



2017 REVISED MANUAL OF CORPORATE GOVERNANCE

The framework for corporate governance of Metro Global Holdings Corporation (“Metro Global”) is contained in its Articles of incorporation and By-Laws, as the same may be amended from time to time. The Articles of Incorporation and By-Laws provide the basic structure of governance and corporate standards of Metro Global, including the duties, responsibilities, and functions of its Board of Directors, officers and employees.

This Manual of Corporate Governance supplements and complements the provisions of Articles of Incorporation and By-laws of Metro Global. The Board of Directors and the management of Metro Global hereby commit themselves to the principles of good corporate governance contained in this Manual and acknowledge their significance in guiding the corporation attain its goals and objectives.

1.1 Objective

This Manual shall serve to institutionalize Metro Global's principles of good corporate governance. For this purpose, the Board of Directors, the management, the employees and the shareholders of Metro Global shall exert utmost efforts to promote and encourage awareness of these principles, with the end in view of fostering a corporate environment grounded on sound strategic business management.

1.2 Definition of Terms

Board of Directors - the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.

Conglomerate - a group of corporations that has diversified business activities in varied industries, whereby the operations of such businesses are controlled and managed by a parent corporate entity.

Corporate Governance - the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management

accountable for ensuring ethical behavior – reconciling long- term customer satisfaction with shareholder value – to the benefit of all stakeholders and society.

Its purpose is to maximize the organization’s long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

Enterprise Risk Management - a process, effected by an entity’ s Board of Directors, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives

Exchange – an organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities.

Executive Director - a director who has executive responsibility of day-to-day operations of a part or the whole of the organization.

Independent Director - a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Internal audit – an independent and objective assurance activity designed to add value to and improve the corporation’s operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes.

Internal audit department – a department or unit of the corporation and its consultants, if any, that provide independent and objective assurance services in order to add value to and improve the corporation’s operations.

Internal Auditor – the highest position in the corporation responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.

Internal control - a process designed and effected by the board of directors, senior management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization’ s policies and procedures.

Internal control system – the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed.

Management – a group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation.

Non-audit work – the other services offered by an external auditor to a corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor.

Non-executive Director – a director who has no executive responsibility and does not perform any work related to the operations of the corporation.

Related Party – shall cover the company’ s subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the company exerts direct or indirect control over or that exerts direct or indirect control over the company; the company’ s directors; officers; shareholders and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Company.

Stakeholders – any individual, organization or society at large who can either affect and/or be affected by the company’ s strategies, policies, business decisions and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

1.3 Rules of Interpretation

- A) All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.
- B) All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the corporation.

2. COMPLIANCE SYSTEM

2.1. Compliance Officer

- 2.1.1. To ensure adherence to the principles of good corporate governance, the Board should ensure that it is assisted in its duties by a Compliance Officer, who should have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. The Compliance Officer should not be a member of the Board of Directors and should annually attend a training on corporate governance.

The Corporate Compliance Officer shall report directly to the Chairman of the Board in connection with all matters relating to the discharge and performance of his duties as provided in this Manual.

- 2.1.2. The Compliance Officer is a member of the company's management team in charge of the compliance function. Similar to the Corporate Secretary, he/she is primarily liable to the corporation and its shareholders, and not to the Chairman or President of the company. He/she has, among others, the following duties and responsibilities:

- a. Ensure proper onboarding of new directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws, among others);
- b. Monitor, review, evaluate and ensure the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
- c. Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action;
- d. Ensure the integrity and accuracy of all documentary submissions to regulators;
- e. Appear before the Securities and Exchange Commission when summoned in relation to compliance with this Manual;
- f. Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identify possible areas of compliance issues and work towards the resolution of the same;
- h. Ensure the attendance of board members and key officers to relevant trainings;
- i. Perform such other duties and responsibilities as may be prescribed by the Board of Directors, consistent with and in accordance with the objectives this Manual and as may be provided by the Securities and Exchange Commission.

- 2.1.3. The appointment of the Compliance Officer shall be immediately disclosed to the Securities and Exchange Commission through SEC Form 17-C within three (3) days from his appointment or such period of time as may be required by law. All

correspondence relative to his functions as such shall be addressed to said officer.

2.2. Board Governance

2.2.1 Board of Directors

Compliance with the principles of good corporate governance starts with the Board of Directors (the “Board”). The Board of Directors is primarily responsible for the governance of the corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of Metro Global, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

All directors should be properly oriented upon joining the board to ensure that new members are appropriately apprised of their duties and responsibilities, before beginning their directorships. First time directors shall be required to attend at least an eight hour orientation program which covers SEC-mandated topics on corporate governance and an introduction to the company's business, Articles of Incorporation, the Code of Conduct and this Manual.

All other directors shall be required to attend an annual continuing training program of at least four (4) hours to make certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company. The annual continuing training program shall involve courses on corporate governance matters relevant to the company, including audit, internal controls, risk management, sustainability and strategy.

Each director shall hold office for one (1) year and until his successor is elected and qualified in accordance with the By-Laws.

2.2.2 Composition of the Board of Directors

The Board should be composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector. The Board should always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the

needs of the organization based on the evolving business environment and strategic direction.

The Board of Directors shall be composed of such number of directors as may be provided in the Articles of Incorporation and By-Laws, but which shall at least be five (5) but not more than fifteen (15) members who are elected by the stockholders and who shall have all the qualifications and none of the disqualifications set forth in Articles of Incorporation and By-Laws, this Manual, the Corporation Code, the Securities Regulation Code and such other relevant laws, rules and regulations.

At least three (3) of these directors shall be independent directors as defined under law, or such independent directors as shall constitute at least thirty percent (30%) of the members of such Board, whichever is higher but in no case less than three (3).

The independent directors should possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.

An Independent Director refers to a person who, ideally:

1. Is not, or has not been a senior officer or employee of the company unless there has been a change in the controlling ownership of the company;
2. Is not, and has not been in the three years immediately preceding the election, a director of the company; a director, officer, employee of the company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the company's substantial shareholders and its related companies;
3. Has not been appointed in the company, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three years immediately preceding his election;
4. Is not an owner of more than two percent (2%) of the outstanding shares of the company, its subsidiaries, associates, affiliates or related companies;
5. Is not a relative of a director, officer, or substantial shareholder of the company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
6. Is not acting as a nominee or representative of any director of the company or any of its related companies;
7. 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;

8. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election;
9. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;
10. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and
11. Is not employed as an executive officer of another company where any of the covered company's executives serve as directors.

Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

The members of the Board is a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision making process. The Board should be composed of a majority of non-executive directors who possess the necessary qualifications and stature to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

Independent directors should serve for a maximum cumulative term of nine years. After which, the independent director should be perpetually barred from re-election as such in the company, but may continue to qualify for nomination and election as a non-independent director. In the instance that the company wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

The Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

The functions of the lead director include, among others, the following:

1. Serve as an intermediary between the Chairman and the other directors when necessary;
2. Convene and chairs meeting of the non-executive directors; and
3. Contribute to the performance evaluation of the Chairman, as required.

2.2.3 Multiple Board Seats

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities. The Chief Executive Officer (“CEO”) and other executive directors may be covered by a lower indicative limit for membership in other boards.

The non-executive directors of the Board should concurrently serve as directors to a maximum of five publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management’s proposals/views, and oversee the long-term strategy of the company.

2.2.4 The Chair and Chief Executive Officer

The Board should be headed by a competent and qualified Chairperson.

The roles of Chair and CEO should, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chair and CEO upon their election. If the positions of Chair and CEO are unified, the proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives.

The duties and responsibilities of the Chair in relation to the Board may include, among others, the following:

- i. Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;
- ii. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the

directors;

- iii. Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- iv. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- v. Maintain qualitative and timely lines of communication and information between the Board and Management.
- vi. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- vii. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- viii. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- ix. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- x. Make sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

2.2.5 Responsibilities, Duties and Functions of the Board

A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the company towards sustained progress.

i. General Responsibility

The Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and all shareholders. The board members should act in the interest of the company and all its shareholders, and not those of the controlling company of the group or any other stakeholder.

It is the Board's responsibility to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

ii. Duties and Functions

To ensure insure a high standard of best practice for Metro Global and its stockholders and other stakeholders, the Board of Directors should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- a) Install a process of selection to ensure a mix of competent directors and officers;
- b) Appoint a competent management team at all times, monitor and assess the performance of the management team based on established performance standards that are consistent with the company's strategic objectives, and conduct a regular review of the company's policies with the management team. In the selection process, fit and proper standards are to be applied on key personnel and due consideration is given to integrity, technical expertise and experience in the institution's business, either current or planned.
- c) Establish an effective performance management framework that will ensure that the Management, including the Chief Executive Officer, Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive and personnel's performance is at par with the standards set by the Board and Senior Management.
- d) Oversee the development of, formulate and approve the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance in order to sustain the company's long-term viability and strength.
- e) Review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures.
- f) Ensure that Metro Global complies with all relevant laws, regulations and codes of best business practices;
- g) Identify Metro Global 's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program, consistent with laws, rules and regulations;
- h) Identify the corporation's stakeholders in the community in which Metro Global operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.
- i) Adopt a system of internal checks and balances and regularly review the effectiveness of the same in order to ensure that the decision-making capability and the integrity of corporate operations and reporting systems are maintained at high levels at all times;

- j) Oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks with due diligence. The risk management framework should guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.
- k) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
- l) Ensure the adoption of a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy should include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy should encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations.
- m) Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- n) Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.
- o) Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted; and
- p) Keep Board authority within the powers of the institution as prescribed under the Articles of Incorporation, the By-Laws and in existing laws, rules and regulation.
- q) Appoint a Compliance Officer who should have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.
- r) Adopt an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value. This should include adopting a policy on the retirement

age for directors and key officers as part of management succession and to promote dynamism in the corporation.

- s) Align the remuneration of key officers and board members with the long-term interests of the company. In doing so, the Board should formulate and adopt a policy specifying the relationship between remuneration and performance, provided, no director should participate in discussions or deliberations involving his own remuneration and remuneration pay-out schedules should be sensitive to risk outcomes over a multi-year horizon.
- t) Develop a formal and transparent board nomination and election policy that should include how the Board accepts nominations from minority shareholders and review nominated candidates. The policy should also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, the Board's process of identifying the quality of directors should be aligned with the strategic direction of the company.
- u) Oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders, and overseeing the implementation of the key control functions, such as risk management, compliance and internal audit, and reviewing the corporation's human resource policies, conflict of interest situations, compensation program for employees and management succession plan.
- v) Approve the Internal Audit Charter.
- w) Formulate a Board Charter that formalizes and clearly states the roles, responsibilities and accountabilities in carrying out the fiduciary duties of the members of the Board serve as a guide to the directors in the performance of their functions.
- x) Conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the assessment should be supported by an external facilitator.
- y) Establish a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders.
- z) Adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The

Code should be properly disseminated to the Board, senior management and employees. It should also be disclosed and made available to the public through the company website.

- aa) Ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics which adopts an anti-corruption policy and program which endeavors to mitigate corrupt practices such as, but not limited to, bribery, fraud, extortion, collusion, conflict of interest and money laundering and a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.
- bb) Establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations, including full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board should appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.
- cc) Fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.
- dd) Adopt policies on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.
- ee) Establish an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. The IRO should be present at every shareholders' meeting.

2.2.6 Specific Duties and Responsibilities of a Director

A director should observe the following norms of conduct:

- i. Conduct fair business transactions with Metro Global and ensure that his personal interest does not bias or prejudice Board decisions;

A director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his

impartiality. A director with a material interest in any transaction affecting the corporation should fully and immediately disclose it and should abstain from taking part in the deliberations for the same.

A director who has a continuing material conflict of interest should seriously consider resigning from his position.

A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.

A director should notify the Board where he/she is an incumbent director before accepting a directorship in another company.

- ii. Devote time and attention necessary to properly discharge his duties and responsibilities;

A director should devote sufficient time to familiarize himself with the corporation's business. He should be constantly aware of and knowledgeable with the corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in all meetings of the Board, Committees, and Shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

- iii. Act judiciously;

Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

- iv. Exercise independent judgment;

A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollary, he should support plans and ideas that he thinks are beneficial to the corporation.

- v. Acquire a working knowledge of the statutory and regulatory requirements affecting Metro Global, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies;

A director should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.

- vi. Observe confidentiality;

A director should keep secure and confidential all non-public information he may

acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.

- vii. Ensure the continuing soundness, effectiveness and adequacy of Metro Global 's control environment and the system of checks and balances established by the Board.

The non-executive directors (NEDs) should have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation. The meetings should be chaired by the lead independent director.

- viii. A director should disclose/report to the company any dealings in the company's shares within three business days.

2.2.7 **Qualifications of Directors**

A director of Metro Global shall have the following qualifications:

Qualifications

- i. Owner in his own right of at least one (1) share of stock of Metro Global and;
- ii. He shall possess such other qualifications as may be provided in the Corporation Code, Securities Regulation Code and other relevant laws, By-Laws and none of the disqualifications provided under the By-Laws and this Manual.

The Board may provide for additional qualifications for membership in the Board which include, among others, the following:

- (i) College education or equivalent academic degree;
- (ii) Practical understanding of the business of the corporation;
- (iii) Membership in good standing in relevant industry, business or professional organizations; and
- (iv) Previous business experience.

2.2.8 **Disqualifications of Directors**

The following persons are disqualified from being a director of Metro Global:

Permanent Disqualifications

- i. Any person engaged in any line of business which is in direct competition, or is representative of interests who are directly antagonistic to the line of business or the interests of Metro Global. Said engagement includes, but is not limited to, the following acts:

- a. If the person is an officer, manager or controlling person of, or the owner (either of record or beneficially) of ten percent (10%) or more of any outstanding class of shares or, any corporation engaged in a business which the Board, by at least a majority vote determines to be competitive or antagonistic to that of Metro Global; provided however, that this disqualification will not apply to cases where the competing corporation is a parent, subsidiary or affiliate of Metro Global. (For this purpose, a parent, subsidiary or affiliate is: i) a corporation at least 30% of the capital stock issued and outstanding is owned by Metro Global; (ii) a shareholder, corporate or otherwise, owning at least 30% of the capital stock issued and outstanding of Metro Global; or (iii) a corporation which has a shareholder in common with Metro Global where such shareholder owns at least 30% of the capital stock issued and outstanding of both such other corporation and Metro Global, respectively).
 - b. If said person is an officer, manager or controlling person of, or the owner (either of record or beneficially) of ten percent (10%) or more of any outstanding class of shares of, any corporation or entity engaged in any line of business of Metro Global, when in the judgment of the Board of Directors, by at least a majority vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or
 - c. If the Board of Directors, in its exercise of sound judgment, determines by at least a majority vote, that said person is the nominee of any person set forth in (a) or (b);
- ii. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
 - iii. Any person finally found by the Commission or by a competent court of law or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or the Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Commission or the Bangko Sentral ng Pilipinas;
 - iv. Any person judicially declared to be insolvent;
 - v. If the independent director becomes an officer, employee or consultant of the same corporation he shall be automatically disqualified from being an independent director;
 - vi. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;
 - vii. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment; and

- viii. Any other ground or disqualification or removal as may be provided in the By-Laws, the Corporation Code, the Securities Regulation Code and other relevant laws, rules and regulations.

Temporary Disqualification

Any of the following shall be a ground for the temporary disqualification of a director:

- i. Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect for as long as his refusal persists;
- ii. Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election;
- iii. Dismissal/termination from directorship in another listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. . This disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination;
- iv. Being under preventive suspension by the Corporation;
- v. If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
- vi. Conviction that has not yet become final referred to in the grounds for the permanent disqualification of directors;

Temporary disqualification shall be at the discretion of the Board and will require a resolution of a majority of the Board. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

2.2.9 Board Meetings and Quorum Requirements

Members of the Board should attend regular and special meetings of the Board in person or via teleconference or by any other means allowed by the SEC. An independent director shall, as far as possible, shall always be in attendance. However, unless otherwise provided in the By-Laws, the absence of an independent director may not affect the quorum requirements if the independent director is duly notified of the meeting but notwithstanding such notice fails to attend. To promote transparency, the Board may require the presence of at least one independent director in all its meetings.

To monitor the directors' compliance with the attendance requirements, corporations shall submit to the Commission, on or before January 30 of the following year, a report on the Consolidated Changes in the Annual Corporate Governance Report from the previous year.

2.2.10 Internal Control Responsibilities of the Board

The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

- i. The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:
 - a. Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;
 - b. Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;
 - c. Evaluation of proposed senior management appointments;
 - d. Selection and appointment of qualified and competent management officers; and
 - e. Review of the corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.
- ii. The scope and particulars of the systems of effective organizational and operational controls may differ among corporations depending on, among others, the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.
- iii. A corporation may establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

2.2.11 Adequate and Timely Information

To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.

2.2.12 Remuneration of Directors and Officers

The levels of remuneration of the corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

Metro Global may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation. No director should participate in deciding on his remuneration.

Metro Global's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

To protect the funds of a corporation, the Commission may, in exceptional cases, e.g., if Metro Global is placed under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers.

2.3 Board Committees

To aid in complying with the principles of good corporate governance and in the performance of its functions, the Board may create such committees, as it may deem necessary. The Board of Directors may constitute the following committees and appoint their respective members:

2.3.1 Executive Committee

The Board of Directors may create an Executive Committee which shall be composed of not less than three (3) members of the Board, including the Chairman thereof. The members of the Executive Committee shall serve for a period of one (1) year or until their successor(s) shall have been duly appointed and qualified.

The Executive Committee shall act by majority vote of all its members on such specific

matters within the competence of and as may be delegated by the Board except with respect to the following:

- i. Approval of any action for which a shareholders' approval is also required;
- ii. Filling of vacancies in the Board.
- iii. Amendment or repeal of By-Laws or the adoption of new By-Laws;
- iv. Amendment or repeal of any resolution of the Board, which by its express terms is not so amenable or repealable; and
- v. Distribution of cash dividends to the shareholders.

2.3.2 Nomination Committee

The Board may create a Nomination Committee which shall be composed of not less than three (3) Directors, one of whom must be an Independent Director. The members of the Nomination Committee shall serve for a period of one (1) year or until their successor/s shall have been duly appointed and qualified.

2.3.2.1 The Nomination Committee shall pre-screen and short list all candidates nominated to become a member of the Board of Directors to ensure that candidates possess all the required qualifications and none of the disqualifications. The committee shall also assess the effectiveness of Board's processes and procedures in the election or replacement of directors.

2.3.2.2 The Nomination Committee shall ensure that the nomination and election process also includes the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members. The Nomination Committee may use professional search firms or external sources when searching for candidates to the Board.

2.3.3 Executive Compensation/Remuneration Committee

The Board may create an Executive Compensation Committee which shall be composed of not less than three (3) Directors, one of whom shall be an independent director and one (1) non-voting member in the person of the HR Manager. The members of the Executive Compensation Committee shall serve for a period of one (1) year or until their successor(s) shall have been duly appointed and qualified.

2.3.3.1 The levels of remuneration of the corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

2.3.3.2 Corporations may establish formal and transparent procedures for the

development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation. No director should participate in deciding on his remuneration.

2.3.3.3 The corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

2.3.3.4 To protect the funds of a corporation, the Commission may, in exceptional cases, e.g., when a corporation is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers.

2.3.3.5 The Executive Compensation Committee shall act by majority vote of all its members on the following matters:

- i. Establishment of a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with Metro Global 's culture, strategy and control environment;
- ii. Determination of appropriate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the corporation successfully.
- iii. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
- iv. Disallowance of any director to decide his or he own remuneration.
- v. Clear, concise and understandable disclosure in Metro Global 's annual reports, information and proxy statements of the compensation of its executive officers for the previous fiscal year and the ensuing year.
- vi. Review of existing Human Resources Development or Personnel Handbook, or such similar and analogous resource, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance by personnel with statutory requirements and conditions. In the absence of such Handbook, the Committee will cause the development of such, covering the same parameters of governance stated above.
- vii. Performance of such other functions as may be delegated to it by the Board.

2.3.4 Audit Committee

The Board shall create an Audit Committee, The Audit Committee should be composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other committees. The members of the Audit Committee shall serve for a period of one (1) year or until their successors shall have been duly appointed and qualified.

2.3.4.1 The Audit Committee has the following duties and responsibilities among others:

1. Recommend the approval the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversee the implementation of the IA Charter;
2. Through the Internal Audit (IA) Department, monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;
3. Oversee the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
4. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
5. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;
6. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
7. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in

relation to the total fees paid to him and to the corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report;

8. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Areas where a significant amount of judgment has been exercised
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
9. Review the disposition of the recommendations in the External Auditor's management letter;
10. Perform oversight functions over the corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
11. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
12. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures.
13. In case the company does not have a Board Risk Oversight Committee and/or Related Party Transactions Committee, perform the functions of said committees

The Audit Committee meets with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit.

2.3.5 Corporate Governance Committee

The Board shall create a Corporate Governance Committee that should be tasked to assist the Board in the performance of its corporate governance responsibilities. It should be composed of at least three members, all of whom should be independent directors, including the Chairman.

2.3.5.1 The Corporate Governance Committee has the following duties and functions, among others:

1. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
2. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
3. 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;
4. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officer, and remuneration packages for corporate and individual performance;
5. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance; and
6. Propose and plan relevant trainings for the members of the Board.

2.3.6 Board Risk Oversight Committee

The Board shall create a Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. The BROC should be composed of at least three members, the majority of whom should be independent directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management.

2.3.6.1 The BROC has the following duties and responsibilities, among others:

1. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
2. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BROC shall conduct regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
3. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC shall revisit defined risk management strategies, looks for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss;
4. Advise the Board on its risk appetite levels and risk tolerance limits;
5. Review at least annually the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company;
6. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
7. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
8. Report to the Board on a regular basis, or as deemed necessary, the company's material risk exposures, the actions taken to reduce the risks, and recommend further action or plans, as necessary.

2.3.7 Related Party Transaction Committee

The Board, subject to its assessment of the size, risk profile and complexity of operations, may establish a Related Party Transaction (RPT) Committee, which should be tasked with reviewing all material related party transactions of the company and should be composed of at least three non-executive directors, two of whom should be independent, including the Chairman.

2.3.7.1 The Related Party Transaction Committee shall have the following duties and functions:

1. 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 with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;
2. Evaluate all material RPTs 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. In evaluating RPTs, the Committee takes into account, among others, the following:
 1. The related party's relationship to the company and interest in the transaction;
 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 3. The benefits to the corporation of the proposed RPT;
 4. The availability of other sources of comparable products or services; and
 5. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
3. 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 should 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;

4. 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;
5. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

2.4 The Corporate Secretary

- 2.4.1 The Board shall elect the Corporate Secretary and an Assistant Corporate Secretary who shall serve for a period of one year or until their successors shall have been duly appointed and qualified.

The Corporate Secretary and the Assistant Corporate Secretary must be Filipino citizens and must possess all the qualifications and none of the disqualifications prescribed in the By-Laws.

- 2.4.2 The Board should ensure that its Corporate Secretary, shall be a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors and should annually attend a training on corporate governance.
- 2.4.3 Considering his varied functions and duties, the Corporate Secretary must possess administrative and interpersonal skills, and if not discharging the functions of general counsel of Metro Global, a working knowledge of legal principles. The Corporate Secretary must likewise possess a working knowledge of financial and accounting principles.
- 2.4.4 The Corporate Secretary shall perform the following functions:
- a. Assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;
 - b. Safekeep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;

- c. Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advise the Board and the Chairman on all relevant issues as they arise;
- d. Work fairly and objectively with the Board, Management and stockholders and contribute to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
- e. Advise on the establishment of board committees and their terms of reference;
- f. Inform members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- g. Ensure that all Board procedures, rules and regulations are strictly followed by the members;
- g. Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
- h. Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations;
- i. Perform required administrative functions;
- i. Oversee the drafting of the by-laws and ensure that they conform with regulatory requirements; and
- k. Perform such other duties and responsibilities as may be prescribed by the Board, the By-Laws of the corporation or as may be provided by the Securities and Exchange Commission.

2.5 The Chief Finance Officer

The Chief Finance Officer (CFO) shall be appointed by the Board of Directors. The CFO who may also be the Treasurer of the Corporation shall be primarily responsible for the following financial functions:

2.5.1 Treasury

- 2.5.1.1 Perform or supervise the functions of the Treasurer as described earlier;

2.5.2 Controllership

- 2.5.2.1 Regularly provide management with accurate and timely operating and financial

reports;

2.5.2.2 Monitor actual performance against desired results;

2.5.2.3 Maintain and safeguard accounting records;

2.5.2.4 Comply with statutory requirements from regulatory bodies at all times;

2.5.2.5 Observe and strengthen internal controls by monitoring compliance policies; imposing appropriate actions and changes in procedures as required.

2.5.3 Investor Relations

2.5.3.1 Provide accurate and timely disclosure to the investing public regarding the company;

2.5.3.2 Submit accurate and timely reportorial requirements to the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) and other government bodies as in may be required.

2.5.4 The CFO shall live such other responsibilities as the Board of Directors may impose upon him.

2.6 Accountability and Audit

The Board is primarily accountable to the stockholders and other stakeholders. It should provide them with a balanced and comprehensible assessment of the corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders and other stakeholders.

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- i. The extent of its responsibility in the preparation of the financial statements of the

- corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- ii. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation for the benefit of all stockholders and other stakeholders;
 - iii. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;
 - iv. The corporation should consistently comply with the financial reporting requirements of the Commission;

2.6.1 External Auditor

The shareholders, upon the recommendation of the Board, shall annually appoint an External Auditor in the manner prescribed in the By-Laws. The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the corporation and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders.

- 2.6.1.1 The External Auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of Metro Global.
- 2.6.1.2 The reason(s) for the resignation, dismissal or cessation from service and the date thereof of an external auditor shall be reported in the corporation's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which the former auditor and the corporation failed to resolve satisfactorily. A preliminary report of the said report shall be given by the corporation to the external auditor before its submission.
- 2.6.1.3 The External Auditor shall not at the same time render services as an Internal Auditor of Metro Global. Metro Global shall ensure that other non-audit work shall not be in conflict with the functions of the external auditor.
- 2.6.1.4 The External auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier upon the recommendation of the Audit Committee.
- 2.6.1.5 If the External Auditor believes that the statements made in Metro Global's annual report, information statement or proxy statement or any report filed with the Commission during his engagement is incorrect or incomplete, he shall present his comments and views in the matter on said reports.

2.6.2 Internal Auditor

Metro Global shall have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations, and provides the shareholders with reasonable assurance, that the Company's key organizational and procedural controls are effective, appropriate, and complied with.

The following are the functions of the internal audit, among others:

- a. Provide an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors, and Management;
- b. Perform regular and special audit as contained in the annual audit plan and/or based on the company's risk assessment;
- c. Perform consulting and advisory services related to governance and control as appropriate for the organization;
- d. Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
- e. Review, audit and assess the efficiency and effectiveness of the internal control system of all areas of the company;
- f. Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
- g. Evaluate specific operations at the request of the Board or Management, as appropriate; and
- h. Monitor and evaluate governance processes.

The company's internal audit activity may be a fully resourced activity housed within the organization or may be outsourced to qualified independent third party service providers.

- 2.6.2.1 The Internal Auditor shall report to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit

Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

2.6.2.2 The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors:

- i. the nature and complexity of business and the business culture;
- ii. the volume, size and complexity of transactions;
- iii. the degree of risk;
- iv. the degree of centralization and delegation of authority;
- v. the extent and effectiveness of information technology; and
- vi. the extent of regulatory compliance.

2.6.2.3 Should the Company's operations determine it to be necessary, it shall appoint a qualified Chief Audit Executive (CAE) to be approved by the Board. The CAE shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity.

The CAE, in order to achieve the necessary independence to fulfill his/her responsibilities, directly reports functionally to the Audit Committee and administratively to the CEO. The following are the responsibilities of the CAE, among others:

1. Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval;
2. Establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;
3. Communicate the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;
4. Spearhead the performance of the internal audit activity to ensure it adds value to the organization;

5. Report periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and
6. Present findings and recommendations to the Audit Committee and gives advice to senior management and the Board on how to improve internal processes.

2.6.3 Risk Management

The company should have a separate risk management function to identify, assess and monitor key risk exposures.

The risk management function involves the following activities, among others:

1. Defining a risk management strategy;
2. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;
3. Evaluating and categorizing each identified risk using the company's predefined risk categories and parameters;
4. Establishing a risk register with clearly defined, prioritized and residual risks;
5. Developing a risk mitigation plan for the most important risks to the company, as defined by the risk management strategy;
6. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and
7. Monitoring and evaluating the effectiveness of the organization's risk management processes.

2.6.3.1 In managing the company's Risk Management System, the company shall appoint a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities,

The CRO has the following functions, among others:

1. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;

2. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;
3. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee;
4. Suggests ERM policies and related guidance, as may be needed; and
5. Provides insights on the following:
 - a. Risk management processes are performing as intended;
 - b. Risk measures reported are continuously reviewed by risk owners for effectiveness; and
 - c. Established risk policies and procedures are being complied with.

There should be clear communication between the Board Risk Oversight Committee and the CRO.

3. COMMUNICATION PROCESS

- 3.1. This Manual shall be available for inspection by any shareholder of Metro Global at reasonable hours on business days.
- 3.2. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.
- 3.3. An adequate number of printed copies of this Manual must be reproduced under the supervision of the Human Resource Department or similar division, with a minimum of at least one (1) hard copy of the Manual per department.

4. TRAINING PROCESS

- 4.1 A director shall, before assuming his office, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.
- 4.2 If necessary, funds shall be allocated for the purpose of conducting an orientation program or workshop to operationalize this Manual.

5. REPORTORIAL OR DISCLOSURE SYSTEM OF METRO GLOBAL'S CORPORATE GOVERNANCE POLICIES

- 5.1 The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible committee or officer through Metro Global's Compliance Officer;
- 5.2 All material information. i.e., anything that could potentially affect the interest of its stockholder and other stakeholders, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.
- Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management corporate strategy, and off balance sheet transactions.
- All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.
- The company should include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.
- 5.3 The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanism for submission to the Commission for the interest of its stockholder and other stakeholders.

6. SHAREHOLDERS' BENEFIT

Metro Global recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore the following provisions are issued for the guidance of all internal and external parties concerned as governance covenant between Metro Global and all its investors.

6.1 INVESTORS' RIGHTS AND PROTECTION

6.1.1 Rights of Investors/Minority Interests

The Board shall be committed to respect the following rights of the shareholders:

- (i) Right to vote on all matters that require their consent or approval;
- (ii) Pre-emptive right to all stock issuances of the corporation;
- (iii) Right to inspect corporate books and records;
- (iv) Right to information;
- (v) Right to dividends;
- (vi) Appraisal right.

6.1.2 Voting Right

- 6.1.2.1 Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
- 6.1.2.2 Cumulative voting shall be used in the election of directors.
- 6.1.2.3 A director shall not be removed without cause if it will deny minority shareholders representation in the Board.
- 6.1.2.4 All shareholders are given the opportunity to nominate candidates to the Board of Directors in accordance with the existing laws. The procedures of the nomination process shall be in accordance with the provisions of the By-Laws of the company. The company shall fully and promptly disclose all information regarding the experience and background of the candidates to enable the shareholders to study and conduct their own background check as to the candidates' qualification and credibility.

6.1.3 Pre-emptive Right

All shareholders shall have pre-emptive rights, unless the same is denied in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock in accordance with Metro Global's Articles of Incorporation.

6.1.4 Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with copies of annual reports, including financial statements, without cost or restrictions.

6.1.5 Right to Information

- 6.1.5.1 The shareholders shall be provided, upon request, with a copy of periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the corporation's shares, dealings with the corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.
- 6.1.5.2 The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
- 6.1.5.3 The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information

and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes", and in accordance with law, jurisprudence and best practice.

6.1.5.4 The shareholders shall be provided the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.

6.1.5.5 The Board shall make the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the company website within five business days from the end of the meeting.

Voting results include a breakdown of the approving and dissenting votes on the matters raised during the Annual or Special Stockholders' Meeting. When a substantial number of votes have been cast against a proposal made by the company, it may make an analysis of the reasons for the same and consider having a dialogue with its shareholders.

The Minutes of Meeting include the following matters: (1) A description of the voting and the vote tabulation procedures used; (2) the opportunity given to shareholders to ask questions, as well as a record of the questions and the answers received; (3) the matters discussed and the resolutions reached; (4) a record of the voting results for each agenda item; (5) a list of the directors, officers and shareholders who attended the meeting; and (6) dissenting opinion on any agenda item that is considered significant in the discussion process.

6.1.6 Right to Dividends

6.1.6.1 Shareholders shall have the right to receive dividends subject to the discretion of the Board and in accordance with the provisions of the By-Laws.

6.1.6.2 The corporation shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be

clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

6.1.7 Appraisal Right

The shareholders 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 Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- i. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- ii. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- iii. In case of merger or consolidation.

6.1.8 The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

6.1.9 It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The Board should make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.

6.1.10 The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

6.1.11 The Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.

The right to propose the holding of meetings and items for inclusion in the agenda is given to all shareholders, including minority and foreign shareholders. However, to prevent the abuse of this right, the Company shall require that the proposal be made

by shareholders holding a specified percentage of shares or voting rights. On the other hand, to ensure that minority shareholders are not effectively prevented from exercising this right, the degree of ownership concentration is considered in determining the threshold.

7. MONITORING AND ASSESSMENT

- 7.1. Each Committee shall report regularly to the Board of Directors.
- 7.2. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part VIII of this Manual.
- 7.3. The establishment of such evaluation system, including the features thereof, shall be disclosed in the corporation's annual report (SEC Form 17- A) or in such applicable form of report.
- 7.4. This Manual shall be subject to review on a quarterly basis unless otherwise stated by the Board.
- 7.5. All business processes and practices being performed within any department or business unit of Metro Global that are not consistent with any portion of this Manual shall be considered revoked until revised to be compliant herewith.

8. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL

- 8.1. To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the corporation's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual:
 - i. In case of **first violation**, the subject person shall be reprimanded.
 - ii. Suspension from office shall be imposed in case of **second violation**. The duration of the suspension shall depend on the gravity of the violation.
 - iii. **For third violation**, the maximum penalty of removal from office shall be imposed.
- 8.2. The commission of a third violation of this Manual by any member of the Board of Metro Global or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.
- 8.3. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

9. REVIEW AND AMENDMENT OF MANUAL

- 9.1 The provisions of this Manual and the enforcement thereof shall be subject to quarterly review unless otherwise stated by the Board.

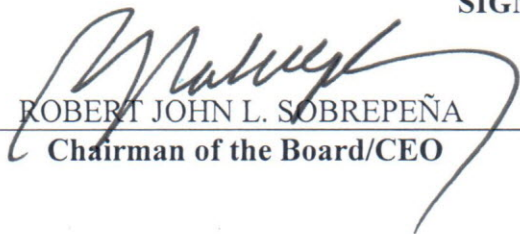
9.2 This Manual is subject to review and amendment to take into account the Corporation's changing needs, factual conditions prevailing in the environment and regulatory requirements.

10. ADOPTION AND EFFECTIVITY

This Revised Manual was adopted by Unanimous Vote of the Board of Directors on 30 May 2017, in compliance to Securities and Exchange Commission Circular No. 19 Series of 2016.

Pursuant to the requirement of the Securities and Exchange Commission, this Revised Corporate Governance Manual is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Pasig on 30 May 2017..


SIGNATURES


 ROBERT JOHN L. SOBREPEÑA
 Chairman of the Board/CEO


 ALICE ODCHIGUE-BONDOC
 SVP-Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 30 2017, affiant(s) exhibiting to me their evidence of identity, as follows:

NAME	Competent Evidence of Identity	Issued on/Place
ROBERT JOHN L. SOBREPEÑA	Senior Citizen ID No. 81301	April 24, 2015/Pasig City
ALICE ODCHIGUE-BONDOC	Social Security System No. 33-1923852-8	


EDWIN S. CANDAYA
 NOTARY PUBLIC
 PASIG, PATEROS, CALAJUAN
 UNTIL DEC. 31, 2018
 PTR NO. 2536000/1-03-17
 IBP NO. 1016995/12-29-16/UNTIL 2018
 ROLL NO. 26683
 TIN NO. 210-588-191-000
 MCLE V-0004493
 2ND FLOOR ARMAL BLDG. JPEANO
 VELASCO AVE. MALINAO, PASIG CITY

Doc No. 16 ;
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