



May 25, 2022

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

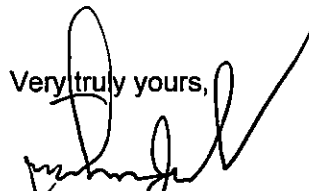
The Philippine Stock Exchange
6th Floor PSE Tower
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention : MS. ALEXANDRA D. TOM WONG
Officer-in-Charge, Disclosure Department

Gentlemen:

In compliance with SEC Memorandum Circular No. 15, Series of 2017, we are pleased to submit herewith the 2021 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

T. (832) 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

COVER SHEET

A S C 9 6 - 0 0 5 5 5 5

S.E.C. Registration Number

P H I L I P P I N E N A T I O N A L B A N K

Company's Full Name)

9 t h F l o o r P N B F i n a n c i a l C e n t e r

M a c a p a g a l B l v d . , P a s a y C i t y

M e t r o M a n i l a

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

RUTH PAMELA E. TANGHAL
Corporate Secretary

Contact Person

8834-0780

Company Telephone Number

1 2

Month Day
Fiscal Year

3 1

Annual Integrated Corporate Governance Report (I-ACGR)

FORM TYPE

April 26

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2021**
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		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 meeting of the stockholders 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	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 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. 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. 2021 Annual Report <ul style="list-style-type: none">• Board Composition (<i>Page 61</i>)• Profiles of the Board of Directors (<i>Pages 126–138</i>)• LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Recommendation 1.2			

<p>1. Board is composed of a majority of non-executive directors.</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships</p>	<p>PNB Board of Directors is composed of 1 Executive Director, 5 Independent Directors, and 9 Non-Executive Directors.</p> <table border="1" data-bbox="1397 261 2123 858"> <thead> <tr> <th>Name</th> <th>Type of Directorship</th> </tr> </thead> <tbody> <tr> <td>Federico C. Pascual</td> <td>Independent Director (Chairman)</td> </tr> <tr> <td>Leonilo G. Coronel</td> <td>Non-Executive Director (Vice Chairman)</td> </tr> <tr> <td>Florido P. Casuela</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>Isabelita M. Papa</td> <td>Independent Director</td> </tr> <tr> <td>Sheila T. Pascual</td> <td>Non-Executive Director</td> </tr> <tr> <td>Wilfrido E. Sanchez</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>Lucio C. Tan III</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> <tr> <td>Jose Arnulfo A. Veloso</td> <td>Executive Director</td> </tr> <tr> <td>Domingo H. Yap</td> <td>Independent Director</td> </tr> </tbody> </table> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Board Composition (<i>Page 61</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>PNB website</p> <ul style="list-style-type: none"> Board of Directors LINK: https://www.pnb.com.ph/index.php/investor-relations/board-of-directors 	Name	Type of Directorship	Federico C. Pascual	Independent Director (Chairman)	Leonilo G. Coronel	Non-Executive Director (Vice Chairman)	Florido P. Casuela	Non-Executive Director	Edgar A. Cua	Independent Director	Estelito P. Mendoza	Non-Executive Director	Isabelita M. Papa	Independent Director	Sheila T. Pascual	Non-Executive Director	Wilfrido E. Sanchez	Independent Director	Carmen K. Tan	Non-Executive Director	Lucio C. Tan	Non-Executive Director	Lucio C. Tan III	Non-Executive Director	Michael G. Tan	Non-Executive Director	Vivienne K. Tan	Non-Executive Director	Jose Arnulfo A. Veloso	Executive Director	Domingo H. Yap	Independent Director
Name	Type of Directorship																																		
Federico C. Pascual	Independent Director (Chairman)																																		
Leonilo G. Coronel	Non-Executive Director (Vice Chairman)																																		
Florido P. Casuela	Non-Executive Director																																		
Edgar A. Cua	Independent Director																																		
Estelito P. Mendoza	Non-Executive Director																																		
Isabelita M. Papa	Independent Director																																		
Sheila T. Pascual	Non-Executive Director																																		
Wilfrido E. Sanchez	Independent Director																																		
Carmen K. Tan	Non-Executive Director																																		
Lucio C. Tan	Non-Executive Director																																		
Lucio C. Tan III	Non-Executive Director																																		
Michael G. Tan	Non-Executive Director																																		
Vivienne K. Tan	Non-Executive Director																																		
Jose Arnulfo A. Veloso	Executive Director																																		
Domingo H. Yap	Independent Director																																		
<p>Recommendation 1.3</p>																																			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p>	<p>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. Professional development may relate to a particular subject area, committee membership, or key developments in PNB's external environment, market or operations.</p>																																

<p>2. Company has an orientation program for first time directors.</p>	<p>COMPLIANT</p>		<p>The Chairman of the Board ensures the conduct of proper orientation for first-time directors and provide training opportunities for all directors. Board members are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the business of PNB.</p>
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>COMPLIANT</p>	<p>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.</p>	<p>As of December 31, 2021, all fifteen directors complied with the four-hour annual continuing training requirement. On top of the annual Corporate Governance Seminar conducted by SGV & Co. and hosted by the Lucio Tan Group of Companies, directors have also attended online courses on various topics provided by industry experts, including ICD and the Association of Bank Compliance Officers. Certificates of attendance have been submitted to SEC and disclosed to PSE.</p> <p>The CCO likewise organized an in-house orientation program for new directors covering SEC-mandated topics on corporate governance to ensure that they are properly oriented upon joining the Board and that they are appropriately apprised of their duties and responsibilities, at the start of their directorships.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Orientation and Continuing Education (<i>Pages 64–65</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Education and Training Program (<i>Page 76–78</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Recommendation 1.4</p>			
<p>1. Board has a policy on board diversity.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p>	<p>The Board Diversity Policy can be found under the Bank's Corporate Governance Manual. It states that 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</p>

		<p>Indicate gender composition of the board.</p>	<p>directors, foster innovation, and achieve a balanced approach in making sound and objective board decision.</p> <p>As such, the Bank recognizes and welcomes diversity in the Board of Directors to avoid groupthink and ensure that optimal decision-making is achieved. 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.</p> <p>Moreover, the Board shall recognize that 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 sound decisions on matters that require the Board's approval.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board Diversity Policy (<i>Page 8</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Skills, Competency, and Diversity (<i>Page 62</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-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>	<p>COMPLIANT</p>	<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 independent director.

			<p>By December 31, 2021, the Bank met the above-mentioned diversity targets. We have four female directors in the Board, one of whom is independent. The 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.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Skills, Competency, and Diversity (<i>Page 62</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	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.
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		Board members are given separate and independent access to the Corporate Secretary at all times.

<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p>COMPLIANT</p>		<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>2021 Annual Report</p> <ul style="list-style-type: none"> • Corporate Secretary (<i>Page 60</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Corporate Secretary (<i>Pages 59–60</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p>	<p>The Corporate Secretary has attended the Corporate Governance Seminar conducted by SGV & Co. on August 26, 2021. She is required to attend trainings on corporate governance annually. Please refer to Annex A for the corresponding certificate of attendance.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Orientation and Continuing Education (<i>Pages 64–65</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>Optional: Recommendation 1.5</p>			

<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p>COMPLIANT</p>	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p>	<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>2021 Annual Report</p> <ul style="list-style-type: none"> • Meetings and Attendance (<i>Pages 62–63</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Meetings of the Board and Board Committees (<i>Pages 71–73</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Please refer to Annex B for the corresponding certification issued by the Corporate Secretary.</p>
<p>Recommendation 1.6</p>			
<p>1. Board is assisted by a Compliance Officer.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p>	<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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Chief Compliance Officer (<i>Pages 63–65</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Chief Compliance Officer (<i>Page 60</i>) • Profile of the Chief Compliance Officer (<i>Page 145</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.</p>	<p>COMPLIANT</p>		
<p>3. Compliance Officer is not a member of the board.</p>	<p>COMPLIANT</p>		

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 August 26, 2021. He is required to attend trainings on corporate governance annually. Please refer to Annex C for the corresponding certificate of attendance.
-------------------------------------------------------------------	-----------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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.

Recommendation 2.1

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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Specific Duties and Responsibilities of a Director (<i>Pages 37–39</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 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://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
----------------------------------------------------------------------------------------------------------------------------------	-----------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</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 & 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 objectives and business priorities, strategy, direction, overall plans, result areas that relates to the thrusts and programs of the Bank.</p>
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<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>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Duties and Responsibilities of the Board of Directors (<i>Item 7.2, Page 21</i>) • Board Strategy and Policy Committee (<i>Pages 58–59</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Board of Directors (<i>Page 58</i>) • Our Governance Structure (<i>Page 59</i>) • Board Strategy and Policy Committee (<i>Pages 68–69</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-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>VISION To be the most admired financial services organization in the country in terms of:</p>

			<ul style="list-style-type: none"> • Financial performance – rank #1 or #2 in its businesses in terms of return on equity • Innovativeness – in products, services, distribution and the use of cutting-edge technology <ul style="list-style-type: none"> o Customer perception o The preferred financial services provider • The customer-centered organization with a passion for service excellence • Social responsibility – the employer of choice, a good corporate citizen and partner in nation-building • Long-term vision – developing competitive advantage on a sustained basis by anticipating changes in customer’s preferences and in the manner of doing business <p>MISSION</p> <p>We are a leading, dynamic Filipino financial services group with a global presence committed to delivering a whole range of quality products and services that will create value and enrich the lives of our customers, employees, shareholders and the communities we serve.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Vision and Mission (<i>Page 2</i>) • Values (<i>Page 3</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>2021 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Strategy and Policy Committee Chairman (<i>Page 31</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Duties and Responsibilities of the Board of Directors (<i>Item 7.2, Page 21</i>) • Board Strategy and Policy Committee (<i>Pages 58–59</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>The Chairman of the Board is Federico C. Pascual, who has held the position since 2021. He ensures the effective functioning of the Board, including maintaining a relationship of trust with individual directors. He makes certain that the meeting agenda focuses on strategic matters, including discussions on risk appetite, and key governance concerns</p> <p>2021 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 132</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>Succession Management</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. The process involves the following steps:</p> <ul style="list-style-type: none"> (a) Identification of key management positions. (b) Nomination of Candidates –based on results and past performance, competencies, and potential, subject to the initial evaluation of the Talent Board, the respective Sector or Group head nominates possible candidates who may be from within or outside of their respective Group/ Sector subject to the acceptance of the concerned officer-candidate prior to processing. (c) Conduct of Talent Screening – the process of evaluating and assessing the shortlisted nominees' competencies through online assessment, 360-degree feedback survey, and interviews with the members of the Talent Board or designated interviewers, if necessary. Those who qualify based on the evaluation of the Talent Board shall be recommended for inclusion in the Executive Talent Pool, subject to the approval of the President and CEO. (d) Learning and Development – to address the development needs of each talent, an Individual Development Plan (IDP) consisting of on-the-job training, interactional development programs, and classroom training shall be created by the Sector or Group head and/or designated mentor. For a more objective and in-depth assessment of the talent's competencies, he/she may be required to train in the
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>COMPLIANT</p>		

			<p>Assessment and Development Center. The training result is made an integral part of the IDP.</p> <ul style="list-style-type: none"> (e) Talent’s Progress Review – the progress of the talent is monitored and evaluated. (f) Engagement – strategies are employed to sustain the desired level of performance as well as the employee’s commitment to the program. (g) Placement – the talent review process and the learning and development programs continue until the need or opportunity arises for the talent to assume a key/critical position within the organization. <p>Retirement of Directors</p> <p>As a matter of policy, a Board member is expected to remain fit and proper for the position of a director for the duration of his term, in accordance with the requirements and qualifications set out under the Bank’s Corporate Governance Manual, Manual of Regulations for Banks (MORB), and other applicable requirements under existing laws and BSP regulations. Towards this end, the Bank believes that adopting a fixed limit on director tenure is counterproductive as it may lead to retirement of qualified and well-seasoned directors.</p> <p>The director has the burden to prove that he possesses all the minimum qualifications and none of the disqualifications set forth in the MORB. He shall continue to be mentally and physically fit to perform his responsibilities, manifested by his attendance and active participation during Board meetings, continuing training and education, and continued dialogue with other directors and key officers of the Bank, among others.</p> <p>In the event a director no longer has the required fitness, he shall inform the Board of his intent to retire or refrain from seeking re-election.</p> <p>Retirement of Officers</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>There are three (3) modes of retirement:</p> <ul style="list-style-type: none"> • 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; • 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 10 years of continuous service; or (ii) completing at least eleven 11 years of service; and • Late Retirement: Any employee may offer his/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>2021 Annual Report</p> <ul style="list-style-type: none"> • Retirement and Term Limit (<i>Pages 63–64</i>) • Succession Management (<i>Pages 79–80</i>) • Retirement (<i>Page 81</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Retirement Policy (<i>Page 16</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 2.5			

<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>COMPLIANT</p>	<p>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>	<p>Remuneration Policy 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 directors and 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>Performance-based Remuneration 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 to employees 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.</p> <p>2021 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>Pages 80–81</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>	<p>COMPLIANT</p>		
<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>COMPLIANT</p>		

			<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Remuneration and other Incentives (<i>Pages 74–76</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	COMPLIANT	Provide proof of board approval	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Duties and Responsibilities of the Board of Directors (<i>Item 7.3, Pages 21–22</i>) • Remuneration and other Incentives (<i>Pages 74–76</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>Performance-based Remuneration</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 to employees 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.</p>

			2021 Annual Report <ul style="list-style-type: none"> • Performance-based Remuneration (<i>Pages 80–81</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT		Procedure for the Nomination of Directors <ol style="list-style-type: none"> 1. All shareholders shall have the right to nominate, elect, remove and replace directors in accordance with the Revised Corporation Code. 2. In addition to inviting the Bank’s shareholders to nominate candidates to the Board, the Corporate Governance and Sustainability Committee, assisted by the Corporate Secretary, may make use of professional search firms or other external sources in sourcing out potential and qualified candidates to the Board. 3. Shareholders who wish to nominate a person for election as a director of the Bank may submit a written notice of the nomination to the Corporate Secretary at least sixty (60) days prior to the Bank’s Annual Stockholders’ Meeting. 4. 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. Upon receipt of the relevant documents (e.g. bio-data/CVs and other documents related to the qualification, background, and expertise of the nominees), the Corporate Governance Committee, in its discretion, shall initially screen and review the qualifications of all nominees taking into account the needs of
2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.	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.	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board Provide information if there was an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director.	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		

<p>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.</p>	<p>COMPLIANT</p>		<p>the Board in terms of relevant industry experience, knowledge, skills, educational background and professional experience relevant and beneficial to the business of the Bank. An initial list of nominees shall be prepared based on the results of the preliminary screening conducted.</p> <p>6. The Corporate Secretary shall inform each shortlisted nominee that he is included in the initial list of nominees based on the results of the preliminary screening conducted by the Corporate Governance Committee and that he will be subjected to the Bank's fit and proper due diligence, as required by the BSP, upon obtaining the written consent of the nominee.</p> <p>7. Once the initial list of nominees is finalized, the Corporate Secretary shall:</p> <ul style="list-style-type: none"> • Request the Corporate Security Group (CSG) and the Property Valuation & Credit Information Division (PVCID) under the Credit Management Group (CMG) to conduct a background and credit check on the shortlisted nominees concerned in order to ascertain the veracity and authenticity of the nominees' education, employment history, and other past activities. CSG and PVCID shall notify and transmit to the Corporate Secretary the results of background and credit check, including any adverse findings found. • Request the Corporate Governance Division under the Global Compliance Group (GCG) to confirm whether the shortlisted nominees possess all the qualifications and none of the disqualifications for directors as stipulated under the Bank's Corporate Governance Manual, Manual of Regulations for Banks (MORB), and other applicable requirements under existing laws and BSP regulations. GCG shall notify and transmit to the Corporate Secretary the results of its independent review based on the information provided in the nominees' biodata/curriculum vitae (CV). • Request the Human Resource Group (HRG) to gather information on the shortlisted nominees using the Fit and Proper System (FITPRO) of the BSP. HRG shall notify and transmit to the Corporate Secretary the information gathered on the system, including any adverse findings found.
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			<p>8. The Corporate Secretary shall consider the results of the background and credit check conducted by CSG and PVCID, internal review conducted by GCG, the results of the search on FITPRO performed by HRG, in determining whether the profile of the nominee will be endorsed to the Corporate Governance Committee for further screening.</p> <p>9. The Corporate Secretary shall present the shortlisted nominations to the Corporate Governance Committee together with the profile of each nominee which includes, among others, their qualifications and experiences, academic and professional backgrounds, and expertise.</p> <p>10. The Corporate Governance Committee shall thereafter endorse the Final List of nominees for Board approval.</p> <p>11. Upon approval by the Board of Directors, the Corporate Secretary shall submit all relevant/requisite information about the nominees to the SEC and to all stockholders through the filing and distribution of the Information Statement.</p> <p>12. 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 annual stockholders' meeting.</p> <p>Procedure for the Election of Directors</p> <p>1. The manner of election and the counting of the votes to be cast shall be under the supervision of the Corporate Secretary.</p> <p>2. 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.</p> <p>3. Only candidates duly nominated shall be voted upon by the stockholders entitled to vote or by their proxies.</p>
--	--	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			<p>4. 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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Nomination and Election of Directors (<i>Pages 8–13</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Nomination and Election of Directors (<i>Page 62</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>COMPLIANT</p>		<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. The entire process for the nomination and election of directors is set forth in the Bank’s Corporate Governance Manual.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Nomination and Election of Directors (<i>Pages 8–13</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Nomination and Election of Directors (<i>Page 62</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>Optional: Recommendation to 2.6</p>			

<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>	<p>COMPLIANT</p>	<p>Identify the professional search firm used or other external sources of candidates</p>	<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 were 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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Procedure for the Nomination of Directors (<i>Page 9</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Nomination and Election of Directors (<i>Page 62</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>Recommendation 2.7</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>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</p>	<p>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.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Related Party Transactions (<i>Pages 90–91</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>COMPLIANT</p>	<p>Identify transactions that were approved pursuant to the policy.</p>	<p>2021 Annual Report</p>

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>		<ul style="list-style-type: none"> • Message from the Board Oversight RPT Committee (<i>Pages 29–30</i>) • Board Oversight RPT Committee (<i>Page 68</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.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>Supplement to Recommendations 2.7</p>			
<p>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 considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>COMPLIANT</p>	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Board Oversight RPT Committee (<i>Page 68</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Related Party Transactions (<i>Pages 90–91</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders’ meetings.</p>	<p>COMPLIANT</p>	<p>Provide information on voting system, 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>Recommendation 2.8</p>			

<p>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).</p>	<p>COMPLIANT</p>	<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> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Selection Process for Senior Management (<i>Page 79</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Duties and Responsibilities of the Board of Directors (<i>Item 7.3, Pages 21–22</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>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).</p>	<p>COMPLIANT</p>	<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>2021 Annual Report</p> <ul style="list-style-type: none"> • Performance Assessment for Senior Management (<i>Page 81</i>) • https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Duties and Responsibilities of the Board of Directors (<i>Item 7.3, Pages 21–22</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Recommendation 2.9</p>			
<p>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.</p>	<p>COMPLIANT</p>		<p>In PNB, we place special importance on talent development and review. We have established existing mechanisms to better monitor productivity and optimize employee performance. One of the key talent development initiatives conducted by our Human Resource Group (HRG) is the performance appraisal and development for employees which aims to provide feedback on the employee’s performance, leadership capabilities, contribution to the company and career growth and development. This exercise is being conducted with prudence and deliberate manner and is leveraged as a tool used to motivate the employees, build their confidence, and foster strong working relationships.</p>
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the Board’s performance management framework for management and personnel.</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Performance Assessment for Senior Management (<i>Page 81</i>) • https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p>

			<ul style="list-style-type: none"> • Duties and Responsibilities of the Board of Directors (<i>Item 7.3, Pages 21–22</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
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	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Specific Duties and Responsibilities of the Board of Directors (<i>Item 7.1, Pages 19–20</i>) • Chief Audit Executive (<i>Pages 66–68</i>) • Board Audit and Compliance Committee (<i>Pages 51–52</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Audit and Compliance Committee (<i>Pages 24–25</i>) • Board Audit and Compliance Committee (<i>Pages 66–67</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-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			

<p>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.</p>	<p>COMPLIANT</p>	<p>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>	<p>The approach to managing risk is outlined on the Bank's Enterprise Risk Management Framework (ERMF), which creates the context for setting policies and standards, and establishing the right practices throughout the PNB Group. This framework 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 ERMF, 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>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.</p>	<p>COMPLIANT</p>	<p>Provide proof of effectiveness of risk management strategies, if any.</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> Enterprise Risk Management Framework (<i>Pages 39–40</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Duties and Responsibilities of the Board of Directors (<i>Item 7.5, Pages 28–29</i>) Chief Risk Officer (<i>Pages 65–66</i>) Risk Oversight Committee (<i>Page 53</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Recommendation 2.12</p>			

<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>COMPLIANT</p>		<p>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.</p>
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>COMPLIANT</p>	<p>Provide link to the company's website where the Board Charter is disclosed.</p>	<p>The Corporate Governance Manual is disclosed in the Bank's website.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Duties and Responsibilities of the Board of Directors (<i>Pages 19–29</i>) • Specific Duties and Responsibilities of a Director (<i>Pages 37–39</i>) • Code of Ethics for Directors (<i>Pages 41–47</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>3. Board Charter is publicly available and posted on the company's website.</p>	<p>COMPLIANT</p>		
<p>Additional Recommendation to Principle 2</p>			
<p>1. Board has a clear insider trading policy.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document showing company's insider trading policy.</p>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Insider Trading Policy (<i>Pages 86–87</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Optional: Principle 2</p>			

<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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Related Party Transactions (Pages 90–91) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Reportorial and Disclosure Requirements (<i>Pages 81–86</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>			

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p>	<p>The Board of Directors has created eight committees to increase its efficiency and allow deeper focus in specific areas of our operations. 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.</p> <table border="1" data-bbox="1417 432 2141 767"> <thead> <tr> <th>Board Committees</th> </tr> </thead> <tbody> <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> </tbody> </table> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Board Committees (<i>Pages 48–59</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Board Committees (<i>Pages 66–71</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf 	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												
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)												
<p>Recommendation 3.2</p>												

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p>	<p>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.</p> <p>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 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" data-bbox="1417 735 2141 917"> <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>Isabelita M. Papa – Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Edgar A. Cua – Vice Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Michael G. Tan – Member</td> <td>Non-Executive Director</td> </tr> </tbody> </table> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Board Audit and Compliance Committee (<i>Pages 51–52</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVENANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Board Audit and Compliance Committee (<i>Pages 66–67</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf 	Board Audit and Compliance Committee		Name	Type of Directorship	Isabelita M. Papa – Chairman	Independent Director	Edgar A. Cua – Vice Chairman	Independent Director	Michael G. Tan – Member	Non-Executive Director
Board Audit and Compliance Committee													
Name	Type of Directorship												
Isabelita M. Papa – Chairman	Independent Director												
Edgar A. Cua – Vice Chairman	Independent Director												
Michael G. Tan – Member	Non-Executive Director												
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p>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>											
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>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.</p>											
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p>											
<p>Supplement to Recommendation 3.2</p>													

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>2021 Annual Report</p> <ul style="list-style-type: none"> Internal and External Audit (<i>Page 73</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.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 2021, the Committee held 21 meetings composed of 13 regular and 8 special meetings. The Committee also had separate meetings with external auditors, as mandated by BSP Memorandum 2014-11 and BSP Circular No. 969 series of 2017.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Message from the Board Audit and Compliance Committee (<i>Pages 24–25</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>In 2021, the Board Audit and Compliance Committee held a total of twenty-one (21) meetings.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Board Audit and Compliance Committee (<i>Pages 66–67</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>2021 Annual Report</p> <ul style="list-style-type: none"> Internal and External Audit (<i>Page 73</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf

Recommendation 3.3

<p>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.</p>	<p>COMPLIANT</p>	<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 border="1" data-bbox="1415 539 2141 783"> <thead> <tr> <th colspan="2">Corporate Governance & Sustainability Committee</th> </tr> <tr> <th>Name</th> <th>Type of Directorship</th> </tr> </thead> <tbody> <tr> <td>Federico C. Pascual – Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Wilfrido E. Sanchez – Vice Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Isabelita M. Papa – Member</td> <td>Independent Director</td> </tr> <tr> <td>Domingo H. Yap – Member</td> <td>Independent Director</td> </tr> </tbody> </table> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Corporate Governance & Sustainability Committee (<i>Page 52</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Corporate Governance and Sustainability Committee (<i>Page 69</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf 	Corporate Governance & Sustainability Committee		Name	Type of Directorship	Federico C. Pascual – Chairman	Independent Director	Wilfrido E. Sanchez – Vice Chairman	Independent Director	Isabelita M. Papa – Member	Independent Director	Domingo H. Yap – Member	Independent Director
Corporate Governance & Sustainability Committee															
Name	Type of Directorship														
Federico C. Pascual – Chairman	Independent Director														
Wilfrido E. Sanchez – Vice Chairman	Independent Director														
Isabelita M. Papa – Member	Independent Director														
Domingo H. Yap – Member	Independent Director														
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>COMPLIANT</p>	<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>													
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p>													

Optional: Recommendation 3.3

<p>1. Corporate Governance Committee meet at least twice during the year.</p>	<p>COMPLIANT</p>	<p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p>	<p>In 2021, the Corporate Governance and Sustainability Committee held a total of fifteen (15) meetings.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Corporate Governance and Sustainability Committee (<i>Page 69</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Corporate Governance & Sustainability Committee (<i>Page 52</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Recommendation 3.4</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p>	<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>
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p>	<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 (SEC), the Bangko Sentral ng Pilipinas (BSP) and other applicable laws and regulations.</p>

<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Risk Oversight Committee</th> </tr> <tr> <th style="text-align: center;">Name</th> <th style="text-align: center;">Type of Directorship</th> </tr> </thead> <tbody> <tr> <td>Edgar A. Cua – Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Isabelita M. Papa – Vice Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Florido P. Casuela – Member</td> <td>Non-Executive Director</td> </tr> <tr> <td>Leonilo G. Coronel – Member</td> <td>Non-Executive Director</td> </tr> <tr> <td>Wilfrido E. Sanchez – Member</td> <td>Independent Director</td> </tr> <tr> <td>Vivienne K. Tan – Member</td> <td>Non-Executive Director</td> </tr> </tbody> </table>	Risk Oversight Committee		Name	Type of Directorship	Edgar A. Cua – Chairman	Independent Director	Isabelita M. Papa – Vice Chairman	Independent Director	Florido P. Casuela – Member	Non-Executive Director	Leonilo G. Coronel – Member	Non-Executive Director	Wilfrido E. Sanchez – Member	Independent Director	Vivienne K. Tan – Member	Non-Executive Director
Risk Oversight Committee																			
Name	Type of Directorship																		
Edgar A. Cua – Chairman	Independent Director																		
Isabelita M. Papa – Vice Chairman	Independent Director																		
Florido P. Casuela – Member	Non-Executive Director																		
Leonilo G. Coronel – Member	Non-Executive Director																		
Wilfrido E. Sanchez – Member	Independent Director																		
Vivienne K. Tan – Member	Non-Executive Director																		
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p>	<p>In 2021, ROC held a total of thirty-two meetings.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Risk Oversight Committee (<i>Pages 70–71</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Risk Oversight Committee (<i>Page 53</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf 																
<p>Recommendation 3.5</p>																			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p>	<p>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</p>																

<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p>	<p>party transactions (RPTs) that present the risk of potential abuse and evaluates 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 is composed of three (3) independent directors. 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 sit as Non-Voting Members in the committee.</p> <table border="1" data-bbox="1397 603 2123 778"> <thead> <tr> <th colspan="2">Board Oversight RPT Committee</th> </tr> <tr> <th>Name</th> <th>Type of Directorship</th> </tr> </thead> <tbody> <tr> <td>Domingo H. Yap – Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Edgar A. Cua – Vice Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Federico C. Pascual – Member</td> <td>Independent Director</td> </tr> </tbody> </table> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Board Oversight RPT Committee (<i>Page 68</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Board Oversight RPT Committee (<i>Pages 53–54</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2020 RPT Policy Manual</p> <ul style="list-style-type: none"> Board Oversight RPT Committee (<i>Pages 7–8</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2020_Revised_RPT_Policy_Manual.pdf 	Board Oversight RPT Committee		Name	Type of Directorship	Domingo H. Yap – Chairman	Independent Director	Edgar A. Cua – Vice Chairman	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 – Vice Chairman	Independent Director												
Federico C. Pascual – Member	Independent Director												
<p>Recommendation 3.6</p>													

<p>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.</p>	<p>COMPLIANT</p>	<p>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.</p>	<p>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. The charters of the eight (8) board committees can be found on the Bank's website.</p>
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>COMPLIANT</p>		<p>2021 Annual Report</p> <ul style="list-style-type: none"> Board Committees (Page 58, 66–71) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Board Committees (Pages 48–59) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf

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

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p>	<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 ensuing year.</p> <p>Matters requiring decision and approval and matters which are for the Board's information are clearly set out in the detailed agenda. 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</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>		<p>them to make sound decisions on matters that require their approval. The Chairman encourages openness and debate at Board meetings and directors participate actively in Board discussions and share their insights on issues and matters tabled.</p> <p>In 2021, the Board held a total of twenty-six meetings: twelve regular meetings, thirteen special meetings, and one organizational meeting. Each Board member complied with the SEC’s minimum attendance requirement of 50%.</p>
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Meetings and Attendance (<i>Pages 62–63</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Meetings of the Board and Board Committees (<i>Page 71–73</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Please refer to Annex B for the corresponding Secretary’s certificate.</p>
<p>Recommendation 4.2</p>			

<p>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.</p>	<p>COMPLIANT</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company’s directors in both listed and non-listed companies</p>	<table border="1"> <thead> <tr> <th data-bbox="1417 229 1778 296">Name</th> <th data-bbox="1778 229 2139 296">Directorship in other Listed Companies</th> </tr> </thead> <tbody> <tr> <td data-bbox="1417 296 1778 363">Federico C. Pascual (Independent Director)</td> <td data-bbox="1778 296 2139 363">None</td> </tr> <tr> <td data-bbox="1417 363 1778 430">Leonilo G. Coronel (Non-Executive Director)</td> <td data-bbox="1778 363 2139 430">None</td> </tr> <tr> <td data-bbox="1417 430 1778 497">Florido P. Casuela (Non-Executive Director)</td> <td data-bbox="1778 430 2139 497">None</td> </tr> <tr> <td data-bbox="1417 497 1778 564">Edgar A. Cua (Independent Director)</td> <td data-bbox="1778 497 2139 564">None</td> </tr> <tr> <td data-bbox="1417 564 1778 667">Estelito P. Mendoza (Non-Executive Director)</td> <td data-bbox="1778 564 2139 667"> <ul style="list-style-type: none"> • San Miguel Corporation (Director) • Petron Corporation (Director) </td> </tr> <tr> <td data-bbox="1417 667 1778 734">Isabelita M. Papa (Independent Director)</td> <td data-bbox="1778 667 2139 734">None</td> </tr> <tr> <td data-bbox="1417 734 1778 801">Sheila T. Pascual (Non-Executive Director)</td> <td data-bbox="1778 734 2139 801"> <ul style="list-style-type: none"> • PAL Holdings, Inc. (Director) </td> </tr> <tr> <td data-bbox="1417 801 1778 868">Wilfrido E. Sanchez (Independent Director)</td> <td data-bbox="1778 801 2139 868"> <ul style="list-style-type: none"> • LT Group, Inc. (Independent Director) </td> </tr> <tr> <td data-bbox="1417 868 1778 1015">Carmen K. Tan (Non-Executive Director)</td> <td data-bbox="1778 868 2139 1015"> <ul style="list-style-type: none"> • LT Group, Inc. (Vice Chairman) • MacroAsia Corporation (Director) • PAL Holdings, Inc. (Director) </td> </tr> <tr> <td data-bbox="1417 1015 1778 1219">Lucio C. Tan (Non-Executive Director)</td> <td data-bbox="1778 1015 2139 1219"> <ul style="list-style-type: none"> • LT Group, Inc. (Chairman & CEO) • MacroAsia Corporation (Chairman & CEO) • PAL Holdings, Inc. (Chairman & CEO) </td> </tr> <tr> <td data-bbox="1417 1219 1778 1366">Lucio C. Tan III (Non-Executive Director)</td> <td data-bbox="1778 1219 2139 1366"> <ul style="list-style-type: none"> • LT Group, Inc. (Director) • MacroAsia Corporation (Director) • PAL Holdings, Inc. (Director) </td> </tr> </tbody> </table>	Name	Directorship in other Listed Companies	Federico C. Pascual (Independent Director)	None	Leonilo G. Coronel (Non-Executive Director)	None	Florido P. Casuela (Non-Executive Director)	None	Edgar A. Cua (Independent Director)	None	Estelito P. Mendoza (Non-Executive Director)	<ul style="list-style-type: none"> • San Miguel Corporation (Director) • Petron Corporation (Director) 	Isabelita M. Papa (Independent Director)	None	Sheila T. Pascual (Non-Executive Director)	<ul style="list-style-type: none"> • PAL Holdings, Inc. (Director) 	Wilfrido E. Sanchez (Independent Director)	<ul style="list-style-type: none"> • LT Group, Inc. (Independent 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) 	Lucio C. Tan III (Non-Executive Director)	<ul style="list-style-type: none"> • LT Group, Inc. (Director) • MacroAsia Corporation (Director) • PAL Holdings, Inc. (Director)
Name	Directorship in other Listed Companies																										
Federico C. Pascual (Independent Director)	None																										
Leonilo G. Coronel (Non-Executive Director)	None																										
Florido P. Casuela (Non-Executive Director)	None																										
Edgar A. Cua (Independent Director)	None																										
Estelito P. Mendoza (Non-Executive Director)	<ul style="list-style-type: none"> • San Miguel Corporation (Director) • Petron Corporation (Director) 																										
Isabelita M. Papa (Independent Director)	None																										
Sheila T. Pascual (Non-Executive Director)	<ul style="list-style-type: none"> • PAL Holdings, Inc. (Director) 																										
Wilfrido E. Sanchez (Independent Director)	<ul style="list-style-type: none"> • LT Group, Inc. (Independent 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) 																										
Lucio C. Tan III (Non-Executive Director)	<ul style="list-style-type: none"> • LT Group, Inc. (Director) • MacroAsia Corporation (Director) • PAL Holdings, Inc. (Director) 																										

			<table border="1"> <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, Inc. (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> <tr> <td>Domingo H. Yap (Independent Director)</td> <td>None</td> </tr> </table> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Multiple Board Seats/ Interlocking/ Concurrent Directorship (<i>Pages 39–40</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf 	Michael G. Tan (Non-Executive Director)	<ul style="list-style-type: none"> • LT Group, Inc. (Director, President & Chief Operating Officer) • Victorias Milling Company, Inc. (Director) • MacroAsia Corporation (Director) 	Vivienne K. Tan (Non-Executive Director)	<ul style="list-style-type: none"> • LT Group, Inc. (Director) • MacroAsia Corporation (Director) 	Domingo H. Yap (Independent Director)	None
Michael G. Tan (Non-Executive Director)	<ul style="list-style-type: none"> • LT Group, Inc. (Director, President & Chief Operating Officer) • Victorias Milling Company, Inc. (Director) • MacroAsia Corporation (Director) 								
Vivienne K. Tan (Non-Executive Director)	<ul style="list-style-type: none"> • LT Group, Inc. (Director) • MacroAsia Corporation (Director) 								
Domingo H. Yap (Independent Director)	None								

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.	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Multiple Board Seats/ Interlocking/ Concurrent Directorship (<i>Pages 39–40</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Profile of Mr. Jose Arnulfo “Wick” A. Veloso (<i>Page 144</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
2. Company schedules board of directors’ meetings before the start of the financial year.	COMPLIANT		<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 ensuing year.</p> <p>In 2021, the Board held a total of twenty-six meetings: twelve regular meetings, thirteen special meetings, and one organizational meeting. Each Board member complied with the SEC’s minimum attendance requirement of 50%.</p>
3. Board of directors meet at least six times during the year.	COMPLIANT	Indicate the number of board meetings during the year and provide proof	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Meetings of the Board and Board Committees (<i>Page 71–73</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Meetings and Attendance (<i>Pages 62–63</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf

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>2021 Annual Report</p> <ul style="list-style-type: none"> Meetings and Attendance (<i>Pages 62–63</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
----------------------------------------------------------------------------	-----------	----------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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	<p>The Bank has 5 independent directors representing 33% of the Board.</p> <table border="1" data-bbox="1397 699 2123 1297"> <thead> <tr> <th>Board of Directors</th> <th>Type of Directorship</th> </tr> </thead> <tbody> <tr> <td>Federico C. Pascual</td> <td>Independent Director (Chairman)</td> </tr> <tr> <td>Leonilo G. Coronel</td> <td>Non-Executive Director (Vice Chairman)</td> </tr> <tr> <td>Florido P. Casuela</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>Isabelita M. Papa</td> <td>Independent Director</td> </tr> <tr> <td>Sheila T. Pascual</td> <td>Non-Executive Director</td> </tr> <tr> <td>Wilfrido E. Sanchez</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>Lucio C. Tan III</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> <tr> <td>Jose Arnulfo A. Veloso</td> <td>Executive Director</td> </tr> <tr> <td>Domingo H. Yap</td> <td>Independent Director</td> </tr> </tbody> </table> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Composition of the Board (<i>Pages 7–8</i>) 	Board of Directors	Type of Directorship	Federico C. Pascual	Independent Director (Chairman)	Leonilo G. Coronel	Non-Executive Director (Vice Chairman)	Florido P. Casuela	Non-Executive Director	Edgar A. Cua	Independent Director	Estelito P. Mendoza	Non-Executive Director	Isabelita M. Papa	Independent Director	Sheila T. Pascual	Non-Executive Director	Wilfrido E. Sanchez	Independent Director	Carmen K. Tan	Non-Executive Director	Lucio C. Tan	Non-Executive Director	Lucio C. Tan III	Non-Executive Director	Michael G. Tan	Non-Executive Director	Vivienne K. Tan	Non-Executive Director	Jose Arnulfo A. Veloso	Executive Director	Domingo H. Yap	Independent Director
Board of Directors	Type of Directorship																																		
Federico C. Pascual	Independent Director (Chairman)																																		
Leonilo G. Coronel	Non-Executive Director (Vice Chairman)																																		
Florido P. Casuela	Non-Executive Director																																		
Edgar A. Cua	Independent Director																																		
Estelito P. Mendoza	Non-Executive Director																																		
Isabelita M. Papa	Independent Director																																		
Sheila T. Pascual	Non-Executive Director																																		
Wilfrido E. Sanchez	Independent Director																																		
Carmen K. Tan	Non-Executive Director																																		
Lucio C. Tan	Non-Executive Director																																		
Lucio C. Tan III	Non-Executive Director																																		
Michael G. Tan	Non-Executive Director																																		
Vivienne K. Tan	Non-Executive Director																																		
Jose Arnulfo A. Veloso	Executive Director																																		
Domingo H. Yap	Independent Director																																		

			<ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Board Composition (<i>Pages 61–62</i>) Profile of the Board of Directors (<i>Pages 126–138</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-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>Certifications of Independent Directors – 2021</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_Mar242021.pdf LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/investor-relations/SEC_Certifications_of_Independent_Directors_of_PNB_August92021.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Board Composition (<i>Pages 61–62</i>) Profile of the Board of Directors (<i>Pages 126–138</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.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			

<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p>	<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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Duties and Responsibilities of the Board of Directors (<i>Pages 19–29</i>) Specific Duties and Responsibilities of a Director (<i>Pages 37–29</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Recommendation 5.3</p>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Term Limit (<i>Page 39</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> Retirement and Term Limit (<i>Pages 63–64</i>) Profile of the Board of Directors (<i>Pages 126–138</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p>	<p>As of December 31, 2021, the Bank has no independent director that served for more than nine (9) years reckoned from 2012.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Term Limit (<i>Page 39</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Retirement and Term Limit (<i>Pages 63–64</i>)

			<ul style="list-style-type: none"> • Profile of the Board of Directors (<i>Pages 126–138</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	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 Chairman of the Board is Federico C. Pascual, who has held the position since 2021. He ensures the effective functioning of the Board, including maintaining a relationship of trust with individual directors. He makes certain that the meeting agenda focuses on strategic matters, including discussions on risk appetite, and key governance concerns.</p> <p>The President and CEO is Wick A. Veloso. He assumed the position in 2018. As President and CEO, he is the overall-in-charge for the management of the business and affairs of the Bank as governed by the strategic direction and risk appetite approved by the Board. He communicates and implements our vision, mission, values, and overall strategy.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • The Chairperson, Vice Chairman, and President & CEO (<i>Page 58</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Chairperson of the Board (<i>Pages 16–17</i>) • Chief Executive Officer (<i>Pages 17–19</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>2021 Annual Report</p> <ul style="list-style-type: none"> • The Chairperson, Vice Chairman, and President & CEO (<i>Page 58</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>Recommendation 5.5</p>			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>COMPLIANT</p>	<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>	<p>The Chairman of the Board is an independent director.</p>
<p>Recommendation 5.6</p>			

<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>COMPLIANT</p>	<p>Provide proof of abstention, if this was the case</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 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>2021 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Oversight RPT Committee (<i>Pages 29–30</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Related Party Transactions (<i>Pages 90–91</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Recommendation 5.7</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide proof and details of said meeting, if any.</p>	<p>In addition to the regular and special meetings of the Board, non-executive directors also meet regularly, other than in meetings of the audit, risk oversight, corporate governance, and related party transactions committees, in the absence of senior management, with the external auditor and heads of the internal audit, compliance and risk management functions.</p>
<p>2. The meetings are chaired by the lead independent director.</p>	<p>COMPLIANT</p>	<p>Provide information on the frequency and attendees of meetings.</p>	<p>The non-executive directors' meeting was held on September 27, 2021 to tackle the audit planning presentation of the Bank's external auditor. On October 28, 2021, the independent directors met without the presence of any executives to discuss the performance of management, emerging and top risks faced by the Bank, and corresponding strategies or action plans to effectively manage and mitigate those risks.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Meetings and Attendance (<i>Pages 62–63</i>)

			<ul style="list-style-type: none"> LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Meetings of Board and Board Committee Meetings (<i>Page 71</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
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	The Bank's President and CEO is Mr. Jose Arnulfo "Wick" A. Veloso, effective November 16, 2018.
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	<p>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.</p> <p>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 management to corporate governance practices. 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,</p>
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		

3. The individual members conduct a self-assessment of their performance.	COMPLIANT		<p>risk governance, fitness and propriety of Board and Management, and internal controls.</p> <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>
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		<p>The Corporate Governance and Sustainability Committee shall then ensure that the results of the Board performance evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement.</p>
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.	<p>In compliance with the SEC’s Code of Corporate Governance for Publicly Listed Companies, we have 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. The engagement culminated in May 2021 with favorable results and feedback from ICD facilitators Mr. Geocel Olanday and Ms. Rose Javier. The results of the performance evaluation confirmed that PNB is considered as one of the model enterprises for corporate governance in the Philippines and that the Bank indeed has effective systems and policies in place that ensure its successful governance.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board and Committee Evaluation Process (<i>Pages 73–74</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Board Performance and Evaluation (<i>Page 64</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Recommendation 6.2			

<p>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.</p>	<p>COMPLIANT</p>	<p>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>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board and Committee Evaluation Process (<i>Pages 73–74</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>COMPLIANT</p>		<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Board Performance and Evaluation (<i>Page 64</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			
<p>Recommendation 7.1</p>			
<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>Code of Ethics for Directors 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.</p> <p>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>Code of Conduct for Employees 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</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>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>Each employee is furnished with a copy of the Bank’s Code of Conduct. Moreover, they can access the Code through the Bank’s intranet.</p> <p>Each individual accomplishes an Acknowledgement Receipt certifying therein that he/she has been furnished with a copy of the Code; that he/she has fully read and understood the provisions embodied in the Code; and that he/she promises to abide with the rules and regulations of the Code.</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>3. The Code is disclosed and made available to the public through the company website.</p>	<p>COMPLIANT</p>	<p>Provide a link to the company’s website where the Code of Business Conduct and Ethics is posted/ disclosed.</p>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Code of Ethics for Directors (<i>Pages 44 –47</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Code of Ethics for Directors (<i>Page 76</i>) • Code of Conduct for Employees (<i>Page 77</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-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>Supplement to Recommendation 7.1</p>			

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</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 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>2021 Annual Report</p> <ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption (<i>Page 77</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>Recommendation 7.2</p>			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>COMPLIANT</p>	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p> <p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p>	<p>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 ensures the proper, efficient</p>

<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>COMPLIANT</p>		<p>and consistent implementation of and compliance with the Bank's Code of Conduct.</p> <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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Duties and Responsibilities of the Board of Directors (<i>Item 7.1, Pages 19–20</i>) Code of Ethics for Directors (<i>Page 76</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Disclosure and Transparency</p>			
<p>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p>			
<p>Recommendation 8.1</p>			

<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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Reportorial and Disclosure Requirements (<i>Pages 81–86</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-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_2021.pdf • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_JUNE_30_2021.pdf • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_SEPT_30_2021.pdf • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_DEC_31_2021.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_9M_Dec_2021.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_2021.pdf LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_JUNE_30_2021.pdf LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_SEPT_30_2021.pdf LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/PNB_SEC_17Q_DEC_31_2021.pdf <table border="1" data-bbox="1435 628 2123 986"> <thead> <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> </thead> <tbody> <tr> <td>As of Mar. 31, 2021</td> <td>May 12, 2021</td> <td>42</td> </tr> <tr> <td>As of June 30, 2021</td> <td>August 11, 2021</td> <td>42</td> </tr> <tr> <td>As of Sept. 30, 2021</td> <td>November 12, 2021</td> <td>43</td> </tr> <tr> <td>As of Year-End 2021</td> <td>April 18, 2022</td> <td>108 (with extension until May 15, 2022)</td> </tr> </tbody> </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, 2021	May 12, 2021	42	As of June 30, 2021	August 11, 2021	42	As of Sept. 30, 2021	November 12, 2021	43	As of Year-End 2021	April 18, 2022	108 (with extension until May 15, 2022)
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, 2021	May 12, 2021	42																
As of June 30, 2021	August 11, 2021	42																
As of Sept. 30, 2021	November 12, 2021	43																
As of Year-End 2021	April 18, 2022	108 (with extension until May 15, 2022)																
<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> <ol style="list-style-type: none"> principal risks to minority shareholders associated with the identity of the company's controlling shareholders; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company. 	<p>2021 Annual Report</p> <ul style="list-style-type: none"> Conglomerate Map (<i>Page 82</i>) Holdings (<i>Page 152</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf 															
<p>Recommendation 8.2</p>																		

<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.</p>	<p>COMPLIANT</p>	<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>Directors and key officers as reflected in the General Information Sheet of the Bank shall advise the Corporate Secretary of their shareholdings in the Bank within three (3) business days after his appointment or any subsequent acquisition, disposal, or change in his shareholdings for proper filing of reportorial requirements with the SEC and PSE.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Code of Ethics for Directors (<i>Page 46</i>) Insider Trading Policy (<i>Pages 86–87</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Shareholdings (<i>Page 65</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>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.</p>	<p>COMPLIANT</p>	<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>2021 Annual Report</p> <ul style="list-style-type: none"> Shareholdings (<i>Page 65</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>Supplement to Recommendation 8.2</p>			
<p>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).</p>	<p>COMPLIANT</p>	<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>2021 Annual Report</p> <ul style="list-style-type: none"> Shareholdings (<i>Page 65</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>Top 100 Stockholders</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/top_100_stockholders_12312021.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_12312021.pdf
<p>Recommendation 8.3</p>			

<p>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.</p>	<p>COMPLIANT</p>	<p>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.</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Board Composition (<i>Pages 61–62</i>) • Skills, Competency, and Diversity (<i>Page 62</i>) • Profiles of the Board of Directors (<i>Pages 126–138</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>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.</p>	<p>COMPLIANT</p>	<p>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.</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Profiles of the Management Committee (<i>Pages 142–149</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>Recommendation 8.4</p>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p>	<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>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</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>2021 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>Pages 80–81</i>)

			<ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Remuneration and Other Incentives (<i>Pages 75–76</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>NON-COMPLIANT</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	<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 2022 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 2021.</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 was 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>2021 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
<p>Recommendation 8.5</p>			

<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Related Party Transactions (<i>Pages 90–91</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>COMPLIANT</p>	<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"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. 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 9. other terms and conditions 	<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 statements. In 2021, no transaction qualified under the materiality threshold defined by the SEC.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Oversight RPT Committee Chairman (<i>Pages 29–30</i>) • Note 33, Audited Financial Statements (<i>Pages 136–142</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.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>Supplement to Recommendation 8.5</p>			
<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.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Related Party Transactions (<i>Pages 90–91</i>)

			<ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Message from the Board Oversight RPT Committee Chairman (<i>Pages 29–30</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.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
Optional: Recommendation 8.5			
<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>2021 Annual Report</p> <ul style="list-style-type: none"> Message from the Board Oversight RPT Committee Chairman (<i>Pages 29–30</i>) Board Oversight RPT Committee (<i>Page 68</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Related Party Transactions (<i>Pages 90–91</i>) Board Oversight RPT Committee (<i>Pages 53–54</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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
Recommendation 8.6			

<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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Reportorial and Disclosure Requirements (<i>Pages 81–86</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>COMPLIANT</p>	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p>	
<p>Supplement to Recommendation 8.6</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide link or reference where these are disclosed.</p>	<p>The Bank is not aware of any agreement or arrangement that may impact its control, ownership, and strategic. The relevant information on ownership is disclosed in the 2022 Definitive Information Statement of the Bank.</p> <p>2021 Definitive Information Statement</p> <ul style="list-style-type: none"> Security Ownership of Certain Record and Beneficial Owners and Management (Pages 4–9) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.pdf
<p>Recommendation 8.7</p>			
<p>1. Company’s corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>COMPLIANT</p>	<p>Provide link to the company’s website where the Manual on Corporate Governance is posted.</p>	<p>The Corporate Governance Manual of the Bank was submitted to SEC and PSE and is available in the Bank’s website.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. Company’s MCG is submitted to the SEC and PSE.</p>	<p>COMPLIANT</p>		
<p>3. Company’s MCG is posted on its company website.</p>	<p>COMPLIANT</p>		

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.	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Please refer to Annex F 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.	<p>2021 Annual Report</p> <ul style="list-style-type: none"> Corporate Objectives (<i>Page 2</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
b. Financial performance indicators	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	<p>2021 Annual Report</p> <ul style="list-style-type: none"> Financial Highlights (<i>Page 5</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
c. Non-financial performance indicators	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	<p>2021 Annual Report</p> <ul style="list-style-type: none"> Operational Highlights (<i>Pages 10–21</i>) Sustainability Report (<i>Pages 84–120</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
d. Dividend Policy	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	<p>2021 Annual Report</p> <ul style="list-style-type: none"> Dividend Policy (<i>Page 97</i>) Dividends (<i>Page 153</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf

<p>e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's Annual Report containing the said information.</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Profiles of the Board of Directors (<i>Pages 132–138</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>f. Attendance details of each director in all directors meetings held during the year</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's Annual Report containing the said information.</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Meetings and Attendance (<i>Pages 62–63</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>g. Total remuneration of each member of the board of directors</p>	<p>NON-COMPLIANT</p>	<p>Provide link or reference to the company's Annual Report containing the said information.</p>	<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 2022 Definitive Information Statement and Annual Report uploaded in the Bank's website and PSE Edge profile.</p> <p>2021 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

<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>The Bank adopts a policy of full compliance with the Code of Corporate Governance. PNB 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"> 1) 30% public float requirement to increase liquidity in the market; and 2) 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 abovementioned 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>2021 Annual Report</p> <ul style="list-style-type: none"> • Corporate Governance Confirmation Statement (<i>Page 76</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<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>2021 Annual Report</p> <ul style="list-style-type: none"> • Message from the Risk Oversight Committee Chairman (<i>Pages 35–36</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>2021 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Audit and Committee Chairperson (<i>Pages 24–25</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf

<p>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).</p>	<p>COMPLIANT</p>	<p>Provide link or reference to where these are contained in the Annual Report</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Risk Categories and Definitions (<i>Pages 45–52</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>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.</p>			
<p>Recommendation 9.1</p>			
<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>COMPLIANT</p>	<p>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>	<p>The BACC has the sole authority to select, evaluate, appoint, dismiss, and re-appoint the external auditor (subject to shareholder ratification) and shall approve in advance all audit engagement fees and terms and all audit-related, and tax compliance engagements with the external auditor.</p> <p>The external auditor is expected to charge only reasonable audit fees. In determining reasonable fees, the following factors may be considered: (a) expected hours needed to complete the scope of work envisioned in the audit plan; (b) complexity of the activities and structure of the Bank; (c) level of internal audit assistance; (d) level of fees being charged by other audit firms; and (e) quality of audit services.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board Audit and Compliance Committee (<i>Pages 51–52</i>)

<p>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.</p>	<p>COMPLIANT</p>	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p>	<ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Message from the Board Audit and Compliance Committee Chairman (<i>Pages 24–25</i>) Internal and External Audit (<i>Page 73</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>Minutes of the 2021 Annual Stockholders’ Meeting</p> <ul style="list-style-type: none"> Appointment of External Auditor (<i>Pages 13–14</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_ASM_Minutes.pdf <p>Votes of shareholders that ratified the appointment of the external auditor of the Bank:</p> <table border="1" data-bbox="1464 842 2094 1023"> <tr> <td>Approving</td> <td>1,200,758,321</td> </tr> <tr> <td>Dissenting</td> <td>0</td> </tr> <tr> <td>Abstaining</td> <td>0</td> </tr> </table>	Approving	1,200,758,321	Dissenting	0	Abstaining	0
Approving	1,200,758,321								
Dissenting	0								
Abstaining	0								
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the company’s reason for removal or change of external auditor.</p>	<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 2021 and prior years.</p> <p>There was no removal or change of external auditor in 2021.</p>						
<p>Supplement to Recommendation 9.1</p>									

<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/auditing firm or the lead or concurring partner shall be rotated after every five (5) years. The rotation of the lead and concurring partner shall have an interval of at least two (2) years.</p> <p>Ms. Vicky Lee-Salas was the appointed lead audit partner for the Bank since 2020 up to 2021. 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 2021 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> • Appointment of External Auditor (<i>Pages 13–14</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_ASM_Minutes.pdf
<p>Recommendation 9.2</p>			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ol style="list-style-type: none"> assessing the integrity and independence of external auditors; exercising effective oversight to review and monitor the external auditor's independence and objectivity; and exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	<p>COMPLIANT</p>	<p>Provide link/reference to the company's Audit Committee Charter</p>	<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>Board Audit and Compliance Committee (BACC) Charter</p> <ul style="list-style-type: none"> • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/BACC_Charter.pdf

<p>2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>		<p>Board Audit and Compliance Committee (BACC) Charter</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/BACC_Charter.pdf
<p>Supplement to Recommendations 9.2</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to the company’s Audit Committee Charter</p>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> External Auditor (<i>Pages 69–71</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Board Audit and Compliance Committee (BACC) Charter</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/BACC_Charter.pdf
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to the company’s Audit Committee Charter</p>	
<p>Recommendation 9.3</p>			

<p>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.</p>	<p>COMPLIANT</p>	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p>	<p>SEC 17A</p> <ul style="list-style-type: none"> Audit and other Related Fees (<i>Pages 46–47</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/PNB-SEC-17A-DECEMBER-31-2021.pdf <p>The table below shows the non-audit services performed by the external auditor with brief description and fees paid in 2021.</p> <table border="1" data-bbox="1397 520 2123 759"> <thead> <tr> <th data-bbox="1397 520 1579 624">Nature of service</th> <th data-bbox="1579 520 1939 624">Description</th> <th data-bbox="1939 520 2123 624">Professional fee (in P million)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1397 624 1579 759">All Other Services</td> <td data-bbox="1579 624 1939 759">Accounting advisory and business tax advisory services; consultancy services for sustainable finance framework project</td> <td data-bbox="1939 624 2123 759">0.562</td> </tr> </tbody> </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	0.562
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	0.562							
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to guidelines or policies on non-audit services</p>	<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> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> External Auditor (<i>Pages 69–71</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>Board Audit and Compliance Committee (BACC) Charter</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/BACC_Charter.pdf 						
<p>Supplement to Recommendation 9.3</p>									

<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>COMPLIANT</p>	<p>Provide information on audit and non-audit fees paid.</p>	<p>SEC 17A</p> <ul style="list-style-type: none"> Audit and other Related Fees (<i>Pages 46–47</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/PNB-SEC-17A-DECEMBER-31-2021.pdf <p>The table below shows the breakdown of audit and non-audit fees paid in 2021.</p> <table border="1" data-bbox="1574 467 1984 675"> <thead> <tr> <th>Fees</th> <th>2021 (in P millions)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Audit</td> <td>22.383</td> <td>97.55</td> </tr> <tr> <td>Non-audit</td> <td>0.562</td> <td>2.45</td> </tr> <tr> <td>Total</td> <td>22.945</td> <td>100</td> </tr> </tbody> </table>	Fees	2021 (in P millions)	%	Audit	22.383	97.55	Non-audit	0.562	2.45	Total	22.945	100
Fees	2021 (in P millions)	%													
Audit	22.383	97.55													
Non-audit	0.562	2.45													
Total	22.945	100													
<p>Additional Recommendation to Principle 9</p>															
<p>1. Company’s external auditor is duly accredited by the SEC under Group A category.</p>	<p>COMPLIANT</p>	<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; and Name, address, contact number of the audit firm. 	<p>Name of Audit Engagement Partner: Vicky B. Lee-Salas SEC Accreditation Number: 86838-SEC (Group A) - Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions Name of Audit Firm: SyCip Gorres Velayo & Co. Address of Audit Firm: 6760 Ayala Ave., 1226 Makati City Contact Number of the Audit Firm: (632) 891-0307</p>												
<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).</p>	<p>COMPLIANT</p>	<p>Provide information on the following:</p> <ol style="list-style-type: none"> Date it was subjected to SOAR inspection, if subjected; Name of the Audit firm; and 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 Name of the audit firm: SyCip Gorres Velayo & Co. 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

<p>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.</p>	<p>COMPLIANT</p>	<p>Disclose or provide link on the company’s policies and practices on the disclosure of non-financial information, including EESG issues.</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Reporting Process (<i>Pages 94–95</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Sustainability, Reporting and Disclosure (<i>Pages 96–97</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p>	<p>Our Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option, reflecting our significant financial, social, and environmental contributions from January 1 to December 31, 2021.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Report Coverage and Parameters, Sustainability Report (<i>Page 91</i>) • Reporting Process (<i>Pages 94–95</i>) • GRI Content Index (<i>Pages 121–125</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf

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.

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.</p>	<p>COMPLIANT</p>	<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
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			<ul style="list-style-type: none"> • 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_9M_Dec_2021.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
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_9M_Dec_2021.pdf

c. Downloadable annual report	COMPLIANT		<p>2021 Annual Report</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
d. Notice of ASM and/or SSM	COMPLIANT		<p>Notice of Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/Notice_of_Meeting.pdf
e. Minutes of ASM and/or SSM	COMPLIANT		<p>Minutes of Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_ASM_Minutes.pdf
f. Company's Articles of Incorporation and By-Laws	COMPLIANT		<p>Articles of Incorporation and By-Laws</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/wp-content/uploads/docs/aoi-2014-07-18-2.pdf LINK: https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf
Additional Recommendation to Principle 11			

<p>1. Company complies with SEC-prescribed website template.</p>	<p>COMPLIANT</p>		<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
<p>Internal Control System and Risk Management Framework</p>			
<p>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.</p>			
<p>Recommendation 12.1</p>			
<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Chief Audit Executive (<i>Pages 66–68</i>) • Internal Audit Function (<i>Pages 80–81</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>2021 Annual Report</p> <ul style="list-style-type: none"> • Message from the Board Audit and Compliance Committee Chairman (<i>Pages 24–25</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-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>2021 Annual Report</p> <ul style="list-style-type: none"> • Message from the Risk Oversight Committee Chairman (<i>Pages 35–36</i>) • Enterprise Risk Management Framework (<i>Pages 39–40</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Risk Management Function (<i>Page 80</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>PNB Website, Global Compliance</p> <ul style="list-style-type: none"> LINK: https://www.pnb.com.ph/index.php/corporate-governance/global-compliance <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Compliance Function (<i>Pages 78–80</i>) LINK: https://www.pnb.com.ph/wp-content/uploads/docs/PNB_Compliance_Framework_and_Ethics_Shortened_version_FINAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Compliance (<i>Page 73</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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 Bank's IS/Cyber Security Governance Framework ensures effectiveness and sustainability of the Information Security Management System. Proper governance aids PNB Group in meeting optimal business value from information security and maintaining a balance between benefits and security risks.</p> <p>The Enterprise Information Security Group (EISG) manages the overall information and cyber security risk of the PNB Group to preserve the Confidentiality, Integrity and Availability of its Information Assets. To this end, it operates on a framework that supports governance and oversight mechanisms to ensure risk exposures are within the Bank's acceptable levels as it supports business goals and objectives. It further adapts to an everchanging landscape via the interplay of people, policies and processes, and technology.</p> <p>EISG is headed by the Chief Information Security Officer (CISO) who reports directly to the Risk Oversight Committee (ROC) on matters concerning information security and cyber security. The CISO chairs the Security Incident Response Team (SIRT) for effective and efficient management of information and cyber security-related incidents.</p>

			<p>EISG is organized into two divisions, namely the Information Security Governance and Program Management and Cyber Security Operations Center, with the latter dedicated to the prevention, detection, assessment, and resolution of cyber security threats and incidents and fulfillment of regulatory compliance. With risk management activities closely linked to Information Technology Group's (ITG's) Infrastructure Management Division for incident reporting and remediation, EISG manages both the prevention and response to cyber threats as they occur.</p> <p>EISG performs the following functions in support of the Bank's overall information and cyber risk exposure:</p> <ul style="list-style-type: none"> • Exercises governance and oversight to ensure compliance to policies, standards and guidelines; • Conducts vulnerability assessments and testings to check on the susceptibility of information assets to exploits and escalates these for remediation and mitigation; • Performs assessment on third-party providers ensuring compliance with the Bank's requirements and policies; • Conducts information and cyber security learning and awareness programs that cater to different sets of stakeholders; • Manages the 24 X 7 Security Operations Center via proactive monitoring and timely escalation of cyber security events and incidents; • Conducts research on threats and subscribes to threat intelligence sharing platforms for wider visibility on the threat landscape and as means to monitor and mitigate emerging threats; • Manages and leads in controlling and responding to information- and cyber-related incidents and crisis events; • Conducts compromise assessments and regularly tests the effectivity of the Cyber Response Plan and Playbooks via simulation exercises. <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Board IT Governance Committee (<i>Page 58</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
--	--	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			<p>2021 Annual Report</p> <ul style="list-style-type: none"> • IS/Cyber Security Governance Framework (Page 40–41) • Enterprise Information Security Group (Pages 41–42) • Message from the Board IT Governance Committee (Pages 26–27) • Board IT Governance Committee (Page 67) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Recommendation 12.2			
<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.</p> <p>The internal audit function of the Bank is in-house.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Internal Audit Function (Pages 80–81) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVORNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Internal and External Audit (Page 73) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Recommendation 12.3			

<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>COMPLIANT</p>	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p>	<p>ANALISA I. SAN PEDRO 44, Filipino. "Ana" is Senior Assistant Vice President and Officer-in-Charge of the Internal Audit Group. Ana joined the Bank in 2002 as Management Specialist and rose from the ranks to the position of Senior Assistant Vice President. She is an active member of the Institute of Internal Auditors (IIA) - Philippines and the Association of Certified Anti-Money Laundering Specialists (ACAMS). She was designated as the Officer-in-Charge of Internal Audit Group in November 2021. Ana holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines. She is a Certified Public Accountant (CPA) and a Certified Treasury Professional (CTP).</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Chief Audit Executive (<i>Pages 66–68</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Chief Audit Executive (<i>Page 60</i>) • Profile of the Chief Audit Executive (<i>Page 149</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>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.</p>	<p>COMPLIANT</p>	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p>	<p>ANALISA I. SAN PEDRO 44, Filipino. "Ana" is Senior Assistant Vice President and Officer-in-Charge of the Internal Audit Group. Ana joined the Bank in 2002 as Management Specialist and rose from the ranks to the position of Senior Assistant Vice President. She is an active member of the Institute of Internal Auditors (IIA) - Philippines and the Association of Certified Anti-Money Laundering Specialists (ACAMS). She was designated as the Officer-in-Charge of Internal Audit Group in November 2021. Ana holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines. She is a Certified Public Accountant (CPA) and a Certified Treasury Professional (CTP).</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Chief Audit Executive (<i>Pages 66–68</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Chief Audit Executive (<i>Page 60</i>) • Profile of the Chief Audit Executive (<i>Page 149</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>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.</p>	<p>COMPLIANT</p>	<p>Identify qualified independent executive or senior management personnel, if applicable.</p>	<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. She is well-qualified for the position as she possesses the necessary qualifications, experience, and professional background and has sound understanding of the Bank's business and operations.</p>
<p>Recommendation 12.4</p>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures</p>	<p>COMPLIANT</p>	<p>Provide information on company's risk management function.</p>	<p>The Risk Management Group (RMG) serves as the Bank's risk management function and is responsible for overseeing the risk-taking activities across the Bank, as well as in evaluating whether these remain consistent with the Bank's risk appetite and strategic direction. It ensures that the Enterprise Risk</p>

			<p>Management Framework remain appropriate relative to the complexity of risk-taking activities of the Bank. RMG is responsible for identifying, measuring, monitoring and reporting risk on an enterprise-wide basis as part of the second line of defense.</p> <p>A disciplined risk management culture and framework facilitates oversight of and accountability for risk at all levels of the organization and across all risk types. Our Board of Directors, through the Risk Oversight Committee (ROC), exercises oversight and provides guidance to our experienced Senior Management Team who, through the Management Risk Committee (MRC), works closely with the business lines in managing risk. There is a rich risk culture, which seamlessly flows through not only within the Bank, but also across the Group subsidiaries and affiliates.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Risk Management Group (<i>Page 40</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Risk Management Function (<i>Page 80</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
Supplement to Recommendation 12.4			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>COMPLIANT</p>	<p>Identify source of external technical support, if any.</p>	<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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Risk Management Function (<i>Page 80</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVORNANCE_MANUAL.pdf
Recommendation 12.5			
<p>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).</p>	COMPLIANT		<p>Ms. Juliet S. Dytoc, 51, Filipino. “Juliet” is Vice President and Officer-in-Charge of the Risk Management Group. Juliet has over 25 years of experience in the banking and finance industry in the areas of risk management, account management, and product development. She joined PNB in 2010 under the Trust Banking Group as Trust Risk Division Head. In this capacity, Juliet institutionalized the Trust Risk Management framework that covered a comprehensive range of risk areas including credit, market, operational, strategic, regulatory, liquidity, and reputational risk, among others. In September 2020, Juliet was appointed as head of the Market and ALM Division to manage the Bank’s market, liquidity, and interest rate risk exposures. She was designated as the officer-in-charge of Risk Management Group in February 2022. Before joining PNB, Juliet held various positions in PCIBank, PCIB Securities, Equitable PCI Bank, Standard Chartered Bank, Metrobank, and Sterling Bank of Asia. Juliet graduated cum laude with a Bachelor of Arts degree in European Languages and obtained her Master’s degree in Business Administration from the University of the Philippines. In 2000, she completed a one-year course on Trust Operations and Investment Management given by the Trust Institute Foundation of the Philippines (TIFP), placing fourth out of 80 participants. She was also certified by the Securities and Exchange Commission (SEC) as a Fixed Income Salesman. Juliet is a Chartered Financial Analyst (CFA®) Charterholder and an active member of the CFA Society of the Philippines.</p>
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	COMPLIANT	<p>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>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Chief Risk Officer (<i>Pages 65–66</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVORNANCE_MANUAL.pdf <p>2021 Annual Report</p>

			<ul style="list-style-type: none"> • Chief Risk Officer (<i>Page 60</i>) • Profile of the Chief Risk Officer (<i>Page 149</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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 G 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.	2021 Corporate Governance Manual <ul style="list-style-type: none"> • Shareholders' Rights (<i>Pages 91–94</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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 2021 Corporate Governance Manual and Amended By-Laws, containing the basic rights of shareholders, are disclosed in the Bank's website.</p> 2021 Corporate Governance Manual <ul style="list-style-type: none"> • Shareholders' Rights (<i>Pages 91–94</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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			

<p>1. Company's common share has one vote for one share.</p>	<p>COMPLIANT</p>		<p>Amended By-Laws</p> <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
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>COMPLIANT</p>	<p>Provide information on all classes of shares, including their voting rights if any.</p>	<p>Amended By-Laws</p> <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 <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Shareholders' Rights (<i>Pages 91–94</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVENANCE_MANUAL.pdf
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>COMPLIANT</p>	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p>	<p>2021 Definitive Information Statement</p> <ul style="list-style-type: none"> • Voting Procedures (<i>Page 42–43</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.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>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.</p>	<p>COMPLIANT</p>	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p>	<p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Shareholders' Rights (<i>Pages 91–94</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVENANCE_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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Shareholders' Rights (<i>Pages 91–94</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Shareholders' Rights (<i>Pages 91–94</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>7. Company has a transparent and specific dividend policy.</p>	<p>COMPLIANT</p>	<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's ability to pay dividends is contingent on its ability to set aside unrestricted retained earnings for dividend distribution. In addition, the Bank's declaration of dividends, including computation of unrestricted retained earnings, is subject to compliance with certain rules and regulations prescribed by the Bangko Sentral ng Pilipinas as provided under the Manual of Regulations for Banks and subject to compliance with such financial regulatory requirements as may be applicable to the Bank at the time of such declaration.</p> <p>PNB has adopted the following general policy on the declaration of dividends: "Dividends shall be declared and paid out of the surplus profits of the Bank at such times and in such amounts as the Board of Directors may determine in accordance with the provisions of law and the regulations of the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission, subject to compliance with such financial regulatory requirements as may be applicable to the Bank."</p>

			<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Dividends (<i>Page 153</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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			
<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>COMPLIANT</p>	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p>	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • Annual Stockholders' Meeting (<i>Pages 74–75</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>The Bank engaged its external counsel, Roxas Delos Reyes Laurel Rosario & Gonzales Law Offices, for the validation of proxies and votes cast during the annual stockholders' meeting held on April 27, 2021.</p> <p>Please refer to Annex H for the Secretary's certificate on the presence of external counsel who validated the votes at the 2021 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 February 26, 2021, the Board of Directors approved the holding of the ASM on April 27, 2021 through remote communication and allowed voting in absentia to provide the stockholders a safer mode of attendance and participation in the Bank's ASM. The Notice of the ASM was disclosed to the PSE Edge on the same day. The Notice was also published, in print and online format, from March 30, 2021 to March 31, 2021 in The Philippine Star and in the BusinessWorld, and from April 11, 2021 to April 17, 2021 in The Manila Bulletin, The Philippine Star, and the BusinessWorld.</p> <p>Notice of the 2021 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/Notice_of_Meeting.pdf <p>2021 Definitive Information Statement</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.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 2021 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/Notice_of_Meeting.pdf
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>	<p>COMPLIANT</p>		<p>2021 Definitive Information Statement</p> <ul style="list-style-type: none"> Profiles of the Board of Directors (<i>Pages 21–28</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.pdf
<p>b. Auditors seeking appointment/re-appointment</p>	<p>COMPLIANT</p>		<p>2021 Definitive Information Statement</p> <ul style="list-style-type: none"> Appointment of External Auditor (<i>Page 42</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.pdf

c. Proxy documents	COMPLIANT		<p>2021 Definitive Information Statement</p> <ul style="list-style-type: none"> Proxy Form (<i>Page 69</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.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	<p>Notice of the 2021 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/Notice_of_Meeting.pdf <p>2021 Definitive Information Statement (<i>Annex A</i>)</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.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 results of the meeting were disclosed to the PSE Edge and on the Bank's website on April 27, 2021. The Minutes contained the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item, questions raised by shareholders, responses from the Board and officers, and attendance of the Board members and key officers.</p> <p>Minutes of the 2021 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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 results of the meeting were disclosed to the PSE Edge and on the Bank's website on April 27, 2021. The Minutes contained the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item, questions raised by shareholders, responses from the Board and officers, and attendance of the Board members and key officers.</p> <p>Minutes of the 2021 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>The Bank's Directors, key officers, and the External Auditor were present during the 2021 Annual Stockholders' Meeting.</p> <p>Minutes of the 2021 Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> Annex A (Pages 18–19) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Shareholders' Rights (Pages 91–94) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVENANCE_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	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> Name of the person Telephone number Fax number E-mail address 	<p>Name: Ms. Emeline C. Centeno, Senior Vice President and Investor Relations Officer</p> <p>Telephone number: (632) 526-3131 local 2120</p> <p>E-mail address: centenoec@pnb.com.ph, iru@pnb.com.ph</p>
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 2021 Annual Stockholders' Meeting.
Supplemental Recommendations to Principle 13			

<p>1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group</p>	<p>COMPLIANT</p>	<p>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</p>	<p>The Board avoids anti-takeover measures by establishing a voting procedure in accordance with the Revised Corporation Code and Amended By-Laws as described in Items 4(a) and 10 on pages 4 and 40, respectively, of the 2021 Definitive Information Statement of the Bank.</p> <p>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> Duties and Responsibilities of the Board of Directors (<i>Pages 19–29</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf <p>2021 Definitive Information Statement</p> <ul style="list-style-type: none"> Voting Procedure (<i>Pages 42–43</i>) LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_DIS.pdf
<p>2. Company has at least thirty percent (30%) public float to increase liquidity in the market.</p>	<p>NON-COMPLIANT</p>	<p>Indicate the company's public float.</p>	<p>As of December 31, 2021, the public ownership percentage of the Bank is at 21.22%, 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> <p>PSE Disclosure Form POR-1–Public Ownership Report</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/public_ownership_12312021.pdf
<p>Optional: Principle 13</p>			

<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_9M_Dec_2021.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>The Bank conducted its recent ASM via remote communication and implemented electronic voting in absentia to provide the Directors, Senior Management, shareholders, and other stakeholders a safer mode of attendance and participation in the ASM and to comply with 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.	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • What Sustainability Means for Us, Sustainability Report (<i>Page 86</i>) • Our Sustainability Commitments, Sustainability Report (<i>Page 89</i>) • Stakeholder Engagement, Sustainability Report (<i>Pages 91–93</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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	<p>2021 Annual Report</p> <ul style="list-style-type: none"> • What Sustainability Means for Us, Sustainability Report (<i>Page 86</i>) • Our Sustainability Commitments, Sustainability Report (<i>Page 89</i>)
-------------------------------------------------------------------------------------------------------------------------------	-----------	------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			<ul style="list-style-type: none"> Stakeholder Engagement, Sustainability Report (<i>Pages 91–93</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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 9/F PNB Financial Center, Pres. Diosdado Macapagal Boulevard, Pasay City Tel. No.: (+632) 8 526-3131 local 2120 Investor Relations Officer: Ms. Emeline C. Centeno Email: centenoec@pnb.com.ph</p> <p>PNB Customer Care Hotline: Tel. No.: (+632) 8 573-8888 Email: customercare@pnb.com.ph</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 Whistleblower Policy LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/Whistleblower-Policy.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> Contact Information, Sustainability Report (<i>Page 83</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>PNB Website</p> <ul style="list-style-type: none"> • Contacts, Investor Relations • LINK: https://www.pnb.com.ph/index.php/investor-relations/contacts • Whistleblower Policy • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/Whistleblower-Policy.pdf <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Contact Information, Sustainability Report (<i>Page 83</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<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, 2021, PNB has not requested any exemption from the application of a law, rule or regulation related to corporate governance. The Bank is committed to align its internal policies and procedures to local regulations issued by its regulators and prevailing best practices on corporate governance.</p>

<p>2. Company respects intellectual property rights.</p>		<p>Provide specific instances, if any.</p>	<p>The principles of fairness, accountability and transparency are being 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 to 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>2021 Corporate Governance Manual</p> <ul style="list-style-type: none"> • Code of Ethics (<i>Item 6.3.5, Page 46</i>) • LINK: https://pnb-website.s3-ap-southeast-1.amazonaws.com/uploads/docs/2021_CORPORATE_GOVERNANCE_MANUAL.pdf
<p>Optional: Principle 14</p>			
<p>1. Company discloses its policies and practices that address customers' welfare</p>	<p>COMPLIANT</p>	<p>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</p>	<p>Embedding consumer protection practices across the organization is at the forefront of the Bank's corporate responsibility—from the Board of Directors who approves the policies and conducts oversight in the implementation of the Bank's Consumer Protection Risk Management System (CPRMS) and Consumer Assistance Management System (CAMS) to the Management Committee who ensures that all consumer protection practices are aligned with the approved policies and risk management system which is consistently adhered to by relevant units.</p> <p>Consumers have the right to be informed of the benefits as well as the risks involved regarding the products and services they availed from the Bank. Throughout the banking relationship, the following standards of conduct are observed: (a) disclosure and transparency, (b) protection of client information, (c) fair treatment, (d) effective recourse, and (e) financial awareness and education.</p> <p>Consumer assistance mechanisms, as shown in diagram below, are made available in various forms: face-to-face support from PNB Branch personnel; account officers and relationship managers; 24x7 customer care hotlines; and electronic or digital channels. Each inquiry, request and/or complaint is acknowledged and processed within the standard turnaround time. From the frontline offices, customer concerns are handled by the resolving offices to</p>

			<p>provide reasonable resolution to address the same. Escalation of customer concerns is in place to ensure that appropriate courses of action are given to complex complaints. This complaint management process is established, a cross functional activity involving multiple offices, which provide priority assistance in resolving customer concerns. As part of this process, monitoring of complaints resolution and validation of implemented resolution has been incorporated to ensure customer satisfaction and retention is achieved. A monthly summary, which consists of consumer touchpoints and statistics, complaints category, aging, analysis on root causes, action plans and resolution validation, is reported to the Management Committee and to the Risk Oversight Committee for transparency and evaluation, while a quarterly report on the Consolidated Complaint Report is submitted to the BSP.</p> <p>In 2021, the Bank strengthened the implementation of consumer protection policies with the revised Consumer Protection Policy and Implementing Guidelines and of the Enhanced Customer Relationship Management System (ECRM) (i.e., workflow manager and logging tool for customer concerns) with the revised Guidelines on the Recording, Monitoring, and Addressing Customer Concerns using the ECRM System and the Submission of BCCR to BSP.</p> <p>PNB aims to be the financial partner of consumers in their journey to financial health and wealth. The Bank is committed to equip consumers with the information and tools they need to make wise financial decisions towards achieving their goals.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Consumer Welfare, Corporate Governance (<i>Pages 77–78</i>) • Customer Experience, Sustainability Report (<i>Page 117</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>COMPLIANT</p>	<p>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</p>	<p>PNB works for the steadfast development and enrichment of its partnership with a broad spectrum of stakeholders. The Bank’s reputation as a leading financial institution cannot be sustained without the unwavering support of its partners: suppliers, vendors, and third-party service providers.</p>

			<p>The Bank takes outsourcing and vendor management seriously that appropriate committees have been established to guard the Bank from any exposure, loss, or risk. PNB also 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 arrangements and vendor relationships.</p> <p>Each business unit has a dedicated Vendor Relationship Manager (VRM). VRM actively builds and maintains a commercial relationship with the vendors and service providers., employs a comprehensive onboarding process that encompasses risk assessment, elaborate due diligence procedures, contract structuring and review, and continuous monitoring and oversight. They are the arms of the committees to help oversee and monitor their vendors. As part of continuous improvement, the roles, responsibilities, and output of the appointed VRMs are monitored and assessed regularly. The VRMs are closely guided by the Vendor Risk Monitoring Department (Risk Management Group) and Accreditation and Vendor Management Department (Corporate Services Division) to maintain the effectiveness of the monitoring and oversight activities.</p> <p>PNB believes that continuous monitoring and appraisal of performance is of paramount importance to evaluate the overall effectiveness of the vendor relationship and the consistency of the relationship with the Bank’s strategic goals. Mechanisms are in place for the development of relevant performance metrics, vendor performance management, and competency evaluation.</p> <p>With the new process update soon to be launched in 2022, automation of vendor management will greatly improve and give ease on monitoring and oversight.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Vendor and Supplier Selection (<i>Page 79</i>) • Sourcing and Supply Chain Management, Sustainability Report (<i>Page 97</i>)
--	--	--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			<ul style="list-style-type: none"> LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>	COMPLIANT	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p>	<p>Our people will always be our primary asset and we believe that our employees can only succeed in conditions that encourage growth and ensure their health and well-being. By respecting their human and labor rights, cultivating an inclusive and collaborative work culture, and providing equal access to training and growth opportunities, we are not just helping Philnabankers to succeed and improve their well-being but we are also helping PNB become stronger and sustainable.</p> <p>At the forefront of building and developing the Bank's talent pool and promoting an inclusive and collaborative work culture is our Human Resource Group. It has the role and the responsibility of recruiting, developing, and retaining the right talents for overseas and domestic assignments. Our holistic employee programs and activities are geared towards promoting and improving the different aspects of the Philnabankers' health and wellbeing.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Social Performance, Sustainability Report (<i>Pages 103–114</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Supplement to Recommendation 15.1			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	COMPLIANT	<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 to employees who get involved in administrative cases where certain benefits are temporarily</p>

			<p>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.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Performance-based remuneration, Corporate Governance (<i>Pages 80–81</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>Our employees' safety is important to us. We commit to provide a safe and secure working environment for all our employees. Workplace safety and security are part of our Bank's risk management practices.</p> <p>Our 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, meets regularly to discuss and manage reported work-related hazards. The committee monitors and evaluates its existing activities and initiatives by ensuring that these are aligned to the current general government labor requirements.</p> <p>Among the committee's initiatives include the conduct of OSH / safety awareness program, dissemination of safety advisories through different channels on current natural and / or man-made calamity situations, 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 inspection / assessment of branches.</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. The attendance rate of the safety officers in 2021 declined due to COVID-19 concerns. Despite the pandemic, the Bank was able to comply with the requirements of the Department of Labor and Employment (DOLE).</p>

			<p>Moreover, we continue to monitor the health of our employees, implement hybrid work arrangements to prevent virus infection, release COVID-19 advisories and reminders, and enforce health protocols for employees working onsite and at home. We also ensure that our employees got vaccinated against COVID-19 for protection.</p> <p>Work-related incidents are reported to the (OSHFW) Committee and are covered by the Bank’s Guidelines for Notification and Keeping of Records of Accidents or Illnesses at the Workplace.</p> <p>As of December 2021, there were no reported work-related illness and injuries, or fatalities among employees or any of the outsourced personnel of the Bank.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Prioritizing Employee Safety and Security, Sustainability Report (Pages 108–109) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>COMPLIANT</p>	<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>By providing access to learning opportunities to our employees, we will help improve productivity, self-sufficiency, and their future quality of life. This is also a good investment in making the Bank sustainable.</p> <p>Our Human Resource Group’s Institute for Banking Excellence (IBE) ensures that capacity- building activities are aligned with the strategic objectives, mission, goals, and values of the Bank. Our training activities and programs are crafted based on the learning and development needs of our employees, and these are the following:</p> <ul style="list-style-type: none"> • New Hires Orientation • Foundation and regulatory training (i.e., data privacy and security, anti-money laundering, etc.). • Behavioral, supervisorial, management, and leadership training • Sales and service training (i.e., branchtelling, detecting counterfeit money, internal control consciousness, info-tech awareness, etc.) • Technical / specialized training (i.e., business writing, presentation skills, use of MS Office, etc.)

			<ul style="list-style-type: none"> • External training on specialized topics / themes (i.e., sustainability, corporate social responsibility, Lean Six Sigma, basic first aid, disaster response, etc.) <p>Aside from the usual soft skills and technical trainings, we also provide trainings on self-management, communication, and developing empathy, resilience, coping with stress, and adapting in a remote / hybrid work arrangement to help our employees cope and thrive amid the difficulties brought about by the pandemic. Other training topics provided to employees were on diversity and inclusion, whistleblower policy, product orientation, digital fluency, and financial literacy.</p> <p>We also have three key leadership programs for our new hires and homegrown talents. 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 to help them transition into the branch officer role or function. To date, the Bank has a total of 538 JEDI graduates, 627 MTP graduates, and 1,466 BOTP graduates.</p> <p>We have feedback mechanisms in place to assess the effectiveness of our capacity-building activities, and these include the use of feedback forms, post-training exams, self-assessment questionnaires, and formal/ informal feedback from the trainees' immediate superiors on how the learning has impacted the trainees' ability and attitude at work. We also review and enhance our learning and development programs regularly based on regulatory requirements and recommendations of the participants, experts in the field, and the management.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Employee Learning and Development, Sustainability Report (<i>Pages 107–108</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Recommendation 15.2			

<p>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.</p>	<p>COMPLIANT</p>		<p>Our Bank subscribes to the highest standards of corporate governance. We are committed to uphold the public’s trust by ensuring that our employees conduct themselves lawfully and ethically. At the forefront of all these is the PNB Board of Directors who continue to inform and shape the Bank’s business and operations through continuing adoption of the policies and display of ethical practices.</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>Identify or provide link/reference to the company’s policies, programs and practices on anti-corruption Identify how the board disseminated the policy and program to employees across the organization</p>	<p>Policies are important as they serve as the blueprint of how the management and employees are expected to perform and behave. To ensure that all employees conduct themselves ethically, we have developed and disseminated policies and guidelines on the following: Code of Conduct, Corporate Governance, Selling of PNB Securities, Soliciting and / or Receiving Gifts, Personal Investment, Whistleblowing, Office Decorum, and Anti-Bribery / Anti-Corruption policies. These policies are continuously strengthened, cascaded, and reinforced in all communication and training programs until these are embedded and institutionalized as part of the practices and culture of the organization. Moreover, these policies are regularly revisited and updated to ensure their relevance to current work situations.</p> <p>New employees are required to read and understand the policies prior to their onboarding. They are also oriented on these policies during the New Hires Orientation. 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>Employees who violate the policies are sanctioned in accordance with the Bank’s Code of Conduct. We have an Ethical Standards Committee (ESC) which functions as the Disciplining Authority of the Bank. This committee is composed of senior bank officers from various groups and is tasked to convene and investigate serious administrative offenses committed by the employees. It deliberates on issues, particularly on the administrative and financial accountability of the Bank’s employees and recommends policies that will properly address the Bank’s concerns, interest, and security. We also have a Committee on Decorum and Investigation (CoDI) which is the Bank’s Disciplining Authority that has an exclusive jurisdiction over sexual harassment cases.</p>

			<p>To encourage “speak up” culture within the organization, we continue to disseminate the Whistleblower’s Policy through webinars and internal email advisories for our employees. This policy puts in place a mechanism for reporting erring behavior that violates the Bank’s policies and code of conduct. Any report is handled with the highest level of confidentiality and the reporting employee is ensured protection from retaliation, reprisal, threat, bullying, or intimidation.</p> <p>Aside from ensuring that our employees behave in an ethical manner, we also make sure that they are made aware of banking laws, rules, and regulations, as well as policies and procedures that are relevant to their respective areas of responsibility through regular conduct of basic compliance refresher trainings and release of email advisories or reminders.</p> <p>As of December 2021, there were no reported incidents of bribery and corruption among employees, outsourced personnel, or with the Bank’s suppliers / vendor and third-party service providers.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Lawful and Ethical Behavior, Sustainability Report (<i>Pages 109–110</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf
Supplement to Recommendation 15.2			
<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 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>2021 Annual Report</p> <ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption, Corporate Governance (<i>Page 77</i>) • Lawful and Ethical Behavior, Sustainability Report (<i>Pages 109–110</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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
Recommendation 15.3			
<p>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</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p>	<p>It is the responsibility of all directors, 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>Under the policy, 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 report any suspected or actual infraction to any of the members of the Bank’s Ethical Standards Committee (ESC), President/CEO, Chief Compliance Officer (CCO), Chief Audit Executive (CAE) or Chief Legal Counsel (CLC); or via the dedicated whistleblower hotline and electronic mail which are managed by the ESC Secretariat. Fraud cases involving monetary loss shall be reported directly to the President to ensure the anonymity of the whistleblower.</p>
<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.</p>	<p>COMPLIANT</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>Whistleblowers are protected from retaliation by ensuring that his/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>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>COMPLIANT</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</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> <p>The Bank shall grant incentives to whistleblowers who provide credible information leading to the uncovering of financial fraud.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Whistleblowing Mechanism, Corporate Governance (<i>Page 77</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-AnnualReport.pdf <p>Whistleblower Policy</p> <ul style="list-style-type: none"> LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/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>			
<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.</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>Through the Corporate Sustainability Unit, PNB continues to develop and implement significant activities and initiatives in communities where we have business presence. Aligned with our belief that sustainability should start from within and cognizant of our corporate social responsibility, we try to find balance in supporting both our internal and external stakeholders.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> Environmental Impact, Sustainability Report (<i>Pages 99–103</i>) Responsible Citizenship and Caring for Our Communities, Sustainability Report (<i>Pages 114–116</i>) LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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

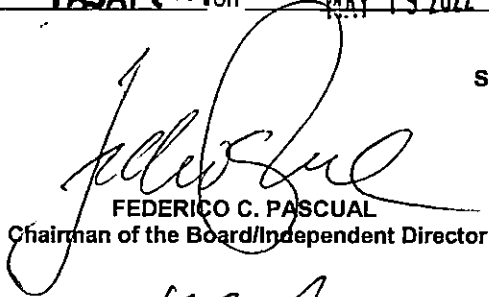
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p>	<p>We follow a simple procurement process composed of the following: (1) sourcing from accredited vendors / suppliers and third-party service providers, (2) canvassing and bidding, (3) review / assessment of bids, (4) and awarding to vendors / suppliers through issuance of Purchase Orders or Letter of Awards. Our Procurement Committee, which is composed of various members from the Bank's Senior Management Team, meet regularly to review and deliberate on each submitted bids of accredited vendors / suppliers or third-party service providers.</p> <p>Purchases and services are sourced from Metro Manila-based accredited vendors / suppliers and third-party service providers to maintain standard quality. For provincial and overseas branches and offices, the Procurement Department helps them purchase or source from local vendors / suppliers in the area to minimize transportation costs. Purchasing or sourcing from non-accredited vendors / suppliers or third-party service providers is strongly discouraged; however, exceptions are allowed in cases when the service engagement is considered seasonal / occasional, one-time, or an emergency.</p> <p>Our Vendor Management Policy requires concerned Bank units to evaluate the service and technical capability of their respective vendors / suppliers or Third-Party Service Providers on an annual basis. To more efficiently assist the different Bank units on this, the Accreditation and Vendor Management Department (AVMD) under Corporate Services Division (CSD) of Administration Group (AG) improved its process of accreditation, risk assessment, and conduct of due diligence of vendors / suppliers and third-party service providers.</p> <p>Enhancements on the parameters of accreditation criteria were also made to accommodate more applicants for vendor accreditation. Existing vendor-related forms and documents were also updated to reflect ESG criteria such as the business' gender composition of management and manpower complement as well as their compliance with environmental and social laws, policies, and regulations among others.</p> <p>Enhancements on the parameters of accreditation criteria were also made to accommodate more applicants for vendor accreditation. Existing vendor-</p>
------------------------------------------------------------------------------------------------------------------------------------	------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			<p>related forms and documents were also updated to reflect ESG criteria such as the business' gender composition of management and manpower complement as well as their compliance with environmental and social laws, policies, and regulations among others.</p> <p>2021 Annual Report</p> <ul style="list-style-type: none"> • Sourcing and Supply Chain Management, Sustainability Report (<i>Page 97</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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>2021 Annual Report</p> <ul style="list-style-type: none"> • Responsible Citizenship and Caring for Our Communities, Sustainability Report (<i>Pages 114–116</i>) • LINK: https://pnb-website.s3.ap-southeast-1.amazonaws.com/uploads/docs/2021-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

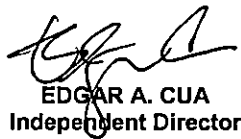
Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in

PASAY CITY on MAY 19 2022

SIGNATURES

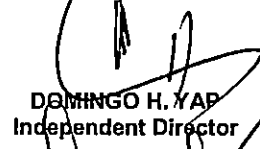

FEDERICO C. PASCUAL
 Chairman of the Board/Independent Director

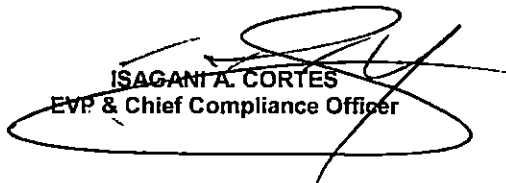

JOSE ARNULFO A. VELOSO
 President & Chief Executive Officer

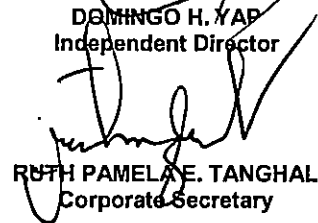

EDGAR A. CUA
 Independent Director


WILFRIDO E. SANCHEZ
 Independent Director


ISABELITA M. PAPA
 Independent Director


DOMINGO H. YAP
 Independent Director

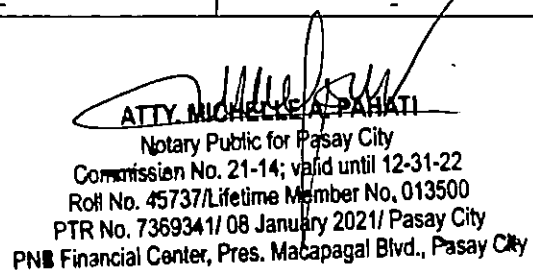

ISAGANI A. CORTES
 EVP & Chief Compliance Officer


RUTH PAMELA E. TANGHAL
 Corporate Secretary

SUBSCRIBED AND SWORN to before me on MAY 19 2022, affiant(s) exhibiting to me their Passports/TIN, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
Federico C. Pascual Passport No. P6844928B	May 21, 2021	DFA NCR South
Jose Arnulfo A. Veloso Passport No. P6923881B	June 4, 2021	DFA Manila
Edgar A. Cua Passport No. P3875616B	November 18, 2019	DFA Manila
Wilfrido E. Sanchez Passport No. P8033973B	October 29, 2021	DFA Manila
Isabelita M. Papa Passport No. P6131638A	February 22, 2018	DFA NCR East
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. 212
 Page No. 44
 Book No. XIII
 Series of 2022.


ATTY. MICHELLE A. PARATI
 Notary Public for Pasay City
 Commission No. 21-14; valid until 12-31-22
 Rol No. 45737/Lifetime Member No. 013500
 PTR No. 7369341/ 08 January 2021/ Pasay City
 PNB Financial Center, Pres. Macapagal Blvd., Pasay City



This

Certificate of Attendance

is presented to

Ruth Pamela E. Tanghal

for having completed the seminar on

Corporate Governance

26 August 2021

01:00 p.m. to 04:00 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 and title.

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. 06, Series of 2020; 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.

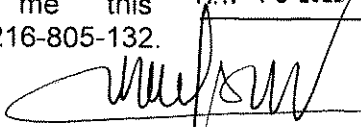
IN WITNESS WHEREOF, I have hereunto affixed my signature on May 12, 2022 in Pasay City, Metro Manila.



RUTH PAMELA E. TANGHAL
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 19 2022 in
PASAY CITY, affiant exhibited to me her TIN 216-805-132.

Doc. No. 275
Page No. 76
Book No. XIII
Series of 2022.



ATTY. MICHELLE A. PAHATI
Notary Public for Pasay City
Commission No. 21-14; valid until 12-31-22
Roll No. 45737/Lifetime Member No. 013500
PTR No. 7369341/ 08 January 2021/ Pasay City
PNB Financial Center, Pres. Macapagal Blvd., Pasay City



This

Certificate of Attendance

is presented to

Isagani Cortes

for having completed the seminar on

Corporate Governance

26 August 2021

01:00 p.m. to 04:00 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 and title.

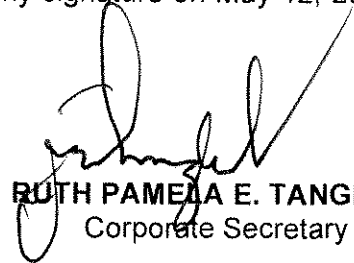
Leonardo J. Matignas, Jr.
Partner, SGV & Co.



SECRETARY'S CERTIFICATE

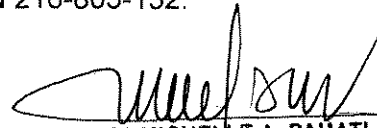
I, **RUTH PAMELA E. TANGHAL**, Corporate Secretary of the Philippine National Bank ("PNB", the "Bank"), a universal banking corporation organized and existing under the laws of the Republic of the Philippines, with principal office address at PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay 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 12, 2022 in Pasay City, Metro Manila.


RUTH PAMELA E. TANGHAL
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 19 2022 in PASAY CITY, affiant exhibited to me her TIN 216-805-132.

Doc. No. 276
Page No. 47
Book No. VIII
Series of 2022.


ATTY. MICHELLE A. PAHATI
Notary Public for Pasay City
Commission No. 21-14; valid until 12-31-22
Roll No. 45737/Lifetime Member No. 013500
PTR No. 7369341/ 08 January 2021/ Pasay City
PNB Financial Center, Pres. Macapagal Blvd., Pasay City

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



OFFICE OF THE CORPORATE SECRETARY

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

February 7, 2022

MS. REGINE MARIE E. CINCO

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

Dear Ms. Cinco,

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,



RUTH PAMELA E. TANGHAL
Corporate Secretary



February 21, 2022

MS. RACHEL ESTHER J. GUMTANG-REMALANTE
 Director, Corporate Governance and Finance Department
 Securities and Exchange Commission
 G/F Secretariat Building
 PICC Complex, Roxas Boulevard
 Pasay City

Dear Ms. Gumtang-Remalante:

We are pleased to submit Philippine National Bank's ("PNB", the "Bank") Revised Manual on Corporate Governance, duly approved by the Board of the Directors in its meeting held on January 28, 2022.

The provisions of this Manual have been updated to align with the requirements of the following laws, rules, regulations and prevailing best practices on corporate governance:

1. Relevant provisions of the Manual of Regulations for Banks (MORB), as amended, and other issuances of the BSP not yet incorporated in the MORB;
2. SEC Memorandum Circular No. 19, Series of 2016: Code of Corporate Governance for Publicly Listed Companies and other relevant SEC Memo Circulars;
3. Republic Act No. 11232 otherwise known as the Revised Corporation Code of the Philippines;
4. ASEAN Corporate Governance Scorecard (ACGS); and
5. PNB's Amended By-laws, Articles of Incorporation, and other internal policies and procedures

The amendments and revisions introduced in the latest review of the Manual include:

1. **Structural Changes**
 - The Manual was updated in form to remove redundant provisions, merge similar provisions and provide structure and greater clarity.
 - Renamed and relabeled the major sections of the Manual to reflect the new references to the digital Manual of Regulations for Banks (MORB) as of December 2018
2. **Nomination of Directors**
 - Introduced enhanced procedure on the nomination of directors which includes background and credit check and review of the profile/curriculum vitae of the nominee to ensure compliance with the requirements provided under the Manual, MORB, and other applicable requirements under existing laws.
3. **Education and Training Program**
 - Added a provision on internal training for directors:
 - The Global Compliance Group (GCG) shall organize an in-house orientation program for new directors covering SEC-mandated topics on corporate governance and an introduction to the Bank's business, Articles of Incorporation,

and Code of Conduct. This ensures that new members are appropriately apprised of their duties and responsibilities, at the start of their directorships.

4. Reportorial and Disclosure Requirements
 - Specified corporate governance reportorial and disclosure requirements such as the Integrated Annual Corporate Governance Report, Annual Report (AR) and Annual Report Assessment Checklist (ARAC), company website and ACGS.
5. Whistleblower Policy
 - Incorporated relevant provisions of the Bank's Revised Whistleblower Policy approved in September 2020.
6. Sustainability
 - Incorporated PNB's sustainability definition and sustainability policy statement, lifted from the Bank's Sustainability Policy and Three-Year Sustainability Transition Plan, in compliance with BSP Circular 1085, Series of 2020 on Sustainable Finance Framework.
7. Miscellaneous Provisions
 - Specified that the owner of the Manual is the Corporate Governance Division under GCG.
 - Added a provision on the review and maintenance of the Manual to ensure its continuing suitability, adequacy and effectiveness.

Should you wish further information or clarification regarding the Manual, please do not hesitate to contact us. Thank you very much.

Very truly yours,



FEDERICO C. PASCUAL
Chairman of the Board of Directors



ISAGANI A. CORTES
Executive Vice President and Chief Compliance Officer



PRESIDENT AND CHIEF AUDIT EXECUTIVE ATTESTATION

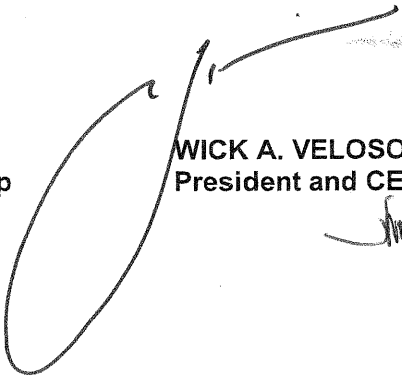
The results of 2021 independent audit work performed by Internal Audit Group and the reviews undertaken by the external reviewers comprised of the Bank's external auditors, by Bangko Sentral ng Pilipinas (BSP) as the Bank's supervising regulator, and by the various foreign regulators on the Bank's overseas 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 strong governance of the Board and with strong support of Senior Management to oversee the establishment, administration, and assessment of the Bank's system of risk management and control processes, Philippine National Bank's internal control environment will remain effective and dynamic, hence ensures the attainment of its business objectives with reasonable assurance.

PHILIPPINE NATIONAL BANK


ANALISA I. SAN PEDRO
SAVP & OIC of Internal Audit Group


WICK A. VELOSO
President and CEO



SECRETARY'S CERTIFICATE

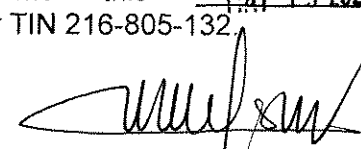
I, **RUTH PAMELA E. TANGHAL**, Corporate Secretary of the Philippine National Bank ("PNB", the "Bank"), a universal banking corporation organized and existing under the laws of the Republic of the Philippines, with principal office address at PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay 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 2021 Annual Stockholders' Meeting held on April 27, 2021.

IN WITNESS WHEREOF, I have hereunto affixed my signature on May 12, 2022 in Pasay City, Metro Manila.


RUTH PAMELA E. TANGHAL
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 19 2022 in PASAY CITY, affiant exhibited to me her TIN 216-805-132.

Doc. No. 277
 Page No. 47
 Book No. XIII
 Series of 2022.


ATTY. MICHELLE A. PAHATI
 Notary Public for Pasay City
 Commission No. 21-14, valid until 12-31-22
 Roll No. 45737/Lifetime Member No. 013500
 PTR No. 7369341/ 08 January 2021/ Pasay City
 PNB Financial Center, Pres. Macapagal Blvd., Pasay City

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