Whistleblowing policy is a sign of strong corporate governance and company culture that takes such claims seriously. In strengthening the Bank’s integrity, all employees and stakeholders are encouraged to participate in an atmosphere of openness and trust and seize opportunities to raise concerns or immediately report whenever there are acts of fraud, malpractice, conflict of interest, or violation of internal or regulatory policies, procedures, and control, to the Chief Audit Executive. The policy requires that the Bank secures the identity of the reporting entity and protects the person from any undue retaliation.</p> <p>Complaints or concerns may be filed through the Bank’s website or sent via email (whistleblowing@metrobank.com.ph) or text hotline (+639427471359).</p>	

		Information can be accessed in the Bank's website through the following links: <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report, p.48 https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Whistleblowing Policy p.47, Annex 15) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies 	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner	COMPLIANT	The Policy on Alternative Dispute Resolution (ADR) can be accessed by our stakeholders in the Bank's Corporate Governance Manual through the following link: <ul style="list-style-type: none"> • Bank's Corporate Governance Manual Updated as of June 30, 2020 (Annex 1) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf 	
Additional Recommendations to Principle 14			
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.	NON-COMPLIANT	For 2020, in its letter dated 12 October 2020, the Bank requested Securities and Exchange Commission for the deferment of its compliance with the annual four (4) hour Corporate Governance training of its directors and key officers due to the disruption brought upon by the COVID-19 pandemic.	To ensure constant education of the directors and key officers, the Bank took advantage of available public seminars for them to attend such as the ABCOMP Training on the new BSP Supervisory Assessment Framework (SAFr) which replaced the CAMELS Rating System, albeit not accredited by the SEC. The required training was promptly done in Q1 of 2021.
2. Company respects intellectual property rights	COMPLIANT	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. 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>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 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>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	<p><u>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Customer Protection</u></p> <p>In 2020 Metrobank went the extra mile in protecting the welfare of its retail and corporate customers. Its deep concern for the health and financial mobility of its customers inspired the Bank to go beyond the best standards of customer protection, as set by the Bangko Sentral ng Pilipinas (BSP) and guided by its own Consumer Protection Policy Manual (CPPM).</p> <p>Complete information can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report, pp.22-27 https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part 2, 26) https://metrobank.com.ph/img/2020-sec17a.pdf 	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	<p><u>2020 COMBINED ANNUAL REPORT AND SUSTAINABILITY REPORT: Supplier & Contract Selection</u></p> <p>In mitigating the risk of dealing with unqualified suppliers/contractors, the Bank upholds the policies and guidelines in the accreditation / re-accreditation and selection process of suppliers and contractors that are based on and compliant with BSP regulations. It conducts annual performance evaluation as part of appropriate control in determining the ability and performance of the contractor / service provider.</p>	

		<p>Complete information can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report, pp.50 https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank SEC Form 17-A (Annual Reports) for the Year Ended December 31, 2020 (Part 2, p.28) https://metrobank.com.ph/img/2020-sec17a.pdf 	
Principle 15: 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.			
Recommendation 15.1			
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	<p>Employee Engagement and Communication</p> <p>The Bank launched an awareness campaign on health and safety which was quickly deployed via mass e-mail and its internal social media platform, Workplace, to provide timely and accurate information on how to face the pandemic both at work and at home. MB Connect was also introduced in support of mental and emotional well-being of employees. The program keeps employees grounded amid various work-related and personal challenges. It features MB Reach Out, a peer coaching program composed of employee volunteers trained in Psychological First Aid all of whom become frontline support to troubled Metrobankers. Another feature of MB Connect is Mindful Moments, a 30-minute drop-in meditation session that helps calm employees in the middle of a workday</p> <p>Information can be accessed in the Bank's website through the following link:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (p.30) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	<p>Compensation Policy can be accessed in the Bank's website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.48-49) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Compensation Policy pp.46-47) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies 	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	<p>The Bank provides its employees with a comprehensive benefits program that covers medical, leave privileges, life insurances, loan facilities and allowances.</p> <p>The Bank strictly adheres to the government prescribed Labor and Occupational, Health & Safety Standards. It has accredited Safety Officers and First Aiders nationwide. Each unit also has its own Emergency Response Team (ERT) which ensures the unit's compliance to the set emergency procedures.</p> <p>The Bank is committed to protect the rights of its employees and complies with labor laws and policies of the Philippines</p>	

		<p>government. There are clear bank policies (among others) on:</p> <ul style="list-style-type: none"> • Drug-Free Workplace Policy • Anti-Sexual Harassment Policy • HIV and AIDS Prevention and Control • Tuberculosis Prevention and Control • Family Welfare Program • Anti-Violence Against Women and their Children • Occupational Health and Safety Policy • Hepatitis B Workplace Policy and Program • Expanded Breastfeeding Promotion Program <p>In testimony to its commitment to employee welfare, safety and health, the Bank implemented its Metrobank 360° Covid Care program, a comprehensive pandemic response, which includes:</p> <ul style="list-style-type: none"> • Flexible work arrangements; • Telemedical consultation service; • Daily health declarations • Scheduled covid-related testing (e.g Rapid Antibody Testing); • Psychological services referral system; • COVID awareness and information program; • Detailed contact tracing and epidemiological assessment. • Social responsibility policy <p>Information can be accessed in the Bank’s website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.21, 30, 50-51) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies 	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>COMPLIANT</p>	<p>Through the Metrobank Academy, the Bank provides employees with training and development to properly equip them with knowledge and skills necessary to do their jobs.</p> <p>The Academy delivers technical/functional, leadership, behavioral and regulatory training programs through :</p> <ul style="list-style-type: none"> • online (MBLearn) • classroom • on-the-job training • virtual instructor led training (VILT) 	

		<ul style="list-style-type: none"> external trainings coaching and mentoring <p>The Metrobank Academy is a school of rigor, skills development and transformation that sharpens familiar management abilities like critical decision making, leadership, and adaptability that are required in the field. The programs offered range from the basic to the highly specialized technical courses. Aside from the Academy, the MBLearn is also available to employees who prefer online learning experience at their own pace.</p> <p>Information can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> Metrobank 2020 Combined Annual Report and Sustainability Report (pp.99-100) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 15.2			
<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>	COMPLIANT	<p>The Board approved Bank’s Code of Conduct articulates acceptable and unacceptable activities such as but not limited to financial misreporting, money laundering, fraud, bribery or corruption.</p> <p>An excerpt from the Bank’s Standards of Conduct on Avoidance of Conflict of Interest, states that “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>This is underscored through the all-encompassing Bank’s Anti-Bribery and Corruption (ABC) policy is contained in Policy Circular No. 034, 2020.</p> <p>Further, through the Bank’s “Whistle Blowing Policy”, employees are encouraged to play their part in improving the overall effectiveness of the Bank and in strengthening the Bank’s system of integrity by reporting acts of fraud, malpractice, conflict of interest or violation of internal / regulatory policies, procedures and control.</p> <p>Information can be accessed in the following links:</p> <ul style="list-style-type: none"> Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies Metrobank Code of Ethics For Employees https://metrobank.com.ph/about-us/corporate-governance-code-of-ethics-employees Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Code of Conduct and Ethics, pp.44-45) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf Metrobank 2020 Combined Annual Report and Sustainability Report (pp. 46-47) https://metrobank.com.ph/img/2020-annual-report.pdf 	
<p>2. Board disseminates the policy and program to employees across the organization through</p>	COMPLIANT	<p>The Anti-Bribery / Corruption policy, part of the Code of Conduct, is disseminated to all employees by Human Resources Management Group through the following :</p> <ul style="list-style-type: none"> New Hire’s Orientation 	

<p>trainings to embed them in the company's culture.</p>		<ul style="list-style-type: none"> • Regular advisories • Policy and Procedure Library • Incorporation to decision-making scenarios in various training programs <p>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>Information can be accessed in the following links:</p> <ul style="list-style-type: none"> • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank Code of Ethics For Employees https://metrobank.com.ph/about-us/corporate-governance-code-of-ethics-employees • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Code of Conduct and Ethics pp.44-45) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp. 46-47) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Supplement to Recommendation 15.2			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes</p>	<p>COMPLIANT</p>	<p>The Bank's Anti-Bribery and Corruption (ABC) policy is contained in Policy Circular No. 034, 2020. Said policy contains guidelines to Bank employees and directors with respect to their expected behaviors in order for the Bank to continue conducting business "in a legal, honest and ethical and way."</p> <p>The ABC policy is echoed in the Bank's standard on Avoidance of Conflict of Interest, which 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>Information can be accessed in the following links:</p> <ul style="list-style-type: none"> • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank Code of Ethics For Employees https://metrobank.com.ph/about-us/corporate-governance-code-of-ethics-employees • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Code of Conduct and Ethics pp.44-45) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank 2020 Combined Annual Report and Sustainability Report (pp. 46-47) https://metrobank.com.ph/img/2020-annual-report.pdf 	
Recommendation 15.3			

<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>The Bank instituted a Whistleblowing 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>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>The Head of the Internal Audit Group (IAG) is the designated recipient of complaints from Reporting Employees and is authorized to implement this policy.</p> <p><u>Complaint/ Disclosure Form shall be addressed to the IAG Head via pouch or email whistleblowing@metrobank.com.ph or contact IAG via Cellphone hotline 09427471359</u></p> <p>The Whistle Blowing Policy can be accessed in the Bank’s website through the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 (Whistleblowing Policy p.47, Annex 15) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank 2020 Combined Annual Report and Sustainability Report (p.48) https://metrobank.com.ph/img/2020-annual-reports.pdf 	
<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>	<p>COMPLIANT</p>	<p>The Whistleblowing policy is a sign of strong corporate governance and company culture that takes such claims seriously. In strengthening the Bank’s integrity, all employees and stakeholders are encouraged to participate in an atmosphere of openness and trust and seize opportunities to raise concerns or immediately report whenever there are acts of fraud, malpractice, conflict of interest, or violation of internal or regulatory policies, procedures, and control, to the Chief Audit Executive. The policy requires that the Bank secures the identity of the reporting entity and protects the person from any undue retaliation.</p> <p>Complaints or concerns may be filed through the Bank’s website or sent via email (whistleblowing@metrobank.com.ph) or text hotline (+639427471359)</p> <p>The Whistle Blowing Policy can be accessed in the Bank’s website through the following links:</p> <ul style="list-style-type: none"> • Metrobank Corporate Governance Manual Updated as of June 30, 2020 Whistleblowing Policy p.47, Annex 15) https://metrobank.com.ph/img/mbtc-corporate-governance-manual-as-of-2020.pdf • Metrobank Company Policies https://metrobank.com.ph/about-us/corporate-governance-company-policies • Metrobank 2020 Combined Annual Report and Sustainability Report (p.48) https://metrobank.com.ph/img/2020-annual-reports.pdf 	
<p>3. Board supervises and ensures</p>	<p>COMPLIANT</p>	<p>As an extension of the Board of Directors, the Audit Committee (AUDITCOM) shall assist the Board of Directors in fulfilling</p>	

the enforcement of the whistleblowing framework.		<p>its statutory and fiduciary responsibilities</p> <p>Duties and Responsibilities of the Committee excerpts: (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>The complete charter can be accessed in the Bank’s website through the following link:</p> <ul style="list-style-type: none"> • Metrobank Board Committees: Audit Committee https://metrobank.com.ph/img/audit-committee-charter.pdf 	
<p>Principle 16: 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>Recommendation 16.1</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 2020 Combined Annual Report and Sustainability Report.</p> <p>It can be accessed in the Bank’s website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.78-81) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Foundation, Inc. https://www.mbfoundation.org.ph/ 	
<p>Optional: Principle 16</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 2020 Combined Annual Report and Sustainability Report.</p> <p>It can be accessed in the Bank’s website through the following links:</p> <ul style="list-style-type: none"> • Metrobank 2020 Combined Annual Report and Sustainability Report (pp.78-111) https://metrobank.com.ph/img/2020-annual-report.pdf • Metrobank Foundation, Inc. https://www.mbfoundation.org.ph/ 	
<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 MAY 25 2021.

SIGNATURES

[Redacted Signature]

Arthur Ty
Chairman

[Redacted Signature]

Marcelo C. Fernando Jr.
Independent Director

[Redacted Signature]

Philip G. Soliven
Independent Director

[Redacted Signature]

Arnulfo B. Pascoles, Jr.
Compliance Officer

[Redacted Signature]

Francisco F. Del Rosario, Jr.
Independent Director

[Redacted Signature]

Fabian S. Dee
President

[Redacted Signature]

Angelica H. Lavares
Independent Director

[Redacted Signature]

Edgar O. Chua
Independent Director

[Redacted Signature]

Atty. Regis V. Puno
Corporate Secretary

Subscribed and Sworn to me before this MAY 25 2021 day of MAY 25 2021; 2020, affiant(s) exhibiting to be their _____, as follows:

Name	TIN / SSS Number	Name	TIN / SSS Number
Arthur Ty	[Redacted]	Fabian S. Dee	[Redacted]
Marcelo C. Fernando Jr.	[Redacted]	Angelica H. Lavares	[Redacted]
Philip G. Soliven	[Redacted]	Edgar O. Chua	[Redacted]
Francisco F. Del Rosario, Jr	[Redacted]	Atty. Regis V. Puno	[Redacted]
Arnulfo B. Pascoles, Jr.	[Redacted]		

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Series of 2021

ATT [Redacted] LUK [Redacted]
Appointed [Redacted] 31, 2020
Extended until June 30, 2021 per SC resolution dtd. 12.01.2020
[Redacted]
Sen. Gil Puyat Avenue, Makati City 1200
[Redacted]