

- 2.4.7. Is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the Bank or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment;
- 2.4.8. A regular director who resigns or whose term ends on the day of the election shall only qualify for nomination and election as an Independent Director after a 2-year "cooling-off period";
- 2.4.9. Was not appointed in the bank, its subsidiaries, affiliates or related interests as Chairman "Emeritus", "Ex-Officio", Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the board of directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his appointment; and
- 2.4.10. Is not affiliated with any non-profit organization that receives significant funding from the Bank or any of its related companies or substantial shareholders.

2.5. Disqualification of Independent Directors

- 2.5.1. Securities broker-dealer disqualifies from sitting as an Independent Director of listed companies and registered issuers of securities. Securities broker-dealer shall refer 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, associated person or salesman, and an authorized clerk of the broker or dealer.

2.6. Term Limits for Independent Directors (IDs)

- 2.6.1. The Bank is compliant with BSP Circular No. 749, Series of 2012, SEC Advisory dated March 31, 2016, BSP CL-2016-073 dated August 24, 2016 and SEC Memorandum Circular No. 4, Series of 2017.
- 2.6.2. Independent Director shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director;
- 2.6.3. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
- 2.6.4. Reckoning of the cumulative nine-year (9-year) term is from 2012.
- 2.6.5. A non-executive director may concurrently serve as director of a maximum of five (5) publicly listed companies;

2.7. Roles, Accountabilities and Deliverables of Independent Directors

Recognizing the importance of the role of (IDs), the Board has elected the independent directors to act as Chairman of the Board and various Board committees.

In the various board committees, the independent directors play an active role in the formulation of the business strategies and priorities of the Bank, its subsidiaries and affiliates.

2.8. Specific Duties and Responsibilities of the Chairman of the Board:

- 2.8.1. 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;