



OFFICE OF THE CORPORATE SECRETARY

Direct Line: 8536-0540
Trunk Lines: 8891-6040 to 70
Local: 4582

May 27, 2021

PHILIPPINE DEALING & EXCHANGE CORPORATION

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas
Makati City

Attention: **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head - Issuer Compliance and Disclosure Department (ICCD)

Dear Atty. Magallen-Lirio:

We are pleased to furnish the Philippine Dealing and Exchange Corporation (PDEX) a copy of our disclosure to the Philippine Stock Exchange regarding the 2020 Integrated Annual Corporate Governance Report (I-ACGR) of the Bank.

We trust you will take note accordingly. Thank you.

Very truly yours,



RUTH PAMELA E. TANGHAL
Corporate Secretary

Philippine National Bank
PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
Pasay City, Metro Manila 1300, Philippines

T. (632) 8526-3131 to 70 / 8891-6040 to 70
P.O. Box 1884 (Manila)
P.O. Box 410 (Pasay City)
www.pnb.com.ph

Authorized Depository of the Republic of the Philippines
Member: PDIC

CR03830-2021

SECURITIES AND EXCHANGE COMMISSION

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2020
2. SEC Identification Number
ASO96-005555
3. BIR Tax Identification Number
000-188-209-000
4. Exact name of issuer as specified in its charter
Philippine National Bank
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay City, Metro Manila
Postal Code
1300
8. Issuer's telephone number, including area code
(632) 8526-3131 to 70/(632) 8891-6040 to 70
9. Former name, former address, and former fiscal year, if changed since last report
Not Applicable

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

**PNB**

Philippine National Bank PNB

PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report
Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE
Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard

Description of the Disclosure

In compliance with SEC Memorandum Circular No. 15, Series of 2017, we are pleased to furnish the Exchange a copy of the 2020 Integrated Annual Corporate Governance Report (I-ACGR) of the Bank.

Thank you.

Filed on behalf by:

Name	Ruth Pamela Tanghal
Designation	Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/ Province)

RUTH PAMELA E. TANGHAL Corporate Secretary Contact Person
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8573-4582 Company Telephone Number
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1	2
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Month

3	1
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Day

Fiscal Year

Integrated Annual Corporate Governance Report (I-ACGR)

FORM TYPE

April 27

Month Day
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

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May 26, 2021

Securities and Exchange Commission

G/F Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City

Attention : MS. RACHEL ESTHER J. GUMTANG-REMALANTE
Director, Corporate Governance and Finance Department

The Philippine Stock Exchange

6th Floor PSE Tower
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention : MS. JANET A. ENCARNACION
Head, Disclosure Department

Gentlemen:

In compliance with SEC Memorandum Circular No. 15, Series of 2017, we are pleased to submit herewith the 2020 Integrated Annual Corporate Governance Report (I-ACGR) of the Philippine National Bank.

For your record. Thank you.

Very truly yours,


RUTH PAMELA E. TANGHAL
Corporate Secretary

a/s

Philippine National Bank
PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
Pasay City, Metro Manila 1300,
Philippines

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Member: PDIC



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2020**
2. SEC Identification Number **AS096-005555** 3. BIR Tax Identification No. **000-188-209**
4. Exact name of issuer as specified in its charter **PHILIPPINE NATIONAL BANK**
5. **PHILIPPINES**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **PNB FINANCIAL CENTER, PRESIDENT DIOSDADO**
MACAPAGAL BLVD., PASAY CITY, METRO MANILA
Address of principal office
- 1300**
Postal Code
8. **(632) 891-6040 to 70 / (632) 526-3131 to 70**
Issuer's telephone number, including area code
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board’s Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company’s industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	The Bank has fifteen Board members with a broad range of experience and deep industry expertise. They are elected by the shareholders during the Annual Stockholders’ Meeting (ASM) and hold office for the ensuing year until their successors are elected and qualified. Our directors possess all the qualifications and none of the disqualifications under existing laws and BSP regulations.
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		The President and CEO, who has executive responsibility of day-to-day operations, is elected as the sole executive director while the other members are non-executive directors (NEDs) who do not perform any work related to the operations of the Bank.
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		Among the Board members are five independent directors: Florencia G. Tarriela, Felix Enrico R. Alfiler, Edgar A. Cua, Federico C. Pascual, and Domingo H. Yap. They are independent of Management and free from any business or other relationship which could materially interfere with the exercise of independent judgment in fulfilling their responsibilities as directors. 2020 Annual Report <ul style="list-style-type: none">Board Composition (<i>Page 61</i>)Profiles of the Board of Directors (<i>Pages 126–137</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 1.2			

1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships	<p>PNB Board of Directors is composed of 1 Executive Director, 5 Independent Directors, and 9 Non-Executive Directors.</p> <table><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>Florencia G. Tarriela</td><td>Independent Director (Chairperson)</td></tr><tr><td>Felix Enrico R. Alfiler</td><td>Independent Director (Vice-Chairman)</td></tr><tr><td>Jose Arnulfo A. Veloso</td><td>Executive Director</td></tr><tr><td>Florido P. Casuela</td><td>Non-Executive Director</td></tr><tr><td>Leonilo G. Coronel</td><td>Non-Executive Director</td></tr><tr><td>Edgar A. Cua</td><td>Independent Director</td></tr><tr><td>Estelito P. Mendoza</td><td>Non-Executive Director</td></tr><tr><td>Christopher J. Nelson</td><td>Non-Executive Director</td></tr><tr><td>Federico C. Pascual</td><td>Independent Director</td></tr><tr><td>Domingo H. Yap</td><td>Independent Director</td></tr><tr><td>Carmen K. Tan</td><td>Non-Executive Director</td></tr><tr><td>Lucio C. Tan</td><td>Non-Executive Director</td></tr><tr><td>Sheila T. Pascual</td><td>Non-Executive Director</td></tr><tr><td>Michael G. Tan</td><td>Non-Executive Director</td></tr><tr><td>Vivienne K. Tan</td><td>Non-Executive Director</td></tr></table> <p>2020 Annual Report</p> <ul style="list-style-type: none">Board Composition (<i>Page 61</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>PNB website</p> <ul style="list-style-type: none">Board of DirectorsLINK: https://www.pnb.com.ph/index.php/investor-relations/board-of-directors	Name	Type of Directorship	Florencia G. Tarriela	Independent Director (Chairperson)	Felix Enrico R. Alfiler	Independent Director (Vice-Chairman)	Jose Arnulfo A. Veloso	Executive Director	Florido P. Casuela	Non-Executive Director	Leonilo G. Coronel	Non-Executive Director	Edgar A. Cua	Independent Director	Estelito P. Mendoza	Non-Executive Director	Christopher J. Nelson	Non-Executive Director	Federico C. Pascual	Independent Director	Domingo H. Yap	Independent Director	Carmen K. Tan	Non-Executive Director	Lucio C. Tan	Non-Executive Director	Sheila T. Pascual	Non-Executive Director	Michael G. Tan	Non-Executive Director	Vivienne K. Tan	Non-Executive Director
Name	Type of Directorship																																		
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Sheila T. Pascual	Non-Executive Director																																		
Michael G. Tan	Non-Executive Director																																		
Vivienne K. Tan	Non-Executive Director																																		
Recommendation 1.3																																			

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Provide link or reference to the company’s Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	The Board of Directors values ongoing professional development and actively participates in training programs annually to keep abreast of key issues and developments in the industry. Corporate governance best practices, changes in the regulatory and business environment, and the duties and responsibilities of the Board and Board committees, including risk oversight, audit, RPTs, and corporate governance are discussed during the annual training session.
2. Company has an orientation program for first time directors.	COMPLIANT	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended, and topics covered.	As of December 31, 2020, all fifteen directors complied with the four–hour annual continuing training requirement. A newly–appointed director also attended the eight–hour orientation program on corporate governance. 2020 Annual Report <ul style="list-style-type: none">• Orientation and Continuing Education (<i>Page 64</i>)• LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf 2020 Corporate Governance Manual <ul style="list-style-type: none">• Training Process (<i>Page 51</i>)• LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
3. Company has relevant annual continuing training for all directors.	COMPLIANT		
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	Provide information on or link/reference to a document containing information on the company’s board diversity policy. Indicate gender composition of the board.	Board diversity is not an end of itself. Instead, it is a means to develop an enabling environment which allows the Bank to leverage on the diverse background and expertise of its individual directors, foster innovation, and achieve a balanced approach in making sound and objective board decision. As such, the Bank recognizes and welcomes diversity in the Board of Directors to enhance the quality of its performance. In designing the Board’s composition, diversity shall be considered from various aspects including but not limited to age, gender, ethnicity, cultural and educational background, skills, competence and knowledge. These variables shall be taken into account in the selection and nomination of candidates to the Board. The Board shall also strive to ensure that there is appropriate representation of women in the Board. Moreover, the Bank recognizes that

			<p>both social diversity (e.g., gender, race/ethnicity, and age diversity) and professional diversity are both important for bringing diverse perspectives in order to arrive at thorough and intelligent decisions on matters that require the board's approval.</p> <p>The board of directors shall regularly review the composition, representation, and diversity of the board and board-level committees with the end view of having a balanced and diversified membership. Towards this end, a system and procedure for evaluation of the composition of the board and board-level committees shall be adopted which shall include, but not limited to, benchmarking against best practices in corporate governance and peer group analysis. The results of the assessment shall form part of the ongoing improvement of the Board's diversity efforts.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board Diversity Policy (<i>Pages 6–7</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Skills, Competency, and Diversity (<i>Page 62</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Optional: Recommendation 1.4			
<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	COMPLIANT	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	<p>Consistent with our implementation of the ASEAN Corporate Governance Scorecard, the Bank continuously strives to meet the following:</p> <ul style="list-style-type: none"> • At least 50% of the members of the Board have educational background in banking and finance, accounting, economics, or law; • At least 50% of the members of the Board have relevant skills and experience in the areas of banking and finance, accounting, economics, or law; and • At least one female director <p>By December 31, 2020, the Bank met the above-mentioned diversity targets. We have four female directors in the Board, one of whom is independent. The</p>

			<p>Board members also have diverse educational background, expertise, corporate qualifications, and professional experience including accounting, auditing, aviation and travel, banking and finance, business acumen, consumer goods, economics, general management expertise, legal expertise, manufacturing, real estate, and tobacco. Apart from Filipinos, we have one director who is a British citizen.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Skills, Competency, and Diversity (<i>Page 62</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p>	<p>The Corporate Secretary assists the Board of Directors and the Board committees in the conduct of their meetings. She plays a significant role in supporting the Board in discharging its responsibilities. Functions include safekeeping of and the preservation of the integrity of the minutes of the meetings and ensuring that the Board members have accurate information that will enable them to form sound decisions on matters that require their approval.</p>
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		<p>The Corporate Secretary of the Bank is Atty. Ruth Pamela E. Tanghal, a Filipino and a resident of the Philippines. She assumed the position in 2020. She is legally trained, with experience in legal matters, and company secretarial practices. She is not the Chief Compliance Officer nor is she a director of the Bank.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Corporate Secretary (<i>Page 60</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Corporate Secretary (<i>Pages 26–28</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf

4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	<p>The Corporate Secretary has attended the Corporate Governance Seminar conducted by SGV & Co. on October 20, 2020. She is required to attend trainings on corporate governance annually. Please refer to Annex A for the corresponding certificate of attendance.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Orientation and Continuing Education (Page 64) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	<p>The Corporate Secretary informs the Board members of the agenda of their meetings and distributes materials at least five business days prior to the scheduled meeting. She likewise ensures that the members possess accurate information that enables them to make sound decisions on matters that require their approval.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Meetings and Attendance (<i>Pages 62–63</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board Meetings and Quorum Requirement (<i>Page 14</i>) • Duties and Responsibilities of the Corporate Secretary (<i>Item 7.1.2, Page 26</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Please refer to Annex B for the corresponding certification issued by the Corporate Secretary.</p>
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance	

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	Officer, including his/her name, position, qualifications, duties and functions.	<p>The rank of the Bank's Chief Compliance Officer is Executive Vice President, a position with adequate stature and authority in the organization. The Chief Compliance Officer is not a member of the Board.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> The Chief Compliance Officer (<i>Pages 28–29</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> Chief Compliance Officer (<i>Page 60</i>) Profile of the Chief Compliance Officer (<i>Page 140</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	The Chief Compliance Officer has attended the Corporate Governance Seminar conducted by SGV & Co. on October 20, 2020. He is required to attend trainings on corporate governance annually. Please refer to Annex C for the corresponding certificate of attendance.
<p>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</p> <p>Recommendation 2.1</p>			

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	<p>The Directors of the Bank act on a fully informed basis, honestly and in good faith, with loyalty and in the best interest of the Bank, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as its depositors, investors, borrowers, other clients and the general public. A director must always act in good faith, with the care which an ordinarily prudent man would exercise under similar circumstances.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Specific Duties and Responsibilities of Directors (<i>Item C, Page 21</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Board of Directors (<i>Page 58</i>) • Meetings and Attendance (<i>Pages 62–63</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p>	The Board oversees the development of and approve the Bank's business objectives and strategy, and monitor their implementation, in order to sustain the Bank's long-term viability and strength. The Board Strategy & Policy Committee (BSPC) is the governing board committee exercising authority to delegate to management the implementation of the board approved strategic plans and policies. On an annual basis, the Committee reviews the strategic

<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>		<p>objectives and business priorities, strategy, direction, overall plans, result areas that relates to the thrusts and programs of the Bank.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Powers, Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2, Pages 7–8</i>) • Board Strategy and Policy Committee Charter (<i>Annex H</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Board of Directors (<i>Page 58</i>) • Board Strategy and Policy Committee (<i>Pages 68–69</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
<p>Supplement to Recommendation 2.2</p>			
<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>COMPLIANT</p>	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p>	<p>The Board of Directors is primarily responsible for defining the Bank's vision and mission and ensuring that it is periodically revisited, reviewed, and updated.</p> <p>The Bank's vision and mission is formally reviewed annually during the strategic planning process when the Bank's strategic plans are formulated and aligned vertically and horizontally.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Vision and Mission (<i>Page 2</i>) • Values (<i>Page 3</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p>	<p>The Board oversees the development of and approve the Bank's business objectives and strategy, and monitor their implementation, in order to sustain the Bank's long-term viability and strength. The Board Strategy and Policy Committee, a separate board committee, has been created to evaluate and endorse for Board approval the Annual Strategic Plan of the Bank.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Strategy and Policy Committee Chairman (<i>Pages 34–35</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Specific Duties and Responsibilities of Directors (<i>Item 1.3.2.2, Pages 8–9</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Recommendation 2.3</p>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p>	<p>As of December 31, 2020, the Chairperson of the Board is Ms. Florencia G. Tarriela, who has held the position since 2005. She ensures the effective functioning of the Board, including maintaining a relationship of trust with individual directors. She makes certain that the meeting agenda focuses on strategic matters, including discussions on risk appetite and key governance concerns.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • The Chairperson, Vice Chairman, and President & CEO (<i>Page 58</i>) • Profile of the Chairman (<i>Page 128</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
<p>Recommendation 2.4</p>			

<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>COMPLIANT</p>	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p>	<p>The Succession Management Program is an evolving process of strategically and systematically identifying, assessing, and developing talents for future critical roles to ensure consistent and effective organizational performance. This program ensures the availability of talents who have the potential and required competencies and are ready to assume vacant positions as the need arises, due to organizational exigencies, particularly for key management positions.</p> <p>A Talent Board consisting of senior officers has been created to monitor and review the success and progress of the program. It renders decisions on nominations and acceptance of talents in the Talent Pool.</p> <p>PNB has a retirement plan for its employees that provides funds for the payment of separation benefits to employees who are eligible under the Bank's Retirement Plan, including cases of disability or death while on service.</p>
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>COMPLIANT</p>		<p>There are three modes of retirement:</p> <ul style="list-style-type: none"> (a) Normal Retirement: an employee shall be compulsorily retired from service and shall be entitled to receive the benefits under the Plan upon reaching 60 years of age or upon completing 35 years of service, whichever comes first; (b) Early Retirement: with the consent of the Bank, an employee who has not yet reached the normal retirement requirement may opt to avail of the early or optional retirement benefits under the Plan upon reaching (i) 55 years of age and rendering at least ten years of continuous service; or (ii) completing at least eleven years of service; and (c) Late Retirement: Any employee may offer his or her service to the Bank beyond the normal retirement date, but not beyond 65 years of age. Such retirement, however, shall be subject to the approval of the Bank on a case-to-case basis. Employees who intend to resign from service but do not meet the prescribed eligibility requirements are not entitled to any separation pay. <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Succession Management (<i>Pages 79–80</i>)

			<ul style="list-style-type: none"> Retirement (<i>Page 81</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Retirement Policy (<i>Pages 14–15</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	<p>PNB aims to sustain a strong, performance-conducive environment that would attract, motivate, and retain the best talents. For this purpose, the Bank maintains a Remuneration Policy that commensurately compensates its officers for high levels of performance. Such policy complements the Bank's efforts to hire and develop the best talents through its competitive recruitment program and continuing learning programs.</p> <p>The PNB Remuneration Policy provides a sustainable compensation structure and fringe benefits program for directors and officers. The policy allows the Bank to be competitive with industry counterparts. It identifies basic compensation, incentives, recognition, and rewards for those who meet their performance targets and goals.</p> <p>The compensation package for officers consists of monetary and non-monetary benefits, fringe benefits, and long-term schemes such as the following:</p> <p>(a) Monetary emoluments consist of monthly compensation, guaranteed bonuses equivalent to four monthly basic salary, allowances for business-related expenses, official travel, annual clothing allowance, annual rice subsidy and other monetary allowances, and award upon reaching service milestones of at least ten years and every five years thereafter; and</p>
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		

<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>COMPLIANT</p>		<p>(b) Non-monetary benefits consist of healthcare plan for the officer and two of his or her qualified primary dependents, group life insurance, group accident insurance, leave privileges, car plan, and loan facilities such as general-purpose loan, motor vehicle loan, and housing loan.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Remuneration Policy (<i>Page 80</i>) • Officers' Compensation and Benefits (<i>Page 80</i>) • Performance-based Remuneration (<i>Page 80</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Remuneration of Directors & Officers (<i>Pages 20–21</i>) • Corporate Governance & Sustainability Committee Charter (<i>Annex A</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Optional: Recommendation 2.5</p>			
<p>1. Board approves the remuneration of senior executives.</p>	<p>COMPLIANT</p>	<p>Provide proof of board approval</p>	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.3, Page 7</i>) • Remuneration of Directors & Officers (<i>Pages 22–23</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>The Corporate Secretary certifies that the remuneration structures are based on the approved Bank's Policy on Remuneration of Directors and Officers under Board Executive Session Resolution No. 06/10-23-09 dated October 23, 2009.</p> <p>Please refer to Annex D for the Secretary's certificate on remuneration of senior executives.</p>

2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	COMPLIANT	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	<p>PNB designed its compensation and benefits package as a competitive tool to attract and retain highly qualified individuals who will support the Bank's implementation of its business directions and to achieve business goals. Hence, provisions of the compensation and benefits policies show the clear linkage with employee contributions which are measured through a balanced scorecard approach in its performance management system. Senior executives who are unable to meet their targets become ineligible to certain benefits and/or incentive programs such as the Car Plan benefit, Employee Loans, and performance bonus to name a few. The same is true for those who get involved in administrative cases where certain benefits are temporarily withheld in case an administrative sanction is imposed. In case of dismissal, benefits are forfeited and taken back including but not limited to the Car Plan benefit, the guaranteed bonuses equivalent to a three-month salary and the Centennial PNB shares for the remaining years.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Performance-based Remuneration (<i>Page 80</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	The Corporate Governance and Sustainability Committee (acting as the Bank's Nomination Committee) shall promulgate the guidelines or criteria to govern the conduct of the nomination; and performs other duties as provided under the BSP rules and regulations. Nomination of the directors shall be conducted by the Committee prior to an Annual Stockholders' Meeting. All recommendations shall be signed by the nominating stockholder/s together with the acceptance and conformity by the would-be nominees. The Committee shall pre-screen the qualifications and prepare the final list of all candidates which shall contain all the information about the nominees.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board	

3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	As set forth in the Corporate Governance Manual, minority shareholders have the right to nominate candidates to the board.
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		All shareholders, including minority shareholders, who wish to recommend a person for election as a director of the Bank may submit a written notice of nomination to the PNB Corporate Secretary's Office, PNB Head Office in Pasay City, Philippines. The written notice of nomination, duly signed by the nominating stockholder and the nominee, must clearly set out the names and contact information of both the nominating stockholder and the nominee, and must be supported by the biographical data of the nominee, including his or her relevant qualifications and experiences.
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Nomination and Election of Directors (<i>Page 14</i>) Shareholders' Rights and Protection of Minority Stockholders' Interest (<i>Pages 47–49</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> Nomination and Election of Directors (<i>Page 62</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		<p>The Corporate Governance and Sustainability Committee reviewed the composition and membership of the Board and board committees and identified the quality, existing competencies, and skillsets of directors aligned with the Bank's strategic direction.</p> <p>Criteria for the nomination and election of members of the Board of Directors:</p> <ul style="list-style-type: none"> Knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the Bank's business and risk profile; Have a record of integrity and good repute;

			<ul style="list-style-type: none"> • Have sufficient time to carry out their responsibilities; and • Have the ability to promote a smooth interaction between members of the Board. • Have educational background, relevant skills and experience in banking and finance, accounting, economics, or law • Must contribute to the Board's social and professional diversity consistent with the Board Diversity Policy <p>The Committee identifies and evaluates the suitability of each particular candidate to the Board.</p> <p>Process of the nomination and election of members of the Board of Directors:</p> <p>Nomination of the directors shall be conducted by the Committee prior to an Annual Stockholders' Meeting. All recommendations shall be signed by the nominating stockholder/s together with the acceptance and conformity by the would-be nominees. The Committee shall pre-screen the qualifications and prepare the final list of all candidates which shall contain all the information about the nominees.</p> <p>All shareholders who wish to recommend a person for election as a director of the Bank may submit a written notice of nomination to the Corporate Secretary. The written notice of nomination, duly signed by the nominating stockholder and the nominee, must clearly set out the names and contact information of both the nominating stockholder and the nominee, and must be supported by the biographical data of the nominee, including his or her relevant qualifications and experiences.</p> <p>Only nominees whose names appear on the final list of candidates shall be eligible for election. No other nominations shall be entertained after the final list of candidates shall have been prepared; and no further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting. The directors shall be elected by the stockholders entitled to vote during the annual meeting of stockholders and shall hold for one (1) year and until their successors are elected and qualified.</p>
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Optional: Recommendation to 2.6			
<p>1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.</p>	COMPLIANT	Identify the professional search firm used or other external sources of candidates	<p>External sources were consulted in sourcing potential and qualified directors, including the Institute of Corporate Directors (ICD) and annual reports of other listed companies. As a matter of practice, all shareholders are also invited to recommend nominees for election as a director of the Bank.</p> <p>Please refer to Annex E for the letter sent to ICD requesting for potential and qualified directors.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Nomination and Election of Directors (<i>Page 14</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> Nomination and Election of Directors (<i>Page 62</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf

Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs Identify transactions that were approved pursuant to the policy.	As set forth in the RPT Policy Manual, the board of directors has established an effective system to determine, identify and monitor related parties and RPTs; continuously review and evaluate existing relationships between and among businesses and counterparties; and identify, measure, monitor and control risks arising from RPTs. 2020 Corporate Governance Manual <ul style="list-style-type: none">• Dealings with Related Parties (<i>Pages 35–40</i>)• LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf 2020 Annual Report <ul style="list-style-type: none">• Message from the Board Oversight RPT Committee (<i>Pages 32 –33</i>)• Board Oversight RPT Committee (<i>Page 68</i>)• LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf 2020 RPT Policy Manual <ul style="list-style-type: none">• LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_Revised_RPT_Policy_Manual.pdf
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be	COMPLIANT	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories	2020 Annual Report <ul style="list-style-type: none">• Board Oversight RPT Committee (<i>Page 68</i>)• LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf 2020 Corporate Governance Manual <ul style="list-style-type: none">• Dealings with Related Parties (<i>Item 4.4, Pages 40</i>)• LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf

considered for purposes of applying the thresholds for disclosure and approval.			2020 RPT Policy Manual <ul style="list-style-type: none">LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_Revised_RPT_Policy_Manual.pdf
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders’ meetings.	COMPLIANT	Provide information on voting system, if any.	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>Provide information on or reference to a document containing the Board’s policy and responsibility for approving the selection of management.</p> <p>Identify the Management team appointed</p>	<p>The Board oversees selection of the CEO and other key personnel, including members of senior management and heads of control functions based on the application of fit and proper standards. Integrity, technical expertise, and experience in the Bank's business, either current or planned, shall be the key considerations in the selection process. Moreover, since mutual trust and a close working relationship are important, the members of senior management shall uphold the general operating philosophy, vision and core values of the Bank.</p> <p>Before a senior officer (with rank of Vice President and up) is appointed, suitable candidates are identified from various sources. Interviews will then be conducted by the recommending Group/Sector Head, Human Resource Group Head, President and CEO, and a Director of the Bank to determine the overall qualification of the candidates based on the factors for selection presented.</p> <p>Once candidate is selected, the approval of the Board of Directors, as endorsed by the President and the Corporate Governance and Sustainability Committee will be sought.</p> 2020 Annual Report <ul style="list-style-type: none">Selection Process for Senior Management (<i>Page 79</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf

			2020 Corporate Governance Manual <ul style="list-style-type: none"> Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.3., Page 9</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>The Board of Directors regularly monitors and assesses the performance of the management team and heads of control functions based on approved performance standards. Moreover, the Board of Directors holds members of senior management accountable for their actions and enumerate the possible consequences if those actions are not aligned with the Board's performance expectations. These expectations shall include adherence to the Bank's values, risk appetite and risk culture, under all circumstances.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.2. and 1.3.2.3., Page 8–9</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.2. and 1.3.2.3., Page 8–9</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf

2. Board establishes an effective performance management framework that ensures that personnel’s performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or link/reference to a document showing the Board’s responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	2020 Corporate Governance Manual <ul style="list-style-type: none">Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.2[d], Pages 8–9</i>)Specific Duties and Responsibilities of Directors (<i>Item B, Pages 20–21</i>)Internal Auditor (<i>Pages 32–33</i>)Board Audit and Compliance Committee Charter (<i>Annex B</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf 2020 Annual Report <ul style="list-style-type: none">Message from the Board Audit and Compliance Committee (<i>Page 28–29</i>)Board Audit and Compliance Committee (<i>Pages 66–67</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		
3. Board approves the Internal Audit Charter.	COMPLIANT	Provide reference or link to the company’s Internal Audit Charter	
Recommendation 2.11			

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	<p>The approach to managing risk is outlined on the Bank's Enterprise Risk Management (ERM) framework, which creates the context for setting policies and standards, and establishing the right practices throughout the PNB Group. It defines the risk management processes and sets out the activities, tools, and organizational structure to ensure material risks are identified, measured, monitored, and managed.</p> <p>Our risk management framework banks on a dynamic process that supports the development and implementation of overall Bank strategy. The process revolves around methodically addressing risks associated with the business lines of PNB. The ERM framework, with regular reviews and updates, has served us well and has been resilient through economic cycles. We have placed a strong reliance on this risk governance framework and the three lines-of-defense model, which are fundamental to our aspiration of becoming world-class at managing risk.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Enterprise Risk Management Framework (<i>Page 40</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.5., Page 13</i>) Chief Risk Officer (<i>Pages 33–34</i>) Risk Oversight Committee Charter (<i>Annex C</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	Provide proof of effectiveness of risk management strategies, if any.	
Recommendation 2.12			

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	Provide link to the company’s website where the Board Charter is disclosed.	The Corporate Governance Manual of the Bank serves as the Board Charter, setting forth the specific powers, duties, responsibilities and accountabilities of the Board of Directors to properly aid them in the successful carry out their duties and the exercise sound and objective judgment for the best interest of the Bank, its subsidiaries and affiliates. The Corporate Governance Manual is disclosed in the Bank’s website. 2020 Corporate Governance Manual <ul style="list-style-type: none">• Powers, Duties and Responsibilities of the Board of Directors (<i>Item 1.3, Pages 7–13</i>)• Roles and Responsibilities of the Chairperson of the Board of Directors (<i>Item 3.6[a], Pages 19–20</i>)• Specific Duties and Responsibilities of Directors (<i>Item 3.7, Pages 20–22</i>)• LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company’s website.	COMPLIANT		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or link/reference to a document showing company’s insider trading policy.	2020 Corporate Governance Manual <ul style="list-style-type: none">• Insider Trading Policy, Code of Conduct and Business Ethics (<i>Item 5, Page 45</i>)• LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Optional: Principle 2			

<p>1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</p>	<p>2020 RPT Policy Manual</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_Revised_RPT_Policy_Manual.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Dealing with Related Parties (<i>Item 2, Pages 36–38</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>COMPLIANT</p>	<p>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</p>	<p>Material items requiring Board approval include but not limited to the following:</p> <ul style="list-style-type: none"> Changes in organizational structure and functions Vision, mission, and strategic objectives Risk appetite of the Bank Policies and procedures governing major areas of the Bank's operations Remuneration and other incentives policy for personnel Appointment/selection of key members of senior management and heads of control functions Corporate governance framework of the Bank Changes in the charters of each Board committee or other documents that set out its mandate, scope and working procedures Proposals regarding credit facilities, investments in financial assets, borrowings, and other credit or transactional matters Declaration of dividends <p>All material transactions and decisions approved by the Board of Directors are immediately disclosed after each Board meeting.</p> <p>In compliance with the reportorial requirements of the SEC, the Bank provides a full, fair and accurate disclosure to the public of every material fact or event that occurs which would reasonably be expected to affect the investors' decisions.</p>

			<p>Annually, all legal acts, resolutions and proceedings of the Board of Directors are summarized and endorsed to the Stockholders for ratification during the Annual Stockholders' Meeting.</p> <p>ASEAN Corporate Governance Scorecard Report</p> <ul style="list-style-type: none"> • Board Matters (<i>Page 14</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/Asean%20Corporate%20Governance%20Scorecard%20Report.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Reportorial or Disclosure System of the Bank's Corporate Governance (<i>Pages 50–51</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p>Recommendation 3.1</p>			

<div>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</div>	<div>COMPLIANT</div>	<div>Provide information or link/reference to a document containing information on all the board committees established by the company.</div>	<div>The Board has established eight (8) board committees to increase efficiency and allow deeper focus in specific areas.</div> <div><table><tr><th>Board Committees</th></tr><tr><td>Board Audit & Compliance Committee (BACC)</td></tr><tr><td>Corporate Governance & Sustainability Committee</td></tr><tr><td>Risk Oversight Committee (ROC)</td></tr><tr><td>Board Oversight RPT Committee (BORC)</td></tr><tr><td>Executive Committee</td></tr><tr><td>Trust Committee</td></tr><tr><td>Board IT Governance Committee (BITGC)</td></tr><tr><td>Board Strategy and Policy Committee (BSPC)</td></tr></table></div> <div><div>2020 Corporate Governance Manual</div><div><ul style="list-style-type: none">Board-Level Committee (<i>Pages 22–23</i>)Board-Level Committee Charters (<i>Annex A–H</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf</div></div> <div><div>2020 Annual Report</div><div><ul style="list-style-type: none">Board Committees (<i>Pages 66–72</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf</div></div>	Board Committees	Board Audit & Compliance Committee (BACC)	Corporate Governance & Sustainability Committee	Risk Oversight Committee (ROC)	Board Oversight RPT Committee (BORC)	Executive Committee	Trust Committee	Board IT Governance Committee (BITGC)	Board Strategy and Policy Committee (BSPC)
Board Committees												
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Trust Committee												
Board IT Governance Committee (BITGC)												
Board Strategy and Policy Committee (BSPC)												
<div>Recommendation 3.2</div>												
<div>1. Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</div>	<div>COMPLIANT</div>	<div>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</div> <div>Indicate if it is the Audit Committee’s responsibility to recommend the appointment and removal of the company’s external auditor.</div>	<div>The Board Audit and Compliance Committee assists the Board in the performance of its oversight responsibility relating to financial reporting process, systems of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations.</div> <div>As set forth in its Charter, the Board Audit and Compliance Committee shall be composed of at least three (3) Board members, who shall all be non-executive directors, must have accounting, auditing or related financial management expertise, two (2) of whom shall be independent directors, including the Chairman and another non-executive director with audit experience. The</div>									

2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	<p>members of the BACC and the Committee Chair shall be appointed by the Board.</p> <p>The Chairman of the Board Audit and Compliance Committee is not the Chairman of the Board or any other Board Level Committee.</p> <table border="1"><thead><tr><th colspan="2">Board Audit and Compliance Committee</th></tr><tr><th>Name</th><th>Type of Directorship</th></tr></thead><tbody><tr><td>Edgar A. Cua – Chairman</td><td>Independent Director</td></tr><tr><td>Felix Enrico R. Alfiler – Member</td><td>Independent Director</td></tr><tr><td>Florencia G. Tarriela – Member</td><td>Independent Director</td></tr></tbody></table> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none">Board Audit and Compliance Committee Charter (<i>Annex B</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none">Board Audit and Compliance Committee (<i>Pages 66–67</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf	Board Audit and Compliance Committee		Name	Type of Directorship	Edgar A. Cua – Chairman	Independent Director	Felix Enrico R. Alfiler – Member	Independent Director	Florencia G. Tarriela – Member	Independent Director
Board Audit and Compliance Committee													
Name	Type of Directorship												
Edgar A. Cua – Chairman	Independent Director												
Felix Enrico R. Alfiler – Member	Independent Director												
Florencia G. Tarriela – Member	Independent Director												
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.											
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee											
Supplement to Recommendation 3.2													
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none">Board Audit and Compliance Committee Charter (<i>Annex B</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf										

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	<p>In 2020, the Committee held fourteen (14) meetings wherein the Committee ensured the fulfillment of its duties and responsibilities. A separate meeting was also held by the Committee with the external auditors, without anyone from Management present, as mandated by BSP Memorandum 2014-11 and BSP Circular 969.</p> <p>Please refer to Annex H for the Certification of the Annual Meeting with the External Auditor without the presence of Management.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Audit and Compliance Committee (<i>Pages 28–29</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	COMPLIANT	Indicate the number of Audit Committee meetings during the year and provide proof	<p>The Board Audit and Compliance Committee met fourteen (14) times in 2020.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Board Audit and Compliance Committee (<i>Pages 60–61</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	<p>The BACC is responsible for the appointment, reappointment, and replacement of the CAE and Deputy CAE. The responsibility of BACC includes the annual performance review of the CAE, accepting the resignation and/or dismissal subject to due process.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board Audit and Compliance Committee Charter (<i>Annex B</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Internal and External Audit (<i>Page 74</i>)

			<ul style="list-style-type: none">LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf												
Recommendation 3.3															
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company’s strategic direction, if applicable.</p>	<p>The Corporate Governance and Sustainability Committee is tasked to assist the Board of Directors in the performance of its governance responsibilities, including the functions of the Nomination and Remuneration Committee, ensuring compliance with and proper observance of good corporate governance. It also oversees the consistent implementation of the Bank’s corporate social responsibility and sustainability framework, with the following strategic thrusts: financial literacy and education, environmental protection, and philanthropic initiatives.</p> <table><tr><th colspan="2">Corporate Governance & Sustainability Committee</th></tr><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>Florencia G. Tarriela – Chairperson</td><td>Independent Director</td></tr><tr><td>Felix Enrico R. Alfiler – Member</td><td>Independent Director</td></tr><tr><td>Federico C. Pascual – Member</td><td>Independent Director</td></tr><tr><td>Domingo H. Yap – Member</td><td>Independent Director</td></tr></table> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none">Board-Level Committees (<i>Page 23</i>)Corporate Governance & Sustainability Committee Charter (<i>Annex A</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none">Corporate Governance and Sustainability Committee (<i>Pages 69–70</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf	Corporate Governance & Sustainability Committee		Name	Type of Directorship	Florencia G. Tarriela – Chairperson	Independent Director	Felix Enrico R. Alfiler – Member	Independent Director	Federico C. Pascual – Member	Independent Director	Domingo H. Yap – Member	Independent Director
Corporate Governance & Sustainability Committee															
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Federico C. Pascual – Member	Independent Director														
Domingo H. Yap – Member	Independent Director														
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p>													
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p>													
Optional: Recommendation 3.3															

1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	<p>The Corporate Governance and Sustainability Committee met fourteen (14) times in 2020.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Corporate Governance and Sustainability Committee (<i>Pages 69–70</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Corporate Governance & Sustainability Committee Charter (<i>Annex A</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	<p>Risk Oversight Committee assists the Board to oversee the risk profile and approve the risk management framework of PNB and its related allied subsidiaries and affiliates. It is mandated to set risk appetite, approve frameworks, policies, plans, programs and processes for managing risk, and accept risks beyond the approval discretion provided to management.</p> <p>The Risk Oversight Committee shall be composed of at least six (6) members of the Board of Directors, majority of whom shall be Independent Directors including the Chairperson. The Chairperson shall not be the Chairperson of the Board of Directors, or any other board-level committee.</p>
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	<p>The members shall possess a range of expertise as well as adequate knowledge of the Bank's risk exposures. They should also meet the requirements of the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas and other applicable laws and regulations.</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Risk Oversight Committee </div>

3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC	<table><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>Federico C. Pascual – Chairman</td><td>Independent Director</td></tr><tr><td>Felix Enrico R. Alfiler – Member</td><td>Independent Director</td></tr><tr><td>Florido P. Casuela – Member</td><td>Non-Executive Director</td></tr><tr><td>Edgar A. Cua – Member</td><td>Independent Director</td></tr><tr><td>Leonilo G. Coronel – Member</td><td>Non-Executive Director</td></tr><tr><td>Vivienne K. Tan – Member</td><td>Non-Executive Director</td></tr></table>	Name	Type of Directorship	Federico C. Pascual – Chairman	Independent Director	Felix Enrico R. Alfiler – Member	Independent Director	Florido P. Casuela – Member	Non-Executive Director	Edgar A. Cua – Member	Independent Director	Leonilo G. Coronel – Member	Non-Executive Director	Vivienne K. Tan – Member	Non-Executive Director
Name	Type of Directorship																
Federico C. Pascual – Chairman	Independent Director																
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Leonilo G. Coronel – Member	Non-Executive Director																
Vivienne K. Tan – Member	Non-Executive Director																
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	<p>The Risk Oversight Committee met 31 times in 2020.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none">Risk Oversight Committee (<i>Page 71</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none">Risk Oversight Committee Charter (<i>Annex C</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf														
Recommendation 3.5																	
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	The Board Oversight RPT Committee (BORC) is created to assist the Board of Directors in performing its oversight functions with respect to monitoring and managing potential conflicts of interest of shareholders, Board members, Management, and other stakeholders. BORC oversees the evaluation of related party transactions (RPTs) that present the risk of potential abuse and evaluates														

<div>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</div>	<div>COMPLIANT</div>	<div>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</div>	<div><p>all material RPTs to ensure that these are conducted in the normal course of business; not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances, and that no corporate or business resources of the Bank are misappropriated or misapplied.</p><p>The BORC shall be composed of at least three (3) Non-Executive Directors, two (2) of whom shall be independent directors, including the Chairperson. In case a member has conflict of interest in an RPT, he should refrain from evaluating that particular transaction. The Chief Compliance Officer and Chief Audit Executive should sit as Non-Voting Members in the committee.</p></div> <div><table><tr><th colspan="2">Board Oversight RPT Committee</th></tr><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>Domingo H. Yap – Chairman</td><td>Independent Director</td></tr><tr><td>Edgar A. Cua – Member</td><td>Independent Director</td></tr><tr><td>Federico C. Pascual – Member</td><td>Independent Director</td></tr></table></div> <div><div>2020 Annual Report</div><ul style="list-style-type: none">Board Oversight RPT Committee (<i>Page 68</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf</div> <div><div>2020 Corporate Governance Manual</div><ul style="list-style-type: none">Board Oversight RPT Committee Charter (<i>Annex D</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf</div> <div><div>2020 RPT Policy Manual</div><ul style="list-style-type: none">Board Oversight RPT Committee (<i>Pages 5–6</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_Revised_RPT_Policy_Manual.pdf</div>	Board Oversight RPT Committee		Name	Type of Directorship	Domingo H. Yap – Chairman	Independent Director	Edgar A. Cua – Member	Independent Director	Federico C. Pascual – Member	Independent Director
Board Oversight RPT Committee													
Name	Type of Directorship												
Domingo H. Yap – Chairman	Independent Director												
Edgar A. Cua – Member	Independent Director												
Federico C. Pascual – Member	Independent Director												
<div>Recommendation 3.6</div>													

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	The scope of authority, duties, and responsibilities of each Board committee are adequately defined, documented, and clearly communicated in their respective charters. The extent to which authorities are delegated and the corresponding accountabilities are regularly reviewed and approved by the Board. All the Charters of the Board Committees are incorporated as Annexes to the Manual on Corporate Governance of the Bank and posted in the Bank's website. 2020 Annual Report <ul style="list-style-type: none">Board Committees (<i>Page 58</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf 2020 Corporate Governance Manual <ul style="list-style-type: none">Board-Level Committees (<i>Pages 23–25</i>)Board Committee Charters (<i>Annex A-H</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Provide link to company's website where the Committee Charters are disclosed.	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	Board meetings are held monthly and the schedule is set before the start of the financial year. The Corporate Secretary issues the annual Board calendar every December for the ensuing year. Two-thirds (2/3) of the directors shall be necessary at all meetings to constitute a quorum for the transaction of any business. In the absence of a quorum at any regular or special meeting, the Board shall adjourn at a later date and shall not transact any business until a quorum is secured.

2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT		<p>In 2020, the Board held a total of twenty-one meetings: twelve regular meetings, eight special meetings, and one organizational meeting. Each Board member complied with the SEC's minimum attendance requirement of 50% and the ASEAN Corporate Governance Scorecard's recommended attendance of 75%.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Meetings and Attendance (<i>Pages 62–63</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Duties and Responsibilities of the Corporate Secretary (<i>Item 7.1.10, Page 27</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Please refer to Annex B for the corresponding Secretary's certificate.</p>
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	
Recommendation 4.2			

<div>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management’s proposals/views, and oversee the long-term strategy of the company.</div>	<div>COMPLIANT</div>	<div>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</div> <div>Provide information or reference to a document containing information on the directorships of the company’s directors in both listed and non-listed companies</div>	<div>2020 Corporate Governance Manual<ul style="list-style-type: none">Limit on Directorship of Non-Executive Directors (<i>Page 19</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf</div> <table><tr><th>Name</th><th>Directorship in other Listed Companies</th></tr><tr><td>Florencia G. Tarriela (Independent Director)</td><td><ul style="list-style-type: none">LT Group, Inc. (Independent Director)</td></tr><tr><td>Leonilo G. Coronel (Non-Executive Director)</td><td><ul style="list-style-type: none">Megawide Construction Corporation (Independent Director)</td></tr><tr><td>Estelito P. Mendoza (Non-Executive Director)</td><td><ul style="list-style-type: none">San Miguel Corporation (Director)Petron Corporation (Director)</td></tr><tr><td>Carmen K. Tan (Non-Executive Director)</td><td><ul style="list-style-type: none">LT Group, Inc. (Vice Chairman)MacroAsia Corporation (Director)PAL Holdings, Inc. (Director)</td></tr><tr><td>Lucio C. Tan (Non-Executive Director)</td><td><ul style="list-style-type: none">LT Group, Inc. (Chairman & CEO)MacroAsia Corporation (Chairman & CEO)PAL Holdings, Inc. (Chairman & CEO)</td></tr><tr><td>Michael G. Tan (Non-Executive Director)</td><td><ul style="list-style-type: none">LT Group, Inc. (Director, President & Chief Operating Officer)Victorias Milling Company Corporation (Director)MacroAsia Corporation (Director)</td></tr><tr><td>Vivienne K. Tan (Non-Executive Director)</td><td><ul style="list-style-type: none">LT Group, Inc. (Director)MacroAsia Corporation (Director)</td></tr></table>	Name	Directorship in other Listed Companies	Florencia G. Tarriela (Independent Director)	<ul style="list-style-type: none">LT Group, Inc. (Independent Director)	Leonilo G. Coronel (Non-Executive Director)	<ul style="list-style-type: none">Megawide Construction Corporation (Independent Director)	Estelito P. Mendoza (Non-Executive Director)	<ul style="list-style-type: none">San Miguel Corporation (Director)Petron Corporation (Director)	Carmen K. Tan (Non-Executive Director)	<ul style="list-style-type: none">LT Group, Inc. (Vice Chairman)MacroAsia Corporation (Director)PAL Holdings, Inc. (Director)	Lucio C. Tan (Non-Executive Director)	<ul style="list-style-type: none">LT Group, Inc. (Chairman & CEO)MacroAsia Corporation (Chairman & CEO)PAL Holdings, Inc. (Chairman & CEO)	Michael G. Tan (Non-Executive Director)	<ul style="list-style-type: none">LT Group, Inc. (Director, President & Chief Operating Officer)Victorias Milling Company Corporation (Director)MacroAsia Corporation (Director)	Vivienne K. Tan (Non-Executive Director)	<ul style="list-style-type: none">LT Group, Inc. (Director)MacroAsia Corporation (Director)
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Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	2020 Corporate Governance Manual <ul style="list-style-type: none"> Concurrent Directorship (<i>Page 44</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT		<p>Mr. Jose Arnulfo "Wick" A. Veloso, the Bank's sole executive director, does not serve on more than two boards of listed companies outside of the group.</p> 2020 Annual Report <ul style="list-style-type: none"> Profile of Mr. Jose Arnulfo "Wick" A. Veloso (<i>Page 129</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	Indicate the number of board meetings during the year and provide proof	<p>Board meetings are held monthly and the schedule is set before the start of the financial year. The Corporate Secretary issues the annual Board calendar every December for the forthcoming year. In 2020, the Board held a total of twenty-one meetings: twelve regular meetings, eight special meetings, and one organizational meeting. Each Board member complied with the SEC's minimum attendance requirement of 50% and the ASEAN Corporate Governance Scorecard's recommended attendance of 75%.</p> 2020 Corporate Governance Manual <ul style="list-style-type: none"> Board Meetings and Quorum Requirement (<i>Page 14</i>) Duties and Responsibilities of the Corporate Secretary (<i>Item 7.1.1, Page 26</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf 2020 Annual Report <ul style="list-style-type: none"> Meetings and Attendance (<i>Page 63</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
3. Board of directors meet at least six times during the year.	COMPLIANT		

4. Company requires as minimum quorum of at least 2/3 for board decisions.	COMPLIANT	Indicate the required minimum quorum for board decisions	<p>Two-thirds (2/3) of the directors shall be necessary at all meetings to constitute a quorum for the transaction of any business. In the absence of a quorum at any regular or special meeting, the Board shall adjourn at a later date and shall not transact any business until a quorum is secured.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Meetings and Attendance (<i>Page 63</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
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Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board	<div>The Bank has 5 independent directors representing 33% of the Board.</div> <table><tr><th>Board of Directors</th><th>Type of Directorship</th></tr><tr><td>Florencia G. Tarriela</td><td>Independent Director (Chairperson)</td></tr><tr><td>Felix Enrico R. Alfiler</td><td>Independent Director (Vice-Chairman)</td></tr><tr><td>Jose Arnulfo A. Veloso</td><td>Executive Director</td></tr><tr><td>Florido P. Casuela</td><td>Non-Executive Director</td></tr><tr><td>Leonilo G. Coronel</td><td>Non-Executive Director</td></tr><tr><td>Edgar A. Cua</td><td>Independent Director</td></tr><tr><td>Estelito P. Mendoza</td><td>Non-Executive Director</td></tr><tr><td>Christopher J. Nelson</td><td>Non-Executive Director</td></tr><tr><td>Federico C. Pascual</td><td>Independent Director</td></tr><tr><td>Domingo H. Yap</td><td>Independent Director</td></tr><tr><td>Carmen K. Tan</td><td>Non-Executive Director</td></tr><tr><td>Lucio C. Tan</td><td>Non-Executive Director</td></tr><tr><td>Sheila T. Pascual</td><td>Non-Executive Director</td></tr><tr><td>Michael G. Tan</td><td>Non-Executive Director</td></tr><tr><td>Vivienne K. Tan</td><td>Non-Executive Director</td></tr></table> <div>2020 Corporate Governance Manual<ul style="list-style-type: none">Composition of the Board and Independent Directors (<i>Pages 6–7</i>)</div>	Board of Directors	Type of Directorship	Florencia G. Tarriela	Independent Director (Chairperson)	Felix Enrico R. Alfiler	Independent Director (Vice-Chairman)	Jose Arnulfo A. Veloso	Executive Director	Florido P. Casuela	Non-Executive Director	Leonilo G. Coronel	Non-Executive Director	Edgar A. Cua	Independent Director	Estelito P. Mendoza	Non-Executive Director	Christopher J. Nelson	Non-Executive Director	Federico C. Pascual	Independent Director	Domingo H. Yap	Independent Director	Carmen K. Tan	Non-Executive Director	Lucio C. Tan	Non-Executive Director	Sheila T. Pascual	Non-Executive Director	Michael G. Tan	Non-Executive Director	Vivienne K. Tan	Non-Executive Director
Board of Directors	Type of Directorship																																		
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			<ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> Board of Directors (<i>Page 58</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	<p>Certificate of Independent Director – 2020</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/investor-relations/SEC_Certifications_of_Independent_Directors_of_PNB_Mar92020.pdf <p>Amended By-Laws</p> <ul style="list-style-type: none"> Qualifications (<i>Section 5.2, Page 7</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Provide link/reference to a document containing information that directors are not constrained to vote independently.	<p>There are no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.</p> <p>Amended By-Laws</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Specific Duties and Responsibilities of Directors (<i>Item 3.7[g], Page 22</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 5.3			

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such.	2020 Corporate Governance Manual <ul style="list-style-type: none"> Term Limits for Independent Director (<i>Page 19</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	2020 Annual Report <ul style="list-style-type: none"> Profile of the Board of Directors (<i>Pages 128–135</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	<p>As of December 31, 2020, the Bank has no independent director that served for more than nine (9) years reckoned from 2012.</p> 2020 Corporate Governance Manual <ul style="list-style-type: none"> Term Limits for Independent Directors (<i>Item 3.4 [b], Page 19</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer	<p>The positions of Chairperson of the Board and President & Chief Executive Officer are held by separate individuals to achieve an appropriate balance of power, increase accountability and improve the capacity of the Board for decision-making independent of management. The separation of the roles ensures the fair division of powers, increased accountability, and enhanced governance.</p> <p>The Bank's Chief Executive Officer is Mr. Jose Arnulfo "Wick" A. Veloso while the Chairman of the Board is Ms. Florencia G. Tarriela.</p> 2020 Annual Report <ul style="list-style-type: none"> The Chairperson, Vice Chairman, and President & CEO (<i>Page 58</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p>	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Chairperson of the Board of Directors (<i>Pages 19–20</i>) The President (<i>Pages 25</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Amended By-Laws</p> <ul style="list-style-type: none"> Powers and Duties of the Chairman (<i>Page 7</i>) The President (<i>Pages 11–12</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> The Chairperson, Vice Chairman, and President & CEO (<i>Page 58</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p>	The Chairman of the Board is an independent director.
Recommendation 5.6			

1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	Provide proof of abstention, if this was the case	<p>The members of the Board, stockholders, and management shall disclose to the board whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matters affecting the bank. Directors and officers involved in possible conflict of interests shall disassociate from participating in the decision-making process and abstain in the discussion, approval and management of such transaction or matters affecting the bank. The Board Oversight RPT Committee may inform the Corporate Governance and Sustainability Committee of the directors/officers' actual/potential conflicts of interest with the Bank, as necessary.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Dealings with Related Parties (<i>Pages 35–40</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	COMPLIANT	Provide proof and details of said meeting, if any.	<p>In 2020, the Board Audit & Compliance Committee held fourteen (14) meetings to ensure the fulfillment of its duties and responsibilities.</p> <p>The Committee also had a separate meeting with external auditors, without anyone from Management present, as mandated by BSP Memorandum 2014-11 and BSP Circular No. 969 series of 2017.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.3. [c, iii] & 1.3.2.5. [d, ii], Pages 9 & 13</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. The meetings are chaired by the lead independent director.	COMPLIANT	Provide information on the frequency and attendees of meetings.	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	Provide name/s of company CEO for the past 2 years	<p>The Bank's President and CEO is Mr. Jose Arnulfo "Wick" A. Veloso, effective November 16, 2018.</p>

Principle 6: The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	Good corporate governance improves Board performance. As such, the Board continuously seeks ways to assess its performance as individual directors and as a collegial body, identifying strengths and areas for improvement, and establishing mechanisms for addressing the results thereof.
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		The Board of Directors participates in an annual self-assessment exercise to assess their individual and collective performance. This exercise is also designed to determine and measure the adherence of the Management to corporate governance practices.
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		The questionnaire covers comprehensive evaluation criteria focused on matters such as the director’s time commitment and independence, governance landscape, ethical culture in the organization, risk governance, fitness and propriety of Board and Management, and internal controls.
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		<p>The Board performance evaluation is facilitated by the CCO. He consolidates and reviews the responses and presents the summary of results and significant findings to the Corporate Governance and Sustainability Committee.</p> <p>In 2020, we engaged the Institute of Corporate Directors (ICD) to assess the structure, processes, dynamics, roles, and overall performance of the Board and further align our governance framework with best practices, in compliance with the SEC’s Code of Corporate Governance for Publicly Listed Companies.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Corporate Governance Assessment and Monitoring (<i>Pages 49–50</i>)

5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	<ul style="list-style-type: none">Corporate Governance and Sustainability Committee Charter (<i>Annex A</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none">Board Performance and Evaluation (<i>Page 63</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none">Corporate Governance Assessment and Monitoring (<i>Pages 49–50</i>)Corporate Governance and Sustainability Committee Charter (<i>Annex A</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none">Stakeholder Engagement, Sustainability Report (<i>Page 80</i>)Board Performance and Evaluation (<i>Page 91</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p>	<p>The Code of Ethics for Directors serves as a guide of principles designed to enable the Board in exercising its powers, duties, and responsibilities in accordance with fit and proper standards. This establishes the minimum standards of conduct expected of all directors. As such, the Code shall be read in conjunction with the Bank's Corporate Governance Manual, articles of incorporation, bylaws, and internal policies and procedures. The provisions of the Code shall apply to all members of the Board, whether executive, non-executive or independent, of PNB. All members of the Board are expected to observe and uphold the principles set out in the Code.</p> <p>The Code of Conduct for Employees is designed to prescribe a moral code for employees which would not only instill discipline but also yield higher productivity at the workplace and enhance and safeguard the corporate image of the Bank. The provisions of the Code apply to all employees including its overseas branches and offices and PNB's domestic and foreign subsidiaries.</p> <p>Any failure to abide with the provisions of the Code is reported by the immediate supervisor and/or Head of Office concerned to the Human Resource Group and/or Corporate Governance and Sustainability Committee. A designated committee may subsequently evaluate the report to determine if any sanction or disciplinary action should be taken against the erring employee or director.</p>
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>COMPLIANT</p>	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p>	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Policy Statement (<i>Page 1</i>) • Code of Conduct and Business Ethics (<i>Pages 44 –47</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Code of Ethics for Directors (<i>Page 77</i>)

3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	<ul style="list-style-type: none"> Code of Conduct for Employees (<i>Page 77</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>Code of Conduct</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/wp-content/uploads/docs/Code%20of%20Conduct-OPP0451-17.pdf <p>Whistleblower Policy</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/20-Whistleblower-Policy.pdf
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	<p>In line with the Bank's commitment to ensure that business dealings are conducted with the highest level of integrity and professionalism, employees are prohibited from engaging in any form of bribery such as the following:</p> <ul style="list-style-type: none"> Giving/offering pecuniary benefits to external parties with the intention to influence the other party to commit a violation for personal and/or business advantage. Acceptance/receiving of pecuniary benefits from clients, suppliers, service providers in order to facilitate the processing or approval of transactions or service agreements with the Bank despite deficiency and/or non-compliance with the standard requirements and procedures. <p>Employees who have knowledge of any form of irregular transactions or corrupt practices being entered into by an office or an employee under the name of the Bank must report the same through the offices identified in our Whistleblower Policy.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Anti-Bribery and Anti-Corruption (<i>Pages 77–78</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>Code of Conduct</p>

			<ul style="list-style-type: none">Administrative Procedures governing PNB Domestic or Overseas Branches/Offices (<i>Pages 7–11</i>)Schedule of Offenses and Penalties (<i>Page 15</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/Code%20of%20Conduct-OPP0451-17.pdf
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	The Board of Directors approves the Code of Conduct, which articulates acceptable and unacceptable activities, transactions and behaviors that could result or potentially result in conflict of interest, personal gain at the expense of the Bank as well as the corresponding disciplinary actions and sanctions. The Code of Ethics and Conduct explicitly provides that directors, officers, and all personnel are expected to conduct themselves ethically and perform their job with skill, due care, and diligence in addition to complying with laws, regulations, and company policies. The Board also ensure the proper, efficient and consistent implementation and compliance with the Bank’s Code of Conduct. 2020 Corporate Governance Manual <ul style="list-style-type: none">Specific Duties and Responsibilities of the Board of Directors, Item 1.3.2.1. (<i>Page 8</i>)Code of Conduct and Business Ethics (<i>Pages 44–47</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</p>	<p>All material information about the Bank which could adversely affect its viability or the interest of its stockholders and other stakeholders shall be publicly disclosed to the regulators in a full, fair accurate and timely manner.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Reportorial or Disclosure System of the Bank's Corporate Governance (<i>Pages 50–51</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>PNB Website: Quarterly Financial Statements</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_MARCH_31_2020.pdf LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_JUNE_30_2020.pdf LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_SEPT_30_2020.pdf LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_DEC_31_2020.pdf <p>Investor Presentation</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_Investor_Presentation_FY_2020.pdf
<p>Supplement to Recommendations 8.1</p>			

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>COMPLIANT</p>	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p>	<p>PNB Website: Quarterly Financial Statements</p> <ul style="list-style-type: none">LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_MARCH_31_2020.pdfLINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_JUNE_30_2020.pdfLINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_SEPT_30_2020.pdfLINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_DEC_31_2020.pdf <table><tr><th>Cut-off Period</th><th>Published Date (Date of disclosure through PSE Edge)</th><th>No. of days within which the reports were published from the end of the reporting period</th></tr><tr><td>As of Mar. 31, 2020</td><td>May 13, 2020</td><td>43</td></tr><tr><td>As of June 30, 2020</td><td>August 11, 2020</td><td>42</td></tr><tr><td>As of Sept. 30, 2020</td><td>November 13, 2020</td><td>44</td></tr><tr><td>As of Year-End 2020</td><td>April 15, 2021</td><td>105</td></tr></table>	Cut-off Period	Published Date (Date of disclosure through PSE Edge)	No. of days within which the reports were published from the end of the reporting period	As of Mar. 31, 2020	May 13, 2020	43	As of June 30, 2020	August 11, 2020	42	As of Sept. 30, 2020	November 13, 2020	44	As of Year-End 2020	April 15, 2021	105
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As of Year-End 2020	April 15, 2021	105																
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company’s controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders’ voting power and overall equity position in the company.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company’s annual report where the following are disclosed:</p> <p>1. principal risks to minority shareholders associated with the identity of the company’s controlling shareholders;</p> <p>2. cross-holdings among company affiliates; and</p> <p>3. any imbalances between the controlling shareholders’ voting power and overall equity position in the company.</p>	<p>2020 Annual Report</p> <ul style="list-style-type: none">Conglomerate Map (<i>Page 82</i>)Holders (<i>Pages 147–148</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf															
<p>Recommendation 8.2</p>																		

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p> <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	<p>A director is required to advise the Corporate Secretary of his shareholdings in the Bank within three (3) business days after his appointment and any subsequent acquisition, disposal, or change in shareholdings during his term.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Specific Duties and Responsibilities of Directors (<i>Item j, Page 20</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> Shareholdings (<i>Page 65</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p> <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p>	<p>The Bank's Summary of Shareholdings Report reveals the level of shareholdings of Directors and Key Officers.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Shareholdings (<i>Page 65</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>Computation of Public Ownership</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/public_ownership_12312020.pdf
Recommendation 8.3			

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	2020 Annual Report <ul style="list-style-type: none"> Board Composition (<i>Pages 61–62</i>) Profiles of the Board of Directors (<i>Pages 126–137</i>) Skills, Competency, and Diversity (<i>Page 62</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	2020 Annual Report <ul style="list-style-type: none"> Profiles of the Management Committee (<i>Pages 138–144</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration	<p>The remuneration and fringe benefits of Board members consist of per diem for every Board and Board committee meeting and non-cash benefits like healthcare plan, group life insurance, and group accident insurance.</p> <p>The total per diem given to the Board, as well as the total compensation of the President & CEO and the four (4) most highly compensated executive officers, is disclosed in the definitive information statement sent to all shareholders.</p> <p>There has been no proposal on remuneration for directors presented to the shareholders for approval in the 2020 Annual Stockholders' Meeting.</p> <p>Amended By-Laws</p> <ul style="list-style-type: none"> Compensation (<i>Page 8</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> Remuneration (<i>Page 63</i>) Officers' Compensation and Benefits (<i>Page 80</i>) Performance-based Remuneration (<i>Page 80</i>)
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	

			<ul style="list-style-type: none"> • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Remuneration of Directors and Officers (<i>Page 22</i>) • Corporate Governance and Sustainability Committee Charter (<i>Annex A</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	<p>The per diem for each Board and Board Committee meetings attended by the Board of Directors and the total per diem given to the Board of Directors on an aggregate basis are provided in the Bank's 2021 Amended Definitive Information Statement. The total per diem includes per diem received by Board Advisors.</p> <p>The President and CEO, being the only executive director, is not entitled to any per diem as it is deemed incorporated in his compensation. In view, however, of the competitiveness of the industry and high demand for senior executive officers and in order to maintain the Bank's attractiveness and advantage, the Bank is unable to disclose the exact amount of total compensation received by its President in 2020.</p> <p>In compliance with Sections 29 and 49 of the Revised Corporation Code requiring corporations vested with public interest to submit to its stockholders and the Commission an annual report of the total compensation of each of their directors, a report on the total compensation of each director will be presented at the Annual Stockholders' Meeting of the Bank and a copy of said report will be submitted to the SEC, as may be required.</p> <p>2020 Definitive Information Statement</p> <ul style="list-style-type: none"> • Compensation of Directors and Executive Officers (<i>Pages 39–40</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.pdf
Recommendation 8.5			

1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Dealings with Related Parties (<i>Pages 33–38</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>As provided for under SEC Circular No. 10, series of 2019: Rules on Material Related Party Transactions for Publicly Listed Companies, material RPT refers to any transaction, either individually, or in aggregate over a twelve-month period with the same related party, amounting to ten percent (10%) or higher of the Bank's total assets based on its latest audited financial statement. In 2020, no transaction qualified under the materiality threshold defined by the SEC.</p>
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> name of the related counterparty; relationship with the party; transaction date; type/nature of transaction; amount or contract price; terms of the transaction; rationale for entering into the transaction; the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and other terms and conditions 	<p>2020 Annual Report</p> <ul style="list-style-type: none"> Message from the Board Oversight RPT Committee Chairman (<i>Pages 32–33</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>SEC 17–Q</p> <ul style="list-style-type: none"> Note 33, Related Party Transactions https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_DEC_31_2020.pdf <p>2020 RPT Policy Manual</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_Revised_RPT_Policy_Manual.pdf
Supplement to Recommendation 8.5			

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>COMPLIANT</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p>	<p>The members of the Board, stockholders, and management shall disclose to the Board whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matters affecting the Bank. Directors and officers involved in possible conflict of interests shall disassociate from participating in the decision-making and abstain in the discussion, approval and management of such transaction or matters affecting the Bank. The Board Oversight RPT Committee may inform the Corporate Governance and Sustainability Committee of the directors'/officers' actual/potential conflicts of interest with the Bank, as necessary.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Dealings with Related Parties (<i>Item 2.3, Page 36</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Oversight RPT Committee Chairman (<i>Pages 32–33</i>) • LINK: <p>2020 RPT Policy Manual</p> <ul style="list-style-type: none"> • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_Revised_RPT_Policy_Manual.pdf
<p>Optional: Recommendation 8.5</p>			

<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>COMPLIANT</p>	<p>Provide link or reference where this is disclosed, if any</p>	<p>2020 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Oversight RPT Committee Chairman (<i>Pages 32–33</i>) • Board Oversight RPT Committee (<i>Page 68</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Dealings with Related Parties (<i>Pages 35–40</i>) • Board Oversight RPT Committee Charter (<i>Annex D</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 RPT Policy Manual</p> <ul style="list-style-type: none"> • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_Revised_RPT_Policy_Manual.pdf
<p>Recommendation 8.6</p>			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>COMPLIANT</p>	<p>Provide link or reference where this is disclosed</p>	<p>All material information/transactions of the Bank which could adversely affect the interest of its shareholders and other stakeholders are immediately disclosed to the Philippine Stock Exchange (PSE).</p> <p>PSE Edge</p> <ul style="list-style-type: none"> • LINK: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=139 <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Reportorial or Disclosure System of the Bank's Corporate Governance (<i>Item 5 and 7, Page 51</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	Identify independent party appointed to evaluate the fairness of the transaction price Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	2020 Corporate Governance Manual <ul style="list-style-type: none">Reportorial or Disclosure System of the Bank’s Corporate Governance (<i>Item 5, Page 51</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	Provide link or reference where these are disclosed.	SEC Form 17-C (Current Report) <ul style="list-style-type: none">LINK: https://www.pnb.com.ph/index.php/investor-relations 2020 Corporate Governance Manual <ul style="list-style-type: none">Reportorial or Disclosure System of the Bank’s Corporate Governance (<i>Item 4 and 7, Page 51</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 8.7			
1. Company’s corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company’s website where the Manual on Corporate Governance is posted.	The Corporate Governance Manual of the Bank was submitted to SEC and PSE and is available in the Bank’s website. 2020 Corporate Governance Manual <ul style="list-style-type: none">Policy Statement (<i>Page 1</i>)Corporate Governance Structure (<i>Pages 6–33</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. Company’s MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company’s MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Provide proof of submission.	2020 Corporate Governance Manual <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Please refer to Annex E for the receiving copy stamped by the SEC of the Corporate Governance Manual.</p>
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	2020 Annual Report <ul style="list-style-type: none"> Corporate Objectives (<i>Page 2</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
b. Financial performance indicators	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	2020 Annual Report <ul style="list-style-type: none"> Financial Summary/Financial Highlights (<i>Page 1</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
c. Non-financial performance indicators	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	2020 Annual Report <ul style="list-style-type: none"> Sustainability Report (<i>Pages 84–119</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
d. Dividend Policy	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	2020 Annual Report <ul style="list-style-type: none"> Dividend Policy (<i>Page 95</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	2020 Annual Report <ul style="list-style-type: none"> • Profiles of the Board of Directors (<i>Pages 126–137</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	2020 Annual Report <ul style="list-style-type: none"> • Meetings and Attendance (<i>Page 63</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
g. Total remuneration of each member of the board of directors	NON-COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	<p>The per diem for each Board and Board Committee meetings attended by the Board of Directors and the total per diem given to the Board of Directors on an aggregate basis are provided in the 2021 Amended Definitive Information Statement uploaded in the Bank's website and PSE Edge profile.</p> 2020 Definitive Information Statement <ul style="list-style-type: none"> • Compensation of Directors and Executive Officers (<i>Pages 39–40</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.pdf

<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to where this is contained in the Annual Report</p>	<p>2020 Annual Report</p> <ul style="list-style-type: none"> Corporate Governance Confirmation Statement (<i>Page 76–77</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>The Bank adopts a policy of full compliance with the Code of Corporate Governance. As of December 31, 2020, the Bank has substantially complied with the recommendations of the Code of Corporate Governance for Publicly-listed Companies, except for the following:</p> <ol style="list-style-type: none"> 30% public float requirement to increase liquidity in the market; and Disclosure of director remuneration and executive compensation on an individual basis. <p>The details of the Bank's compliance with the Code of Corporate Governance and the explanation for the above-mentioned items can be found in its Integrated Annual Corporate Governance Report, published on the PNB website.</p> <p>Moreover, the Bank has substantially complied with the provisions and requirements set forth in the Corporate Governance Manual and there were no reported significant deviations from what is expected from its Directors, Board Advisors, officers, and employees.</p>
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to where this is contained in the Annual Report</p>	<p>2020 Annual Report</p> <ul style="list-style-type: none"> Message from the Risk Oversight Committee Chairman (<i>Page 39</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to where this is contained in the Annual Report</p>	<p>2020 Annual Report</p> <ul style="list-style-type: none"> Message from the Board Audit and Committee Chairman (<i>Pages 28–29</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf

5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	COMPLIANT	Provide link or reference to where these are contained in the Annual Report	2020 Annual Report <ul style="list-style-type: none"> Risk Categories and Definitions (<i>Pages 47–54</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	<p>The Board Audit and Compliance Committee shall have the sole authority to select, evaluate, appoint, and replace the External Auditors (subject to stockholder ratification) and shall approve in advance all audit engagement fees and terms and all audit related, and tax compliance engagements with the External Auditors.</p> <p>The external auditor is expected to charge only reasonable audit fees. In determining reasonable fees, the following may be considered: (i) Expected hours needed to complete the scope of work envisioned in the audit plan; (ii) Complexity of the activities and structure of the Bank; (iii) Level of internal audit assistance; (iv) Level of fees being charged by other audit firms; and (v) Quality of audit services.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Board Audit and Compliance Committee Charter (<i>Annex B</i>)

2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	<ul style="list-style-type: none">LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none">Message from the Board Audit and Compliance Committee Chairman (<i>Pages 28–29</i>)Internal and External Audit (<i>Page 74</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>Minutes of the 2020 Annual Stockholders’ Meeting</p> <ul style="list-style-type: none">Appointment of External Auditor (<i>Page 13</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_ASM_Minutes.pdf <p>Votes of shareholders that ratified the appointment of the external auditor of the Bank:</p> <table><tr><td>Approving</td><td>1,252,440,710</td></tr><tr><td>Dissenting</td><td>265,324</td></tr><tr><td>Abstaining</td><td>6,338,847</td></tr></table>	Approving	1,252,440,710	Dissenting	265,324	Abstaining	6,338,847
Approving	1,252,440,710								
Dissenting	265,324								
Abstaining	6,338,847								
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or link/reference to a document containing the company’s reason for removal or change of external auditor.	<p>SGV & Co. is the incumbent external auditor of the Bank. They have the advantage of having historical knowledge of the Bank’s business and its subsidiaries and affiliates, having been the appointed external auditor of PNB in 2020 and prior years.</p> <p>There was no removal or change of external auditor in 2020.</p>						
Supplement to Recommendation 9.1									

<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p>	<p>The external auditor shall be rotated after every seven (7) years of engagement. A five-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor.</p> <p>Ms. Vicky Lee-Salas was the appointed lead audit partner for the Bank in 2020. Prior to Ms. Lee-Salas' appointment, the partner-in-charge of the Bank's account was Ms. Janeth Nunez-Javier.</p> <p>Minutes of the 2020 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> • Appointment of External Auditor (<i>Page 13</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_ASM_Minutes.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • The External Auditor (<i>Item 9.18, Page 31</i>) • Board Audit and Compliance Committee Charter (<i>Annex B, Page 3</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Recommendation 9.2</p>			

1. Audit Committee Charter includes the Audit Committee’s responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Provide link/reference to the company’s Audit Committee Charter	<p>The Board Audit and Compliance Committee shall have the sole authority to select, evaluate, appoint, dismiss, replace and re-appoint the External Auditors (subject to stockholder ratification) based on fair and transparent criteria such as (i) core values, integrity, culture and high regard for excellence in audit quality; (ii) technical competence and expertise of auditing staff; (iii) independence and objectivity; (iv) effectiveness of the audit process; (v) reliability and relevance of the external auditor's reports; and (vi) adequacy of the quality control procedures.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none">Board Audit and Compliance Committee Charter (<i>Annex B, Pages 1–4</i>)LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.	COMPLIANT		
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	Provide link/reference to the company’s Audit Committee Charter	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none">The External Auditor (<i>Pages 28–31</i>)Board Audit and Compliance Committee Charter (<i>Annex B, Pages 1–4</i>)

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter	<ul style="list-style-type: none">LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf 2020 Annual Report <ul style="list-style-type: none">Internal and External Audit (<i>Page 74</i>)Board Audit and Compliance Committee (<i>Pages 66–67</i>)LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf						
Recommendation 9.3									
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any.	SEC 17A <ul style="list-style-type: none">Audit and other Related Fees (<i>Item 8 [B], Pages 43 –44</i>)LINK: https://edge.pse.com.ph/openDiscViewer.do?edge_no=56a7d77b34dd51315d542af6f1e997b9 <p>The table below shows the non-audit services performed by the external auditor with brief description and fees paid in 2020.</p> <table><tr><th>Nature of service</th><th>Description</th><th>Professional fee (in P million)</th></tr><tr><td>All Other Services</td><td>Accounting advisory and business tax advisory services; consultancy services for sustainable finance framework project</td><td>2.482</td></tr></table>	Nature of service	Description	Professional fee (in P million)	All Other Services	Accounting advisory and business tax advisory services; consultancy services for sustainable finance framework project	2.482
Nature of service	Description	Professional fee (in P million)							
All Other Services	Accounting advisory and business tax advisory services; consultancy services for sustainable finance framework project	2.482							
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services	<p>The Board Audit and Compliance Committee evaluates and determines non-audit work/services by External Auditor and keep under review the non-audit fees paid to the External Auditor both in relation to their significance to the auditor and in relation of the Bank's total expenditure on consultancy and whether provision of non-audit services is compatible with maintaining the External Auditor's independence.</p> 2020 Corporate Governance Manual <ul style="list-style-type: none">Board Audit and Compliance Committee Charter (<i>Annex B</i>)						

			<ul style="list-style-type: none">LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf												
Supplement to Recommendation 9.3															
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Provide information on audit and non-audit fees paid.	<p>SEC 17A</p> <ul style="list-style-type: none">Audit and other Related Fees <i>(Item 8 [B], Pages 43)</i>LINK: https://edge.pse.com.ph/openDiscViewer.do?edge_no=56a7d77b34dd51315d542af6f1e997b9 <p>The table below shows the breakdown of audit and non-audit fees paid in 2020.</p> <table><tr><th>Fees</th><th>2020 (in P millions)</th><th>%</th></tr><tr><td>Audit</td><td>25.459</td><td>91.17</td></tr><tr><td>Non-audit</td><td>2.482</td><td>8.88</td></tr><tr><td>Total</td><td>27.941</td><td>100</td></tr></table>	Fees	2020 (in P millions)	%	Audit	25.459	91.17	Non-audit	2.482	8.88	Total	27.941	100
Fees	2020 (in P millions)	%													
Audit	25.459	91.17													
Non-audit	2.482	8.88													
Total	27.941	100													
Additional Recommendation to Principle 9															
1. Company’s external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>Provide information on company’s external auditor, such as:</p> <ol style="list-style-type: none">Name of the audit engagement partner;Accreditation number;Date Accredited;Expiry date of accreditation; andName, address, contact number of the audit firm.	<p>Name of Audit Engagement Partner: Vicky Lee-Salas SEC Accreditation Number: 0115-AR-5 (Group A) Date Accredited: April 16, 2019 Expiry date of accreditation: April 15, 2022 Name of Audit Firm: SGV & Co. Address of Audit Firm: 6760 Ayala Ave., 1226 Makati City Contact Number of the Audit Firm: (632) 891-0307</p>												

2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. 	<p>Upon verification from the Bank's external auditor, SGV & Co. is covered by the SEC Oversight Assurance Review (SOAR) Inspection Program, in compliance with SEC Memorandum Circular No. 9, Series of 2017.</p> <p>Date the external auditor was subjected to SOAR inspection: November 12–23, 2018</p> <p>Name of the audit firm: SyCip Gorres Velayo (SGV) & Co.</p> <p>The names of the members of the engagement team were provided to the SEC during the SOAR inspection</p>
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	<p>2020 Annual Report</p> <ul style="list-style-type: none"> • Report Coverage and Parameters, Sustainability Report (<i>Page 90</i>) • Reporting Process (<i>Pages 92</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Sustainability (<i>Page 53</i>) • Corporate Governance and Sustainability Committee Charter (<i>Annex A</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf

2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	<p>The Corporate Governance and Sustainability Committee ensures adherence to an internationally recognized sustainability reporting framework, such as the Global Reporting Initiative (GRI), which enables the Bank to disclose, measure and monitor its contributions towards achieving universal targets of sustainability.</p> <p>The 2020 Annual Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option, reflecting our Bank's significant financial, social, and environmental contributions from January 1 to December 31, 2020.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Report Coverage and Parameters, Sustainability Report (<i>Page 90</i>) • Reporting Process (<i>Pages 92</i>) • GRI Content Index (<i>Pages 120–125</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
<p>Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			
<p>Recommendation 11.1</p>			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.).</p> <p>Provide links, if any.</p>	<p>The Bank uses the following communication channels to ensure timely and accurate dissemination of information to its shareholders, investors, and other stakeholders:</p> <ul style="list-style-type: none"> • Internal and External Email Broadcasts • Investors' & Analysts' briefings • Facebook & Twitter • Print Media • Radio • Letter Advices to Publics • TV Advertisements (Local, Cable and Overseas) • Press Releases • Short message service alerts • Electronic Channels – ATM, Phone, Mobile • Websites and Social Networks

			<p>PNB Website: https://www.pnb.com.ph/</p> <p>Investor Presentation (provided to stockholders/media/investors)</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_Investor_Presentation_FY_2020.pdf <p>Investor Relations Program</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/index.php/investor-relations/investor-relations-program <p>Notice of Analysts' Briefing</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/wp-content/uploads/docs/PSE_Notice_of_Analysts_Briefing_November_12_2018.pdf LINK: https://www.pnb.com.ph/wp-content/uploads/docs/PSE_Notice_of_Analysts_Briefing_August_13_2018.pdf LINK: https://www.pnb.com.ph/wp-content/uploads/docs/PSE_Notice_of_Analysts_Briefing_May_11_2018.pdf
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	COMPLIANT	Provide link to company website	
a. Financial statements/reports (latest quarterly)	COMPLIANT		<p>Quarterly Financial Statements</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/index.php/investor-relations/quarterly-financial-statements
b. Materials provided in briefings to analysts and media	COMPLIANT		<p>Investor Presentation (provided to stockholders/media/analysts/investors)</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_Investor_Presentation_FY_2020.pdf

c. Downloadable annual report	COMPLIANT		2020 Annual Report <ul style="list-style-type: none">LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
d. Notice of ASM and/or SSM	COMPLIANT		Notice of Annual Stockholders’ Meeting <ul style="list-style-type: none">LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/notice_of_stockholders_meeting_05_27_2020.pdf
e. Minutes of ASM and/or SSM	COMPLIANT		Minutes of Annual Stockholders’ Meeting <ul style="list-style-type: none">LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_ASM_Minutes.pdf
f. Company’s Articles of Incorporation and By-Laws	COMPLIANT		Articles of Incorporation and By-Laws <ul style="list-style-type: none">LINK: https://www.pnb.com.ph/wp-content/uploads/docs/aoi-2014-07-18-2.pdfLINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf
Additional Recommendation to Principle 11			

1. Company complies with SEC-prescribed website template.	COMPLIANT		<p>The Bank complies with the disclosure requirements and template set forth in SEC Memorandum Circular No. 11, Series of 2014:</p> <p>PNB Website</p> <ul style="list-style-type: none"> • Home: https://www.pnb.com.ph/ • Corporate Governance: https://www.pnb.com.ph/index.php/corporate-governance • Investor Relations: https://www.pnb.com.ph/index.php/investor-relations • Company Disclosures: https://www.pnb.com.ph/index.php/investor-relations#disclosures • Press Releases: https://www.pnb.com.ph/index.php/investor-relations/press-releases-of-pnb-financial-performance • Corporate Social Responsibility: https://www.pnb.com.ph/corporate-social-responsibility.html
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p>	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • The Internal Auditor (<i>Pages 32–33</i>) • Board Audit and Compliance Committee Charter (<i>Annex B</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Review of the Bank's internal control system is done annually as input to the Annual Audit Planning Session.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Audit and Compliance Committee Chairman (<i>Page 28–29</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>In developing the Bank's Enterprise Risk Management Framework, the following international frameworks have been utilized and considered:</p> <ul style="list-style-type: none"> • BIS Guidelines on sound banking practices <ul style="list-style-type: none"> – BCBS 230 – Core principles for effective banking supervision – BSBC November 2005 – Basel II: International Convergence of Capital Measurement and Capital Standards – BCBS June 2011 – Basel III: A Global Regulatory Framework for more Resilient Banks and Banking Systems – Recent BCBS releases on Basel III Implementation • Global References on Risk Management <ul style="list-style-type: none"> – ISO 31000: Risk Management Standards – COSO: Enterprise Risk Management – Integrated Framework <p>The Enterprise Risk Management Framework is being reviewed on annual basis.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Message from the Risk Oversight Committee Chairman (<i>Page 39</i>) • Enterprise Risk Management Framework (<i>Pages 42–43</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Risk Oversight Committee Charter (<i>Annex C</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Supplement to Recommendations 12.1</p>			

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p>	<p>We believe that a sound and effective compliance regime is the cornerstone of PNB's strength and market presence, backed by over a century of stability and excellence. We adhere to the values of integrity, ethics, and good governance in the conduct of our business and affairs, exercising prudence in arriving at decisions, and upholding transparency and accountability to our regulators.</p> <p>The Global Compliance Group (GCG) is responsible for the timely identification and mitigation of risks that may erode the franchise value of PNB, such as risks of legal or regulatory sanctions, material financial loss, or loss to reputation as a result of its failure to comply with laws, rules, related self-regulatory organization standards, and codes of conduct applicable to PNB's operations. Compliance risk management is an integral part of our culture and risk governance framework.</p> <p>GCG, through the CCO, oversees the overall design and effective implementation of the Compliance Program, which serves as the authoritative codification of GCG's powers, mandate, authority, and formal status within the organization. The program likewise fosters adherence to banking laws, rules and regulations and is ultimately aimed to promote the safety and soundness of PNB's operations.</p> <p>PNB's Effective Compliance Framework</p> <ul style="list-style-type: none"> • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/PNB_Compliance_Framework_and_Ethics_Shortened_version_FINAL.pdf • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/8_Elements_PNB_Effective_Compliance_Framework.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Compliance (Page 73) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
<p>Optional: Recommendation 12.1</p>			

<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>COMPLIANT</p>	<p>Provide information on IT governance process</p>	<p>The Board IT Governance Committee (BITGC) assists the Board in reviewing, approving, and monitoring the IT risk management framework and IT strategic plan of the Bank. BITGC reviews and endorses for approval of the Board the enterprise IT strategic plans of the parent bank, its subsidiaries, and affiliates. The Committee also reviews and monitors significant IT concerns including disruption, cyber security, and disaster recovery to ensure that all key risks are identified, managed and reported to the Board.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board IT Governance Committee Charter (<i>Annex G</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • IS/Cyber Security Governance Framework (<i>Page 43</i>) • Enterprise Information Security Group (<i>Pages 44–45</i>) • Message from the Board IT Governance Committee (<i>Pages 30–31</i>) • Board IT Governance Committee (<i>Page 67</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
<p>Recommendation 12.2</p>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>COMPLIANT</p>	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p>	<p>The Internal Audit Group, headed by the Chief Audit Executive (CAE), is tasked to perform the internal audit activity for the Bank. Its functions include assessment of internal controls and the recommendations to implement measures to ensure adequate control. In addition, it is expected to assist in the Bank's risk management activities and corporate governance initiatives. The Group supports the Board Audit and Compliance Committee (BACC) in carrying out the latter responsibilities. The authority and responsibility of the Internal Audit Group are defined in the internal audit charter, a formal document that establishes the internal audit activity's position within the Bank, including the nature of the chief audit executive's functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.</p>

			<p>The internal audit function of the Bank is in-house.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • The Internal Auditor (<i>Pages 32–33</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Internal and External Audit (<i>Page 68</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	<p>SAMUEL G. LAZARO, 49, Filipino. "Sam" is Vice President and Deputy Chief Audit Executive of PNB. In June 2020, he was appointed, in concurrent capacity, as Officer-in-Charge of Internal Audit Group. Sam began his career as Junior Auditor when he joined Allied Banking Corporation in 1993. He rose from the ranks to become an Audit Officer in 1998. In 2013, he was designated as PNB's Deputy Chief Audit Executive and concurrently as Division Head of PNB's Internal Audit Group – Head Office, Subsidiaries, and Overseas Audit Division. He is an active member of the Institute of Internal Auditors (IIA) – Philippines; the Association of Certified Anti-Money Laundering Specialists (ACAMS); and the Association of Certified Fraud Examiners (ACFE). Sam holds a Bachelor of Science degree in Business Administration, Major in Accounting, from the Philippine School of Business Administration. He is a Certified Anti-Money Laundering Specialist and a Certified Internal Control Auditor.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • The Internal Auditor (<i>Pages 32–33</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Chief Audit Executive (<i>Page 60</i>) • Profile of the Chief Audit Executive (<i>Page 144</i>)
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	COMPLIANT		

			<ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	Identify qualified independent executive or senior management personnel, if applicable.	<p>The internal audit function of the Bank is in-house.</p> <p>Nevertheless, the Bank has an independent Chief Audit Executive responsible for overseeing and ensuring the adequacy and soundness of the Bank's control and internal audit system. He is well-qualified for the position as he possesses the necessary qualifications, experience, and professional background and has sound understanding of the Bank's business and operations.</p>
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures	COMPLIANT	Provide information on company's risk management function.	<p>Risk Management Group (RMG) is independent from the business lines and is organized as follows:</p> <ul style="list-style-type: none"> Administrative and Support Department; BASEL/ICAAP/Operational Risk Management Division; Business Continuity Management and Vendor Risk Monitoring Division; Business Intelligence and Data Warehouse Division; Credit Risk Division; Data Privacy and Technology Risk Management Division; Market and ALM Division; Model Validation Division; and Trust Risk Division. <p>Each Division is tasked to monitor the implementation of the processes and procedures that support the policies for risk management applicable to PNB. These policies clearly establish the types of risks to be managed, define the risk organizational structure, and provide appropriate training necessary to manage and control risks. The policies also provide for the validation, audits, and compliance testing to measure the effectiveness and suitability of the risk management structure. In addition, the ERM recognizes model validation as integral component of model governance which ensures that risks relative to use of models are identified, cascaded to concerned parties, escalated to oversight committees and deliberated for appropriate management actions. The model validation is the Management's resource to better understand the</p>

			<p>models, its purpose and limitations and ultimately manage expectations, actions, and decisions made based on the output of the model.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Risk Management Group (<i>Page 43</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • The Chief Risk Officer (<i>Item 11.4, Page 32</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	Identify source of external technical support, if any.	<p>Risk management personnel shall possess sufficient experience and qualifications, including knowledge on the banking business, the developments in the market, industry and product lines, as well as mastery of risk disciplines. By the same token, risk management personnel shall continually receive internal and external trainings and seminars to aid them in the effective performance of their risk management functions. They shall have the ability and willingness to challenge business lines regarding all aspects of risk arising from the bank's activities. The Bank shall also engage accredited external service providers on specific areas that require higher level of expertise and includes conducting workshops for bank personnel.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • The Chief Risk Officer (<i>Item 11.5, Page 34</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 12.5			

1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT		Mr. Simeon T. Yap, First Vice President, is the Chief Risk Officer, and Data Protection Officer of PNB. Prior to his employment in PNB, he was the Market Risk Officer of Security Bank from 2009 to 2018. He was also connected with Citibank where he held various positions such as Trader, Market Risk Officer, and Money Market Head (Citibank Shanghai). He was the Associate Director for Product Development of Philippine Dealing and Exchange (PDEx) in 2008. Sim earned his degree in Economics from the University of the Philippines' School of Economics.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	<p>Mr. Simeon T. Yap is the ultimate champion of Enterprise Risk Management.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> The Chief Risk Officer (<i>Pages 33–34</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 Annual Report</p> <ul style="list-style-type: none"> Chief Risk Officer (<i>Page 60</i>) Profile of the Chief Risk Officer (<i>Page 144</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	Provide link to CEO and CAE's attestation	Please refer to Annex F for CEO and CAE's attestation on the soundness of the Bank's internal audit, control and compliance system.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	2020 Corporate Governance Manual <ul style="list-style-type: none"> Shareholders' Rights and Protection of Minority Stockholders' Interests (<i>Pages 47–49</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website	<p>The 2020 Corporate Governance Manual and Amended By-Laws, containing the basic rights of shareholders, are disclosed in the Bank's website.</p> 2020 Corporate Governance Manual <ul style="list-style-type: none"> Shareholders' Rights and Protection of Minority Stockholders' Interests (<i>Pages 47–49</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf Amended By-Laws <ul style="list-style-type: none"> Stockholders (<i>Article IV, Pages 3–4</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT		Amended By-Laws <ul style="list-style-type: none"> Voting of Shares in General (<i>Page 4</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Provide information on all classes of shares, including their voting rights if any.	Amended By-Laws <ul style="list-style-type: none"> Stock and Stock Certificates (<i>Page 1</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf 2020 Corporate Governance Manual <ul style="list-style-type: none"> Shareholders' Rights and Protection of Minority Stockholders' Interests (<i>Item 5, Pages 49</i>)

			<ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	<p>2020 Definitive Information Statement</p> <ul style="list-style-type: none"> Voting Procedures (<i>Page 39–40</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/SEC_2020_Definitive_Information_Statement.pdf <p>Amended By-Laws</p> <ul style="list-style-type: none"> Right to Vote; Proxies (<i>Page 4</i>) Presiding Officer; Order of Business (<i>Page 4</i>) Voting of Shares in General (<i>Page 4</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Duties and Responsibilities of the Corporate Secretary (<i>Item 7.1.11, Page 27</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
4. Board has an effective shareholder voting mechanism such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Shareholders’ Rights and Protection of Minority Stockholders’ Interests (<i>Item 4, Page 49</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf

<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>COMPLIANT</p>	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p>	<p>Special meetings may be called by the Chairman of the Board, by the President & CEO, by the majority of the Board, or on the demand in writing of the shareholders who own a majority of the voting stock.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Shareholders' Rights and Protection of Minority Stockholders' Interests (<i>Item 1.1, Page 47</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Amended By-Laws</p> <ul style="list-style-type: none"> • Special Meetings (<i>Page 3</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p>	<p>The Bank recognizes that the most cogent proof of good corporate governance is visible to the eyes of its investors. Thus, the Bank is steadfast and dedicated in protecting the rights and interests of minority shareholders.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Shareholders' Rights and Protection of Minority Stockholders' Interests (<i>Pages 47–49</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf

7. Company has a transparent and specific dividend policy.	COMPLIANT	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration.</p>	<p>The Bank did not declare dividends in 2020.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Dividend Policy (<i>Page 95</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>Amended By-Laws</p> <ul style="list-style-type: none"> Distribution of Dividends (<i>Page 17</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p>	<p>2020 Annual Report</p> <ul style="list-style-type: none"> Annual Stockholders' Meeting (<i>Pages 75</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>The Corporate Secretary certifies that PNB engaged Roxas delos Reyes Laurel Rosario & Leagogo Law Offices, its external counsel, for the validation of proxies and votes cast for the Bank's 2020 Annual Stockholders' Meeting held on June 23, 2020.</p> <p>Please refer to Annex G for the Secretary's certificate on the presence of external counsel who validated the votes at the 2020 Annual Shareholders' Meeting.</p>
Recommendation 13.2			

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p>COMPLIANT</p>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	<p>On January 24, 2020, the Board of Directors approved the holding of the Annual Stockholders' Meeting on April 28, 2020. The Notice of the Annual Stockholders' Meeting was disclosed to the PSE Edge on the same day. Due, however, to COVID-19 and the quarantine restrictions put in place by the Philippine government, on March 27, 2020, the Board of Directors approved the postponement of the Annual Stockholders' Meeting to June 23, 2020. The Notice of the postponed Annual Stockholders' Meeting was disclosed to the PSE Edge on March 27, 2020, approximately three (3) months prior to the date of the meeting. The Notice was also published, in print and online format, from June 1, 2020 to June 2, 2020 in The Philippine Star and in BusinessWorld, and from June 7, 2020 to June 13, 2020 in The Manila Bulletin, The Philippine Star, and BusinessWorld.</p> <p>Notice of the 2020 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/notice_of_stockholders_meeting_05_27_2020.pdf <p>2020 Definitive Information Statement</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/SEC_2020_Definitive_Information_Statement.pdf
<p>Supplemental to Recommendation 13.2</p>			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p>	<p>Notice of the 2020 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/notice_of_stockholders_meeting_05_27_2020.pdf

a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT		2020 Definitive Information Statement <ul style="list-style-type: none"> Profiles of the Board of Directors (<i>Pages 11–26</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/SEC_2020_Definitive_Information_Statement.pdf
b. Auditors seeking appointment/re-appointment	COMPLIANT		2020 Definitive Information Statement <ul style="list-style-type: none"> Appointment of External Auditor (<i>Page 39</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/SEC_2020_Definitive_Information_Statement.pdf
c. Proxy documents	COMPLIANT		2020 Definitive Information Statement <ul style="list-style-type: none"> Proxy Form (<i>Page 64</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/SEC_2020_Definitive_Information_Statement.pdf
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	Provide link or reference to the rationale for the agenda items	Notice of the 2020 Annual Stockholders' Meeting <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/notice_of_stockholders_meeting_05_27_2020.pdf 2020 Definitive Information Statement (Annex A) <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/SEC_2020_Definitive_Information_Statement.pdf
Recommendation 13.3			

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	<p>The minutes of the 2020 Annual Stockholders' Meeting, which reflects the relevant questions raised and answers during the meeting and the results of the votes taken, was uploaded to the Bank's website the day following the meeting, or on June 24, 2020.</p> <p>Minutes of the 2020 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_ASM_Minutes.pdf
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p>	<p>The minutes of the 2020 Annual Stockholders' Meeting held on June 23, 2020 was uploaded to the Bank's website the following day, or on June 24, 2020.</p> <p>Minutes of the 2020 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_ASM_Minutes.pdf
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	<p>15 Directors, Key Officers of the Bank, and the External Auditor were all present during the 2020 Annual Stockholders' Meeting.</p> <p>Minutes of the 2020 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> Appointment of External Auditor (<i>Pages 13</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_ASM_Minutes.pdf
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	<p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Shareholders' Rights and Protection of Minority Stockholders' Interests (<i>Item 6, Page 49</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Provide link/reference to where it is found in the Manual on Corporate Governance	

Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	Name: Ms. Emeline C. Centeno, Senior Vice President and Investor Relations Officer Telephone number: (632) 526-3131 local 2120 Fax number: (632) 573-4580 E-mail address: centenoec@pnb.com.ph, iru@pnb.com.ph
2. IRO is present at every shareholder's meeting.	COMPLIANT	Indicate if the IRO was present during the ASM.	The Bank's Investor Relations Officer (IRO), Ms. Emeline C. Centeno, was present during the 2020 Annual Stockholders' Meeting.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	2020 Corporate Governance Manual <ul style="list-style-type: none"> Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.6., Page 13</i>) Code of Conduct and Business Ethics (<i>Pages 44–47</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf 2020 Definitive Information Statement <ul style="list-style-type: none"> Voting Procedures (<i>Pages 39–40</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/SEC_2020_Definitive_Information_Statement.pdf
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT	Indicate the company's public float.	<p>As of December 31, 2020, the public ownership percentage of the Bank is at 21.39%, in compliance with minimum regulatory public float. The Bank continues to consider strategic initiatives to increase its public ownership to 30% at the most appropriate time.</p> PSE Disclosure Form POR-1–Public Ownership Report <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/public_ownership_12312020.pdf
Optional: Principle 13			

<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</p>	<p>The Bank is consistent in its efforts to establish and maintain constant and effective engagement with shareholders, through analysts' & investors' briefings, media briefings, investor relations program, conferences, and other forms of communication that the Bank may deem necessary and appropriate. These practices are designed to improve shareholders' perception of PNB by keeping them abreast of the developments in the Bank through constant communications and maintaining cordial relations with them. For easy reference, notices and corresponding materials are disclosed in the Bank's website and in the PSE Edge.</p> <p>Investor Relations Program</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/index.php/investor-relations/investor-relations-program <p>Invertor Presentation</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_Investor_Presentation_FY_2020.pdf
<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>COMPLIANT</p>	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p>	<p>Our 2020 Annual Stockholders' Meeting held on June 23, 2020 was conducted via remote communication to provide the Directors, Senior Management, stockholders, and other stakeholders a safer mode of attendance and participation in the Bank's ASM, in view of the COVID19 pandemic and the ongoing implementation of the community quarantine. The attendance and participation in remote meetings is authorized under the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 6, series of 2020.</p> <p>Voting procedure: The affirmative vote of the stockholders present in person or by proxy representing at least a majority of the stockholders present at the meeting shall be sufficient to carry the vote for any of the matters submitted to a vote at the Annual Stockholders' Meeting, except for Item 7 of the Agenda on the election of directors.</p> <p>For the election of directors, the fifteen (15) nominees garnering the highest number of votes from the stockholders present or represented by proxy shall be elected directors for the ensuing year.</p> <p>The manner of voting and counting of votes will be as follows:</p>

			<p>a) Every stockholder entitled to vote shall have the right to vote the number of shares registered in his name on record as of the close of business hours on March 29, 2021. Only duly signed proxies and electronic votes submitted on or before 5:00 p.m. on April 22, 2021 shall be honored for purposes of voting. The requirements and procedure for voting through remote communication are reflected below.</p> <p>b) For purposes of electing directors, the system of cumulative voting shall be followed. Each stockholder is entitled to such number of votes equal to the number of shares he owns multiplied by the number of directors to be elected. Under this voting system, the stockholder has the option to (i) cast all his votes in favor of one (1) nominee, or (ii) distribute those votes under the same principle among as many nominees as he shall see fit. Only candidates duly nominated shall be voted upon by the stockholders entitled to vote or by their proxies.</p> <p>c) The manner of election and the counting of the votes to be cast shall be under the supervision of the Corporate Secretary.</p> <p>The foregoing addresses the requirement of Section 49 of the Revised Corporation Code to disclose to the stockholders material information on the current stockholders and their voting rights.</p>
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	2020 Annual Report <ul style="list-style-type: none"> Our Sustainability Commitments, Sustainability Report (<i>Pages 88–89</i>) Stakeholder Engagement, Sustainability Report (<i>Pages 90–91</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders	2020 Annual Report <ul style="list-style-type: none"> Our Sustainability Commitments, Sustainability Report (<i>Pages 88–89</i>) Stakeholder Engagement, Sustainability Report (<i>Pages 90–91</i>)

			<ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	COMPLIANT	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p>	<p>PNB – Office of the Corporate Secretary 9/F PNB Financial Center, Pres. Diosdado Macapagal Boulevard, Pasay City Tel. No.: (+632) 8 526-3131 local 4106 Stockholder Relations Officer: Atty. Ruth Pamela E. Tanghal Email: tanghalrpe@pnb.com.ph</p> <p>PNB – Investor Relations Unit 9F, PNB Financial Center, Pres. D. Macapagal Blvd., Pasay City Tel. No: (632) 526-3131 local 2120 Investor Relations Officer: Ms. Emeline C. Centeno E-mail address: centenoec@pnb.com.ph, iru@pnb.com.ph</p> <p>PNB – Stock Transfer Agent, Trust Banking Group 3F, PNB Financial Center, Pres. D Macapagal Boulevard., Pasay City Tel. No. (632) 526-3131 loc. 2307 Stockholder Relations Officer: Ms. Emylyn P. Audemard Email: audemardep@pnb.com.ph</p> <p>Customer Service Hotline: (632) 573-8888 Email: customercare@pnb.com</p> <p>PNB Website</p> <ul style="list-style-type: none"> Contacts, Investor Relations LINK: https://www.pnb.com.ph/index.php/investor-relations/contacts <p>2020 Annual Report</p> <ul style="list-style-type: none"> Contact Information, Sustainability Report (<i>Page 83</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Supplement to Recommendation 14.3			

<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>COMPLIANT</p>	<p>Provide information on the alternative dispute resolution system established by the company.</p>	<p>It is the policy of the Bank to resolve disputes and conflicts with stockholders, regulators and other third parties. As such, the Bank has installed various communication channels allowing its external stakeholders to exercise their rights and communicate their concerns and queries to the Bank. The contact details of the Office of the Corporate Secretary, Stock Transfer Agent, and the Investor Relations Officer of the Bank are posted in the Bank's website for easy reference of shareholders and other stakeholders. For regulatory issues, the Bank follows the procedure set forth by concerned regulators.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Shareholders' Rights and Protection of Minority Stockholders' Interests (<i>Item 6, Page 49</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf <p>PNB Website</p> <ul style="list-style-type: none"> Contacts, Investor Relations LINK: https://www.pnb.com.ph/index.php/investor-relations/contacts
<p>Additional Recommendations to Principle 14</p>			
<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>COMPLIANT</p>	<p>Disclose any requests for exemption by the company and the reason for the request.</p>	<p>As of December 31, 2020, PNB has not requested any exemption from the application of a law, rule or regulation related to corporate governance. In fact, the Bank is committed to align its internal policies and procedures to local regulations issued by its regulators, globally recognized standards and international best practices, such as the ASEAN Corporate Governance Scorecard.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> Specific Duties and Responsibilities of the Board of Director (<i>Item 1.3.2.4a [viii], Page 10</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf

2. Company respects intellectual property rights.		Provide specific instances, if any.	<p>The principles of fairness, accountability and transparency shall be observed in all aspects of the Bank's operations and business. This commitment to fairness stems from the Bank's aspiration to maintain its reputation as a fair & honest financial institution and comply with existing regulations governing intellectual property rights. This obligation includes respecting the intellectual property rights of our suppliers, customers, vendors, and other third-party service providers.</p> <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Code of Conduct and Business Ethics (<i>Item 8, Page 46</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	<p>PNB aims to provide the best customer experience to our clients. We provide them various channels for their inquiries, requests, and complaints: 24x7 customer care hotline, email, Facetime, Skype and private messaging.</p> <p>Our Consumer Protection Policy ensures that any reported complaint is recorded, monitored, and addressed in a timely manner. In accordance with the BSP requirement on reporting complaints, a consolidated complaints report is submitted monthly to PNB's Management and Risk Oversight Committee and quarterly to the BSP.</p> <p>As part of ensuring good service quality, the Customer Experience Division (CED) developed a project called "After Call Survey for 8573-8888" that aims to gather qualitative feedback from customers at point of call.</p> <p>CED personnel continued to service clients – whether they were working onsite or from home. To catch up on the volume of email inquiries received by CED during the pandemic, a taskforce was organized whereby employee volunteers from other business units were trained on how to respond to simple email inquiries and concerns of the clients. These trained employee volunteers rendered one to two hours every week for customer service shifts, mainly to respond to customer emails.</p>

			2020 Annual Report <ul style="list-style-type: none"> • Consumer Welfare, Corporate Governance (<i>Page 78</i>) • Customer Experience, Sustainability Report (<i>Page 116</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	<p>The Bank has developed its Outsourcing and Vendor Management Policy consistent with existing statutory, regulatory, and supervisory requirements. This policy sets out the framework for engaging with suppliers, along with the responsibilities of the Board of Directors and Management Committee in the review and evaluation of all new and existing outsourcing arrangement and vendor relationships.</p> <p>A dedicated vendor relationship manager, who actively builds and maintains commercial relationship with vendors and service providers, has been appointed in each business unit. PNB employs a comprehensive onboarding process which encompasses risk assessment, elaborate due diligence procedures, contract structuring and review, and continuous monitoring and oversight. Moreover, appropriate committees have been organized for the effective management of relationships with third parties.</p> <p>As part of continuous improvement, the roles, responsibilities and output of dedicated vendor relationship managers (VRM) appointed in each business unit are monitored and assessed regularly. New VRMs were also appointed, trainings and walkthrough were also conducted for Bank-wide awareness when it comes to vendor and supplier selection and management.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Vendor and Supplier Selection (<i>Page 78–79</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			

<p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p>	<p>Our employees are our most important resource and stakeholder. As such, the Bank continues to commit to their overall improvement and well-being by adhering to strict labor laws and regulations, providing a safe and secure work environment, implementing fair employment practices, promoting work-life balance, and cultivating a culture of community engagement, gender equality, and inclusion.</p> <p>Thus, when the COVID-19 pandemic struck, the Bank immediately took measures to ensure that the health, safety, and well-being of our employees are protected and taken care of--from providing flexible, alternative work arrangements, releasing bonuses in advance, increasing the health care coverage to include COVID-19-related hospitalization expenses, providing transportation and special allowance to members of skeleton work force during the enhanced community quarantine period, and looking after their physical and mental health.</p> <p>As the Bank continues to operate in a business-as-usual mode under extraordinary conditions, the Bank's management, through the Human Resource Group, worked doubly hard and rose to the challenge of helping employees adapt to the new norm of remote working by re-thinking old ways and embracing new people management and engagement practices.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Social Performance, Sustainability Report (<i>Pages 101–112</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
<p>Supplement to Recommendation 15.1</p>			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>COMPLIANT</p>	<p>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p>	<p>PNB designed its compensation and benefits package as a competitive tool to attract and retain highly qualified individuals who will support the Bank's implementation of its business directions and to achieve business goals. Hence, provisions of the compensation and benefits policies show the clear linkage with employee contributions which are measured through a balanced scorecard approach in its performance management system. Officers who are unable to meet their targets become ineligible to certain benefits and/or incentive programs such as the Car Plan benefit, Employee Loans, and performance bonus to name a few. The same is true for employees who get</p>

			<p>involved in administrative cases where certain benefits are temporarily withheld in case an administrative sanction is imposed. In case of dismissal, benefits are forfeited and taken back including but not limited to the Car Plan benefit, the guaranteed bonuses equivalent to a three-month salary and the Centennial PNB shares for the remaining years.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Performance-based remuneration, Corporate Governance (<i>Page 80</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p>	<p>The Bank has an Occupational Safety, Health and Family Welfare (OSHFW) Committee composed of representatives from both the management and employees, with the latter represented by labor union employees. This committee meets regularly to discuss and manage reported work-related hazards. The committee monitors and evaluates the committee's existing activities and initiatives by ensuring that these are aligned to the current general government labor requirements. Among the committee's initiatives include the conduct of OSH/safety awareness program, dissemination of safety advisories through different channels, disaster/emergency response training for PNB employee floor marshals, regular fire and earthquake drills at head offices, first aid training, deployment of emergency responders, and conducts of safety inspections/assessment of branches.</p> <p>In addition, the Bank releases e-mail bulletins regularly to update employees on current natural and / or manmade calamity situations, as well as to provide them with helpful tips on what to do during such scenarios.</p> <p>Employees appointed by the Bank as Safety Officers at PNB offices and branches are also regularly trained on Basic Occupational Safety and Health Program, Safety Program Audit, Loss Control Management, Standard First Aid and Basic Life Support, and Disaster Preparedness.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Prioritizing Employee Safety and Security, Sustainability Report (<i>Page 106</i>)

			<ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
3. Company has policies and practices on training and development of its employees.	COMPLIANT	<p>Disclose and provide information on policies and practices on training and development of employees.</p> <p>Include information on any training conducted or attended.</p>	<p>The Human Resource Group's Institute for Banking Excellence (IBE) ensures that trainings, programs, seminars, and workshops offered to employees are aligned with the strategic objectives, mission, goals, and values of the Bank.</p> <p>In addition, the Bank also runs leadership, career development, and mentoring programs for new hires with leadership potential and homegrown talents who rose from the ranks and were identified as having the potential to take on higher functions or roles.</p> <p>The Bank has three key leadership programs. The Junior Executive Development Institute (JEDI) is the leadership program for high-potential new hires. The Management Training Program (MTP) is the leadership program for homegrown rank-and-file employees with the potential to assume officer responsibilities. The Branch Operations Training Program (BOTP) is the leadership program for branch staff-level employees as they transition to branch officer level. To date, the Bank has a total of 538 JEDI graduates, 628 MTP graduates, and 1,446 BOTP graduates.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Employee Learning and Development, Sustainability Report (<i>Pages 104–105</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>Identify how the board disseminated the policy and program to employees across the organization</p>	<p>The Bank developed and disseminated the following policies and guidelines to ensure that all employees conduct themselves ethically: Code of Conduct, Corporate Governance Manual, Policy on Selling PNB Securities, Policy on Soliciting and / or Receiving Gifts, Personal Investment Policy, Whistleblower Policy, and Office Decorum which includes the Anti-Bribery and Anti-</p>

<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>COMPLIANT</p>		<p>Corruption provisions. These policies and guidelines are regularly reviewed and revised as necessary, with the approval of the Board of Directors to ensure its applicability to current work situations.</p> <p>New employees are required to read and understand the Bank's Code of Conduct, Office Decorum, Whistleblowing Policy and Anti-Bribery / Anti-Corruption Policy during their onboarding. They are also oriented on these policies during the New Hires Orientation Seminar. In addition, all employees can easily access these policies and guidelines through the Bank's intranet facility, and through the PNB website, for some policies.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Lawful and Ethical Behavior, Sustainability Report (<i>Pages 107–108</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>2020 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Specific Duties and Responsibilities of the Board of Directors (<i>Item 1.3.2.1., Page 8</i>) • Code of Conduct and Business Ethics (<i>Pages 44–47</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Supplement to Recommendation 15.2</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p>	<p>In line with the Bank's commitment to ensure that business dealings are conducted with the highest level of integrity and professionalism, employees are prohibited from engaging in any form of bribery such as the following:</p> <ul style="list-style-type: none"> • Giving/offering pecuniary benefits to external parties with the intention to influence the other party to commit a violation for personal and/or business advantage. • Acceptance/receiving of pecuniary benefits from clients, suppliers, service providers in order to facilitate the processing or approval of transactions or service agreements with the Bank despite deficiency

			<p>and/or non-compliance with the standard requirements and procedures.</p> <p>Employees who have knowledge of any form of irregular transactions or corrupt practices being entered into by an office or an employee under the name of the Bank must report the same through the offices identified in our Whistleblower Policy.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption, Corporate Governance (<i>Pages 77–78</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>Code of Conduct</p> <ul style="list-style-type: none"> • Administrative Procedures governing PNB Domestic or Overseas Branches/Offices (<i>Pages 7–11</i>) • Schedule of Offenses and Penalties (<i>Page 15</i>) • LINK: https://www.pnb.com.ph/wp-content/uploads/docs/Code%20of%20Conduct-OPP0451-17.pdf
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p>	<p>It is the responsibility of all directors, senior officers, and employees to report suspected or actual occurrence of fraud and/or violation of any law, rule, policy, and misconduct, in accordance with the Bank's Whistleblower Policy.</p> <p>PNB encourages all Philnabankers to speak up. Under the new Whistle blower policy adopted in September 2020, a whistleblower may be an employee of the Bank or a third party who discloses, in good faith, any illegal, unethical, or improper behaviors or practices, and misconduct in the Bank. He/she can</p>

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT		<p>report any suspected or actual commission of theft, fraud, corruption, among others to any of the members of the Ethical Standards Committee (ESC), President and CEO, CCO, CAE or CLC; or via the dedicated whistleblower hotline and electronic mail which are managed by the ESC Secretariat.</p> <p>Whistleblowers are protected from retaliation by ensuring that his or her identity is kept in strict confidence. Anyone who retaliates against the whistleblower is subject to disciplinary action, including the possibility of termination or dismissal from the Bank service.</p> <p>The whistleblower may report verbally or in written form any act of harassment, bullying, or adverse personnel action experienced to any of the members of the ESC and the senior officers, as stated above.</p>
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	<p>2020 Annual Report</p> <ul style="list-style-type: none"> Whistleblowing Mechanism, Corporate Governance (<i>Page 77</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>Whistleblower Policy</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/20-Whistleblower-Policy.pdf
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p>Recommendation 16.1</p>			
1. Company recognizes and places importance on the interdependence between business and society and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	<p>2020 Annual Report</p> <ul style="list-style-type: none"> Environmental Impact, Sustainability Report (<i>Pages 97–100</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>PNB Website: Corporate Social Responsibility</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/corporate-social-responsibility.html

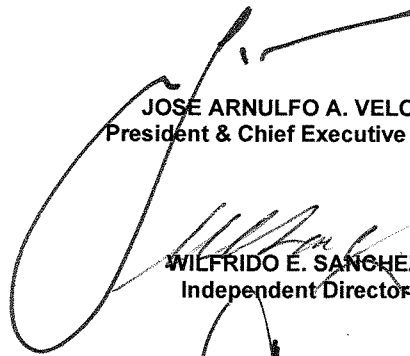
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	<p>Our Vendor Management Policy requires concerned Bank units to evaluate the service and technical capability of their vendors / suppliers or third-party service providers on an annual basis. The Bank's Accreditation and Vendor Management Department (AVMD) under Corporate Services Division (CSD) of the Administration Group (AG) maintained the process of accreditation and risk assessment of vendors / suppliers and third-party service providers for greater efficiency.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Supply Chain Management, Sustainability Report (<i>Page 95</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	<p>Our commitment to incorporate corporate social responsibility (CSR) and sustainability initiatives in our operations is primarily driven by our aspirations to make a positive contribution to society as a partner in social development and nation-building.</p> <p>The Bank, through the Corporate Sustainability Unit, works closely with the different business units to develop and implement significant initiatives in communities where PNB is present.</p> <p>2020 Annual Report</p> <ul style="list-style-type: none"> Responsible Corporate Citizenship and Caring for Our Communities, Sustainability Report (<i>Pages 113–116</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/2020-AnnualReport.pdf <p>PNB Website: Corporate Social Responsibility</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/corporate-social-responsibility.html

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in _____ on _____.

SIGNATURES



FEDERICO C. PASCUAL
Chairman of the Board/Independent Director



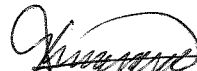
JOSE ARNULFO A. VELOSO
President & Chief Executive Officer



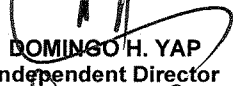
EDGAR A. CUA
Independent Director



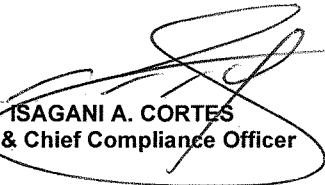
WILFRIDO E. SANCHEZ
Independent Director



ANGELITO M. VILLANUEVA
Independent Director



DOMINGO H. YAP
Independent Director



ISAGANI A. CORTES
EVP & Chief Compliance Officer



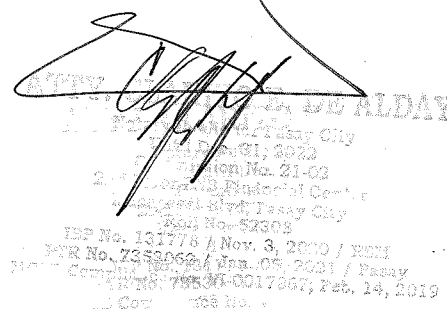
RUTH PAMELA E. TANGHAL
Corporate Secretary

MAY 26 2021

SUBSCRIBED AND SWORN to before me on _____, affiant(s) exhibiting to me their Passports/Senior Citizen ID/Driver's Licenses/TIN, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
Federico C. Pascual Senior Citizen ID No. 29264	February 24, 2009	Makati City
Jose Arnulfo A. Veloso Passport No. P1090101A	December 5, 2016	DFA Manila
Edgar A. Cua Passport No. P3875616B	November 18, 2019	DFA Manila
Wilfrido E. Sanchez Driver's License No. N11-60-039358	-	DOT-LTO
ANGELITO M. VILLANUEVA Passport No. P1750361A	January 25, 2017	Manila
Domingo H. Yap Passport No. P5589275B	October 1, 2020	DFA Manila
Isagani A. Cortes Passport No. EC3605748	March 6, 2015	DFA NCR Northeast
Ruth Pamela E. Tanghal TIN 216-805-132	-	-

Doc No. 260;
Page No. 41;
Book No. 27;
Series of 2021.



R. DE ALDAY
Notary Public
Commission No. 21-02
Expiry Date: Dec 31, 2022
Office: 2nd Floor, Bldg. 2, Pasay City
TIN No. 131776 / Nov. 3, 2020 / RCH
PTR No. 7382062
Notary Seal No. 73830-0017867, Feb. 14, 2019
Notary Seal No. 73830-0017867, Feb. 14, 2019



This

Certificate of Attendance

is presented to

Ruth Pamela E. Tanghal

for having completed the seminar on

Corporate Governance

20 October 2020

9:00 a.m. to 12:00 p.m.

Online seminar via Zoom



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



SECRETARY'S CERTIFICATE

I, **RUTH PAMELA E. TANGHAL**, Corporate Secretary of the Philippine National Bank ("PNB"), a universal banking corporation organized and existing under the laws of the Republic of the Philippines, with principal office address at PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay City, Metro Manila, do hereby certify that:

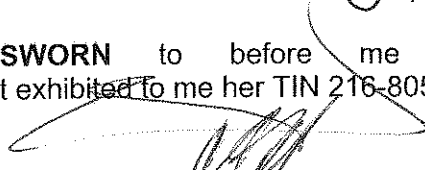
1. The agenda and materials for all scheduled Board and Board Committee meetings are sent to the directors ahead of time to provide them ample time to review the same;
2. Directors attending the meetings through video/teleconferencing are likewise provided with the agenda and all materials for the meetings, in accordance with SEC Memorandum Circular No. 15, Series of 2001; and
3. Questions asked and discussions during Board and Committee meetings are fully documented in the minutes books which are available for examination during office hours at the Corporate Secretary's Office upon request of stockholders of record.

IN WITNESS WHEREOF, I have hereunto affixed my signature on MAY 04 2021 in Pasay City, Metro Manila.


RUTH PAMELA E. TANGHAL
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 04 2021 in Pasay City, affiant exhibited to me her TIN 216-805-132.

Doc. No. 280
 Page No. 57
 Book No. 06
 Series of 2021.


ATTY. CLARITO E. DE ALDAY
 Notary Public for Pasay City
 Not. No. 31, 2003
 Commission No. 21-02
 2nd Floor PNB Financial Center
 Macapagal Blvd, Pasay City
 Roll No. 82308
 Exp. No. 131778 / Nov. 3, 2020 / RSM
 PTR No. 7353062 / Jan. 05, 2021 / PRC
 MCLB Cert. No. VI-0017867; Feb. 14, 2019

Philippine National Bank
 PNB Financial Center
 Pres. Diosdado Macapagal Blvd.,
 Pasay City, Metro Manila 1300,
 Philippines

T. (632) 8526-3131 to 70/8891-6040 to 70
 P.O. Box 1884 (Manila)
 P.O. Box 410 (Pasay City)
 www.pnb.com.ph

Authorized Depository of the Republic of the Philippines
 Member: PDIC



This

Certificate of Attendance

is presented to

Isagani Cortes

for having completed the seminar on

Corporate Governance

20 October 2020

9:00 a.m. to 12:00 p.m.

Online seminar via Zoom

A handwritten signature in black ink, appearing to read "Leonardo J. Matignas, Jr.", is positioned above the printed name.

Leonardo J. Matignas, Jr.
Partner, SGV & Co.



SECRETARY'S CERTIFICATE


I, **RUTH PAMELA E. TANGHAL**, Corporate Secretary of the Philippine National Bank ("PNB", the "Bank"), a universal banking corporation organized and existing under the laws of the Republic of the Philippines, with principal office address at PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay City, Metro Manila, do hereby certify that the remuneration structure of PNB senior executives is based on the Board-approved Policy on Remuneration under Board Executive Session Resolution No. 06/10-23-09 dated October 23, 2009.

IN WITNESS WHEREOF, I have hereunto affixed my signature on MAY 04 2021 in Pasay City, Metro Manila.


RUTH PAMELA E. TANGHAL
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this Pasay City in Pasay City, affiant exhibited to me her TIN 216-805-132.

Doc. No. 281
 Page No. 38
 Book No. 26
 Series of 2021.


ATTY. CARMEN E. DE ALDAY
 Notary Public for Pasay City
 Phil. Sec. 31, 2022
 Commission No. 21-02
 2nd Floor PNB Financial Center
 Macapagal Blvd, Pasay City
 Roll No. 52308
 IEP No. 131776 / Nov. 3, 2020 / RSM
 PTR No. 7053062 / Jan. 05, 2021 / Pasay
 NCLE Compliance No. VL-001717, Feb. 14, 2019

Philippine National Bank
 PNB Financial Center
 Pres. Diosdado Macapagal Blvd.,
 Pasay City, Metro Manila 1300,
 Philippines

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 P.O. Box 1884 (Manila)
 P.O. Box 410 (Pasay City)
 www.pnb.com.ph

Authorized Depository of the Republic of the Philippines
 Member: PDIC



OFFICE OF THE CORPORATE SECRETARY

Direct Line: 8536-0540
Trunk Lines: 8891-6040 to 70
Locals: 4582

February 5, 2021

MS. MARY ROSE JULIET G. ANATALIO

Director, Board Services and Fellows Relations
Institute of Corporate Directors (ICD)
14th Floor, Trident Tower,
312 Senator Gil Puyat Avenue, Makati City

Dear Ms. Anatalio,

The Philippine National Bank ("PNB", the "Bank") Corporate Governance and Sustainability Committee (the "Committee") will soon undertake its annual evaluation of potential nominees to the PNB Board of Directors. Pursuant to the evaluation process, the Committee reviews the qualifications of Board members pursuant to applicable rules and regulations, and takes into careful consideration a combination of other relevant factors, which include skills, relevant experience, core competencies, and educational backgrounds of nominees.

In addition to inviting our stockholders to submit names of recommended nominees, we likewise seek external sources or search firms in sourcing out potential and qualified directors. We are aware that the Institute of Corporate Directors (the "ICD") is composed of Fellows and Members who are recognized for their experience in their respective fields of expertise, and we hope that the ICD can partake in the Committee's annual nominee evaluation procedure.

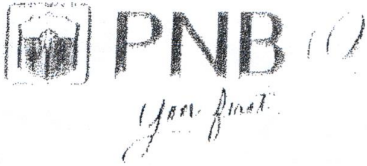
In line with the foregoing, we would like to request for the ICD's favorable assistance in furnishing us a list of its Fellows and Members, which we believe to be an outstanding and reliable source of potential nominees. We are grateful for the privilege of working alongside your organization in this regard.

Thank you and regards,

A handwritten signature in black ink, appearing to read 'Ruth Pamela E. Tanghal', is placed above the printed name and title.

RUTH PAMELA E. TANGHAL
Corporate Secretary

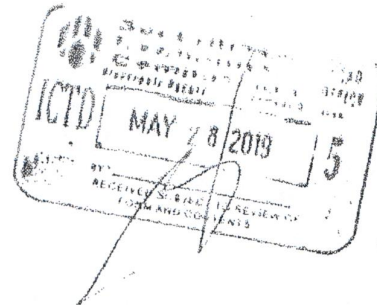
"ANNEX E"



Global Compliance Group
Direct Line: 573-4051
Trunk Lines: 891-6040 to 70
Locals: 4051, 4543, 2174 & 4715

May 24, 2019

MS. RACHEL ESTHER J. GUMTANG-REMALANTE
Officer in Charge (OIC)
Corporate Governance and Finance Department
Securities and Exchange Commission
R/F Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City, 1307



Dear Ms. Remalante:

We are pleased to submit to the Commission Philippine National Bank's revised Manual on Corporate Governance, duly approved by its Board in its meeting on May 24, 2019.

The Manual was revised to incorporate among others, the following sections:

1. **Board Diversity Policy**

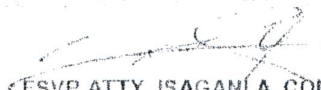
- Expanded the diversity requirement in the composition of the Board and transformed it into a formal policy consistent with the standards of the ASEAN Corporate Governance Scorecard

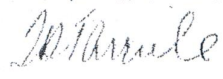
2. **Sustainability**

- Specified the responsibility of the Board and the Corporate Governance & Sustainability Committee in overseeing and ensuring the disclosure of the Bank's non-financial information pertaining to economic, environmental, social & governance (EESG) issues pursuant to SEC Memorandum Circular 4, Series of 2019

Thank you very much.

Very truly yours,


FSVP ATTY. ISAGANI A. CORTES
Chief Compliance Officer


FLORENCIA G. FARRIELA
Chairman of the Board



"ANNEX F"

PRESIDENT AND CHIEF AUDIT EXECUTIVE ATTESTATION

The results of 2020 independent audit work performed by Internal Audit Group and the reviews undertaken by the external reviewers comprised of the Bank's external auditors, by Bangko Sentral ng Pilipinas (BSP) as the Bank's supervising regulator, and by the various foreign regulators on the Bank's overseas branches and subsidiaries, disclosed that the Bank's overall risk management system, internal control system, governance processes, and compliance with policies, procedures and regulations as generally effective in all material respects. We likewise attest that the audit scope and coverage are adequate, comprehensive, risk-based and process-focused, that Management is aware of its responsibility for internal control, and that the accomplishment of audit activities and reporting of relevant issues and other pertinent information to the Board Audit and Compliance Committee and the Board of Directors is free from any interference.

We also acknowledge the Board of Directors and Senior/Top Management's strong discharge of their oversight and governance functions over the Bank's internal control system through constant monitoring of risk issues on various operations of the Bank, updating of Operations and Policy manuals and issuances of appropriate Operations Policies and Procedures (OPP) to strengthen the control environment against significant impact on changes in business related industries where the Bank operates.

We are confident that under the robust governance of the Board of Directors and Senior Management in promoting high ethical and integrity standards; establishing appropriate culture that emphasizes, demonstrates, and promotes the importance of internal control; and designing and implementing processes for the prevention and detection of fraud, PNB remains effective and dynamic in responding timely to emerging risks within the organization's risk management, governance, operations, information and compliance systems that provide reasonable assurance on the attainment of its business objectives.

PHILIPPINE NATIONAL BANK

A black and white photograph of a handwritten signature in dark ink, appearing to read "Samuel G. Lazaro".

SAMUEL G. LAZARO
VP & OIC of Internal Audit Group

A black and white photograph of a handwritten signature in dark ink, appearing to read "Wick A. Veloso".

WICK A. VELOSO
President and CEO



SECRETARY'S CERTIFICATE

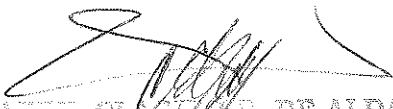
I, **RUTH PAMELA E. TANGHAL**, Corporate Secretary of the Philippine National Bank ("PNB", the "Bank"), a universal banking corporation organized and existing under the laws of the Republic of the Philippines, with principal office address at PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay City, Metro Manila, do hereby certify that PNB engaged Roxas delos Reyes Laurel Rosario & Gonzales Law Offices for the validation of proxies and votes cast for the Bank's 2020 Annual Stockholders' Meeting held on June 23, 2020.

IN WITNESS WHEREOF, I have hereunto affixed my signature on MAY 04 2021 in Pasay City, Metro Manila.


RUTH PAMELA E. TANGHAL
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 04 2021 in Pasay City, affiant exhibited to me her TIN 216-805-132.

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 Book No. 26
 Series of 2021.


ATTY. CHRISTOPHER B. DE ALDAY
 Notary Public for Pasay City
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 Roll No. 52500
 IBP No. 151778 / Nov. 3, 2020 / RSM
 PTR No. 7350062 / Jan. 05, 2021 / Pasay
 NOLR Commission No. VI-5017887; Feb. 14, 2019

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May 7, 2021

CERTIFICATION

To the Corporate Secretary:

This is to certify that the Board Audit and Compliance Committee (BACC) annually meets with the External Auditor without the presence of Management.

For 2020 and 2021, the meetings were held on October 19, 2020 and March 9, 2021, respectively attended by the following members of the BACC and the External Auditor.

Date	Attendees			Agenda
	BACC Members	Guest Director	External Auditor	
October 19, 2020	Dir. Edgar A. Cua, Chairman Dir. Felix Enrico R. Alfiler, Member Dir. Florencia G. Tarriela, Member	Dir. Florido P. Casuela	SGV & Co. – Vicky B. Lee-Salas, Partner-In-Charge	Planning Meeting with the BACC (for the 2020 Audit Engagement)
March 9, 2021			SGV & Co. – Vicky B. Lee-Salas, Partner-In-Charge	Closing Meeting with the BACC (for the 2020 Audit Engagement)

This certification is being issued as an integral part of the Integrated Annual Corporate Governance Report (I-ACGR) of PNB.

SAMUEL G. LAZARO
VP & OIC of Internal Audit Group