

Consolidated Updates and Changes in the ACRG for 2016

A. BOARD MATTERS

1) *Board of Directors*

	2015	2016
<i>Number of Directors per Articles of Incorporation</i>	15	15
<i>Actual number of Directors for the year</i>	15	14

(a) *Composition of the Board*

Complete the table with information on the Board of Directors:

<i>Director's Name</i>	<i>Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]</i>	<i>If nominee, identify the principal</i>	<i>Nominator in the last election (if ID, state the relationship with the nominator)</i>	<i>Date first elected</i>	<i>Date last elected (if ID, state the number of years served as ID)¹</i>	<i>Elected when (Annual /Special Meeting)</i>	<i>No. of years served as director</i>
<i>Eric O. Recto</i>	NED			7/26/11	6/14/16	ASM	<i>5 years, 5 months.</i>
<i>Leonardo B. Dayao</i>	NED			9/29/14	6/14/16	ASM	<i>2 year, 3 months</i>
<i>Patricia May Siy</i>	ED			5/27/15	6/14/16	ASM	<i>1 year, 7 months</i>
<i>Carmen G. Huang</i>	ED			4/29/15	6/14/16	ASM	<i>1 year, 8 months</i>
<i>Ralph C. Nubla, Jr.</i>	NED			3/24/82	6/14/16	ASM	<i>34 years, 9 months</i>
<i>Bunsit Carlos G. Chung</i>	NED			6/17/97	6/14/16	ASM	<i>19 years, 6 months</i>
<i>Lucio L. Co</i>	NED			9/29/14	6/14/16	ASM	<i>2 years, 3 months</i>
<i>Susan P. Co</i>	NED			9/29/14	6/14/16	ASM	<i>2 years, 3 months</i>
<i>Gregorio T. Yu</i>	NED			7/26/11	6/14/16	ASM	<i>5 years, 5 months</i>
<i>David L. Balangue</i>	ID			4/7/14	6/14/16 (2 yrs., 8mos)	ASM	<i>2 years, 8 months</i>
<i>Jesus S. Jalandoni, Jr.</i>	ID			1/28/13	6/14/16 (3 yrs., 11mos.)	ASM	<i>3 years, 11 months</i>
<i>Levi B. Labra</i>	ID			10/24/14	6/14/16 (2 yrs., 2mos.)	ASM	<i>2 years, 2 months</i>
<i>Roberto Z. Lorayes</i>	ID			10/24/14	6/14/16 (2 yrs., 2mos.,)	ASM	<i>2 years, 2 months</i>
<i>Emmanuel Y. Mendoza</i>	ID			12/19/14	6/14/16 (2yrs .,1mo)	ASM	<i>2years,1 month</i>

(c) *How often does the Board review and approve the vision and mission?*

The Bank first conceptualized its vision and mission in 1996 after a visioning exercise among Senior Officers. In 2000, the Bank reviewed and revised its vision and mission and corporate values and most recently again in 2012 the Bank reviewed and revised its vision and mission as part of its re-launch and re-branding under its new management.

The Board formally adopted the PBCom Code of Ethics on 8 October 1997, the product of the visioning exercise. The Board approved the PBCom Code of Conduct on 27 November 2003 which embodies the implementing guidelines of the PBCom Code of Ethics. It was printed in handbook form & disseminated to all employees starting February 2004.

The new VMV (Vision, Mission & Values) was conceptualized by the Senior Management Team during the Bank's Strategic Planning held on September 8 to 10, 2016. Officially launched on January 30, 2017, PBCom's VMV focuses on Relationship Banking, emphasizing the Bank's role to be the leading and most trusted Financial Services Partner in the industry.

¹ Reckoned from the election immediately following January 2, 2012.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Eric O. Recto	ISM Communications Corporation	Executive, Chairman & CEO
Patricia May T. Siy	PBCom Finance Corporation	Non-Executive
	PBCom Insurance Security Agency, Inc.	Non-Executive, Chairman
Lucio L. Co	P.G. Holdings, Inc.	Executive, Chairman & President
Susan P. Co	P.G. Holdings, Inc.	Non-Executive
Bunsit Carlos G. Chung	PBCom Finance Corporation	Non-Executive
	Telengtan Brothers and Sons, Inc.	Non-Executive
Ralph C. Nubla, Jr.	PBCom Finance Corporation	Non-Executive
Gregorio T. Yu	ISM Communications Corporation	Non-Executive, Independent Director

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Recto, Eric O.	Petron Corporation (PCOR)	Non-Executive
	ISM Communications Corporation (ISM)	Executive, Chairman & CEO
	Atok-Big Wedge, Co Inc. (AB)	Executive, Vice Chairman
Lucio L. Co	Puregold Price Club, Inc. (PGOLD)	Non-Executive, Chairman
	Cosco Capital, Inc. (COSCO)	Non-Executive, Chairman
	Da Vinci Capital Holdings, Inc. (DAVIN)	Executive, Chairman & President
Leonardo B. Dayao	Puregold Price Club, Inc. (PGOLD)	Non-Executive
	Cosco Capital, Inc. (COSCO)	Executive, President
Susan P. Co	Puregold Price Club, Inc. (PGOLD)	Non-Executive
	Cosco Capital, Inc. (COSCO)	Non-Executive, Vice Chairman
Gregorio T. Yu	I-remit Inc (I)	Independent Director
	ISM Communications Corporation (ISM)	Independent Director
	Vantage Equities, Inc (V)	Independent Director
	PAL Holdings Inc (PAL)	Independent Director
Levi B. Labra	Cosco Capital, Inc. (COSCO)	Non-Executive
Roberto Z. Lorayes	Vantage Equities, Inc (V)	Director
David L. Balangue	Roxas Holdings Inc. (ROX)	Independent Director
Jesus S. Jalandoni, Jr.	Liberty Flour Mills (LFM)	Non-Executive

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

Yes for the CEO. The CEO is mandated to devote his/her full-time to the Bank.

For the other directors, there is no limit as to the number of directorships a director may have in other companies that he/she may hold simultaneously as long as he/she is able to attend to his obligations and the company/ies he/she is a director in is/are not direct competitor. Further, the director must be able to attend at least 60% of the board and/or board level committee meetings in a year. However, there is a guideline that an individual who is an independent director in more than five entities shall provide sufficient justification on his/her ability to effectively perform his/her duties.

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Each director should disclose at the time of his appointment, and on an annual basis, the number and nature of offices held in public companies or organizations and other significant commitments, with the identity of the public companies or organizations and an indication of the time involved. Further, when a director is elected into new directorship, he must declare the same within thirty (30) days of said appointment.

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Eric O. Recto	52,729,424	0	10.97%
Leonardo B. Dayao	3,701	0	0.00%
Carmen G. Huang	500	0	0.00%
Bunsit Carlos G. Chung	550,716	449,294 thru immediate members of the family of the same household	0.21%
Lucio L. Co	1	91,740,305 thru P.G. Holdings, Inc.	19.09%
Susan P. Co	1	91,648,565 thru P.G. Holdings, Inc.	19.07%
Ralph C. Nubla, Jr.	51,779,374	0	10.77%
Ridha D.M. Wirakusamah	10	0	0.00%
Gregorio T. Yu	1,432,692	0	0.30%
David L. Balangue	50	0	0.00%
Jesus S. Jalandoni, Jr.	10	0	0.00%
Levi B. Labra	100	0	0.00%
Roberto Z. Loraves	500	0	0.00%
Emmanuel Y. Mendoza	100	0	0.00%

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Ridha Wirakusamah	Director	April 1, 2016	Statutory limit on nationality of directors

Voting Result of the last Annual General Meeting.

Voting Result of the last Annual General Meeting	
Name of Director	Votes Received
Eric O. Recto	Since there were only 14 nominees, the shareholders approved a motion to cast all the votes of all shareholders present equally among all the 14 nominees.
Leonardo B. Dayao	
Patricia May T. Siy	
Carmen G. Huang	
Bunsit Carlos G. Chung	
Ralph C. Nubla, Jr.	
Lucio L. Co	
Gregorio T. Yu	
Susan P. Co	
David L. Balangue	
Levi B. Labra	
Roberto Z. Loraves	
Jesus S. Jalandoni, Jr.	
Emmanuel Y. Mendoza	

6) *Orientation and Education Program*

(a) *Disclose details of the company’s orientation program for new directors, if any.*

New directors are required to attend a special seminar on corporate Governance for Board of Directors conducted or accredited by the Bangko Sentral ng Pilipinas (BSP). All key officers and members of the board are also required to attend, at least once a year, a program on corporate governance conducted by training providers that are duly accredited by the Security and Exchange Commission. No new director/s joined the Bank in 2016.

The Corporate Governance Seminar (SEC required) organized by Center for Training and Development, Inc. held last March 4, 2016 covers the following topics:

- *Updates in SEC Issuances*
- *Philippine Corporate Governance Blue Print 2016*
- *Governance Model, Enterprise Risk Management, Internal Audit & Financial Reporting*
- *Overview to the Proposed Corporation Code Whistleblowing Policy*

(b) *State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:*

Below are some of the in-house and external trainings/courses which were attended by Directors and Senior Management for the past three (3) years – 2014 to 2016:

<i>Name</i>	<i>Training/Courses</i>	<i>Date</i>	<i>Training Partner</i>
<i>Directors:</i>			
<i>Eric O. Recto Leonardo B. Dayao Patricia May T. Siy Lucio L. Co Susan P. Co Gregorio T. Yu Bunsit Carlos G. Chung Carmen G. Huang Roberto Z. Lorayes David L. Balangue Emmanuel Y. Mendoza Levi B. Labra</i>	<i>Corporate Governance: Going Forward (SEC required)</i>	<i>Mar 4, 2016</i>	<i>Center for Training and Development, Inc.</i>
<i>Eric O. Recto Leonardo B. Dayao Patricia May T. Siy Lucio L. Co Susan P. Co Gregorio T. Yu Bunsit Carlos G. Chung Ralph C. Nubla, Jr. Carmen G. Huang Jesus S. Jalandoni, Jr. Roberto Z. Lorayes David L. Balangue Emmanuel Y. Mendoza Levi B. Labra</i>	<i>AML Updates and Refresher Course</i>	<i>Sept 30, 2015</i>	<i>Anti-Money Laundering Council (AMLC)</i>
<i>Eric O. Recto Leonardo B. Dayao Patricia May T. Siy Lucio L. Co Susan P. Co Gregorio T. Yu</i>	<i>Corporate Governance Seminar (SEC required)</i>	<i>June 22, 2015</i>	<i>Center for Training and Development, Inc.</i>

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Bunsit Carlos G. Chung Ralph C. Nubla, Jr. Carmen G. Huang Roberto Z. Lorayes Emmanuel Y. Mendoza Levi B. Labra			
Susan P. Co	Corporate Governance Seminar & Risk Management for Banks and Quasi Bank's (BSP required)	Mar 5-6, 2015	Ateneo De Manila – Center for Continuing Education
Leonardo B. Dayao Lucio L. Co Roberto Z. Lorayes Emmanuel Y. Mendoza Levi B. Labra	Corporate Governance Seminar (BSP required)	Feb 5-6, 2015	Bankers Institute of the Philippines, Inc. (BAIPHIL)
Carmen G. Huang	Economic Briefing for the Key Leaders of Co's Businesses	Jan 23, 2015	ING Bank
David L. Balangue	Corporate Governance Seminar (BSP required)	Sept 18-19, 2014	Bankers Institute of the Philippines, Inc. (BAIPHIL)
David L. Balangue	Corporate Governance Seminar (SEC Required)	June 26, 2014	Securities and Exchange Commissions
Eric O. Recto Bunsit Carlos G. Chung Ralph C. Nubla, Jr. Gregorio T. Yu Jesus S. Jalandoni, Jr.	Corporate Governance Seminar (SEC Required)	May 28, 2014	Risks, Opportunities, Assessment and Mgt. (ROAM) Inc.
David L. Balangue	Anti-Money Laundering Seminar	Feb 27, 2013	AMLC
Officers:			
Eriberto Luis S. Elizaga Arlene M. Datu Jorge Alfonso C. Melo Angelo Patrick F. Advincula Michael Stephen H. Lao	Corporate Governance: Going Forward (SEC required)	Mar 4, 2016	Corporate Governance: Going Forward (SEC required)
Irwin Joseph T. Tychuaco	2016 TOAP Annual Convention	Feb 26, 2016	Trust Officer Association of the Philippines (TOAP)
Jane Lim-Laragan	PBCOM Onboarding for New Employees (P-ONE)	Dec 16, 2016	PBCom
Jennie F. Lansang	PBCOM Onboarding for New Employees (P-ONE)	Nov 23, 2016	PBCom
Jeruel N. Lobien	ACL Class Onsite Training	Oct 26-29, 2016	ACL Services
Jennie F. Lansang	Phils. Financial Services Summit 2016	Nov 23, 2016	IDC Financial Insights
Irwin Joseph T. Tychuaco	Enhanced UITF Certification Program	Oct 8, 2016	Enhanced UITF Certification Program
Eriberto Luis S. Elizaga	Sustaining Development in a World of Policy Divergence	Sept 27, 2016	CFA institute and CFA Society
Expedito G. Garcia, Jr Daniel M. Yu Jennie F. Lansang Mina F. Martinez Evelyn D. Vinluan Jorge Alfonso C. Melo Irwin Joseph T. Tychuaco	Information Security Awareness	Aug 2016	PBCom
Expedito G. Garcia, Jr Daniel M. Yu Jennie F. Lansang Mina F. Martinez Evelyn D. Vinluan Jorge Alfonso C. Melo	Financial Consumer Protection	July 2016	PBCom

Irwin Joseph T. Tychuaco			
Jorge Alfonso C. Melo	PBCOM Onboarding for New Employees (P-ONE)	July 15, 2016	PBCom
Irwin Joseph T. Tychuaco	Forum on BSP Interest Rate Corridor System	Mar 18, 2016	TOAP
Mina F. Martinez	HRG Strategic Planning Session & Workshop	Feb 4, 2016	PBCom
Expedito G. Garcia, Jr Daniel M. Yu	Business Continuity Management	Feb 2016	PBCom
Expedito G. Garcia, Jr Jennie F. Lansang Evelyn D. Vinluan Irwin Joseph T. Tychuaco	Anti-Money Laundering	Dec 2015	PBCom
Arlene M. Datu Expedito G. Garcia, Jr Eriberto Luis S. Elizaga Jane Lim-Laragan Daniel M. Yu Mina F. Martinez Jeruel N. Lobien Angelo Patrick F. Advincula	AML Updates and Refresher Course	Sept 28, 2015	AMLC
Mina F. Martinez	Signature Verification Seminar (SIGVER)	July 31, 2015	PBCom - Credit Mgt Group
Mina F. Martinez	Achieving Harmony in the Workplace: Using Mediation as a Management Tool	Apr 24, 2015	National Center for Mediation, Inc.
Arlene M. Datu	A Time of Inspiration for PBCom Women	Feb 9, 2015	PBCom – Office of the President
Jane Lim-Laragan	Corporate Governance Seminar (BSP required)	Feb 5-6, 2015	Baiphil
Jane Lim-Laragan Lobien, Jeruel N Irwin Joseph T. Tychuaco	Economic Briefing for the Key Leaders of Co's Businesses	Jan 23, 2015	ING Bank
Lobien, Jeruel N	Corporate Governance Seminar (BSP required)	Sept 18-19, 2014	Bankers Institute of the Philippines, Inc. (BAIPHIL)
Irwin Joseph T. Tychuaco	Wealth Management Training	July 19, 2014	PBCom-TWMG
Belle Rosamond D. Justiniani	Sapphire Ticketing System User Training	July 10, 2014	H2 Consulting Services
Arlene M. Datu Evelyn D. Vinluan	Philippine Financial Reporting Standards (PFRS) Briefing	June 20, 2014	SGV & Co
Arlene M. Datu	Corporate Governance Seminar (SEC required)	May 28, 2014	ROAM
Irwin Joseph T. Tychuaco	Standardized UITF Training Program	April 26 - May 3, 2014	April 26 - May 3, 2014
Evelyn D. Vinluan	T24 Technical Walkthrough Session	Mar 31, 2014	PBCom-Branch Operations Group
Evelyn D. Vinluan	Meet and Greet (Risk Control and Compliance Officers)	Mar 24, 2014	PBCom – Compliance & RMG
Irwin Joseph T. Tychuaco	Signature Verification Seminar (SIGVER)	Feb 22, 2014	February 22, 2014
Evelyn D. Vinluan	T24 Training	Jan 16, 2014	PBCom

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name	Training Title	Date	Training Partner
Directors: Eric O. Recto Leonardo B. Dayao Patricia May T. Sly Carmen G. Huang Lucio L. Co Susan P. Co Roberto Z Lorayes. David L. Balangue Emmanuel Y. Mendoza Bunsit Carlos G. Chung Levi B. Labra	Corporate Governance: Going Forward (SEC required)	Mar 4, 2016	Center for Training and Development, Inc.

Gregorio T. Yu			
Officers: Eriberto Luis S. Elizaga Arlene M. Datu Angelo Patrick F. Advincola Michael Stephen H. Lao Jorge Alfonso C. Melo			

B. CODE OF BUSINESS CONDUCT & ETHICS

4) *Related Party Transactions*

(a) *Policies and Procedures*

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	It is the policy of the Bank that Related Party Transactions (RPT) between the Bank and Related Parties are identified and subjected to review and approval to ensure that they are at arm's length, the terms are fair and they will inure to the best interest of the Bank and its depositors, creditors, fiduciary client, and other stakeholders.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	RPTs shall be disclosed, reviewed and approved in accordance with the policy consistent with the principles of transparency and fairness and in accordance with applicable law, rules and regulations.
(6) Officers including spouse/ children/siblings/parents	
(7) Directors including spouse/ children/siblings/parents	The Bank and its subsidiaries or affiliates shall enter into any RPT solely in the ordinary course of business and on ordinary commercial terms subject to appropriate corporate approvals and actions of the Bank. In addition, the Bank shall exercise appropriate oversight and implement control systems for managing potential exposures brought about by RPTs as these may lead to abuses that are disadvantageous to the Bank and its depositors, creditors and other stakeholders
(8) Interlocking director relationship of Board of Directors	

C. BOARD MEETINGS & ATTENDANCE

1) *Attendance of Directors*

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Eric O. Recto	7/26/11	13	10	100.00%
Vice Chairman	Leonardo B. Dayao	9/29/14	13	11	84.61%
Executive Director	Carmen G. Huang	4/29/15	13	13	100.00%
President & CEO	Patricia May T. Siy	6/1/15	13	13	100.00%
Member	Bunsit Carlos G. Chung	6/17/97	13	12	92.31%
Member	Lucio L. Co	9/29/14	13	13	100.00%
Member	Susan P. Co	9/29/14	13	11	84.61%
Member	Ralph C. Nubla, Jr.	3/24/82	13	13	100.00%
Member	Gregorio T. Yu	7/26/11	13	11	84.61%
Independent	David L. Balangue	4/7/14	13	11	84.61%
Independent	Jesus S. Jalandoni, Jr.	1/28/13	13	9	69.23%
Independent	Levi B. Labra	10/24/14	13	11	84.61%
Independent	Roberto Z. Lorayes	10/24/14	13	13	100.00%
Independent	Emmanuel Y. Mendoza	12/19/14	13	11	84.61%

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
Corporate Governance	<ul style="list-style-type: none"> • Add the definition of Related Parties, Close Family Member, Multiple Board Seats and Internal Auditor • Rename Risk Management Committee to Risk Oversight Committee • Add Related Party Transactions Committee and RPT Com Charter • Additional role of independent oversight committees • Add term limit of Independent Director • Add selection/appointment/election, re-election process of director • Add qualification of and duties and responsibilities of Internal Auditor • Add Enterprise Risk Management and ICAAP Group Charter under Risk Oversight Charter • Add RPT Policy • Add Strategic Planning Handbook • Revise qualification of officer 	To incorporate requirements/revision of BSP circular 855, 857, 887, 889, 895 and SEC Advisory series 2016
Risk Management	<ul style="list-style-type: none"> • Revised Policy on Market & Liquidity Risk Management • Revisions in the Bank's Liquidity Contingency Funding Plan • Policy for Settlement Risk and Pre-Settlement Risk for Clients • Treasury Policy – Foreign Exchange (FX) Trading • Treasury New Policies: 1) Off-Premises and Off-Hours Trading 2. General Policy for Global Investments and Trading • PFRS9 Business Model Change • Revised Crisis Management Framework 	To further strengthen the enterprise risk management structure and effectively manage risk across all banking units.

D. REMUNERATION MATTERS

3) Aggregate Remuneration

The director's per Diem as of Dec 31, 2016 is Php1,834,750.00 and the total director's fee is Php8,990,500

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration			
(b) Variable Remuneration			
(c) Per diem Allowance		Php 0.00	Php1,790,500.00
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others : Director's fee		Php 1,200,000.00	Php6,000,000.00
Total		Php 1,200,000.00	Php 8,990,500.00

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Luis Eriberto S. Elizaga., EVP (January –December 2016)	P47.025MM
Alan E. Atienza, SVP (January – December 2016)	
Luis Eriberto S. Elizaga., EVP (January –December 2016)	
Expedito G. Garcia, Jr., SVP (January – December 2016)	

Manuel Andres D. Goseco, EVP (January – December 2016)

Salvador R. Serrano, SVP (February – December 2016)

E. BOARD COMMITTEES

1) *Number of Members, Functions and Responsibilities*

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
<i>Related Party Transactions</i>	0	1	2	Yes	overall responsible in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other Stakeholders	<ul style="list-style-type: none"> Evaluate relationships to ensure Related Parties are identified and captured Evaluate material RPTs Ensure appropriate disclosure is made, and/or information is provided to regulators Report to the board of directors on a regular basis, the status and aggregate exposures to Related Parties Ensure that transactions with related parties are subject to periodic independent review or audit Oversee the implementation of the RPT system 	Review/vet/approve related party transactions

2) *Committee Members*

a. *Executive Committee*

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Lucio L. Co	9/29/14	49	41	83.67%	2 yrs. 3 mos.
Member (NED)	Eric O. Recto (Vice Chairman)	7/26/11	49	38	77.55%	5 yrs. & 5 mos.
Member (NED)	Leonardo B. Dayao (Vice Chairman)	11/17/2014	49	41	83.67%	2 yrs. 1 mo.
Member (ED)	Patricia May T. Siy	5/27/15	49	49	100.0%	1 yr. 7 mos.
Member (NED)	Ralph C. Nubla, Jr.	4/7/14	49	44	89.79%	2 yrs. 8 mos.
Member (NED)	Bunsit Carlos G. Chung	4/7/14	49	44	89.79%	2yrs. 8 mos.
Member (ED)	Carmen G. Huang	4/29/15	49	47	95.92%	1 yr. 8 mos.

b. Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (ID)	Emmanuel Y. Mendoza	12/19/2014	13	13	100	2 yrs.
Member (ID)	Levi B. Labra	10/24/2014	13	12	92	2 yrs. & 2mos
Member (NED)	Bunsit Carlos G. Chung	07/26/2011	13	7	54	5 yrs. & 5mos

c. Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (NED)	Eric O. Recto	7/26/11	12	11	92	5 yrs. & 5 mos.
Member (ID)	David L. Balangue	05/26/14	12	11	92	2 yrs. & 7 mos.
Chairman (ID)	Roberto Z. Loraves	12/18/14	12	11	92	2 yrs. & 1 mo.
Member (NED)	Leonardo B. Dayao	12/18/14	12	12	100	2 yrs. & 1 mo.

d. Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (NED)	Eric O. Recto	7/26/11	12	11	92	5 yrs. & 5 mos.
Member (ID)	David L. Balangue	05/26/14	12	11	92	2 yrs. & 7 mos.
Chairman (ID)	Roberto Z. Loraves	12/18/14	12	11	92	2 yrs. & 1 mo.
Member (NED)	Leonardo B. Dayao	12/18/14	12	12	100	2 yrs. & 1 mo.

e. Others (Specify)

1) Governance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (NED)	Eric O. Recto	7/26/11	12	11	92	5 yrs. & 5 mos.
Member (ID)	David L. Balangue	05/26/14	12	11	92	2 yrs. & 7 mos.
Chairman (ID)	Roberto Z. Loraves	12/18/14	12	11	92	2 yrs. & 1 mo.
Member (NED)	Leonardo B. Dayao	12/18/14	12	12	92	2 yrs. & 1 mo.

2) Risk Oversight Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	David L. Balangue	4/7/14	13	12	92	2 yrs. & 8 mos.
Member (ID)	Jesus S. Jalandoni Jr.	4/7/14	13	9	69	2 yrs. & 8 mos.
Member (NED)	Bunsit Carlos G. Chung	6/9/2015	13	9	69	1 yr. & 7 mos.
Member (ED)	Patricia May T. Siy	6/9/2015	13	13	100	1 yr. & 7 mos.

3) Related Party Transaction Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	David L. Balangue	1/27/16	4	4	100	11 mos.
Member (ID)	Jesus S. Jalandoni Jr.	1/27/16	4	1	25	11 mos.
Member (NED)	Bunsit Carlos G. Chung	1/27/16	4	4	100	11 mos.

4) *Work Done and Issues Addressed*

<i>Name of Committee</i>	<i>Work Done</i>	<i>Issues Addressed</i>
<i>Audit</i>	<ul style="list-style-type: none"> • Reviewed and approved the 2015 Audit Plan & Budget and related status updates. • Approved Audit Policy, Audit Charter and Core Audit Manual updates • Assessed 2015 Audit Performance 	<i>Oversight over the Audit Function</i>
	<ul style="list-style-type: none"> • Reviewed and approved updates to the Audit Committee Charter • Reviewed the 2015 Audited Financial Statements • Reviewed the ongoing audit of the 2015 Financial Statements • Performed 2015 Self-Assessment • Reviewed the 2015 BSP Final Report of Examination 	<i>Regulatory and/or leading practices</i>
<i>Governance</i>	<ul style="list-style-type: none"> • Review and endorsed revision to the Compliance/Governance Manual 	<i>Incorporate requirements of new/revised regulations</i>
<i>Risk Oversight</i>	<ul style="list-style-type: none"> • Review the Bank's Risk Management Structure • Oversee and confirm significant activities of the Enterprise Risk Management/ICAAP Group • Review and Update of Policies and Procedures • Analysis and confirmation of results of reviews or assessments made by ERMG and other units 	<i>Align with regulatory &/or best practices</i>
<i>Related Party Transactions</i>	<ul style="list-style-type: none"> • Review RPT framework • Review/vetted related party transactions 	<i>Oversight/effective control mechanism in managing exposure with related party</i>

F. **RISK MANAGEMENT SYSTEM**

1) *Disclose the following:*

(c) *Period covered by the review: 2016*

The Top Key Residual Risks of the Bank are as follows:

<i>Risk Exposure</i>	<i>Risk Management Policy</i> <u>Action Plan</u>	<i>Objective</i>
<i>Operational Risk on: Errors in Transaction Processing</i>	<ul style="list-style-type: none"> • Adherence to policies & procedures • Improve and standardize business processes including timely report generation • Communication of policy and process changes • Resolution of any reported system issues • Performance metrics for accuracy in processing • Enforce internal controls e.g. Maker-Checker • Training and refresher seminars • Reporting/Disclosure through: Incident Reports, Monthly report of units on losses and risk indicators; Internal Audit Reports 	<i>Risk Reduction</i>
<i>Operational Risk on: Deficiencies in Policies & Procedures</i>	<ul style="list-style-type: none"> • Policy updating & enforcement for both procedure and products • Operational incident escalation process • Regular refresher training • Document Service Level Agreement for interdependencies between units. • Reporting/Disclosure through: Incident Reports, Monthly report of units on losses and risk indicators; Internal Audit Reports 	<i>Risk Avoidance and Risk Reduction</i>
<i>Operational Risk on: Potential losses from dependability or readiness of hardware, software or utilities to provide regular service or continuous operation in contingencies</i>	<ul style="list-style-type: none"> • Timely reporting of issues affecting systems coordination between units on resolution of system issues • Upgrade or replacement of systems • Periodic system maintenance • Ensure presence of Business Continuity Plan (BCP) • Update BCP for emerging risks • Data back-up • Reporting/Disclosure through: Incident Reports, Monthly report of 	<i>Risk Reduction</i>

	<i>units on losses and risk indicators; Internal Audit Reports</i>	
<i>Operational Risk on: Non-conformance to other external regulations or ethical standards</i>	<ul style="list-style-type: none"> • Monitor new circulars or regulations • Ensure dissemination of regulatory policies and procedures • Trainings to secure updates on recent developments in regulations • Reporting/Disclosure through: Incident Reports, Monthly report of units on losses and risk indicators; Internal Audit Reports 	<i>Risk Reduction</i>
<i>Operational Risk on: Errors or deficiencies in processing of transactions on the validity, propriety or absence of authorizations</i>	<ul style="list-style-type: none"> • Improvement of Maker-Checker procedures • Monitor and regularize policy deviations • Embed controls in the system • Enhance or update system of limits and authorizations • Ensure compliance to existing procedures • Reporting/Disclosure through: Incident Reports, Monthly report of units on losses and risk indicators; Internal Audit Reports 	<i>Risk Reduction</i>

G. INTERNAL AUDIT AND CONTROL

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

<i>Name of Audit Staff</i>	<i>Reason</i>
<i>Leonardo C. Laboy</i>	<i>Transferred to another institution</i>
<i>Janine Faye P. Delfin</i>	<i>Transferred to another institution</i>

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
<i>Community interaction</i>	<i>The Bank espouses being meaning and relevant to the communities where it is located and serves. The Bank also endeavors fulfill its corporate social responsibility by reaching communities in most need of help that the Bank can provide & sustain.</i>	<i>The Cup of Joy program was launched in November 2016. Proceeds were donated to Children's Joy Foundation Inc. which aims to provide the underprivileged children in the Philippines with various services including medical, psychological and educational support and emergency assistance to harness their potentials that are necessary for nation building</i>
<i>Anti-corruption programmes and procedures?</i>	<p><i>Bank's Code of Ethics states that Employees of PBCOM should ensure that their interest do not conflict with the duties which they must perform for the Bank or the duties which the Bank performs for its clients.</i></p> <p><i>Employees should not transact business on behalf of the Bank, with organizations with which they are affiliated with and has direct or indirect financial interest including close friends or relatives.</i></p> <p><i>Employees shall also not be involved in the business of "lending and investing" as well as the buying and selling of foreign exchange. Such acts deprive the Bank of legitimate business and directly competing with the Bank's business.</i></p> <p><i>Employees may not receive gifts, free travel, out-of-the-ordinary entertainment, or anything else of value in exchange for a favorable decision on Bank-related matters.</i></p>	<i>The Code of Ethics was re-circularized, and the PBCOM Orientation for New Employees included the ER 101 which included the discussion of the Bank's Code of Ethics and Code of Conduct.</i>

3) Performance-enhancing mechanisms for employee participation.

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

For 2016, below table indicates the In-house training programs which were conducted for PBCOM's employees arranged per training category.

2016 In-house Trainings	
Training Title	Description
<u>Mandatory</u>	
Signature Verification and Counterfeit Detection (SVCD) Seminar	SigVer & CoDe is a ten-hour module conducted by a certified in-house subject matter expert which aims to: <ul style="list-style-type: none"> • Provide basic training and information to selected employees whose work requires an understanding of the basic principles of signature verification and counterfeit detection • Establish a pool of efficient verifiers familiar with signature comparison process and recognition of currency bills (foreign and local) who are able to detect possible fraudulent transactions involving fake signatures/handwritings and currencies including the different kinds of forgery that may be encountered during regular official transactions
Corporate Governance: Going Forward (SEC required)	The Corporate Governance Course for Directors is a mandatory requirement for all Directors of the Bank as part of their qualifying requirements of BSP & SEC. Senior Officers are also included as this is part of best practice to have Senior Officers aware of and instill Corporate Governance.
PBCOM Onboarding for New Employees (P-ONE)	<ul style="list-style-type: none"> • To provide an in-depth orientation process that will help new hires understand and appreciate the banking industry and PBCOM - its business, organizational structure, policies and procedures and other pertinent information they need to know to begin working in the Bank. • To assimilate PBCOM Vision, Mission and Values and align behaviors accordingly. • To provide new employees with knowledge and skills on the Bank's customer service, products and services, and regulatory courses.
<u>Professional</u>	
Accounting for Non-Accountants	To provide the participants with the knowledge of accounting concepts and principles To enable them to understand the accounting cycle and to prepare and interpret or analyze the basic financial statements.
Business Communication Seminar	<ul style="list-style-type: none"> • To enhance the business communication skills of the participants (oral and written) • To helps managers to perform all managerial functions and to achieve predetermined goals • To exchange information between employees of an organization. • To increase the efficiency of the employees of an organization by supplying information timely relating to the work.
CCBG Credit Training	<ul style="list-style-type: none"> • To provide a solid foundation in terms of principles to the participants to equip them with the appropriate tools for analysis • To provide the participants with real-world applications in the context of the requirements of PBCOM.
Corporate & Commercial Banking Group RM Workshop	• To equip participants with the appropriate Sales Tool Kit like trackers, monitoring reports and behavioural audit
Effective Business Writing	This program aims to improve the business writing skills of participants through review of the basics such as grammar rules, tenses, etc., discussion of common concerns in English, the planning steps in writing, and the principles of effective writing, including the guidelines.
Effective Presentation Skills Seminar	• To improve the presentation skills of the participants by providing them with the requisite techniques in preparing and conducting effective presentations
<u>Technical</u>	
FMS Training	To equip participants to understand the following: T24 Methodology T24 core/basic codes T24 accounting entries Review posted balances – T24 / FMS Standardize use of Internal Account and PL
HRIS Workshop	For the participants to understand the HRIS requirements: Business Process Blueprinting Demo and system walkthrough FGD / Breakout sessions
PhilPost Presentation - Know Your Customer	To demonstrate the new features of the > Improved Postal ID – its security features and application processes

T24 Training	T24 Refresher course for the following topics: <ul style="list-style-type: none"> • Correct sample of Unpaid Bill – Grace in Arrangement Overview sheet • Entries of MC Issuance transaction in Disbursements sheet and Additional Maintenance Activities (Change Product Activity For Arrangement, Change Term Activity For Commitment, Change Activity For Principal-int, Update Activity For Settlement) in Maintenance sheet.
T24 Training (AA Loans)	T24 Refresher course on the following topics: Account creation, Disbursements, Payments, Pay off, Maintenance and Entries created for each transaction
Customer Value Matrix (CVM) Training	This is a four-hour course to be done via F2F/Classroom Training. It is aimed at orienting the Branch Officers with all the bank products they need to cross-sell to existing clients.
Consumer Loans Product Briefing and PL Releasing Process	To provide knowledge to employees on the different products and services, referral process and loans disbursement process of the Bank.
Check Image and Clearing System Implementation	Participants are expected to have a full grasp of what Check Image Clearing System is all about; understand the operating procedures, the process flows, and how to deal with dishonored item/s; share with co-employees and ultimately be able to respond to customer queries/concerns.
Branch Banking Group Sales Clinic	A seven-hour Product Refresher Course aimed in orienting the BMs with all the bank products they need to sell and cross-sell for revenue growth.
Branch Banking Group Sales Clinic: Part 2 (Metro Manila)	A 4.5-hour training program that discusses the PDCA Elements. It is aimed in orienting the BMs with the new sales tools/forms.
Branch Banking Segment Townhall	To discuss common audit findings To conduct a refresher training related to T24 system
Advance Property Appraisal - Training Cascade	To be equipped with the techniques in various types of property valuation
Leadership	
Millennial Leadership Development Program	<ul style="list-style-type: none"> • To learn more about the Millennials (Gen Y) as part of the workforce – their high energy, high expectations and constant need for growth – which can be a challenge for managers. • To understand how managers can support the Millennials, how to leverage on their strengths, and how to lead them better.
HRG Strategic Planning Session & Workshop	To help the Human Resources Group to improve its performance by ensuring that its members are working to the same goals and by continuously adjusting the direction of the group to the changing environment on the basis of results obtained.

For 2016, a total of 10,683 training hours were spent by the bank on its in-house training programs participated in by 1,705 employees.

2016 In-House Trainings	Total PAX	Total Training Hours	Segments/Groups
Accounting for Non-Accountants	50	388	Various segments/groups
Advance Property Appraisal - Training Cascade	5	15	Retail Banking Segment
Branch Banking Group Sales Clinic	22	176	Executive Office
Branch Banking Group Sales Clinic: Part 2 (Metro Manila)	51	178.5	Executive Office
Branch Banking Segment Townhall	378	2981.5	Various segments/groups
Business Communication Seminar	26	408	Various segments/groups
CDBG Credit Training	33	728	Corporate and Commercial Banking Group
Check Image and Clearing System Implementation	70	260	Branch Banking Group
Consumer Loans Product Briefing and PL Releasing Process	248	430	Branch Banking Group
Corporate & Commercial Banking Group RM Workshop	23	92	Branch Banking Group
Corporate Governance Seminar (SEC required)	19	76	Various segments/groups
Customer Value Matrix (CVM) Training	17	68	Executive Office
Effective Business Writing	28	392	Various segments/groups
Effective Presentation Skills Seminar	17	208	Various segments/groups
FMS Training	117	468	Branch Banking Group
HRG Strategic Planning Session & Workshop	25	164	Human Resources Group
HRIS Workshop	31	352	Various segments/groups

<i>Millennial Leadership Development Program</i>	29	43.5	<i>Various segments/groups</i>
<i>PBCOM Onboarding for New Employees (P-ONE)</i>	30	392	<i>Various segments/groups</i>
<i>PhilPost Presentation - Know Your Customer</i>	18	63	<i>Various segments/groups</i>
<i>Signature Verification and Counterfeit Detection (SVCD) Seminar</i>	336	2422	<i>Various segments/groups</i>
<i>T24 Training</i>	99	113.5	<i>Finance Group</i>
<i>T24 Training (AA Loans)</i>	33	264	<i>Various segments/groups</i>
TOTAL	1,705	10,683	

For 2016, a total of 1,131 training hours were spent by the bank on its external training programs participated in by 124 Bank officers/employees.

<i>2016 External Trainings</i>	<i>Total PAX</i>	<i>Total Training Hours</i>	<i>Segments/Groups</i>
<i>2016 ASEAN Corporate Governance Scorecards (ACGS) Workshop for Publicly-listed Companies (PLCs) - Updates / Refresher Session</i>	2	6	<i>Compliance Group</i>
<i>2016 TOAP Annual Convention</i>	1	24	<i>Trust and Wealth Management Group</i>
<i>21st ECOP MGM: Employment and Career Development Challenges and Opportunities + LGBT, HIV and PWD in the Organization</i>	1	4	<i>Human Resources Group</i>
<i>A Regulatory Prospective on Trust and Administration</i>	5	80	<i>Compliance Group Credit Risk Management Group Internal Audit Group Trust and Wealth Management Group</i>
<i>ABCOMP-AMLO 2nd Biennial AML Conference</i>	2	32	<i>Compliance Group</i>
<i>Advance Property Appraisal</i>	2	16	<i>Consumer Finance Group</i>
<i>Advanced Taxation Seminar</i>	1	14	<i>Finance Group</i>
<i>BSP Cir. 706 AMLA Law, RA 10365 and the AML Risk Rating System</i>	5	39	<i>Compliance Group</i>
<i>BSP Supervisory Process and CAMELS Rating System</i>	1	8	<i>Credit Risk Management Group</i>
<i>Certificate Course in Strategic Compliance for the Banking Industry</i>	1	64	<i>Compliance Group</i>
<i>Certified Business Continuity Professional</i>	1	32	<i>Enterprise Risk Management Group</i>
<i>Check Image and Clearing System Implementation</i>	58	232	<i>Branch Banking Group</i>
<i>Compliance with Operational Risk Management Guidelines</i>	3	22.5	<i>Enterprise Risk Management Group Internal Audit Group</i>
<i>Corporate Governance Forum</i>	1	6	<i>Compliance Group</i>
<i>Cyber Security and Anti-Money Laundering Seminar</i>	1	3	<i>Compliance Group</i>
<i>Database Security and Auditing</i>	1	16	<i>Internal Audit Group</i>
<i>Defining Process Performance Indicators</i>	1	8	<i>Enterprise Risk Management Group</i>
<i>Developing Microsoft Sharepoint Server 2013 Core Solutions</i>	2	80	<i>Information Technology Group</i>
<i>Enhanced UITF Certification Program</i>	2	24	<i>Internal Audit Group Trust and Wealth Management Group</i>
<i>Forum on BSP Interest Rate Corridor System</i>	1	2.5	<i>Trust and Wealth Management Group</i>
<i>IT Risk Management, IT Risk rating System & IT regulatory Updates</i>	1	8	<i>Internal Audit Group</i>
<i>Mandatory Continuing Legal Education (MCLE)</i>	9	265	<i>Legal Services Group Human Resources Group</i>
<i>Meeting the Hiring Challenges during Economic Incertainty in 2016</i>	2	7	<i>Human Resources Group</i>
<i>Miravite Learning Series</i>	2	6	<i>Finance Group Human Resources Group</i>
<i>Overview of Outsourcing Framework</i>	1	8	<i>Information Technology Group</i>
<i>Phils. Financial Services Summit 2016</i>	4	24	<i>Information Technology Group Transaction Banking and Customer Engagement Group</i>
<i>Planning and Deploying System Center 2012 Configuration Manager</i>	1	24	<i>Information Systems Group</i>
<i>Related Party Transactions</i>	4	14	<i>Compliance Group Credit Risk Management Group</i>

SEC-PSE Corporate Governance Forum	1	8	Compliance Group
Seminar on Repo Transactions	2	16	Legal Services Group Treasury Group
Seminar on Supervisory Expectations on the ICAAP	3	22.5	Credit Risk Management Group Enterprise Risk Management Group
Sustaining Development in a World of Policy Divergence	1	8	Corporate and Commercial Banking Group
Updated Guidelines on Sound Credit Risk Management	1	7.5	Compliance Group
TOTAL	124	1,131	

The combined Total Training Hours for In-house and External Training Programs is 11,814. Since the closing employee complement for 2016 is 1,132, the average total training hours per employee is 10.44 hours.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
P.G. Holdings, Inc.	183,971,408	38.28%	Same as record owner
PCD Nominee Corporation	157,068,402	32.68%	various
Eric O. Recto	52,405,776	10.90%	Same as record owner
Ralph C. Nubla, Jr.	51,779,374	10.77	Same as record owner

3) External Auditor's fee (awaiting data from Finance)

Name of auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo and Co. (2016)	P 3,284,006.88	P

4) Date of release of audited financial report:

The 2016 Audited Financial Statements were authorized for issue by the Board of Directors of the Bank on March 29, 2017.

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of Related Party Transaction (RPT)

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Bank's transactions with related parties include key management personnel, affiliates (i.e. entities which are controlled, significantly influenced by or for which significant voting power is held by the Bank or key management personnel or their close family members and retirement plan for the benefit of the Bank's employee). These transactions are made in the ordinary course of business and on substantially same terms with that of other parties.

The Bank's related party transactions below are also presented and discussed in details in the Audited Financial Statements.

Related Party	Transaction with the Bank
Post-retirement Plan	Investment made in retirement plan is approved by the Bank's Retirement Board. Trust fee income from such service and total deposits maintained with the Bank in 2016 amounted P1.98 Million and P 60.01 Million, respectively while interest expenses paid by the Bank to the deposits was P0.7 Million.
Provident Fund	Outstanding deposit and interest paid by the Bank as of year-end was P37.85 Million and P0.57 Million, respectively while trust fees earned from such service amounted to P2.48 Million.
Key Management Personnel	Senior Management Team constitutes key management personnel for purposes of PAS 24. Short term benefits and post-employment benefits given to SMT in 2016 amounted to P174.87 Million and P7.85 Million, respectively. Year-end balance of deposits and interest expenses increased amounted to P10.19 Million and P0.02 Million respectively.
Affiliates	Year-end balance of deposits and interest expenses incurred by the Bank amounted P14.8 Million and P0.33 Million, respectively. Rental income earned for the year is P0.13 Million.

<i>Subsidiaries</i>	<i>Year-end balance of deposits and interest expenses incurred by the Bank amounted P119.46 Million and P2.85 Million, respectively. Rental income earned for the year is P0.13Million.</i>
<i>Significant Investors</i>	<i>Year-end balance of deposits and interest expenses incurred by the Bank amounted P2.6 Billion and P8.30 Million, respectively. Rental income and expenses during the year amounted to P1.82 Million and P17.65 Million.</i>

J. RIGHTS OF STOCKHOLDERS

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

Yes. Notice to the Annual General Meeting is being circulated on the same date as the disclosure of the Record Date to the Philippine Stock Exchange.

- a. Date of sending out notices: March 31, 2016
b. Date of the Annual Stockholders' Meeting: June 14, 2016

4. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
<ul style="list-style-type: none"> • Approval of the Minutes of the ASM held on 9 June 2015 • Annual Report of Management & Approval of the Audited Financial Statements for 2015 • Ratification of Acts of the Board of Directors & Management Since the last Annual Meeting of the Shareholders • Election of Directors • Appointment of External Auditor 	Approved by all		

5. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: June 15, 2016

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Eric O. Recto	June 14, 2016		12.84%	1.000%	0.000%
	Patricia May T. Siy			0.000%	0.000%	0.000%
	Carmen G. Huang			0.000%	0.000%	0.00%
	Carlos Bunsit G. Chung			.1145%	9.437%	9.552%
	Ralph C. Nubla, Jr.			10.773%	0.000%	10.773%
	Gregorio T. Yu			0.298%	0.000%	0.298%
	Lucio L. Co			0.000%	51.20%	51.20%
	Levi B. Labra			0.000%	0.000%	0.000%
	Roberto Z. Loraves			0.000%	0.000%	0.000%
	Emmanuel Y. Mendoza			0.000%	0.000%	0.000%
	Angelo Patrick Advincula			0.000%	0.000%	0.000%
	Michael Stephen H. Lao			0.000%	0.000%	0.000%
	Manuel A. Goseco			0.000%	0.000%	0.000%
	Eriberto Luis S. Elizaga			0.000%	0.000%	0.000%
	Evelyn Vinluan			0.000%	0.000%	0.000%
	Victor Q. Lim			0.000%	0.000%	0.000%
	Salvador R. Serrano			0.000%	0.000%	0.000%
	Teresita S. Galvadores			0.000%	0.000%	0.000%
	Arlene M. Datu			0.000%	0.000%	0.000%
	Daniel M. Yu			0.000%	0.000%	0.000%
	Jennie F. Lansang			0.000%	0.000%	0.000%
	Jorge Alfonso C. Melo			0.000%	0.000%	0.000%
	Expedito G. Garcia, Jr			0.000%	0.000%	0.000%

	Jane Lim-Laragan			0.000%	0.000%	0.000%
Special	NA					

(i) *Definitive Information Statements and Management Report*

<i>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</i>	397 Shareholders
<i>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</i>	May 21, 2016
<i>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</i>	May 21, 2016
<i>State whether CD format or hard copies were distributed</i>	<i>The Definitive Information Statement and Management Report and Other materials were distributed to the shareholders in CD format.</i>
<i>If yes, indicate whether requesting stockholders were provided hard copies</i>	<i>The Definitive Information Statement and Management Report and Other materials were distributed to the shareholders in CD format.</i>

L. **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Discuss any initiative undertaken or proposed to be undertaken by the company.

<i>Initiative</i>	<i>Beneficiary</i>
<i>Cup of Joy, fundraising program was launched in November 2016 which aims to provide the underprivileged children in the Philippines with various services including medical, psychological and educational support and emergency assistance to harness their potentials that are necessary for nation building.</i>	<i>Children's Joy Foundation Inc.</i>