

	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

	<p>making process;</p> <p>6. To maintain qualitative and timely lines of communication and information between the Board and management;</p> <p>7. To assist in ensuring compliance with the PNB Group guidelines on corporate governance; and</p> <p>8. To perform such other functions as are assigned to him by law or by the Board of Directors.</p>	<p>service;</p> <p>6. To report periodically to the Board of Directors on the operations of the Bank;</p> <p>7. To submit annually a report on the result of the operations of the Bank to the stockholders of the Bank; and</p> <p>8. To delegate any of his powers, duties and functions to any official of the Bank, with the approval of the Board of Directors.</p>
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- 3) Explain how the Board of Directors plan for the succession of the CEO/Managing Director/President and the top key management positions? (updated – October 2016)

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 all times; adoption of an effective succession planning program for management; monitoring and assessment of the performance of the management team based on established performance standards that are consistent with the Bank’s strategic objectives; and the conduct of a regular review of PNB Group policies with the management team. The Board shall also ensure that senior management expertise and knowledge shall remain relevant given the Bank’s strategic objectives, complexity of operation and people risk.

The PNB Board of Directors has approved the adoption/implementation of the harmonized PNB Assessment and Development Center Assessors Workshop per Board Resolution No. 04/12-19-14 dated December 19, 2014. The PNB SMP was established to ensure the availability of talents who have the potential and the required competencies, and ready to assume vacant positions as the need arises due to organizational exigencies, particularly for key/critical positions identified by the Talent Board. The process involves the following steps: (1) identification of key/critical positions, (2) nomination of candidates, (3) talent audit, (4) learning and development, (5) talent review, (6) engagement, and (7) placement.

- 4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain. (updated – October 2016)

The Bank welcomes diversity in the Board of Directors. It is represented by a combination of highly qualified business professionals, former bank presidents and senior officials affiliated with regulatory bodies and international organizations with integrity, decade of experience and technical expertise in banking and finance. Furthermore, it is composed of individuals with distinct finance, marketing, audit, risk and legal competencies as well as business leaders with extensive knowledge and experience in different industries such as real estate, fast moving consumer goods and airline industry. This broad and collective range of expertise provides value in strengthening and upholding good corporate governance practices of the Bank. There is no limit or restriction on the membership of the Board on account of age, gender, nationality or race.

The Bank’s Board of Directors is chaired by a woman, Ms. Florencia G. Tarriela, who is likewise an Independent Director. Further, the Bank’s Board of Directors consists of former Bank presidents and well respected finance professionals (Ms. Florencia G. Tarriela, Mr. Florido P. Casuela, Mr. Leonilo G. Coronel, Mr. Federico C. Pascual, Mr. Edgar A. Cua and Mr. Reynaldo A. Maclang), experienced regulator who represented the country with the IMF and World Bank (Mr. Felix Enrico R. Alfiler), an esteemed accounting and management consulting guru (Mr. Washington Z. SyCip), a renowned leader in the business community (Mr. Lucio C. Tan), one of the best legal minds in the Philippines (Mr. Estelito P. Mendoza), well known consumer marketing experts (Mr. Cecilio K. Pedro and Mr. Christopher J. Nelson) and business leaders with extensive knowledge and experience in different industries such as real estate, fast moving consumer goods and airline industry (Carmen K. Tan, Lucio K. Tan, Jr. and Mr. Michael G. Tan).

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. Majority of the directors of the Bank have been senior officers, presidents and/or directors of other financial institutions, with integrity, decade of experience and technical expertise in banking and finance.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors: (updated – October 2016)

	Executive	Non-Executive	Independent Director
Role	The President of the Bank shall, among other powers 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.	The Board of Directors is primarily responsible for approving and overseeing the implementation of the Bank’s strategic objectives, risk strategy, corporate governance and values. Further, the Board of Directors is also responsible for monitoring and overseeing the performance of senior management as the latter manages the day-to-day affairs of the Bank, its subsidiaries and affiliates.	Recognizing the importance of the role of independent directors (ID), the Board has elected the independent directors to act as Chairman of the Board and various board committees.
Accountabilities			
Deliverables	Particularly, he shall have the power and duty:	The Board shall formulate the Bank’s vision,	In the various board committees, the independent directors play an active role in