

	PAL Holdings, Inc. Victorias Milling Company	NED NED
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(iii) Relationship within the Company and its Group (updated – May 31, 2016)

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Lucio C. Tan	LT Group, Inc. (LTG) (indirect – beneficial owner)	Mr. L. Tan is the Chairman and CEO of LTG.
Carmen K. Tan		Ms. Tan is a director of LTG.
Lucio K. Tan, Jr.		Mr. L. Tan, Jr. is a director of LTG.
Washington Z. SyCip		Mr. SyCip is a director of LTG.
Michael G. Tan		Mr. M. Tan is the President and COO of LTG.
Florencia G. Tarriela		Ms. Tarriela is an independent director of LTG.

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines: (updated – October 2016)

	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. 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 (NBFI)”.
	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 (updated – July 22, 2016)

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	Number of	% of Capital Stock
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	Direct shares	Indirect shares / Through (name of record owner)	
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
TOTAL	14,889,975	16,700	1.1933553359

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:

Chairman of the Board	Florencia G. Tarriela
CEO/President	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"> To call for a meeting of stockholders; 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; 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; 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; 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- 	<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"> To execute all contracts and to enter into all authorized transactions in behalf of the bank; 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; 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; 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; To transfer, assign and reassign officers and personnel of the Bank in the interest of the