

Committee; and (iii) nature, terms and conditions, as well as original and outstanding individual and aggregate balances, including off-balance sheet commitments coming from material RPTs.

- 4.4. Material RPTs approved by the Board, including the nature, terms, conditions, original and outstanding individual and aggregate balances, justification and other details must be clearly disclosed during stockholders meeting and duly reflected in the minutes of the board and stockholders' meetings.

5. Training

The RPT policy guidelines are included in the Compliance Awareness Training Programs regularly conducted by the Global Compliance Group to all employees of PNB Group.

VI. CODE OF CONDUCT AND BUSINESS ETHICS

The Bank shall consistently adopt the policies and procedures on the Code of Conduct, Corporate Governance Manual and relevant policies in business ethics affecting directors, senior management and employees. The provisions of the Code of Conduct shall apply to all employees of the Bank including its overseas branches/offices and foreign/domestic subsidiaries.

1. Code of Conduct Manual - is constituted to prescribe a moral code for PNB Group employees which would not only instill discipline among them but would yield higher productivity at the workplace and enhance and safeguard the corporate image of the PNB Group. While this Code defines the offenses as well as the corresponding disciplinary measures that may be imposed, its overall intent is more of prevention of the infraction rather than the administration of disciplinary measures. This Code defines and provides the standards of conduct expected of all employees and enumerates the actions or omissions prejudicial to the interest of the PNB Group (Ref. Bd. Res. No. 01/04-26-13 and GEN. Cir. 1-873/2013 dated May 16, 2013);
2. Corporate Governance Manual - the bank adheres to the highest principle of good corporate governance as provided for in its Amended By-Laws and embodied in the Corporate Governance Manual. In accordance with the provisions of the manual, the bank subscribes to the philosophy of integrity, accountability and transparency in its manner of doing business; dealing fairly with its clients, investors, stockholders, related parties, the communities affected by the bank's activities and its various publics; professionalism among its Board of Directors, executive and other employees of the bank in managing the company, its subsidiaries and affiliates; and respect for the laws and regulations of the countries affecting its businesses;
3. Personal Investment Policy - set forth prudent standards of behavior for all employees when conducting their personal investment transactions. This policy provides minimum standards and specifies investment practices which are either prohibited or subject to special constraints. The employees may make investments for their personal accounts as long as these transactions are consistent with laws and regulations, and the personal investment policy of the bank. These investments should not involve or appear to involve a conflict of interest with the activities of PNB or its customers. Employee investment decisions must be based solely on publicly available information, and should be oriented toward long term investment rather than short term speculation.
4. As a general policy, all employees are prohibited from purchasing or selling any PNB securities if they possess material no-public information about PNB that if known by the public might influence the price of PNB securities. Employees may not purchase or sell PNB options or execute a short sale of PNB security unless the transaction is effected as a bona-fide hedge (Ref. Bd. Res. No. 02/04-24-09 and GEN Cir. No. 1-874/2013 dated May 16, 2013);
5. Policy on Soliciting and/or Receiving Gifts - the Bank recognizes that maintaining good relationships with clients, suppliers, and other business-related parties often require the exchange of gifts as tokens of appreciation. However, all employees are expected to observe, discretion and prudence in receiving gifts or donations whether in cash or in kind and other form of hospitality. Soliciting