

Corporate Governance Manual

Corporate Guidelines

User Guideline

- This template outlines the key sections which should be included in a Standard Operating Procedure document (i.e. Level 3 document).
- This Procedure is intended to describe end-to-end processes in detail and enable the relevant personnel to discharge their duties. This Procedure corporates relevant process flows, narratives, documentation of key control points and roles and responsibilities of procedure owners.
- Based on the specific applicable regulations or business practices, Procedure Owner may make alterations to the key contents of this document as appropriate. However, the Procedure Owner should ensure that there is a proper audit trail of the edit/alteration and a clear linkage between different Level 1 and /or other applicable Level 2 and 3 documents.
- In preparing this Standard Operating Procedure document, the Procedure Owner should observe and take into account applicable requirements laid down in the Bank's Policy (i.e Level 1 document) and/or applicable control standards (i.e Level 2 document).
- The approver of this Level 3 Procedure document is generally expected to be the Group Head of the relevant Business Units or Key Functions and to be reviewed by the representatives from the Risk, Control and Compliance functions if necessary.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.



Procedure Control Table



Level	Standard Operating Procedure	Procedure Owner:	Head, Corporate Governance, Risk & Compliance
Effective Date	September 2024	Approval Authority	President
Next Review Date		Version	1.0
Procedure User/s	FMIRBI	Accountable Unit	Corporate Governance, Risk & Compliance

Procedure Revision History Table

Review/ Revision Date	Review/ Revision Section	Summary of the Review/Change
August'24	FMIRBI	First Draft
3 Sep '24	FMIRBI / Legal	Integration of Legal Comments on Initial Draft
1 April '26	FMIRBI / Legal	Inclusion of Section V- Alternative Dispute Mechanism
		Revised Section VII - Communication Process and Stakeholder Engagement
24 April '26	FMIRBI / Legal	Inclusion of Section VIII – Sustainability Practices

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

Approval	Name, Designation	Signature	Date
Preparer/s	KDFajardo, FMIRBI		September '24
Endorsement	MBDePaz, President		02 Dec '24
Approval	BOARD	Board MOM	02 Dec '24

Approval	Name, Designation	Signature	Date
Preparer/s	KDFajardo, FMIRBI		01 & 24 April 26
Endorsement	MBDePaz, President		15 June '26
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FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

TABLE OF CONTENTS

I.	Introduction	7
-	Commitment to Ethical Behavior	8
-	Commitment to Clients & Industry Partners	8
-	Commitment to Employees & Internal Stakeholders	9
II.	Corporate Governance Structure	10
A.	Board	10
B.	Composition of the Board & Independent Directors	10
C.	Duties & Functions of the Board	11
D.	General Responsibilities of the Board	15
E.	Qualifications of Directors	18
F.	Disqualifications of Directors	19
G.	Qualification of Independent Directors	21
H.	Terms & Limits of Independent Directors	22
I.	Chairman of the Board – Duties & Responsibilities	23
J.	Remuneration of Directors & Officers	23
K.	Board Committees	23
-	Nomination Committee	
-	Board Oversight Committee	
-	Audit Committee	
-	Related Party Transactions Committee	
-	Compensation & Management Development Committee	
-	Corporate Governance, Risk & Compliance Committee	
L.	Key Officers & Responsibilities	30
-	Chief Executive Officer / President	
-	Corporate Secretary	
-	Corporate Governance and Risk Officer	
-	Compliance Officer	
-	Data Privacy Officer	
-	External Auditor	
-	Internal Auditor	
III.	Code of Ethics	36
IV.	Rights & Protection of Shareholders	37
-	Right to Vote	
-	Right to Inspect Corporate Books	
-	Right to Information	

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- Appraisal Right
- Pre-emptive Right
- Right to Dividends

V.	Alternative Dispute Mechanism	39
VI.	Reporting & Disclosure	39
VII.	Communication Process	39
VIII.	Sustainability Practice	41
IX.	Penalties for Non-Compliance	42
X.	Effectivity	42

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

Corporate Governance Manual

of

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

I. INTRODUCTION

This Manual shall institutionalize the principles of good corporate governance in the entire Corporation.

The Board of Directors and Management of FIRST METRO INSURANCE AND REINSURANCE BROKERS INC. (FMIRBI or the COMPANY) hereby commit to adhere to the highest principles of good corporate governance, as contained in this Manual. We are guided by the core values of Passion for Results, Integrity, Teamwork, Commitment to Customer Service and a Heart for Community.

The Board of Directors, Management, employees, and shareholders believe that a well-established corporate governance is key to an effective, entrepreneurial, and strategic management that can deliver sound and long-term success for the company.

FMIRBI believes that the key to long-term sustainability and success largely depends on having a good name and solid reputation in the marketplace. Thus, the business and operations of the Company will be conducted in accordance with the principles and best practices of good corporate governance.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

FMIRBI shall hold its officers and employees to the highest standards of corporate behavior in order to hold a high moral ascendancy towards its stakeholders and is committed to the following:

COMMITMENT TO ETHICAL BEHAVIOR

The organization shall uphold the highest standards of ethical behavior expected in its dealings with all stakeholders. This commitment shall be beyond question, unambiguously stated and interpreted, with a constant pursuit of maintaining this behavior even with changes enveloping social development in the 21st century.

The organization shall continuously uphold this pursuit as a major contributor to industry standards and shall perform its duties in a most humble manner, content in the accolades of its peers but never pursuing publicity for its own sake. In addition to this, it shall guard its reputation for quality of service unequivocally and shall ensure this reputation is never besmirched by the actions of its internal stakeholders. To this end, instruments and programs shall be in place so that benchmarks on this behavior are upheld in the highest standards. Further, FMIRBI employees and Management shall inspire behavior in its affiliates, associates, and all other stakeholders by their manifestation of ethical behavior at its highest standards.

Above all else, the focus of our strengths shall be the best interest of our client even in the face of compromising financial returns that could reflect well for the Company's bottom line. Its prerogatives shall reflect impartiality and disinterestedness towards this end.

COMMITMENT TOWARDS ITS CLIENTS AND INDUSTRY PARTNERS

FMIRBI and its employees shall espouse actions that reflect its moral obligations to its clients and partners.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

FMIRBI shall advise a Client against any action whose practicability may be questionable due to financial, legal or arresting and exigent conditions, even if such advice may mean the loss of a prospective revenues to FMIRBI.

FMIRBI and its employees shall consider the needs and stipulations of its Client and the effects of his work upon the life and well-being of the public and the community, and shall endeavor to meet the functional requirements of its' services with the Client's appropriation.

FMIRBI shall not, at any time or circumstance, accept partner services, or receive any substantial aid, gifts, commissions, or favors from any stakeholder which will tend to place him under any kind of moral obligation.

FMIRBI and its employees shall not at any time receive commissions, discounts, fees, from agents or firms, except if the terms are under a co-brokering or service level agreements.

COMMITMENT TOWARDS ITS EMPLOYEES AND INTERNAL STAKEHOLDERS

FMIRBI shall not under any circumstance nor through any means seek commissions already known to its employees as previously endowed to another organization, with conditions of the following: a binding instruction has been given the client or a broker's appointment has been released by the client.

FMIRBI shall not knowingly injure falsely or maliciously, the professional reputation, prospects or practice of another brokering firm.

FMIRBI shall inspire loyalty among its employees and stakeholders by providing them with suitable working conditions, requiring them to render competent and efficient services and paying them adequate and just compensation. FMIRBI shall

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

have a program in place that shall tutor and mentor its employees towards the ideals, functions, duties, and responsibilities reflecting ethical behavior in the industry.

FMIRBI and its management shall unselfishly give their share in the interchange of technical information and experience among its colleagues and employees reflecting behavior of mentorship rather than competition as well as reflecting behavior of a learning organization. This principle shall be one of its competencies as it continuously evolves towards becoming a leader in the industry.

II. CORPORATE GOVERNANCE STRUCTURE

A. Board of Directors

- The Board of Directors is principally responsible for the Corporation's compliance to the highest standards of good governance of the Company. The Board shall be responsible in approving and overseeing the implementation of FMIRBI's corporate plans and strategy.

B. Composition of the Board and the Independent Directors

- **Mix.** The Board shall be composed of qualified directors with an appropriate mix of competence, expertise, and diverse skills to enable it to perform its roles and responsibilities effectively.
- **Composition.** The Board of Directors of the Company shall consist of not more than seven (7) members. The members of the Board shall be elected, with at least 20% of the elected Directors serving as Independent Directors provided that majority of the Board shall be non-executive directors, including the Independent Directors. All elected Directors shall hold office for one (1) year and until their successors are elected or qualified as provided for in the Articles of Incorporation and By-Laws.
- **Orientation and Continuing Education.** All newly elected or appointed Directors joining the Board shall be required to undergo an orientation program within three (3) months from date of their election or appointment. This is intended to familiarize the new directors with their statutory/fiduciary roles and responsibilities in the Board and Committees, as well as the Company's strategic plans, enterprise risks, group structures, business activities, compliance programs, Code of Conduct and Business Ethics, Personal Trading Policy and Corporate

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

Governance Manual. All Directors are likewise encouraged to participate in continuing education programs, at the Company's expense, to maintain a current and effective Board. All members of the Board are likewise required to attend the annual corporate governance training. The orientation program for first-time Directors shall be for at least eight (8) hours, while the annual continuing training shall be at least for four (4) hours. The training programs should cover topics relevant in carrying out their duties and responsibilities as Directors. (Recommendation 1.3, Revised CCG for ICREs)

- **Board Diversity.** The Company recognizes that diversity among its Directors will foster critical discussion and promote a balanced decision by the Board by utilizing the differences in perspectives of its Directors. It views diversity at the Board level, including difference in skills, experience, gender, sexual orientation, age, religion, education, race, business and other related expertise as an essential element in maintaining an effective Board for strong corporate governance. The Board should possess all the necessary skills, experience and functional expertise to oversee the strategic direction of the Company. In determining the optimal composition of the Board and in filling vacancies, the Board will consider all aspects of diversity to maintain an appropriate balance of skills, background, experience, and knowledge on the Board.

The Company also recognizes the important role of women with appropriate and relevant skills and experience that can contribute to the diversity of perspectives in the Board. The diversity representation of the Board will be part of the annual performance and effectiveness evaluation of the Board and committees. (Recommendation 1.4, Revised CCG for ICREs)

C. Duties and Functions of the Board

Fiduciary Duty

The Board shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. (Recommendation 2.1, Revised CCG for ICREs)

Key Function

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

The Board shall fulfill certain functions, including the following:

- Oversees the development, review and approval of the Company's business objectives and strategy.
- Oversees and monitors the implementation of the Company's business objectives and strategy in order to sustain the Company's long-term viability and strength.

Responsibilities

The Board is collectively responsible for the sustainable long-term shareholder value of the institution, sustain its competitiveness, profitability and industry leading position in a manner consistent with the corporate objectives of the Metrobank Group'. The Board of Directors is responsible for the success of the Company and for ensuring that the Company's obligations to its stakeholders are met. To this end, the Board exercises the following responsibilities:

1. Management Succession Planning

The Board shall ensure that the Company maintains an appropriate and updated succession plan for key executives to address emergencies in the event of extraordinary circumstances and ensure continuity of the Company's operations. (Recommendation 2.4, Revised CCG for ICREs)

On the retirement age of directors, the Retirement Law is generally followed.

Nevertheless, the Board recognizes that chronological age alone is not the determinative factor in assessing Director's effectiveness in discharging his or her duties and responsibilities. The Board likewise acknowledges the valuable experience and wisdom that senior Directors contribute to the Company. Moreover, under applicable laws, Directors elected by shareholders may not be removed solely on the basis of age. Hence, the Board decided to hold in abeyance the implementation of the retirement age policy for directors.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

2. Remuneration and Other Incentives of Directors and Senior Management

The levels of remuneration of the Company shall be sufficient to attract and retain experienced and professional directors and officers needed to run the Company successfully. Remuneration and incentives policy must be appropriate and consistent with the Company's operating and risk culture, long-term business and risk appetite, performance, and control environment. Said policy shall cover all employees and should be designed

to encourage good performance that supports the long-term interest of the Company and its stakeholders. It shall be aligned with prudent risk taking and explicitly discourage excessive risk taking as defined by internal policies. The Compensation & Management Development Committee shall monitor and review the remuneration and other incentives policy including plans, processes and outcomes, at least annually, to ensure that it operates and achieves the objectives as intended.

The Company shall consider the following in the design of the remuneration and other incentives policy:

- a. The remuneration and incentives package shall take into account the employee's position, role, responsibilities and activities in the Company. It shall also consider the risks that the employee takes on behalf of the Company. In this regard, it should be sensitive to prospective risks and risk outcomes that have been realized and considers the overall performance of the Company.
- b. Remuneration and incentive pay-out schedule should be sensitive to the time horizon of risk. The policy may include provisions that defer payment until risk outcomes are better known or provisions under which remuneration and incentives may be reduced or reversed if new facts emerge showing that the remuneration and incentives paid was based on erroneous assumptions, such as misreporting or if it is discovered that the employee has failed to comply with internal policies or legal requirements.
- c. Remuneration of employees in risk control functions (i.e., Internal Audit, Compliance, and Risk Management Functions) shall be based on the achievement of their objectives and shall be independent of the business lines which they oversee.
- d. The remuneration and other incentives policy for directors should be consistent with the long-term interest of the Company, does not

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

encourage excessive risk-taking, and is not in conflict with the director's fiduciary responsibilities. It shall be submitted for approval of the parent company. (Recommendation 2.5, Revised CCG for ICREs)

3. Selection, Nomination and Election of Board Members.

The incumbent members of the Board shall undertake the process of identifying the qualifications of Directors that align with the Company's strategic direction.

In evaluating the suitability of an individual nominated for election to the Board and in promoting diversity in the composition of the Board, the incumbent Board members should consider the qualifications of each nominee, including, among others, physical and mental fitness, relevant educational and professional background, personal track record experience and training, commitment to contribute, willingness to serve and interest to remain engaged and involved in the Company's affairs. Such evaluation shall be conducted without undue prejudice based on race, gender, ethnic origin, religion, age or orientation.

At least one (1) of the non-executive Directors should have prior working experience in the financial industry or a relevant business group.

In considering the reelection of incumbent Directors, the Board shall also take into the account the results of the most recent Board self-assessment and peer evaluation, as well as the Director's attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board.

A former partner or employee of the Company's current external auditing firm shall not be qualified for nomination as member of the Board. To the extent practicable, the Company shall utilize external search firm or external data bases in selecting the pool of candidates for the members of the Board. (Recommendation 2.6, Revised CCG for ICREs)

4. Related Party Transactions

The Company adopts Metrobank Group's established policies and procedures on related party transactions ("RPTs"). These include the definition of related parties, the coverage of RPT policy, guidelines to ensure arm's length terms, identification and prevention or management potential or actual conflicts of interest, adoption of materiality thresholds, internal limits for individual and aggregate exposures, whistle-blowing

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

mechanisms, and restitution of losses and other remedies for abusive RPTs. The RPT Committee shall review and endorse all material RPT to the Board for final approval

The RPT policy shall apply to Metrobank, its subsidiaries and affiliates, as applicable and intended to ensure that every related party transaction is conducted in a manner that will protect Metrobank Group from conflict of interest which may arise between the Metrobank Group and its Related Parties; and proper review, approval, ratification and disclosure of transactions between the Bank and any of its related party/ies as required in compliance with legal and regulatory requirements. The policy also requires that any member of the RPT Committee who has a potential interest in any related party transaction shall abstain from the discussion and endorsement of the related party transaction and any member of the Board who has an interest in the transaction must abstain from the deliberation and approval of any related party transaction. (Recommendations 2.7, 5.6 and 8.5, Revised CCG for ICREs)

5. Selection of Executive Management Team and Annual Performance Evaluation

It is the responsibility of the Board to approve the selection and appointment of a competent executive management team led by the President including the heads of control functions .e.g. Compliance Officer, Risk Officer and Internal Auditor. Fit and proper standards must be applied in the selection process of key officers and due consideration must be given to their integrity, technical expertise and insurance industry experience. The Board shall undertake the evaluation of the Executive Management Team's performance including the General Manager based on established performance management framework and standards that are consistent with the Company's strategic objectives. (Recommendations 2.8 and 2.9, Revised CCG for ICREs)

6. Internal Control and Risk Management

It is the responsibility of the Board to oversee that a sound and effective enterprise-wide risk management framework and appropriate internal control systems are in place to manage the risks and to provide reasonable assurance against material misstatement or loss. It is also responsible to review and approve the nature and extent of the key business risks that the Company is taking in pursuing its strategic objectives and providing oversight over its risk management policies and procedures. The Company shall adopt Metrobank Group's board

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

approved Internal Audit Charter. (Recommendations 2.10 and 2.11, Revised CCG for ICREs)

7. Board Charter

The Charter of the Board of Directors (“Board Charter”) serves as a guide to the Directors in the performance of their functions. It clearly states the roles, responsibilities, structure, and powers of the Board of Directors, subject to the provisions of the Corporation Code of the Philippines, FMIRBI’s Articles of Incorporation and By-Laws, other applicable laws or regulations, corporate governance best practices and policies of the Board. The Manual formally sets out and clearly specifies the roles, responsibilities, structure and powers of the Board, as well as embodies other relevant matters consistent with and in the light of the Insurance Commission’s Revised Code of Corporate Governance for Insurance Commission Regulated Entities. (IC CL No. 2020-71)

The Board of Directors acknowledges that this Manual as it incorporates the Board Charter, is their over-all guide to principled actions and responsible conduct in carrying out their fiduciary duties. (Recommendation 2.12, Revised CCG for ICREs)

D. General Responsibilities of the Board of Directors

The Board shall fulfill certain functions including the following:

Essential standards

- The Board shall meet regularly to discharge its duties efficiently.
- The Company shall, in its annual report include a statement of how the Board operates, types of decisions to be followed by the Board and those that are to be delegated to management.
 - i. The company's annual report shall identify the Chairman, the Vice-Chairman (if there is one), the Independent Director/s and the Chairpersons and members of the Nomination, Audit, Corporate Governance, Risk and Compliance, Compensation & Remuneration and the Related Party Transactions committees

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- ii. The Company's annual report shall also disclose the number of meetings of the Board as well as those of the committees and attendance by its directors.
- The Chairman of the Board shall hold meetings with the non-executive directors without the executive's presence to evaluate the executive's performance.
 - The non-executive directors, led by the lead independent director, shall meet annually without the chairman's presence to appraise the performance of the executive directors and on other such occasions deemed appropriate.
 - All concerns of the directors regarding the operations of the Company shall be recorded in the minutes of the Board meetings.
 - The Company shall arrange for a Directors and Officers Liability Insurance with respect to legal action against its Directors in relation to their official functions.
 - Maintain, and periodically update, organizational rules, by-laws, or other similar documents setting out its organization, rights, responsibilities and key activities.
 - Assess at least annually its performance and effectiveness as a body, as well as its various committees, the individual Directors, and the Company itself; in view of having an effective and balanced membership.
 - Appoint members of committees taking into account their qualifications and expertise which include a mix of independent directors and non-executive members of the Board.

STRATEGIES & PLANS

- Review and approval of the Company's strategic plans, with proactive oversight over strategy execution.
- Review and approval of the annual business plan (budget), and allocations for capital expenditures of the Company, and shall monitor actual performance against the plan.
- Formulation and adoption of corporate policies, this Corporate Governance Manual, to begin with, and those in the core areas of operations, specifically accounts management, investments, reinsurance and claims management.
- Authorize the establishment of branch offices in strategic cities or municipalities that support the expansion plans of the Company.
- Oversee the conduct of the Company's business to ensure that the business is being properly managed and dealings with policyholders, claimants and creditors are fair and equitable.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- Identify principal business risks and ensure the implementation of appropriate risk management systems to specifically manage the risk assessment, accounts/ claims management, reinsurance, investment, financial, and operational risks of the Company.
- Adopt an effective succession planning program for key management officers, with the end view of business continuity. Adopt and implement a shareholder communications policy for the Company.
- Review the adequacy and propriety of the Company's internal control systems and management information systems including systems for compliance with all regulatory agencies, its applicable laws, regulations, rules, directives, and guidelines.
- Select and appoint officers who are qualified to administer insurance affairs soundly and effectively and to establish an adequate selection process for all personnel.
- Apply fit and proper standards on personnel. It must have integrity, technical expertise, and experience in the institution's business, either current or planned, which should be the key considerations in the selection process.
- Establish an appropriate compensation package for all personnel that are consistent with the interest of all its stakeholders.
- Review and approve material transactions not in the Company's ordinary course of business.
- Establish a system of check and balance which applies to the Board and its members.
- Adoption of a performance monitoring system covering both the financial and non-financial aspects of the Company's operating results, over which the actual performance of the management team is assessed based on established performance standards.
- Present to all its members and shareholders a balanced and understandable assessment of the Company's performance and financial condition.
- Appoint a Compliance Officer who shall have the rank of at least an AVP or its equivalent with adequate stature and authority.
- Utilize the work conducted by the internal audit, risk management and compliance functions and the external auditors in monitoring the overall performance of the Company.
- Ensure the Company's faithful compliance with all applicable laws, regulations and best business practices.
- Identify the stakeholders in the community in which the Company operates or which are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- Ensure that Related Party Transactions are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

and regulations to protect the interest of the Company's shareholders and other stakeholders.

- Protect the interests of stakeholders adequately
- Introduce new/revised guidelines and/or requirements to the Senior Management Team, in the exercise of the powers vested in it as provided for in the Articles of Incorporation and By-Laws, for the furtherance of the Company's interest.

E. Qualification of Directors

In addition to the qualifications for membership in the Board provided for in the Revised Corporation Code, the Company's By-laws, and other applicable laws, a Director, who is at least twenty-five (25) years of age at the time of election or appointment, shall own at least

- one (1) share in the capital stock of the Company.
- possesses the necessary skills, competence and experience in terms of management capabilities preferably in insurance industry, and must be a person, integrity, probity, who demonstrates diligence and assiduity in the performance of functions, and is physically and mentally healthy and morally upright

A Director must have

- attended a special seminar on corporate governance conducted by a training provider accredited by the Insurance Commission. He or she must be free from any conflict of interest, including any
- competing officership, directorship, and/or membership position in any other company engaged in the same line of business as FMRIBI, and is not
- otherwise disqualified under applicable laws or by any circular issued by the Insurance Commission.

F. Disqualification of Directors

The disqualification of Director is categorized either permanent disqualification and temporary disqualification.

PERMANENT DISQUALIFICATION

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- Person's conviction of a crime involving moral turpitude or fraudulent act or transgressions.
- Directors, officers, or employees of closed insurance companies or any insurance intermediaries who were responsible for such closure as determined by the Insurance Commission or any tribunal.
- Persons judicially declared insolvent, a spendthrift and incapable to enter into a contract.
- Persons who within five (5) years prior to the date of his or her election or appointment, were convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or for violation of the Revised Corporation Code, or the Securities Regulation Code.
- Persons found administratively liable for any offense involving fraudulent acts.
- Persons found by a foreign court or equivalent regulatory authority, to have committed acts, violations or misconduct similar to those enumerated above.

TEMPORARY DISQUALIFICATION

- Persons who refuse to fully disclose the extent of their business interests when required pursuant to law or a circular, memorandum or rule or regulation of the Insurance Commission. This disqualification shall remain in effect if the refusal persists.
- Directors who have been absent or who have not participated for whatever reasons in more than (50%) of all meetings, whether regular and special of the Board of Directors during their incumbency, or any twelve (12) month period during such incumbency. This disqualification applies for purposes of the succeeding elections.
- Persons convicted of any offenses involving dishonesty, breach of contract or violation of insurance laws but whose conviction has not yet become final and executory.
- Directors and officers of closed insurance companies and insurance intermediaries pending clearance from the Insurance Commission.
- Securities broker-dealer disqualified from sitting as Independent Director of listed companies and registered issuers of securities.
- Directors disqualified for failure to observe or discharge their duties and responsibilities prescribed under existing regulations. This disqualification shall apply until the lapse of the specific period of disqualification by the Insurance Commission.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- Directors who failed to attend the special seminar on corporate governance. This disqualification shall apply until the lapse of the specific period of disqualification by the Insurance Commission.
- Persons dismissed or terminated from employment for cause. This disqualification shall remain in effect until they have cleared themselves of involvement in the alleged irregularity.
- Persons under preventive suspension.
- Persons with derogatory records with the NBI, court, police, Interpol or insurance authorities of other countries (for foreign directors) involving violation of any law, rule or regulation of the Government or any of its instrumentalities that adversely affecting the integrity and/or ability to discharge the duties of an insurance director. This disqualification shall remain in effect until they have cleared themselves of involvement in the alleged irregularity.
- Persons who are delinquent in the payment of their obligation as defined hereunder:
 - a. Delinquency in the payment of obligations refers to obligations of a person with the insurance company or its related companies where he or she is a director or officer; or at least two obligations with other insurance companies, under different credit lines or loan contracts;
 - b. Obligations shall include all borrowings from an insurance company, or its related companies obtained by:
 - i. A director or officer for his own account or as the representative or agent of others or where he/she acts as a guarantor, endorser, or surety for loans from such institutions.
 - ii. The spouse or child under the parental authority of the director or officer.
 - iii. Any person whose borrowings or loans proceeds were credited to the account of or used for the benefit of a director or officer.
 - iv. A partnership of which a director or officer, or his/her spouse is the managing partner or a general partner owning a controlling interest in the partnership; and
 - v. A corporation, association or firm wholly owned or a majority of its capital is contributed by any or a group of persons mentioned in (i), (ii), and (iv).

G. Qualifications of Independent Directors

- Is not or was not a regular director, officer or employee of the covered entity, its subsidiaries, affiliates or related companies during the past three (3) years counted from the date of his election or appointment.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- Is not or was not a regular director, officer, or employee of the covered entity's substantial stockholders and their related companies during the past three (3) years counted from the date of his election/appointment.
- Is not an owner of more than (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the Board of Directors of the covered entity, or in any of its related companies or of its majority corporate shareholders.
- Is not a relative by affinity or consanguinity within the fourth (4th) degree of a director, officer, or stockholder holding shares of stock sufficient to elect one (1) seat in the board of the covered entity or any of its related companies or of any of its substantial stockholders.
- Is not acting as a nominee or representative of any director or substantial shareholder of the covered entity, any of its related companies or any of its substantial shareholders.
- Is not or was not retained as professional adviser, auditor, consultant, agent, or counsel of the covered entity, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) years counted from the date of his election/appointment.
- Is not a securities broker-dealer of listed companies and registered issuers of securities.
"Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer.
- Is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the covered entity or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment.
- Is not affiliated with any non-profit organization that receives significant funding from the covered entity or any of its related companies or substantial shareholders;

Related company refers to

- i. the covered entity's holding/parent company;
- ii. its subsidiary or affiliate;
- iii. subsidiaries of its holding/parent company; or

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- iv. a corporation where a covered entity or its majority stockholder own such number of shares that will allow/enable such person or group to elect at least one (1) member of the Board of Directors or a partnership where such majority stockholder is a partner.
- Is not employed as an executive officer of another company where any of the covered entity's executives serve as regular directors. (IC CL No. 2018-36)

H. Term Limits for Independent Directors

- An Independent Director may only serve for one (1) year from the date of appointment, subject to annual re-election. Should an Independent Director be re-elected, the individual may serve for a maximum cumulative term of nine (9) years.
- An Independent Director who has served the maximum period shall be perpetually barred from any re-election, but may continue to qualify for nomination and election as a non-independent director.
- Should the Company desire to continue the services of an Independent Director who had already served his or her maximum term limit, said Independent Director, as an exception, may still continue to act as such provided that the Board submits to the Insurance Commission a formal written justification and must, in addition thereto, acquire the parent company's approval during its annual meeting.

I. Specific Duties and Responsibilities of the Chairman of the Board of Directors:

- To call, convene and preside over all meetings of the Board of Directors whenever he may deem it necessary, either on his own initiative, or upon the request of the Chief Executive Officer/President, or any two (2) members of the Board; and the stockholders in accordance with the Company's By-Laws.
- To supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the Chief Executive Officer/President, Management and the Directors.
- To provide leadership in the Board of Directors. The Chairman of the Board shall ensure effective functioning of the Board, including maintaining a relationship of trust with his Board Members.
- To ensure that the Board makes informed decision, the Chairman shall promote sound decision-making process and encourage critical discussions, and allow dissenting views to be expressed and discussed as part of the decision-making process.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- To maintain qualitative and timely lines of communication and information between the Board and Management.
- To assist in ensuring compliance with the Company's guidelines on corporate governance; and
- To perform such other functions as are assigned to him by law or by the Board of Directors.

J. Remuneration of Directors and Officers

Subject to the limitations set forth under the Revised Corporation Code and the Company's By-Laws, every Director shall receive such compensation for their services as may from time to time be fixed by the stockholders shall likewise entitled to a reasonable per diem, as may be determined by the Board.

K. Board Committees

NOMINATION COMMITTEE

The Nomination Committee is charged with the responsibility of defining the general qualifications and the collective experience, background and diversity required of the Members of the Board, with whom rests the mandate of steering the overall direction of the company.

- **The Nomination Committee** shall be composed of at least three (3) non-executive directors with relevant expertise, and from among the Independent Director members its Chairman shall be chosen.
- The Nomination Committee will be responsible for the pre-qualification of all nominees to the Board, and candidates for Senior Officer Level (AVP and Up) positions of the company.

Responsibilities:

- i. Conduct a thorough examination as to the qualifications of all persons nominated to the Board;
- ii. Prepare the necessary job description if the appointment is for the Chairman of the Board;
- iii. Ensure that the directors to be nominated for elections at the annual stockholders meeting bear none of the disqualifications as stated in this manual and in the By-laws as well as the pertinent provisions of the Revised Corporation Code; and

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- iv. Orientation of new members and provides the necessary support to ensure the smooth adaption to their roles.

BOARD OVERSIGHT COMMITTEES

At its discretion, the Board of Directors may delegate oversight functions to committees, as necessary. These governing bodies shall be chaired by an independent director, with two (2) non-executive regular directors comprising their members. The non-inclusion of executive directors as members of any of the oversight committees is to maintain independence which helps ensure that the Company's interests are not based on biases, with the exception of the Corporate Governance, Risk, and Compliance Committee (CGRC) where an executive director may be nominated as member. In addition, the Chairman of a Board Risk Oversight Committee, who should be an Independent Director, cannot be the Chairman of the Board.

Cognizant of the limitations brought about by the limited members of the Board vis-a-vis the number of oversight committees as herein enumerated, several oversight committees may have the same set of members and/or elected chairperson, provided however, that:

- a. In NO case, should the minimum number of shared committee membership go below the resulting "Minimum Committee Sets", derived by dividing the total number of board members by the minimum committee membership of 3, the result rounded-down to the nearest ones; and
- b. Given, varying restrictions and/or requirements across oversight committees sharing the same set of committee members and/or chairmanship, the requisites of the committee with the higher requirement or restriction shall be observed.

In order to aid in compliance with the principles of good corporate governance, the Board of Directors shall constitute, at a minimum the following Committees:

AUDIT COMMITTEE

The Audit Committee assists the Board in its oversight of management's responsibilities to ensure that there is an effective system of controls reasonably designed to safeguard the assets and income of the

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

organization, and to assure the integrity of the Company's financial statements. The committee further provides oversight functions over the Company's independent registered public accounting firm, and is the committee to whom the Company's Internal Audit group will be made directly accountable to.

Purpose

- The Audit Committee shall oversee the financial reporting, risk management, and compliance to Company's policies, processes, and guidelines.
- It shall be composed of at least three (3) appropriately qualified non-executive directors with relevant experience, . A majority of the members, including the Chairman shall be independent Directors.
- The Audit Committee acts as the primary safeguard that ensures transparency, integrity, and accountability of the financial results of the Company's operations.

Responsibilities

- i. Enhanced financial reporting: The committee shall review and approve the release of the Company's audited financial statements, ensuring further the effectiveness of the overall financial reporting framework in place, and its compliance with the relevant regulations and accounting standards. The committee shall assist to maintain the accuracy and reliability of financial information, providing confidence to investors and other stakeholders.
- ii. Risk management and internal controls: The committee shall monitor and evaluate the adequacy and propriety of the Company's internal controls and risk management systems to safeguard the Company's assets and minimize the chances of fraud or mismanagement.
- iii. Compliance and ethical standards: It shall ensure that the organization operates within the boundaries of laws and regulations and its ethical standards. This supervision is vital for maintaining the Company's reputation, integrity, and ethical practices.
- iv. Build relationships with external auditors: It shall select and endorse to the Board the appointment, reappointment, and removal of the external auditors, and recommend their fees. It shall oversee their work and maintain direct communication with them, ensuring their independence, objectivity, and effectiveness. This relationship shall help foster a robust auditing process and will help promote open dialogue between the auditors and the committee. This shall include providing the external auditor with the conditions and opportunity to perform their duties as stipulated by law, and monitor the implementation of the procedure.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- v. Conduct the internal audit system review as this will make an important contribution to long-term sustainable growth and development by regularly monitoring and improving the results of the Company's risk management and internal control activities.

The Audit Committee, shall exercise general oversight over the RPT and Compensation & Management Development Committees.

RELATED PARTY TRANSACTION (RPT) COMMITTEE

The RPT Committee exercises general oversight with respect to the Company's Related Party Transactions intended to ensure that every related party transaction is conducted in a manner that will protect the Metrobank Group from conflict of interest which may arise between the Metrobank Group and its Related Parties; and the proper review, approval, ratification and disclosure of transactions between the Company and any of its related party/ies as required in compliance with legal and regulatory requirements.

Related Party Transaction: The Company adopts Metrobank Group's established policies and procedures on related party transactions. These include definition of related parties, coverage of RPT policy, guidelines in ensuring arm's length terms, identification and prevention or management potential or actual conflicts of interest which arise, adoption of materiality thresholds, internal limits for individual and aggregate exposures, whistle-blowing mechanisms, and restitution of losses and other remedies for abusive RPTs. The RPT Committee reviews and endorses to the Board for final approval all material RPTs.

Purpose

- The RPT Committee shall be composed of at least three (3) non-executive directors without conflicting interest in a particular RPT, a majority of whom, including the Chairman, shall be Independent Director. The Chairman shall be chosen from among the Independent Directors. In case a member of the

RPT Committee has conflict of interest in a particular RPT, he/she should refrain from evaluating that particular transaction. The Compliance Officer or Internal Auditor may sit as resource persons in the said Committee.

Responsibilities

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- i. Evaluate, on an ongoing basis, existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships shall be reflected in the relevant reports to the Board and regulators/ supervisors.
- ii. Evaluate all Material Related Party Transactions (MRPT) to ensure that these are not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.
- iii. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties.
- iv. Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- v. Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.
- vi. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

For purposes of this provision, the following definitions shall be applied:

Related Parties shall cover the Company's parent, subsidiaries as well as affiliates and special purpose entities that the Company exerts direct/indirect control over or that exerts significant influences over the Company; the directors; officers; stockholders and related interests and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interests may pose potential conflict with the interest of the Company, hence, is identified as a related party.

Related Party Transactions ("**RPT**") shall mean the transfer of resources, services or obligations between the Company and its related parties as defined in the preceding section above, regardless of whether a price is charged. It shall be interpreted broadly to include not only transactions that

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

Material Related Party Transactions (“MRPT”) shall mean any related party transaction/s, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Company’s Total Assets based on its latest Audited Financial Statement (AFS).

COMPENSATION & MANAGEMENT DEVELOPMENT (CMD) COMMITTEE

The Compensation & Management Development Committee assists the Board in its oversight of management’s responsibilities to ensure that the Company institutes a competitive compensation and benefits program founded on fair and equitable principles and practices, further ensuring that a succession plan is in place for its key executives and officers.

Purpose

- The CMD Committee shall be composed of at least three (3) non-executive directors with relevant experience, and from among the Independent Director members its Chairman shall be chosen.
- The CMD Committee will be responsible for the review and approval of the Company’s compensation structure across all levels in the organization.

Responsibilities

- i. It shall meticulously evaluate executive compensation, incentive plans, and alignment with Company goals since it plays a pivotal role in ensuring a balance between motivating leadership and safeguarding the Company’s financial health.
- ii. It shall provide insights and shall review and approve the initial organizational structure and any subsequent major changes required to cope with the growing scope and needs of the Company.

CORPORATE GOVERNANCE, RISK & COMPLIANCE (CGRC) COMMITTEE

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

The CGRC Committee exercises general oversight with respect to the Company's Corporate Governance, Enterprise Risk Management, Compliance and Data Privacy policies and procedures. The Company's CGRCDP Officer is directly accountable to the CGRC Committee.

Purpose

- The CGRC Committee shall be composed of at least three (3) members of the, a majority of whom, including the Chairman, shall be independent Directors.
- The CGRC Committee will be responsible for the review and approval of the Company's overall strategy and implementation policies and guidelines on Corporate Governance, Enterprise Risk Management, and Compliance.

Responsibilities

- i. Assists the Board in its oversight of management's responsibility to implement an effective global risk management framework reasonably designed to identify, assess and manage the Company's strategic, market, and operational risks.
- ii. Evaluate and recommend corporate governance practices to the Board applicable to an insurance and reinsurance broker.
- iii. Monitors the Company's compliance with respect to data privacy, anti-money laundering, and other requirements by any of its respective the regulatory agencies
- iv. Regularly reviews the Company's risk management activities, evaluates the results of the internal control system for risk control and detection, and presents relevant recommendations to the Board .
- v. Reviews the Company's guidelines and structures for compliance monitoring, ensuring its effectiveness and independence, and recommends the necessary corrective actions to be undertaken to Management and the Board.
- vi. Oversee reputational risks and conducts risks within its scope of responsibility.

L. Key Officers and their Respective Responsibilities

➤ Chief Executive Officer / President

- The Chief Executive Officer of the Company shall be the President who shall be elected by the Board of Directors from among its members.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- The Chief Executive Officer/President of the Company shall, among other powers and duties inherent in his office, execute and administer the policies, measures, orders and resolutions approved by the Board of Directors, and acts as the main point of communication between the Board of Directors and corporate operations. He is also the public face of the Company.
- Responsibilities:
 - i. To execute all contracts and to enter into all authorized transactions in behalf of the Company.
 - ii. Supervise the decisions or actions of subordinate officers and all other powers that may be granted by the Board.
 - iii. To appoint, promote or remove employees and officers of the Company, except those who are appointed or removed by the Board of Directors.
 - iv. To transfer, assign and reassign officers and personnel of the Company in the interest of the service.
 - v. To report periodically to the Board of Directors on the operations of the Company.

➤ **Corporate Secretary**

- The Corporate Secretary is an officer of the Company, who must be a Filipino citizen and a resident of the Philippines,
- The Corporate Secretary must be a member of the Philippine Bar.
- The Corporate Secretary shall be separate from the Compliance Officer and shall not be a member of the Board.
- The Corporate Secretary shall preferably possess working knowledge related to insurance, as well as of the operations of the Company.
- Responsibilities:
 - i. Notify all the parties concerned of any stockholders and Board meetings.
 - ii. Inform the members of the Board of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matter that require their approval.
 - iii. Attend all Board meetings and provide proper assistance to the members of the Board during all Board and Stockholders' meetings while they are in the performance of their duties and

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- responsibilities under Philippine laws and the Company's By-Laws
- iv. Safekeep and preserve the integrity of the Minutes of the meetings, as well as the other official records of the Company.
- v. Prepare the Agenda for the Board and Executive Committee meetings and assist the Directors in attending seminars and trainings.
- vi. Attend annual trainings on corporate governance.

➤ **Corporate Governance and Risk Officer**

- Responsibilities:
 - i. Ensure compliance with regulatory and statutory laws and obligations of the Company.
 - ii. Prepare the agenda of the CGRC Board Committee in coordination with the Corporate Secretary, in relation to all corporate governance and risk related matters.
 - iii. Supervise the entire Enterprise Risk Management (ERM) process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
 - iv. Keep a list of existing and new regulatory provisions, developments, and best practices affecting the Company's conduct of business and activities.
 - v. Supervise the Enterprise Risk Management process and spearhead the development, implementation, maintenance and continuous improvement of the risk management processes and documentation, including the regular updating of risk registers.
 - vi. Communicate the top risks and status of risk mitigating, risk management strategies, and action plans.
 - vii. Identify key risk indicators that matter to corporate goals and strategies and measure them to help the CGRC Board Committee to determine the Company's risk appetite, thresholds, and tolerance levels.
 - viii. Monitor compliance of risk and governance policies and procedures and report to appropriate authorities.
 - ix. Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee;
 - x. Suggest ERM policies and related guidance, as may be needed; and
 - xi. Provide insights on the following:

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

1. Risk management processes are performing as intended
2. Risk measures reported are continuously reviewed by risk owners for effectiveness; and
3. Established risk policies and procedures are being complied with

➤ **Compliance Officer**

- Responsibilities:
 - i. Ensure compliance with regulatory and statutory laws and obligations of the Company.
 - ii. Prepare the agenda of the CGRC Board Committee in coordination with the Corporate Secretary, in relation to all compliance related matters.
 - iii. Keep a list of existing and new regulatory provisions, developments, and best practices affecting the Company's conduct of business and activities and monitor its prompt compliance.
 - iv. Receive summons and appear in court on any breach of laws and regulations to clarify any non-compliant issues
 - v. In charge of monitoring the Company's compliance with the provisions and requirements of the Corporate Governance Manual and relevant rules and regulations as well as keeping the Directors updated regarding any related statutory changes.
 - vi. Appear before the Securities and Exchange Commission (SEC), Insurance Commission (IC), Anti-money Laundering Council
 - vii. (AMLC), and such other regulatory agencies when summoned in relation to the Company's compliance with the regulations.
 - viii. Issue a certification every January 30th of the year on the extent of the Company's compliance with SEC's Revised Code of Corporate Governance for the completed year, and if there are any deviations, explain the reason for such deviation.
 - ix. Ensure proper onboarding of new directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws, among others).
 - x. Report matters to the Board if violations are found and recommends the imposition of appropriate disciplinary action.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- xi. Ensure the integrity and accuracy of all documentary submissions to regulators.
- xii. Appear before the IC when summoned in relation to compliance with this Code.
- xiii. Collaborate with other departments to properly address compliance issues, which may be subject to investigation.
- xiv. Identify possible areas of compliance issues and works towards the resolution of the same.
- xv. Ensure the attendance of board members and key officers to relevant trainings.

➤ **Data Privacy Officer**

- Responsibilities:
 - i. Ensure Company's compliance with data privacy laws and regulations laws.
 - ii. Prepare the agenda of the CGRC Board Committee in coordination with the Corporate Secretary, in relation to all data privacy related matters.
 - iii. Keep a list of existing and new regulatory provisions, developments, and best practices in relation to the Data Privacy Act (DPA) of 2012 and monitor its prompt compliance.
 - iv. In charge of monitoring the Company's compliance with the provisions and requirements of the DPA and relevant rules and regulations as well as keeping the Directors updated regarding any related statutory changes.
 - v. Appear before the National Privacy Commission (NPC) and such other regulatory agencies when summoned in relation to the Company's compliance with the DPA and related regulations.

➤ **The External Auditor**

- The External Auditor shall ensure the establishment and maintenance of an environment of good corporate governance as reflected in the financial records and reports of the Company.
- The Board, after consultations with the Audit and CGRC Committees, shall recommend to the stockholders an External Auditor duly accredited by the SEC and the IC.
- The External Auditor elected by the stockholders shall undertake an independent audit of the Company, and shall provide an objective assurance regarding the manner under which the

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

financial statements are prepared and presented to the stockholders.

- The External Auditor of the Company shall not at the same time provide internal audit services to the Company. Non-audit work may be given to the External Auditor provided it does not conflict with his duties as an independent auditor or does not pose a threat to his independence.
- If the External Auditor resigns, is dismissed, removed, or ceases to perform his services, the reason/s and date of effectivity of such action shall be disclosed to the appropriate regulators and the public through the Company's website and required reports or disclosures. The report shall include a discussion of any disagreement between him and the Company on accounting principles or practices, financial statement disclosures or audit procedures which the former auditor and the Company failed to resolve satisfactorily.
- If the External Auditor believes that any statements made in the Company's annual report, information statement or any report filed with the SEC or any regulatory body during the period of his engagement is incorrect or incomplete, he shall properly present his views in the said reports; and
- The Company's External Auditor shall be rotated or changed every five (5) years earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency.
- The External Auditor shall form an opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework based on the evaluation of the conclusions drawn from the audit evidence obtained; and express that opinion clearly through a written report that also describes the basis for the opinion.
- The external auditor shall identify and assess the risk of material misstatements in the Company's financial statements, taking into consideration the Company's operations, control environment and its components as well as the Company's financial reporting systems. The assessment shall also take into account qualitative aspects of the Company's accounting practices, including indicators of possible biases in management's judgments. The External Auditor should, likewise, assess, and communicate to the Audit and CGRC Committees the results of its assessment on the capability of the Company's management, the strength of the Company's control environment, and the adequacy of the Company's accounting/ information systems to comply with financial and prudential reporting responsibilities.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- The external audit team is expected to be composed of members whose collective skills and competence are commensurate with the size and complexity of the operations of the Company.

➤ The Internal Auditor

- The Company shall have in place an independent internal audit which shall be performed by an Internal Auditor or a group of Internal Auditors, through which the Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.
- The Company shall have in place an effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all stockholders and stakeholders.
- The CGRC Committee shall be responsible for the endorsement to the Board for approval of the appointment of the Internal Auditor as recommended by the Audit Committee.
- Where applicable and as determined by the Board, the Company shall appoint a qualified Chief Audit Executive/Internal Auditor possessing the competence, experience, and independence necessary to effectively perform the internal audit function.
- The Chief Audit Executive/Internal Auditor shall render to the Board and its Audit & CGRC Committees and senior management an annual report on the internal audit department's activities, purpose, authority, responsibility and performance relative to their audit.
- The minimum internal control mechanisms for management's operational responsibility shall center on the Chief Operating Officer or his equivalent, being ultimately accountable for the Company's organizational and procedural controls; and
- The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature

and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

III. CODE OF ETHICS

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

To correctly define the values and vision of the Company, and to conduct legal, ethical and responsible activities, the Board of Directors shall approve the code of conduct & ethics, inform the public and monitor its implementation.

- In order to increase and maintain its value in the long term, the Company shall adhere to certain standards of legal, ethical and professional responsibility in its operations. The Company shall implement certain measures to strengthen and protect the business reputation and foster respect among its customers, suppliers, creditors, employees, supervisors and regulators.
- The Company's values and code of ethics are approved by the Board of Directors, and the Executive Management shall be responsible for its introduction and implementation in the organization. In this regard, the Executive Management shall regularly organize internal training to enable them to adopt principles and attitudes by their own example.

The Board of Directors will periodically review the implementation of the Code of Ethics, the detected ethical violations, and the process of their resolution, and make necessary reforms and changes.

Further, the Board of Directors shall ensure that there is a system to allow "whistleblowers" to report any illegal activities or ethical violations to the Board of Directors or the relevant committee under it.

- Ethical standards to be followed by authorized officials and employees of the Company shall be included in the Code of Conduct, and in case of violation, a system of reporting and imposing responsibility shall be established and updated if necessary.
- The Board of Directors shall create the opportunity to inform the Board of Directors or the relevant committee attached to it of information about disrespectful, unethical, irresponsible, or illegal actions of the Company's values. Regulations shall likewise be introduced to preserve the confidentiality of the identity of the person who provided the information, or the "whistleblower", and to protect his reputation, salary, and job.
- The Board of Directors shall organize regular training for the Company's authorized officers and employees on the "whistleblowing" system and how to provide, receive, and resolve information according to it.

The Code of Ethics shall regulate freedom from corruption and official crimes, support and/or non-support of or donation to political activities.

- It is a criminal offense for the Company's authorized officers and employees to give improper rewards, bonuses or bribes to government officials, and it is an act that is highly harmful to the Company's reputation. Therefore, the Board of

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

Directors shall provide relevant personnel with regular training to prevent corruption.

- The Board of Directors shall include certain principles and limits in its instructions and procedures regarding donations and support to political parties, movements, organizations and citizens engaged in political activities, and shall monitor their implementation.

IV. RIGHTS AND PROTECTION OF STOCKHOLDERS

Right to Vote.

Stockholders shall have the right to elect, remove and replace Directors and vote on certain corporate acts in accordance with the Revised Corporation Code. Cumulative voting shall be used in the election of Directors.

Right to inspect corporate books and records.

Stockholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the Directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the Company, relationships among Directors and key officers, and the aggregate compensation of Directors and officers;

Right to Information.

Stockholders shall be provided, with information about its operations, financial status, governance organization, and performance results through its website or annual report.

Appraisal Right.

Stockholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the Revised Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of the outstanding shares of any class, or of extending or shortening the term of corporate existence;

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate and assets of the Company; and
- In case of merger or consolidation.

Pre-emptive Right.

Stockholders shall enjoy pre-emptive right to subscribe to all issues or disposition of shares in proportion to their respective shareholdings in accordance with the Revised Corporation Code of the Philippines.

Right to Dividends.

Dividends shall be declared and paid out of the surplus profits of the Company as often and at such times as the Company may determine and in accordance with the provisions of the law and regulations.

V. ALTERNATIVE DISPUTE MECHANISM

The Company adopts alternative dispute resolution mechanism pursuant to the Insurance Commission's Revised Code on Corporate Governance as a means to amicably settle intra-corporate disputes involving: directors, officers, employees, and corporation, where applicable. Considering that the Company is a wholly-owned subsidiary of Metrobank, existing group governance, escalation, and dispute resolution mechanisms of the parent organization may be utilized where appropriate.

VI. REPORTS AND DISCLOSURES

The Board shall commit at all times to fully disclose all material information which could adversely affect the interest of the stockholders and other stakeholders and which shall be disclosed in a timely manner.

The reports or disclosures required under this Manual shall be prepared and submitted to the Insurance Commission or Securities and Exchange Commission EC by the responsible office/officer.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

The Company shall submit all necessary reports that may be prescribed by the regulatory bodies/agencies in accordance with existing regulations covering related party transactions among entities.

VII. COMMUNICATION PROCESS AND STAKEHOLDER ENGAGEMENT

The Company shall establish and maintain an appropriate, effective, and transparent communication process to ensure timely, accurate, and meaningful dissemination of information to its stakeholders, including clients, business partners, regulators, employees, and other relevant parties.

In support thereof, the Company shall adopt the following communication mechanisms:

a. Corporate Website and Digital Platforms

The Company shall maintain an official website and/or utilize authorized digital communication channels as may be appropriate to disclose relevant corporate information, products and services, customer advisories, governance-related disclosures, regulatory information, contact details, and other matters necessary to promote transparency and accessibility to stakeholders.

b. Regulatory and Governance Disclosures

The Company shall ensure timely and accurate submission and disclosure of information required by the Insurance Commission and other applicable regulatory agencies, including disclosures relating corporate governance, compliance, and material developments, in accordance with applicable laws, rules, and regulations.

c. Stakeholder Communication Channels

The Company shall maintain appropriate communication channels through which stakeholders may submit inquiries, requests, complaints, feedback, or concerns. Such channels may include electronic mail, customer service facilities, website interfaces, official correspondence channels, and other authorized communication mechanisms.

d. Integration with the Group Communication Frameworks

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

Considering that the Company is a wholly-owned subsidiary of Metrobank, the Company may, where appropriate and applicable leverage existing communication, escalation, customer engagement, and stakeholder management processes established within the Metrobank Group, provided that such arrangements remain consistent with the Company's regulatory obligations and governance requirements.

e. Confidentiality and Data Protection

All communications and disclosures shall be undertaken in accordance with applicable confidentiality requirements, data privacy laws, banking and insurance regulations, and internal security policies.

f. Responsibility and Oversight

Management shall be responsible for implementing and maintaining the communication process, while the Board, through the appropriate committee/s, shall oversee the effectiveness of stakeholder communication and transparency mechanisms.

VIII. SUSTAINABILITY PRACTICES

In support of the Metrobank Group's commitment to sustainable development and responsible corporate citizenships, First Metro Insurance and Reinsurance Brokers Inc.'s (FMIRBI) recognizes that long term business success is founded on sound governance, responsible business practices, environmental stewardship, and meaningful stakeholder engagement.

As a licensed insurance and reinsurance brokerage, FMIRBI seeks to create a sustainable value for its clients, shareholders, employees, regulators, and business partners by integrating sustainability considerations into its governance framework, risk management practices, and day-t-day operations.

FMIRBI adopts the following sustainability pillars as guiding principles in conducting its business:

a. Economic and Governance Sustainability

FMIRBI is committed to maintaining high standards of corporate governance, ethical business conduct, regulatory compliance, and prudent risk management. The company strives to deliver professional and innovative insurance and healthcare

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

brokerage solutions while ensuring operational efficiency, financial resilience, and responsible business growth.

To support these objectives, FMIRBI maintains a comprehensive risk management and internal control framework designed to identify, assess, monitor, and mitigate risks that may affect the achievement of its strategic goals. Through continuous oversight, compliance monitoring, and periodic Risk and Control Self-Assessments (RCSA), the Company promotes accountability, transparency, and informed decision-making across the organization. .

b. Environmental Sustainability

FMIRBI is committed to minimizing the environmental impact of its operation through responsible resource management and environmentally conscious business practices. Recognizing the importance of environmental stewardship, the Company promotes the efficient use of energy, paper, and other office resources.

As part of its digital transformation initiatives, FMIRBI actively supports paperless processes, electronic documentation, digital communications, and technology-enabled workflows to reduce waste and improve operational efficiency. The Company shall continue to pursue opportunities that contribute to a more sustainable and environmentally responsible workplace.

c. Social Responsibility & Community Wellbeing

FMIRBI recognizes that sustainable growth extends beyond financial performance and includes contributing positively to society and communities it serves. The Company fosters a workplace culture founded on integrity, professionalism, respect, diversity, and employee development.

FMIRBI supports initiatives that promote community engagement, volunteerism, financial literacy, and social responsibility, whether through participation in Metrobank Group programs or Company-led activities. The Company likewise seek to maintain a safe, inclusive, and supportive working environment that enables employees to contribute meaningfully to organizational success and community development.

FIRST METRO INSURANCE AND REINSURANCE BROKERS INC.

IX. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL

The Company shall establish an evaluation system to determine and measure compliance with this Manual. Violation of any provision of this manual shall be subjected to penalty in accordance with the rules and regulations of the Company.

IX. EFFECTIVITY

This Corporate Governance Manual shall take effect within fifteen (15) days upon approval of the Board of Directors – 17 December 2024.