

MEMBERSHIP

Committee Position	Designated Member
Chairman	Angelica H. Lavares (ID)
Regular Members	Francisco F. Del Rosario, Jr. (ID) Jesli A. Lapus (ID) Arthur V. Ty (Chairman/NED)
Corporate Governance Officer	Arnulfo B. Pascioles, Jr.
Resource Person	Laarni D. Bernabe
Secretary	Sheila M. Sebastian

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. 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. Oversee the implementation of the corporate governance framework and periodically reviews the same framework to ensure that it remains appropriate in light of material changes to the group's size, complexity and business strategy, as well as its business and regulatory environments.
 2. Adopt corporate governance and compliance policies, practices and structures that will enable effective oversight over entities in the group and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance across the group.
 3. Make recommendations to the Board on matters pertaining to the assignment to Board committees, as well as succession plan for the members of the Board and senior management.
 4. Oversee the continuing education/training programs for the Board.
 - a. Proposes and plans relevant trainings for the members of the Board
 - b. Ensure allocation of sufficient time, budget and other resources for the continuing education of directors and draw on external expertise as needed.
 - c. Establish and ensure effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for all directors
 5. Oversee the performance evaluation process

- a. Oversee the periodic evaluation of contribution and performance (e.g., competence, candor, attendance, preparedness and participation) evaluation of the Board and its committees, executive and senior management
 - b. Ensure that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement.
 - c. Perform annual self-assessment using the self-assessment form.
 - d. Determine whether or not a director or officer who has multiple positions is able to and has been adequately carrying out his/her duties and, if necessary, recommend changes to the Board based upon said performance/review.
 - e. Appraise the annual performance of the Chief Compliance Officer.
6. Oversee the design and operation of the remuneration and other incentives policy
 - a. Ensure that the remuneration and other incentives policy is aligned with operating and risk culture as well as with the strategic and financial interest of the Bank, promotes good performance and conveys acceptable risk-taking behavior, and complies with legal and regulatory requirements
 - b. Work closely with the Risk Oversight Committee in evaluating the incentives created by the remuneration system
7. Provide oversight in the implementation of the Bank's compliance system.
 - a. Ensure that oversight on the Bank's compliance management is adequate.
 - b. Ensure that a Compliance Program is defined for the Bank and that compliance issues are resolved expeditiously
 - c. Review, at least annually, the Bank's Compliance Program in accordance with existing regulatory requirements, in support of the Bank's goals and strategies and recommend approval thereof by the Board.
 - d. Monitor the implementation of the Bank's Compliance Program and ensure that compliance issues are resolved expeditiously.
 - e. Monitor the Bank's compliance with the applicable laws, regulations and rules of regulatory agencies and recommend to the Board appropriate actions.
 - f. Review the regular reports submitted by Compliance Division as well as reports on significant compliance issues, general status of Bank's level of compliance, relevant regulations, updates and other compliance matters.
8. To contribute to the Board's effective oversight functions over entities in the group, CGCCOM shall require Compliance Division to, among others:
 - a. Provide compliance oversight function over the Bank's BSP-supervised Financial Subsidiaries and Affiliates (FSAs).
 - b. Conduct a formal review of the structure, their controls and activities to assess consistency with the Board approved policies, practices and strategies and report the results of the assessment to the CGCCOM.
 - c. Ensure open communication with BSP-supervised financial subsidiaries and affiliates thru generation and sharing of information of relevant and recent regulatory issuances and sharing and benchmarking of appropriate compliance and corporate governance best practices and policies. This is to ensure synergy of compliance policies including corporate governance between and among the group.

9. Oversee the preparation of Annual Report and ensure that the Bank fully discloses the minimum disclosure requirements per regulation.

Composition

The members of the CGCCOM shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson.

As a rule, a member may only serve for a maximum cumulative term of nine (9) years. However, on the recommendation of the Chairman of the Board, thru the Nominations Committee, the Board may waive this requirement.

The Committee members, including the Chairman, may be occasionally rotated.

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 at 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 intended 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 Compliance Officer/Corporate Governance Officer and communicated to the Committee Secretary.

The Committee Secretary shall then send out notices at least five (5) banking days before the meeting date. He/She shall likewise prepare/distribute the minutes and make 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.

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 describe 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
1	Needs Improvement - Compliance has not been made/not being observed; NO
2	Fair - Compliance has been made/being observed some of the time
3	Good - Compliance has been made/being observed most of the time
4	Excellent - Full compliance has been made; YES

	Rating
Composition	
1. The members of the Committee are appointed annually by the Board.	1 4
2. The Committee is composed of at least three (3) Board members, who shall all be non-executive directors (NED), majority of whom shall be independent directors, including the Chairperson.	1 4
3. The Committee members, including the Chairman, shall have a maximum cumulative term of 9 years.	1 4
Duties and responsibilities of the Corporate Governance Committee	
4. The Committee oversees the implementation of the corporate governance framework and periodically reviews the same framework to ensure that it remains appropriate.	1 2 3 4
5. 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.	1 2 3 4
6. 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.	1 2 3 4
7. The Committee oversees the continuing education/training programs for the Board:	1 2 3 4
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.	1 2 3 4

c. Establishes and ensures effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for all directors	1	2	3	4
8. 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	1	2	3	4
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.	1	2	3	4
c. Performs annual self-assessment using the self-assessment form.	1	2	3	4
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.	1	2	3	4
e. Appraise the Annual Performance of the Chief Compliance Officer	1	2	3	4
9. 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.	1	2	3	4
b. Works closely with the Risk Oversight Committee in evaluating the incentives created by the remuneration system	1	2	3	4
10. The Committee oversees the implementation of the Bank's Compliance System:				
a. Ensures that oversight on the Bank's compliance management is adequate.	1	2	3	4
b. Ensures that a Compliance Program is defined for the Bank and that compliance issues are resolved expeditiously.	1	2	3	4
c. Reviews, at least annually, the Bank's Compliance Program in accordance with existing regulatory requirements.	1	2	3	4
d. Monitors the implementation of the Bank's Compliance Program and ensure that compliance issues are resolved expeditiously	1	2	3	4
e. Monitors the Bank's compliance with the applicable laws, regulations and rules of regulatory agencies and recommend to the Board appropriate actions.	1	2	3	4
f. 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	1	2	3	4
11. The Committee oversees functions over entities in the group:				
a. Provides compliance oversight function over the Bank's BSP-supervised Financial Subsidiaries and Affiliates (FSAs).	1	2	3	4
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.	1	2	3	4
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.	1	2	3	4
12. Oversee the preparation of Annual Report and ensures that the Bank fully discloses the minimum disclosure requirements per regulation	1	2	3	4

13. Reviews, annually or as necessary, the Committee Charter.	1	2	3	4
Conduct of meetings and reporting to the Board				
13. The Committee meets once every quarter or as necessary..	1			4
14. The Committee reports to the Board once every quarter or as necessary.	1	2	3	4
Average:				

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

Signature over Printed Name