Membership

Committee Membership	Designation	Appointed Members
Chairman	Independent Director	AHLavares
Regular Members	Independent Director Independent Director	MCFernando Jr. JMLEscaler
Corporate Governance Officer	Compliance Officer	ABPascioles, Jr.
Resource Person	Assistant Corporate Secretary	JPAmoranto
Secretary	Corporate Governance Officer	ABPascioles, Jr.
Adviser	Chairman	AVTy

Committee Name **Corporate Governance and Compensation Committee**

Short Name **CGCCOM**

Nature Board Level Committee

Responsibility Statement

The CGCCOM shall assist the Board of Directors in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of the Bank's Compliance System and Consumer Protection Risk Management System.

It shall oversee the nomination process for members of the Board and for other positions requiring appointment by the Board of Directors.

The committee is tasked with establishing a formal and transparent procedure in determining the remuneration of directors and officers that is consistent with the Bank's culture, strategy, business environment and industry practice.

Duties and Responsibilities

1. Oversees the implementation of the corporate governance framework and periodically reviews the same framework to ensure that it remains appropriate in light of material changes to the group's size, complexity and business strategy, as well as its business and regulatory environments.

2. Adopts corporate governance and compliance policies, practices and structures that will enable effective oversight over entities in the group and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance across the group.

3. Oversees the Board nomination for directors and for positions appointed by the Board.

    a. Promulgates the guidelines or criteria to govern the conduct of nominations.
    b. Reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board.
    c. Prepares a Final List of Candidates which shall contain all the information about all the nominees, as required by existing and applicable rules, which list shall be made available to the Board. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No other nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

4. Makes recommendations to the Board on matters pertaining to the assignment to Board committees, as well as succession plan for the members of the Board and senior management.

5. Oversees the continuing education/training programs for the Board.

    a. Proposes and plans relevant trainings for the members of the Board.
    b. Ensures allocation of sufficient time, budget and other resources for the continuing education of directors and draw on external expertise as needed.
    c. Establishes and ensures effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for all directors.

6. Oversees the performance evaluation process.

    a. Oversees the periodic evaluation of contribution and performance (e.g., competence, candor, attendance, preparedness and participation) evaluation of the Board and its committees, and senior management.
    b. Ensures that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement.
    c. Performs annual self-assessment using the self-assessment form.

d. Determines whether or not a director or officer who has multiple positions is able to and has been adequately carrying out his/her duties and, if necessary, recommends changes to the Board based upon said performance/review.
e. Appraises the annual performance of the Chief Compliance Officer.

7. Oversees the design and operation of the remuneration and other incentives policy.

   a. Ensures that the remuneration and other incentives policy is aligned with operating and risk culture as well as with the strategic and financial interest of the Bank, promotes good performance and conveys acceptable risk-taking behavior, and complies with legal and regulatory requirements.
   b. Works closely with the Risk Oversight Committee in evaluating the incentives created by the remuneration system.

8. Provides oversight in the implementation of the Bank's compliance system.

   a. Ensures that oversight on the Bank's compliance management is adequate.
   b. Ensures that a Compliance Program is defined for the Bank, monitors its implementation and ensures that compliance issues are resolved expeditiously.
   c. Reviews, at least annually, the Bank's Compliance Program in accordance with existing regulatory requirements, in support of the Bank's goals and strategies and recommends approval thereof by the Board.
   d. Monitors the Bank's compliance with the applicable laws, regulations and rules of regulatory agencies and recommends to the Board appropriate actions.
   e. Reviews the regular reports submitted by Compliance Division as well as reports on significant compliance issues, general status of Bank's level of compliance, relevant regulations, updates and other compliance matters.

9. To contribute to the Board's effective oversight functions over entities in the group, CGCCOM shall require Compliance Division to, among others:

   a. Provides compliance oversight function over the Bank's BSP-supervised Financial Subsidiaries and Affiliates (FSAs).
   b. Conducts a formal review of their structure, their controls and activities to assess consistency with the Board approved policies, practices and strategies and report the results of the assessment to the CGCCOM.
   c. Ensures open communication with BSP-supervised financial subsidiaries and affiliates thru generation and sharing of information of relevant and

recent regulatory issuances and sharing and benchmarking of appropriate compliance and corporate governance best practices and policies. This is to ensure synergy of compliance policies including corporate governance between and among the group.

10. Oversees the preparation of Annual Report and ensures that the Bank fully discloses the minimum disclosure requirements per regulation.

11. Reviews/oversees the implementation of the Bank's Consumer Protection Risk Management System.

Composition	The CGCCOM shall be composed of at least three (3) members of the Board of Directors, all of whom shall be non-executive directors. A majority of the members, including the chairperson, shall be independent directors.
Quorum/Majority Votes	All decisions or resolutions of the Committee shall have the affirmative vote of the majority of the members of the Committee. CGCCOM members who cannot physically attend the meeting can participate through remote communication such as videoconferencing, teleconferencing or other alternative modes of communication as allowed by the Bank. If a member intends to participate in a meeting through remote communication, he/she shall notify in advance the CGCCOM Secretary of his/her intention for proper notation in the minutes of the meeting. The member participating remotely shall be deemed present for the purpose of attaining a quorum and shall be allowed reasonable opportunities to vote.
Meeting Schedule	The Committee shall meet at least once every quarter. A special meeting may be called as necessary. The Agenda shall be developed based on the collaboration and coordination between the Committee Chairperson and the Corporate Governance Officer/ Compliance Officer. The Committee Secretary shall then send out notices at least five (5) banking days before the meeting date, as practicable. He/She shall likewise prepare/distribute the minutes, and prepare the memo to the Board and other reports as needed.
Performance Assessment	The Committee shall perform an annual self-assessment using the attached self-assessment form.
Charter Review	The Committee Charter shall be reviewed annually or as necessary, should there be changes in the regulations affecting the Committee.

Reporting to the Board	The Committee shall report to the Board at least once every quarter or as necessary within its mandate, including key findings, recommendations, and actions taken.
Interaction with other Committees	As necessary, the Committee shall interact with other committees on issues on corporate governance.

Metropolitan Bank & Trust Company
Corporate Governance and Compensation Committee
Rating Sheet for the Year ____________

Name of Director: ____________________________________

The rating sheet has to be completed independently by each member of the Committee following the rating scale described below. For each of the statement listed in the form, please encircle the number that best reflects the member's own evaluation.

Rating Scale:

Rating	Description
5	**Outstanding –** Consistently exceeds expectations; exemplary governance.
4	**Very Satisfactory** – Frequently meets expectations; deficiencies/weaknesses are considered to be minor and insignificant.
3	**Satisfactory** – Meets expectations and requirements; with some improvement needed but duties are adequately performed.
2	**Needs Improvement** – Partially meets expectations with notable weaknesses affecting effectiveness; specific improvements are needed to reach an acceptable standard.
1	**Unsatisfactory –** Does not meet expectations; significant gaps in fulfilling mandated duties; requiring immediate corrective action.

	Rating
1. The Committee oversees the implementation of the corporate governance framework and periodically reviews the same framework to ensure that it conforms with the requirements of the laws and regulations and remains appropriate.	5 4 3 2 1
2. The Committee adopts and oversees corporate governance and compliance policies, practices and structures over entities in the group and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance across the group.	5 4 3 2 1

	Rating
3. The Committee recommends to the Board matters pertaining to the assignment to Board committees, as well as succession plan for the members of the Board and senior management.	5 4 3 2 1
4. The Committee oversees the continuing education/training programs for the Board: a. Proposes and plans relevant trainings for the members of the Board.	5 4 3 2 1
b. Ensures allocation of sufficient time, budget and other resources for the continuing education of directors and draws on external expertise as needed.	5 4 3 2 1
c. Establishes and ensures effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for all directors.	5 4 3 2 1
5. The Committee oversees the performance evaluation process: a. Oversees the periodic evaluation of contribution and performance evaluation of the Board and its committees, executive and senior management.	5 4 3 2 1
b. Ensures that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement.	5 4 3 2 1
c. Performs annual self-assessment using the self-assessment form.	5 4 3 2 1
d. Determines whether or not a director or officer who has multiple positions is able to and has been adequately carrying out his/her duties and, if necessary, recommend changes to the Board based upon said performance/review.	5 4 3 2 1
e. Appraises the Annual Performance of the Chief Compliance Officer.	5 4 3 2 1
6. The Committee oversees the design and operation of the remuneration and other incentives policy: a. Ensures that the remuneration and other incentives policy is aligned with operating and risk culture as well as with the strategic and financial interest of the bank, promotes good performance and conveys acceptable risk-taking behavior, and complies with legal and regulatory requirements.	5 4 3 2 1
b. Works closely with the Risk Oversight Committee in evaluating the incentives created by the remuneration system.	5 4 3 2 1
7. The Committee oversees the implementation of the Bank's Compliance System: a. Ensures that oversight over the Bank's compliance management is adequate.	5 4 3 2 1
b. Ensures that a Compliance Program is defined for the Bank and that compliance issues are resolved expeditiously.	5 4 3 2 1
c. Reviews, at least annually, the Bank's Compliance Program in accordance with existing regulatory requirements.	5 4 3 2 1
d. Monitors the Bank's compliance with the applicable laws, regulations and rules of regulatory agencies and recommends to the Board appropriate actions.	5 4 3 2 1

	Rating
e. Reviews the regular reports submitted by Compliance Division as well as reports on significant compliance issues, general status of Bank's level of compliance, relevant regulations, updates and other compliance matters	5 4 3 2 1
8. To contribute to the Board's effective oversight functions over entities in the group, the Committee requires Compliance Division to: a. Provides compliance oversight function over the Bank's BSP-supervised Financial Subsidiaries and Affiliates (FSAs).	5 4 3 2 1
b. Conducts a formal review of the structure, their controls and activities to assess consistency with the Board approved policies, practices and strategies and report the results of the assessment to the CGCCOM.	5 4 3 2 1
c. Ensures open communication with BSP-supervised financial subsidiaries and affiliates thru generation and sharing of information of relevant and recent regulatory issuances and sharing and benchmarking of appropriate compliance and corporate governance best practices and policies.	5 4 3 2 1
9. Oversees the preparation of Annual Report and ensures that the Bank fully discloses the minimum disclosure requirements per regulation.	5 4 3 2 1
10. Reviews/oversees the implementation of the Bank's Consumer Protection Risk Management System.	5 4 3 2 1
11. The Committee oversees the nomination for directors and for positions appointed by the board of directors by: a. Reviews and evaluates the qualifications of all persons nominated to the Board as well as other positions requiring appointment by the Board.	5 4 3 2 1
b. Ensures that all nominations submitted are treated equally, without giving undue advantage to any particular group of shareholders.	5 4 3 2 1
c. Reviews the qualifications of incumbent directors whose names are being submitted for the ensuing year and validates the attendance of the incumbent directors during board meeting conducted during the previous year.	5 4 3 2 1
d. Ensures compliance with the minimum prescribed qualifications and disqualifications set by law on directors of publicly-listed banks, especially on the nominees for independent directors.	5 4 3 2 1
Average Quantitative Score:	

Committee Member's Evaluation	
1. What are the strengths of the Committee?	
2. What was the Committee's greatest contribution during the period?	
3. What are the Committee's areas for improvement?	
4. If you could change anything with the Committee, what would you change and why?	

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Signature over Printed Name