

	Guidelines	Maximum Number of Directorships in other companies
Executive Director (ED)/ Chief Executive Officer (CEO)  Non-Executive Director (NED)	Sec. X145 of the Manual of Regulations for Bank (MORB) re: Interlocking Directorships and/or Officerships	In general, the optimum number shall be related to the capacity of a director to perform his duties diligently. However, in order to safeguard against the excessive concentration of economic power, unfair competitive advantage or conflict of interest situations to the detriment of others through the exercise by the same person or group of persons of undue influence over the policy making and/or management functions of similar FIs while at the same time allowing banks, QBs and non-bank financial institutions (NBFIs) without quasi-banking functions to benefit from organizational synergy or economies of scale and effective sharing of managerial and technical expertise, certain measures are necessary to safeguard against disadvantages that could result from indiscriminate concurrent directorship.  Subject further to MORB restrictions, which state that “except as may be authorized by the Monetary Board or as otherwise provided in the MORB, there shall be no concurrent directorship or interlocking directorship and officership between banks or between a bank and a quasi-bank (QB) or a non-bank financial institution (NBF)”.
	Guidelines	Maximum Number of Directorships in other companies
Independent Director	PNB Revised Corporate Governance Manual	The Bank is compliant with BSP Circular No. 749, Series of 2012 and SEC Memorandum Circular No. 9, Series of 2011, SEC Advisory dated March 31, 2016 and BSP CL-2016-073 dated August 24, 2016.  IDs elected in 2012 may be re-elected in 2017 until 2021 (4 consecutive years), without the two (2)-year cooling-off period, if there are no suitable replacements, subject to prior written notice and justification to the SEC.  Under normal circumstances, the Independent Director (ID) can be elected to only five (5) companies of the conglomerate, parent bank and its subsidiaries and affiliates;  Independent Director of a bank may serve as such for a total of five consecutive years, opt to undergo a “cooling off” period of two (2) years and after which, an ID can be re-elected and serve for another five (5) consecutive years.  IDs shall be perpetually barred from being elected as such after serving for ten (10) years and the two year cooling off period or after serving nine consecutive years.

**(e) Shareholding in the Company**

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Florencia G. Tarriela	2	0	0.0000001601
Felix Enrico R. Alfiler	0	10,215 (PCD Nominee Corporation – Filipino)	0.0008177628
Florido P. Casuela	0	133 (PCD Nominee Corporation – Filipino)	0.0000106473
Leonilo G. Coronel	0	1 (PCD Nominee Corporation – Filipino)	0.0000000801
Edgar A. Cua	100	0	0.0000080055
Reynaldo A. Maclang	155	0	0.0000124085

Estelito P. Mendoza	0	1,150 (PCD Nominee Corporation – Filipino)	0.0000920634
Christopher J. Nelson	0	100 (PCD Nominee Corporation – Non-Filipino)	0.0000080055
Federico C. Pascual	38	1 (PCD Nominee Corporation – Filipino)	0.0000031222
Cecilio K. Pedro	5,000	0	0.0004002755
Washington Z. Sycip	39,111	0	0.0031310350
Carmen K. Tan	0	5,000 (PCD Nominee Corporation – Filipino)	0.0004002755
Lucio C. Tan	14,843,119	0	1.1882673540
Lucio K. Tan, Jr.	2,300	0	0.0001841267
Michael G. Tan	250	0	0.0000200138
<b>TOTAL</b>	<b>14,889,975</b>	<b>16,700</b>	<b>1.1933553359</b>

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes  No

Identify the Chair and CEO:

<b>Chairman of the Board</b>	Florencia G. Tarriela
<b>CEO/President</b>	Reynaldo A. Maclang

- (b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role Accountabilities Deliverables	<ol style="list-style-type: none"> <li>To call for a meeting of stockholders;</li> <li>To call, convene and preside over all meetings of the Board of Directors whenever he may deem it necessary, either on his own initiative, or upon the request of the President, or two members of the Board; and the stockholders in accordance with the Amended By-Laws;</li> <li>To 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;</li> <li>To provide leadership in the Board of Directors. The chairperson of the Board shall ensure effective functioning of the Board, including maintaining a relationship of trust with the Board members;</li> <li>To ensure that the Board takes an informed decision. The chairperson of the Board shall ensure a sound decision making process and he should encourage and promote critical discussions and ensure that dissenting views can be expressed and discussed within the decision-making process;</li> <li>To maintain qualitative and timely lines of communication and information between the Board and management;</li> <li>To assist in ensuring compliance with the PNB Group guidelines on corporate governance; and</li> <li>To perform such other functions as are assigned to him by law or by the Board of Directors.</li> </ol>	<p>The President of the Bank shall, among other power and duties inherent in his office, execute and administer the policies, measures, orders and resolutions approved by the Board of Directors, and direct and supervise the operations and administration of the Bank. Particularly, he shall have the powers and duties as follows:</p> <ol style="list-style-type: none"> <li>To execute all contracts and to enter into all authorized transactions in behalf of the bank;</li> <li>To exercise, as Chief Executive Officer, the power of supervision and control over decisions or actions of subordinate officers and all other powers that may be granted by the Board;</li> <li>To recommend to the Board the appointment, promotion or removal of all officers of the Bank with the rank of at least Vice President or its equivalent;</li> <li>To appoint, promote or remove employees and officers of the Bank except those who are to be appointed or removed by the Board of Directors;</li> <li>To transfer, assign and reassign officers and personnel of the Bank in the interest of the service;</li> <li>To report periodically to the Board of Directors on the operations of the Bank;</li> <li>To submit annually a report on the result of the operations of the Bank to the stockholders of the Bank; and</li> <li>To delegate any of his powers, duties and functions to any official of the Bank, with the approval of the Board of Directors.</li> </ol>

- 3) Explain how the Board of Directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

It is one of the duties and responsibilities of the Board of Directors ("Board") to oversee the selection and performance of senior management. The Board is responsible for the appointment of competent, professional, honest and highly-motivated management team at

## **Insider Trading Policy**

For transactions of any member of the Board of Directors or senior officer involving PNB shares, the director and/or senior officer must immediately disclose the transaction within the prescribed period to comply with the reporting requirements of the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC), as follows:

- (1) PSE - within five (5) trading days from the date of the transaction
- (2) SEC - within ten (10) calendar days from the date of the transaction

Moreover, a director or a senior officer of PNB must not deal/transact in PNB shares during the period within which material non-public information is obtained and up to two full trading days after the price-sensitive information is disclosed.