

Name of Directors	Date of Training	Program	Name of Training Institution
<b>2016</b>			
Christopher J. Nelson	November 22, 2016	3 <sup>rd</sup> Annual SEC-PSE Corporate Governance Forum	Securities & Exchange Commission (SEC)
Lucio K. Tan, Jr.	October 19, 2016	Seminar on Best Practices in Parliamentary Procedures for Board Directors and Top Management	Center for Global Best Practices
Federico C. Pascual	October 7, 2016	Distinguished Corporate Governance Speaker Series Seminar	Institute of Corporate Directors
Edgar A. Cua	August 25, 2016	Corporate Governance Orientation Program	Institute of Corporate Directors
Estelito P. Mendoza	August 9, 2016	Seminar on Corporate Governance	SGV & Co.
Florencia G. Tarriela Felix Enrico R. Alfiler Florido P. Casuela Leonilo G. Coronel Edgar A. Cua Reynaldo A. Maclang Cecilio K. Pedro Carmen K. Tan Lucio C. Tan Michael G. Tan	August 3, 2016	Corporate Governance Forum	Securities & Exchange Commission (SEC)
Florido P. Casuela Leonilo G. Coronel Federico C. Pascual Cecilio K. Pedro	April 6, 2016	Learning Session with Gallups Senior Practice Expert	Gallup
Washington Z. Sycip	Per SEC letter dated Feb. 24, 2016, Director Sycip has granted a permanent exemption from attending the corporate governance trainings/seminars requirement pursuant to SEC Memo Circular No. 20, Series of 2013, for his known probity and of a well-recognized stature, influence and reputation in the business community.		
<b>2015</b>			
Cecilio K. Pedro Harry C. Tan	December 18, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Florencia G. Tarriela Felix Enrico R. Alfiler Florido P. Casuela Leonilo G. Coronel Reynaldo A. Maclang Christopher J. Nelson Federico C. Pascual	December 10, 2015	Annual Corporate Governance Training Program	The Institute of Corporate Directors
Deogracias N. Vistan	December 9, 2015	Advance Corporate Governance Seminar	
Estelito P. Mendoza	November 11, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Lucio C. Tan Lucio K. Tan, Jr. Michael G. Tan	November 11, 2015	Corporate Governance Board Effectiveness Best Practices Seminar	Center for Global Best Practices
Washington Z. Sycip	Per SEC letter dated August 3, 2015, Director Sycip is exempted for attending a Corporate Governance Training for 2015 for his known probity and of a well-recognized stature, influence and reputation in the business community.		

**B. CODE OF BUSINESS CONDUCT & ETHICS**

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees: (updated – October 2016)

Business Conduct & Ethics	Directors	Senior Management	Employees	Reference/Circular
(a) Conflict of Interest	Covered	Covered	Covered	Personal Investment Policy (Gen. Cir. 1-874/2013 dated May 16, 2013); Employee Handbook

(b) Conduct of Business and Fair Dealings		Covered	Covered	Personal Investment Policy (Gen. Cir. 1-874/2013 dated May 16, 2013)
(c) Receipt of gifts from third parties		Covered	Covered	Policy on Soliciting and/or Receiving Gifts (Gen. Cir. 1-866/2013 dated April 10, 2013)
(d) Compliance with Laws & Regulations		Covered	Covered	Manual of Policies on Human Resource Management and Development; Code of Conduct (OPP 0318/16 dated May 2, 2016); Employee Handbook
(e) Respect for Trade Secrets/Use of Non-public Information	Covered	Covered	Covered	Personal Investment Policy (Gen. Cir. 1-874/2013 dated May 16, 2013); Confidentiality of Information (Gen. Cir. 1-878/2013 dated June 4, 2013), Employee Handbook
(f) Use of Company Funds, Assets and Information		Covered	Covered	Confidentiality of Information (Gen. Cir. 1-878/2013 dated June 4, 2013); Employee Handbook
(g) Employment & Labor Laws & Policies		Covered	Covered	Manual of Policies on Human Resource Management and Development; Employee Handbook
(h) Disciplinary action		Covered	Covered	Code of Conduct (OPP 0318/16 dated May 2, 2016); Employee Handbook
(i) Whistle Blower	Covered	Covered	Covered	Whistleblower Policy (OPP 0320/16 dated May 2, 2016)
(j) Conflict Resolution		Covered	Covered	Code of Conduct (OPP 0318/16 dated May 2, 2016)

- Personal Investment Policy – The purpose of PNB’s Personal Investment Policy is to set forth prudent standards of behavior for all employees when conducting their personal investment transactions. Accordingly, the policy provides minimum standards and specifies investment practices which are either prohibited or subject to special constraints. PNB employees (officers and staff) 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. The 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.
- Policy on Soliciting and/or Receiving Gifts – The Bank recognizes that maintaining good relationships with clients often require the exchange of gifts as token of appreciation. However, 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 gifts/donations/sponsorship whether in cash or in kind from clients, suppliers, and other business-related parties is strictly prohibited. Employees may be allowed to receive gifts/donations/sponsorship/ financial assistance whether in cash or in kind from clients, suppliers, and other business-related parties, subject to various conditions.
- Code of Conduct Manual – The Code of Conduct (“Code”) is constituted to prescribe a moral code for PNB 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 Bank. While the 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. The Code defines and provides the standards of conduct expected of all employees and enumerates the act or omissions prejudicial to the interest of the Bank.
- Policy on Office Decorum – Bank employees should conduct themselves with proper decorum at all times within or outside the Bank premises in order to protect the good name of the Bank as well as to merit and maintain the trust and confidence not only of Bank clients or customers but the public in general. Proper office decorum includes, among others, the use of stationery and supplies and the principle of confidentiality of information.
- Whistleblower Policy – The Whistleblower Policy aims to: (1) encourage employees to report internally any suspected or actual commission of theft/fraud, violation of ethical standard, law, rule or regulations and/or any misconduct by its directors, officers or staff; (2) conduct a prompt and thorough investigation of any alleged/reported commission of theft/fraud and/or violation and take appropriate corrective action; (3) protect the employee/whistleblower against retaliation, discrimination, harassment or adverse personnel action, for reporting in good faith a suspected or actual violation; (4) reduce, if not eliminate, the occurrence of corporate fraud in line with sound banking practice and risk management; and (5) strengthen the Bank’s system on detection and prevention of corporate fraud.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? (updated – October 2016)

Yes. The Bank’s human resource policies, including but not limited to, the Code of Conduct are disseminated by the Human Resource Group through the Bank’s online intranet system and posted at PNB Cybermag, which may be accessed by employees.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct. (updated – 2015)

As required, each bank director and employee accomplishes an Acknowledgement Receipt certifying therein that he/she has been furnished with copies of the above mentioned manuals and policies; that he/she has fully read and understood the provisions embodied therein; and that he/she promises to abide with the rules/regulations of the said manuals and policies. Any failure to abide with the above mentioned manuals and policies is reported by the immediate supervisor and/or Head of Office concerned to the Human Resource Group (HRG) and/or Corporate Governance/Nomination/Remuneration Committee. A designated committee may subsequently validate/evaluate the report to determine if any sanction or disciplinary action should be taken against the erring employee or director.

4) Related Party Transactions

(a) Policies and Procedures (updated – October 2016)