

	Commercial Bank, Allied Leasing and Finance Corporation, PNB Global Remittance and Financial Company (HK) Ltd., and Allied Banking Corporation (HK) Limited
Other Previous Positions	<ul style="list-style-type: none"> <li>* Director of PMFTC, Inc., Philippine Airlines, Inc., Air Philippines Corporation, Allied Bankers Insurance Corporation, Foremost Farms, Inc., Manufacturing Services &amp; Trade Corp., Grandspan Development Corporation, Absolut Distillers, Inc., Asia Brewery, Inc., Eton City, Inc., Asian Alcohol Corporation, Lucky Travel Corporation, Progressive Farms, Inc., Tanduay Brands International, Inc., The Charter House, Incorporated, Himmel Industries, Incorporated</li> <li>* EVP and Director of Fortune Tobacco Corporation</li> <li>* President and Chief Executive Officer of MacroAsia Corporation</li> <li>* Director of Tanduay Distillers, Inc.</li> <li>* Executive Vice President of Fortune Tobacco Corporation</li> </ul>
Name	<b>MICHAEL G. TAN</b>
Age	50
Nationality	Filipino
Education	Bachelor of Applied Science in Civil Engineering, Major in Structural Engineering, from the University of British Columbia, Canada
Current Position in the Bank	Director
Date of First Appointment	February 9, 2013
Directorship in Other Listed Companies	<ul style="list-style-type: none"> <li>* Director and President of LT Group, Inc.</li> <li>* Director of PAL Holdings, Inc. and Victorias Milling Corporation</li> </ul>
Other Current Positions	<ul style="list-style-type: none"> <li>* Chairman of PNB Management and Development Corporation</li> <li>* Director of PNB Forex, Inc., Bulawan Mining Corporation, PNB Savings Bank, Allied Commercial Bank, PNB Global Remittance and Financial Company (HK) Ltd. and Allied Banking Corp. (Hong Kong) Limited</li> <li>* Chief Operating Officer of Asia Brewery, Inc.</li> <li>* Director of the following companies: Philippine Airlines Foundation, Inc., Air Philippines Corp., Philippine Airlines, Inc., Absolut Distillers, Inc., Eton Properties Phils., Inc., Grandway Konstruct, Inc., Shareholdings, Inc., Lucky Travel Corporation, Eton City, Inc., Abacus Distribution Systems Philippines, Inc., PMFTC, Inc., Tangent Holdings Corporation, and Alliedbankers Insurance Corporation</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* Chairman of PNB Holdings Corporation</li> <li>* Director of Allied Banking Corporation (ABC) from January 30, 2008 until the ABC's merger with PNB on February 9, 2013</li> </ul>

**(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities. (updated - October 2016)**

The Board of Directors, Management and Staff of the PNB Group commit themselves to adhere to the highest principles of good corporate governance as embodied in the Bank's Amended Articles of Incorporation, Amended By-Laws, Code of Conduct and its Revised Corporate Governance 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, the communities affected by its activities and various public; professionalism among its Board of Directors, executives and employees in managing the Bank, its subsidiaries and affiliates; and respect for the laws and regulations of the countries affecting its businesses. Internally, it follows a philosophy of rational check and balances as well as structured approach to its business operations.

The Board and Management believe that corporate governance is a critical component of sound strategic business management and will, therefore, undertake every effort necessary to create awareness within the organization to ensure that the principles of fairness, accountability and transparency are indispensable in conducting the day-to-day business of the Bank, its subsidiaries and affiliates.

The Bank recognizes that the most cogent proof of good corporate governance is visible to the eyes of its investors. Therefore, the following provisions regarding the Shareholders' Rights and Protection of Minority Stockholders' Interest are included in the Bank's Revised Corporate Governance Manual, for the guidance of all internal and external parties concerned, as governance covenant between the Bank and all its investors:

- Right to vote on all matters that requires their consent or approval. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
- Right to inspect corporate books and records. 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 annual reports, including financial statements, without cost or restrictions.
- Right to information. The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Bank's shares, dealings with the

Workshop (2 days)	advanced tools in mentoring and coaching, and impart to the participants the use of systematic thinking, as opposed to intuition and gut feel, in coaching subordinates. The program will also equip them with fundamental principles, technique and approaches, establishing authentic and meaningful working relationship and to move them towards greater effectiveness in their interface with their mentees.	JEDI Mentors, participants will be able to: <ul style="list-style-type: none"> <li>• Appreciate the link between mentoring/ coaching and leadership</li> <li>• Practice the coaching and mentoring process</li> <li>• Recognize the foundation of emotional quotient and self-mastery</li> <li>• Learn how to create a coaching and mentoring culture</li> <li>• Practice the core competencies</li> <li>• Appreciate the concept and importance of Emotional Intelligence (EQ)</li> <li>• Master the REGROW process and coaching for superior commitment models</li> </ul>			
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- (d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures. (updated – 2015)

**Awards/Recognition**

Service Excellence Award for teams and individuals to recognize and further promote employees' excellence, productivity and professional growth; and Service Award to those who have been servicing the Bank for a number of years. Meritorious/exceptional performance is recognized through the Bank's semi-annual promotion.

**Salary and Benefit Package**

Salary and Benefit Package for rank and file employees is reviewed during Collective Bargaining Agreement (CBA) and/or as may be deemed necessary. For officers, compensation package is reviewed periodically based on performance.

- 4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation. (updated – October 2016)

Under the Bank's Whistleblower Policy (as approved under PNB Board Resolution No. 04/03-18-16 of March 18, 2016, as amended), employees can report or complain about internally any suspected or actual commission of theft/fraud, corruption, etc. The employee or the whistleblower is protected against retaliation, discrimination, harassment or adverse personnel action, for reporting in good faith a suspected or actual violation. Hence, anyone who retaliates against the whistleblower is subject to disciplinary action, including the possibility of termination/dismissal from the Bank service.

**I. DISCLOSURE AND TRANSPARENCY**

- 1) Ownership Structure (updated – 2015)

- (a) Holding 5% shareholding or more (as of December 31, 2015)

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Non-Filipino)	116,921,488	9.3601612421	Various
Key Landmark Investments, Ltd.	109,115,864	8.7352812437	Its stockholders
PCD Nominee Corporation (Filipino)	100,080,817	8.0119796659	Various
Solar Holdings Corporation	67,148,224	5.3755576884	Its stockholders
Caravan Holdings Corporation	67,148,224	5.3755576884	Its stockholders

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
No one from among the senior management of the banks owns 5% or more of the total outstanding and issued PNB shares	Not Applicable	Not Applicable	Not Applicable
<b>TOTAL</b>			

2) Does the Annual Report disclose the following: (updated – October 2016)

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	None
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	None
Number of board of directors/commissioners meetings held during the year	None
Attendance details of each director/commissioner in respect of meetings held	None
Details of remuneration of the CEO and each member of the board of directors/commissioners*	None

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

- Not applicable.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SGV & Co.		
<ul style="list-style-type: none"> <li>• Engagement fee for the audit of the Bank's Financial Statements as of December 31, 2014 (inclusive of out-of-pocket expenses [OPE] but excluding Value Added Tax [VAT])</li> </ul>	P12.802 million	-
<ul style="list-style-type: none"> <li>• Engagement fee for the review of the Financial Statements as of June 30, 2014 and engagement fee for the issuance of Comfort Letter related to the offering of PNB Long Term Negotiable Certificates of Time Deposit (LTNCD) in June 2014</li> </ul>	P6.350 million	-

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

1. Advisories (internal/external; branches) in formats depending on the message and purpose
2. Website
3. Social Media – Facebook and Twitter
4. Print Media
5. Radio
6. Letter Advices to Publics
7. Short Message Service
8. Electronic Channels – ATM, Phone, Mobile