FIRST METRO ASSET MANAGEMENT, INC.
Metrobank Group

FIRST METRO ASSET MANAGEMENT, INC.

18th Floor, PSBank Center, 777 Paseo de Roxas, Makati City

CORPORATE GOVERNANCE COMMITTEE CHARTER

PREAMBLE

Corporate Governance is the empowerment of the Board of Directors to achieve its vision, mission, and operational goals with Fairness, Accountability and Transparency. The Board of Directors is primarily responsible for Good Corporate Governance. The creation of a Corporate Governance Committee as a Board Committee is an important and desired tool to aid the Board of Directors in its primary responsibility for Good Corporate Governance. The Committee is therefore enjoined to strictly comply with the mandates contained in this Charter.

ARTICLE I

CREATION

Section 1. There is hereby created a Corporate Governance Committee to be composed of at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors, including the Chairperson.

Section 2. The Board of Directors may appoint such other members, whether or not member of the Board of Directors, from within or outside the corporate organization of the First Metro Asset Management, Inc. with or without voting rights. All decisions or resolutions of the Committee must have the affirmative vote of at least two (2) members of the Committee who are members of the Board of Directors.

Section 3. The Committee shall meet at least once a year or as the need arises.

Section 4. The Committee shall have a Secretary, who shall preferably be the designated Corporate Governance Officer.

ARTICLE II

DUTIES AS TO INDEPENDENCE

Section 1. The Committee shall see to it that the Board complies with the minimum requirement of one (1) qualified independent director.

Section 2. The Committee shall seek a ratio of executive and non-executive directors, such that no individual or small group of individuals dominate the Board's decision making.

ARTICLE III

GOOD GOVERNANCE RESPONSIBILITIES

Section 1. The Committee shall:

(a) Be responsible for ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines.
(b) Oversee the periodic performance evaluation of the Board and its committees and executive management.
(c) Conduct an annual self-evaluation of its performance.
(d) Decide whether or not a director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g., competence, candor, attendance, preparedness and participation).
(e) Make continuing recommendations to the Board regarding the continuing education of directors, assignment to board committees, succession plan for the board members and senior officers and their remuneration commensurate with corporate and individual performance.
(f) Decide the manner by which the Board's performance may be evaluated and propose an objective performance criteria to be approved by the Board. Such performance indicators shall address how the Board has enhanced long term shareholder's value.

Section 2. Appropriate policies and procedures shall be established to identify potential conflict of interest.

ARTICLE IV

FINANCIAL AND OPERATIONAL REPORTING

Section 1. Reports must contain performance measure, financial or non-financial, which will enable the Board to assess the efficiency and effectiveness of the organization.

Section 2. Reports must efficiently and effectively communicate key financial data, show a comparison between year-to-date, last year-to-date, and full year date budgets and actual results, supported by explanations of significant variances.

Section 3. Financial reports must be provided to the Board members prior to the board meeting.

Section 4. Financial reports must be derived directly from the underlying accounting systems and must undergo a quality assurance process to determine compliance with reporting standards.

ARTICLE V

BOARD COMMITTEES

Section 1. The required Board committees must be properly set-up with the minimum required membership as mandated by existing laws, rules and regulations.

Section 2. The minimum mandated committees shall include the following:

(a) Audit Committee
(b) Corporate Governance Committee
(c) Nomination and Compensation Committee

Section 3. The committees shall submit their respective charters, and amendments thereto, for approval by the Board.

ARTICLE VI

INTERNAL AUDITOR

Section 1. There shall be an independent internal audit function to be outsourced from the parent company, FMIC, through which the Board is provided with reasonable assurance that key organizational and procedural controls are effective, appropriate and complied with.

Section 2. The internal auditor shall report to the Audit Committee.

Section 3. Internal audit examinations must cover at least:

(a) The evaluation of adequacy and effectiveness of controls encompassing the entity's governance, operations, information systems, including reliability and integrity of financial and operational information
(b) Efficiency and effectiveness of operations
(c) Safeguarding of assets
(d) Compliance with laws, rules and regulations and code of conduct.

Section 4. Internal audit activities must be conducted in accordance with the Standards for the Professional Practice of Internal Auditing.

Section 5. The internal auditors must have free and full access to all the company's records, properties and personnel relevant to the internal audit functions.

Section 6. The Audit Committee shall be constituted pursuant to prevailing laws, rules and regulations.

ARTICLE VII

EXTERNAL AUDITOR

Section 1. The Board of Directors shall engage an external auditing firm from among the firms accredited by the appropriate government regulatory authority.

Section 2. The handling audit partner shall be rotated every five years.

Section 3. Non-audit work of the auditing firm shall not be in conflict with its functions as external auditor.