

all audit engagement fees and terms and all audit related tax compliance and all non-audit engagements with the External Auditors.	
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(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The Revised Corporate Governance Manual has been disseminated and/or circularized to all directors, officers and employees of the Bank. Said Manual has been posted in the Bank's I-comply Site of Cybermag/Intranet and PNB Website which is accessible 24/7.

The Chairman, President & CEO and the Chief Compliance Officer of the Bank attest to the Bank's full compliance with the SEC Code of Corporate Governance.

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following: (updated – July 22, 2016)

	Policy	Activities
Customers' welfare	The Bank established Customer Service Policy Guidelines under Circular No. 1-774/2006 which will govern the conduct and manner by which all personnel render customer service to bank clients following the office decorum, standard greetings and spiels, as well as common courtesy.	The Bank continues to update the Customer Service Policy Guidelines issued in 2006. Gen Cir. 2-1653/2008 sets the standard for Service Quality. It sets forth the guiding principles of customer service, the protocols to be followed and the procedures for handling complaints. Further enhancements to this standard were issued, namely, Gen Cir. 2-1740/2009 announcing the Customer Service Hotlines and merging all helpdesks and Gen Cir. 2-1803/2010 which refined the procedures when replying to customer inquiries and/or complaints. The Bank likewise utilizes social media to disseminate relevant information regarding its products and services, and to receive and promptly address concerns and complaints of the customers.
Supplier/contractor selection practice	The bank has an established guideline on the "Accreditation of Suppliers/ Contractors" per Sel. Cir. No. 8-169/2005 dated August 26, 2005 to ensure that the Bank, as much as possible/practicable, deals only with the best suppliers/contractors, pre-screened as to their capacity to deliver the best goods/services to the Bank at the lowest possible cost. The Bank has an established "Manual of Signing Authority (MSA)" as guide to the proper recommending and approving authority/ies in the procurement processes depending on the degree and amount involved on the items to be procured.	From among the list of accredited suppliers/contractors, Corporate Services Division (CSD) invites bidders to submit bids for a particular item/s to be procured. For purchases amounting to P5,000.00 and below, a telephone canvas is used; for over P5,000.00 but less than P5,000.00, a formal quotation is used; and for over P50,000.00, a sealed quotation is used. At least 3 bidders are gathered for each item purchased before an evaluation is made based on the terms of pricing and quality of goods/services offered, recommends to proper approving authority/ies (Heads of CSD/Heads of FAG/Bids and Awards Committee [BAC]/BCPC) the best complying bid/s and upon approval, award the transaction/s to the winning bidder/s.
Environmentally friendly value-chain	PNB participates in environmental protection projects of both the government and private sectors.	<ul style="list-style-type: none"> • PNB's Branches Grow Greener -- Tree Planting Project • Earth Hour • PNB/PAL Recycables Event • Pasay City Walang Plastikan Project (Anti-Plastic Bags Drive) <p>The Bank sponsors various tree/mangrove planting activities all over the country. These activities are conducted by branch personnel in various regions.</p> <p>The Bank further ensures environmentally friendly operations by limiting paper consumption through</p>

		the use of electronic/paper-less means of communication and documentation. For instance, Notices, agenda, and relevant materials and documents are sent electronically. Copies of the Definitive Information Statement, Annual Report and Financial Statements are likewise provided to the stockholders in CD format.
Community interaction	PNB gets involved in community/school/health/relief/calamity assistance project.	<ul style="list-style-type: none"> • PNB Pagtutulungan ng Bayan outreach projects through distribution of relief goods • PNB Brigada Eskwela – volunteer work of employees to help prepare for school opening. • PNB Tan Yan Kee Philhealth Card Distribution Project – free health card for indigents • Young & Empowered Students for the Philippines (YESPH) • Various Pagtutulungan ng Bayan program. The program provides immediate assistance to victims of natural calamities, and various kinds of assistance to indigents and special communities in hospitals, hospices, orphanages, and other centers. • The Bank continues to grant scholarship to deserving students through the Tan Yan Kee Foundation, the CSR arm of the Lucio Tan Group of Companies. • In 2015, PNB is pursuing a Financial Literacy Program targeted at the youth, in partnership with the BSP. At the same time, the Bank continues to support initiative to build libraries in various schools in the countryside.
Anti-corruption programmes and procedures	<p>Under the Bank's Whistleblower Policy (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.</p> <p>Policy on Soliciting and/or Receiving Gifts under Gen. Cir. 1-866/2013. Soliciting gifts/ donations/ sponsorship whether in cash or in kind from clients, suppliers and other business-related parties is strictly prohibited.</p>	<p>A whistleblower can submit a confidential report on suspected or alleged actual event/violation to any head of Corporate Security Group, Legal Group, Internal Audit Group or Human Resource Group using the Disclosure of Violation/Complain Form. The Head of such group shall gather details and information and validate and determine the scope and nature of the complaint and forward the complaint to the Head of Corporate Security Group for further evaluation and thereafter prepare an Incident/Preliminary Report and submit the same to the Admin Investigation Committee for appropriate disposition. The identity of the whistleblower or complainant must be kept in strict confidence.</p> <p>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 reporting to HRG using the Gift List Form for worth P2,000.00 and above; and more than P5,000.00 must be turned over to HRG for donation to any legitimate charitable institution. To instill professionalism, superiors/bosses are encouraged to return or decline gifts from subordinates with value of more than P2,000.00.</p>
Safeguarding creditors' rights	<p>The Bank adheres to the highest principles of good corporate governance as embodied in its By-Laws and Articles of Incorporation, Code of Conduct and Corporate Governance Manual.</p> <p>It subscribes to the philosophy of integrity, accountability and transparency in its manner of doing business.</p>	

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section? (updated – 2015)

Yes. The Bank's corporate social responsibility (CSR) programs are under the purview of the Office of the President of the Bank. The Bank has implemented the following CSR programs in 2014 and 2015:

<p>For the Year 2015:</p> <ul style="list-style-type: none">• Young & Empowered Students for the Philippines (YESPH)• Pagtutulungan ng Bayan Outreach Projects<ul style="list-style-type: none">- medical/funeral assistance to PNB employees and their families- cash assistance to employee-victims of Typhoon Lando• PNB-Tan Yan Kee Foundation, Inc. Partnership - TESDA Tacloban Motorcycle Repair Training <p>For the Year 2014:</p> <ul style="list-style-type: none">• PNB Greener Path Project of NLEX• Dr. Lucio Tan Legacy Forest Project• Greener Project in Negros Oriental• UPLB Coco-peration• Tacloban Mangrove Project• Assistance to Tacloban Elementary School• Books Across the Seas Project• Assistance to Sister of Mary Girstown Students• PNB Gives Relief Goods to Caloocan Fire Victims• PNB-PMAP Med Mission (Pagtutulungan ng Bayan)• Typhoon Glenda/Mario (Pagtutulungan ng Bayan)• Little Angels Home (Pagtutulungan ng Bayan)• Donation to Tan Yan Kee Foundation

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

PNB recognizes and values its employees as its greatest asset. PNB also believes that the promotion of employee welfare can create happy, loyal and productive employees.

Therefore, PNB has institutionalized programs and policies that protect, enhance and nurture employees' health, safety and general welfare and the giving of awards/recognition through the following:

- Wellness/Insurance
 - Coverage under a health care maintenance program (including employees' qualified dependents)
 - Coverage under a group term life and accident insurance
 - Conduct of annual physical exam; provision of gyms, badminton and basketball courts; grant of discounted rates for immunization/vaccination and other health/wellness products; conduct of lectures/fora on first aid, fitness/nutrition/diet, stress management and the like; conduct of annual fun runs and different sports tournaments
 - Clinic with doctors, nurses and dentist to provide free medical and dental services and free medicines (pain reliever, anti-allergies, antibiotics, antispasmodic, anti-diarrhea etc.) at the Head Office; and provision of medicine cabinets/first-aid kits in branches
- General Welfare
 - Annual Team Building activity for each Group/Unit/Branch and socialization events that promote camaraderie among employees such as Bank Anniversary and Christmas party
 - Support and recognition to various clubs/associations/cooperative organized by employees that promote, encourage and conduct civic, social, cultural and sports activities, as well as savings and loan facilities among its members and provision of mini-grocery at the Head Office
 - Chapel for spiritual meditation, worship and Eucharistic celebration (daily masses)
 - Financial assistance and special moratorium on payment of employee fringe benefit loans for employees affected by calamity/natural disaster
 - Scholarship for employees' qualified children
 - Free shuttle bus service for Head Office employees (Macapagal Boulevard - Buendia LRT and EDSA-Taft MRT stations routes and back)
 - Canteen with subsidized food rates and coffee shop at the Head Office
 - Free parking space at the Head Office
 - Employee Communications Program which includes: provision of bulletin boards; suggestion boxes; public announcement system; Intranet (e-mail) and on-line newsletters that disseminate Bank policies, corporate updates, job vacancies including tips on health and wellness as well as pointers on being prepared and safe before/during/after natural calamities (earthquake, typhoon, fire and floods)
 - Special interest and foreign exchange rates and waiver of annual fee of the Bank's credit card for employees
 - Office uniforms

- Safety/Security
 - Regular fire and earthquake drill exercises
 - 24/7 or round-the-clock security
 - Top-of-the-line centralized alarm system and CCTV coverage
 - Fumigation of building; regular maintenance of air-conditioning, lighting/electrical, alarm and elevator systems; cleaning of building premises; provision of walkways intended for Persons With Disability (PWD); provision of fire extinguishers and regular maintenance of building water-sprinklers; regular inspection of fire exits
- 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.
- Policy on Learning and Development

Learning and development activities are conducted for all levels of employees, taking into account their learning/training needs vis-a-vis the Bank's corporate mission, objectives, strategies and values. Learning and development shall be a shared responsibility among top management, middle management, supervisors, employees and training staff.

The learning programs in PNB are the following:

- Learning within the Bank (In-House)
 - Learning outside the Bank
 - Learning program abroad
 - Orientation and Job Induction of new hires
 - Student Trainee Program
 - Junior Executive Development Institute
 - Management Training Program/Fast Track Training Program
 - Branch Operations Development Program
 - Leadership Courses
 - Human Resources Talent Management Program
- Employee-related approved Bank policies
 - Policy on Resignation and Retirement
 - Policy on Work Schedule
 - Harmonization of Bank Policies on Grant of Bonuses
 - Revisions on the PNB Policy on Transfer of Employee
 - Harmonization Policy on PNB Employees Loans
 - Policy on Special Leave – Anti-Violence Against Women
 - Workplace Policy on HIV/AIDS
 - Harmonization of PNB Policies on Leave Benefits
 - Harmonization Policy on the Group Term Insurance
 - Harmonized Policy on Christmas/Summer Allowance
 - Workplace Policy on Breastfeeding
 - Harmonized Policy on Overtime Pay and Allowance
 - Policy on Bank Expense – Official Travel
 - Policy on Employee Relocation/Dislocation
 - Harmonized Policy on Maternity Leave Benefits

(b) Show data relating to health, safety and welfare of its employees. (updated – October 2016)

- As of June 30, 2016, there are 8,206 Directors, Officers and Staff enrolled under the PNB Group Life Insurance and PNB Group Accident Insurance. A total of 8,126 principals are enrolled under the Bank's comprehensive health care maintenance program covering Directors, Officers, Staff and retired employees with extended coverage. A total of 11,110 subsidized dependents are likewise enrolled under the Bank's healthcare plan.
- A total of 113 PNB Maternity Benefits were processed and paid from January to June 2016.
- The Bank has adopted various health-care activities in the workplace (e.g. discounted vaccinations, lectures on health care or wellness program, etc.). The Bank also has an accredited Health Maintenance Organization (HMO) – accredited physician and nurses who are assigned at the PNB Medical Clinics in Makati and Pasay to attend to various medical needs/consultations of employees. Medicines for minor illnesses (e.g. pain relievers, anti-allergies, antibiotics, anti-spasmodic, anti-diarrhea, etc.) are available at the clinics.

(c) State the company's training and development programmes for its employees. Show the data. (updated – October 2016)

Course Title / Duration	Description	Objectives	Target Employees	No. of Runs	No. of Participants
Orientation	An induction program	At the end of this program, the	Newly Hired	2	6