



25 May 2018

Securities and Exchange Commission
G/F Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1700

Attention: Atty. Rachel Esther J. Gumtang-Remalante
OIC, Corporate Governance and Finance Department

Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: Mr. Jose Valeriano B. Zuño III
OIC-Head, Disclosure Department

Re: Submission of the 2017 Integrated Annual Corporate Governance Report (I-ACGR)

Gentlemen:

In compliance with SEC Memorandum Circular 20, Series of 2016, and in connection with SEC Memorandum Circular 5, Series of 2013 and SEC Memorandum Circular 12, Series of 2014, we submit, herewith, the 2017 Integrated Annual Corporate Governance Report (I-ACGR) of the Bank of the Philippine Islands.

Respectfully submitted.

A handwritten signature in black ink, appearing to be 'D. Sevilla II'.

DON CESAR TEODORO L. SEVILLA II
Corporate Governance Officer

A handwritten signature in black ink, appearing to be 'Noravir A. Gealogo'.

NORAVIR A. GEALOGO
Chief Compliance Officer

Cc:

Securities and Exchange Commission

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Markets and Securities Regulation Department

Rosario Carmela B. Gonzales-Austria
Assistant Director, Corporate Governance Division
Corporate Governance and Finance Department

Philippine Stock Exchange, Inc.

Attention: Mr. J. Argel G. Astudillo
Vice President and Head – Governance, Risk and Compliance Department

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	As required by the SEC, all of the Bank's annual reports contain comprehensive profiles of the Board of Directors which disclose the age, qualifications, date of appointment, relevant experience and directorships both in the BPI group as well as in other companies, listed or otherwise. In compliance with SEC Memo.Cir. No. 11, s2014, the Bank also posts biographical details of the Board of Directors and Senior Management on the company website. Directors comply with all fit and proper qualifications and requirements of the BSP, SEC and PSE and remain qualified throughout the term. This includes required working knowledge, experience or expertise and competence relevant to the Banking Industry. 1. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. A149-A152, p.91-82 - ANNUAL REPORT (2016 Glossy) pp. 14-33, 34-43, A98-A102 (Our Clients and Our People, Financial and Non-Financial Performance Indicators) PDF https://www.bpiexpressonline.com/media/uploads/5919519642a8c_04_Our_Clients_and_Our_People_Pages_from_BPI_Annual_Report_Y2016-3.pdf	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
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		

		<p>https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_Principal_Officers_Pages_from_BPI_Annual_Report_Y2016-4.pdf - ANNUAL REPORT ON 17-A, Part III., Item 9., A-1, pp. 32-39, https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Annex A, pp. 17-25 <i>PDF</i> https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>2. PSE EDGE</p> <table border="1"> <thead> <tr> <th>Template Name:</th> <th>Announce Date and Time:</th> <th>PSE Form:</th> <th>Report or Circular</th> </tr> </thead> <tbody> <tr> <td>Information Statement [Amend-1]Notice of Annual or Special Stockholders' Meeting</td> <td>Mar 08, 2018 07:51 AM</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td>Information Statement [Amend-1]Notice of Annual or Special Stockholders' Meeting</td> <td>Mar 07, 2018 09:44 AM</td> <td>7-1</td> <td>C01445-2018</td> </tr> <tr> <td>Information Statement [Amend-1]Notice of Annual or Special Stockholders' Meeting</td> <td>Mar 27, 2017 11:30 AM</td> <td>17-5</td> <td>CR01608-2017</td> </tr> <tr> <td>Information Statement [Amend-1]Notice of Annual or Special Stockholders' Meeting</td> <td>Mar 27, 2017 12:32 PM</td> <td>7-1</td> <td>C01738-2017</td> </tr> <tr> <td>Annual Report</td> <td></td> <td>17-1</td> <td>CR02159-2018</td> </tr> </tbody> </table>	Template Name:	Announce Date and Time:	PSE Form:	Report or Circular	Information Statement [Amend-1]Notice of Annual or Special Stockholders' Meeting	Mar 08, 2018 07:51 AM	17-5	CR01325-2018	Information Statement [Amend-1]Notice of Annual or Special Stockholders' Meeting	Mar 07, 2018 09:44 AM	7-1	C01445-2018	Information Statement [Amend-1]Notice of Annual or Special Stockholders' Meeting	Mar 27, 2017 11:30 AM	17-5	CR01608-2017	Information Statement [Amend-1]Notice of Annual or Special Stockholders' Meeting	Mar 27, 2017 12:32 PM	7-1	C01738-2017	Annual Report		17-1	CR02159-2018	
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Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Fourteen of the 15-member board, are non-executive directors of the bank who are not part of the day-to-day management of banking operations. Currently, the one executive director is the bank's President and CEO. Historically, our Chairman has also been a non-executive director and is separately appointed from our President and CEO. The same links in above Recommendation 1.1 to the Board of Director listing and bio-datas provides the type of director, i.e., Non-Executive, Independent or Executive.	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Along with the demand for greater disclosure and transparency, corporate boards continue to face more and more complex oversight challenges. As stated in the Board Charter and Manual of Corporate Governance, it is therefore incumbent on our directors to conduct the business and operations of the bank consistent with the highest professional and regulatory standards and to guide bank policy and direction with a superior degree of wisdom, prudence, good business judgment and competence. The Bank therefore ensures that our directors receive relevant and continuing training to enable our directors to have a robust understanding of the business of banking, to keep abreast with current issues and regulatory changes in the sector and to strengthen their ability to meet these governance responsibilities. 1. MANUAL OF CORPORATE GOVERNANCE PDF	

		https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Board Governance”, “Board Charter”, “Orientation and Continuing Education”, Sec. II.A.12., pp. 33-34	
2. Company has an orientation program for first time directors.	COMPLIANT	1. BPI WEBSITE - Governance> “Board and Governance”> “Board Matters”> “Induction and Continuing Education” https://www.bpiexpressonline.com/p/1/805/induction-and-director-education	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 92-93 - ANNUAL REPORT, (2016 Glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf - ANNUAL REPORT ON 20-IS, Discussion of compliance with leading practices on Corporate Governance, pp.39-44, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf	
		3. PSE EDGE Template Name: Announce PSE Report or Date and Time: Form: Circular No.:	

		<p>Information Statement Mar 08, 2018 17-5 07:51 AM CR01325-2018</p> <p>Mar 27, 2017 11:30 AM CR01608-2017</p> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p>Our overriding duty is to maintain a strong, effective board with strong, effective directors in order to create and maintain an atmosphere of constructive challenge and debate. This requires the right balance of expertise, skills, experience and perspectives. The Board Diversity Policy, adopted by the board in 2015, sees increasing diversity at board level as an essential element in maintaining sound corporate governance, realizing sustainable and balanced development and achieving strategic objectives.</p> <p>Our 2017 Board of Directors includes four women, 27% of the board, including two (2) of whom are also an independent directors.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Definition and Composition”, “Nomination of Directors”, “Board Diversity Policy”, “Criteria”, “Qualifications of Directors”, “Disqualifications of Directors”, “Independent Directors”, Sec. II.A.2.-3., 7., pp. 5-19, 21 - “Nomination Committee”, Sec. II.C., 2., p. 45</p> <p>2. BPI WEBSITE</p>	

		<p>- Governance > "Board and Governance" > "Board Matters" > "Nomination and Election" https://www.bpiexpressonline.com/p/1/1347/nomination-and-election</p> <p>- Governance > "Board and Governance" > "Board Matters" > "Composition, Qualification, Diversity and Independence" https://www.bpiexpressonline.com/p/1/783/composition-qualification-diversity-and-independence</p> <p>- Governance > "Board and Governance" > "Board Matters" > "Composition, Qualification, Diversity and Independence" > "Board Diversity Policy" https://bpiexpressonline.com/media/uploads/56d6399e0be18_BPI_Board_Diversity_Policy.pdf</p> <p>- About Us > "Leadership" > "Board of Directors" https://www.bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p>	
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>NON-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>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S</p>	<p>BPI recognizes and embraces the benefits of having a diverse Board. Board diversity is considered from varied aspects when designing the Board's composition including but not limited to gender, age, cultural and educational background, geographical location, professional experience, skills, knowledge, and length of service of directors, and other regulatory requirements.</p>

		<p>ECCGPLCCodeCompliant for SEC PSE posting 052917.pdf</p> <p>- <i>“Definition and Composition”, “Nomination of Directors”, “Board Diversity Policy”, “Criteria”, “Qualifications of Directors”, “Disqualifications of Directors”, “Independent Directors”,</i> Sec. II.A.2.-3., 7., pp. 5-19, 21</p> <p>- <i>“Nomination Committee”,</i> Sec. II.C., 2., p. 45</p> <p>2. BPI WEBSITE</p> <p>- Governance> “Board and Governance”> “Board Matters”> “Composition, Qualification, Diversity, and Independence”</p> <p>https://www.bpiexpressonline.com/p/1/783/composition-qualification-diversity-and-independence</p>	<p>These differences are considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit against objective criteria, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective, having due regard for the benefits of diversity on the Board.</p> <p>However, the Bank believes that setting a target quota with respect to gender parity, runs contrary to its deeply held meritocratic principles and will fail to rebalance the organization’s Board in a manner that reflects the up-to-date operating requirements of the Bank, current resource levels for director talent and long-term interests of the shareholders. Nevertheless, the Board strives to ensure that there is appropriate representation of women and female Independent Directors in the Board as may be verified from past years’ and current board composition records.</p>
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Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	<p>As stated in our Manual of Corporate Governance, our Corporate Secretary is a senior, strategic-level corporate officer who plays a leading role in the bank's corporate governance, with the following functions:</p> <ul style="list-style-type: none"> • Serve as an adviser to the directors on their responsibilities and obligations; • Keep the minutes of meetings of the stockholders, the Board of Directors, the Executive Committee, and all other committees in a book or books kept for that purpose, and shall furnish copies thereof to the Chairman, the President and other members of the Board as appropriate; • Keep in safe custody the seal of BPI and affix it to any instrument requiring the same; • Have charge of the stock certificate book and such other books and papers as the Board may direct; • Attend to the giving and serving of notices of Board and shareholder meetings; • Be fully informed and be part of the scheduling process of other activities of the Board; • Prepare an annual schedule of board meetings and the regular agendas of meetings, and put the Board on notice of such agenda at every meeting; • Oversee the adequate flow of information to the Board prior to meetings. Materials for approval or for information shall be given to the members of the Board in advance prior to date of meeting to give them the chance to study and ask questions if necessary even before the meeting itself; and • Ensure the fulfilment of disclosure requirements to the Securities and Exchange Commission and the Philippine Stock Exchange. 	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		

	<p>Our Corporate Secretary is suitably trained, experienced and professionally qualified for these responsibilities. Our Corporate Secretary is also Corporate Secretary or Deputy Corporate Secretary of various BPI subsidiaries and affiliates, including BPI Family Savings Bank, BPI Capital, BPI Forex, BPI/MS Insurance Corp., and BPI Century Tokyo Lease and Finance Corp. Prior to joining BPI, she was Senior Counsel at the Bank for International Settlements (BIS) in Basel, Switzerland from 2001 to 2008, and Head of Finance and Administration at the BIS Representative Office in Hong Kong from 2008 to 2011. She was a Legal Officer at the United Nations Compensation Commission in Switzerland from 1998 to 2001.</p> <p>Our Corporate Secretary is admitted to the Philippine Bar (1995) and New York State Bar (1998). She received her Master in Laws (LL.M) from the University of Chicago in 1997, Juris Doctor (J.D) in 1994 from Ateneo de Manila School of Law, and AB Honors Program in Economics in 1990 from Ateneo de Manila University.</p> <p>Relevant information on board meetings and Corporate Secretary is disclosed in the reports below:</p> <p><u>Sources:</u></p> <p>1. ARTICLES OF INCORPORATION and AMENDED BY-LAWS, Article IX, Executive Officers, p. 18 https://www.bpiexpressonline.com/media/uploads/592bcc524c043_BPI_AOI_2015.pdf https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S</p>	
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		<p>ECCGPLCCodeCompliant for SEC PSE posting 052917.pdf</p> <ul style="list-style-type: none"> - <i>“Governance Structure”, “Board of Directors”, “Board Meetings, Attendance and Quorum requirements”, Sec. II.A.12., p. 33</i> - <i>“Governance Structure”, “Operating Management”, “Duties and Responsibilities of Officers”, Sec. II. D., 2., p. 67</i> <p>3. BPI WEBSITE</p> <ul style="list-style-type: none"> - Governance> “Board and Governance”> “Board Matters”> “Board Governance, Meetings, Quorum and Attendance” https://www.bpiexpressonline.com/p/1/794/board-governance-meetings-quorums-and-attendance - Governance> “Board and Governance”> “Board Matters”> “Role of the Corporate Secretary” https://www.bpiexpressonline.com/p/1/1349/role-of-corporate-secretary - Governance> “Board and Governance”> “Board Matters”> “Access to Information and External Advice” https://www.bpiexpressonline.com/p/1/1348/access-to-information-and-external-advice - About Us> “Leadership”> “Board of Directors”> “Corporate Secretary” https://www.bpiexpressonline.com/p/1/905/board-of-directors-2 	
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>COMPLIANT</p>	<p>1. BPI WEBSITE</p> <ul style="list-style-type: none"> - Governance> “Board and Governance”> “Board Matters”> “Induction and Continuing Education” https://www.bpiexpressonline.com/p/1/805/induction-and-director-education 	
<p>Optional: Recommendation 1.5</p>			

1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p> <p>The Corporate Secretary confirms that board meeting materials are sent at least five business days before a scheduled meeting. One of the board innovations also implemented since 2017 is the use of MeetX software and issuance of Apple iPads to the Board of Directors to facilitate quick, easy and early distribution and review of meeting materials.</p>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<p>As stated in our Manual of Corporate Governance, the Chairman of the Board shall designate a Chief Compliance Officer (CCO), who shall not be a member of the Board of Directors and who shall hold the position with the rank of at least a Vice President. The Chief Compliance Officer's qualifications shall be subject to the applicable provisions of the Manual of Regulations for Banks, particularly considering fit and proper criteria such as integrity/probity, competence, education, diligence and experience and training. In this respect, the Chief Compliance Officer is to attend annually a training on corporate governance.</p> <p>The Chief Compliance Officer as of December 31, 2017 was Marita Socorro D. Gayares, SVP.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.p df</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		

		- <i>"Governance Structure", "Operating Management", "Duties and Responsibilities of Officers", Sec. II. D., 2., h., p. 71</i>	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	Same links as above Recommendation 1.6.	

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	Directors must act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company as mandated by the Bank's corporate governance policy and the Board Charter. The corporate governance policy dictates that the Board of Directors act in alignment with bank's Credo wherein independent business judgment and core values of fairness, accountability and transparency are primary in every interaction and transaction with all of our stakeholders, including shareholders, customers, employees, regulators and the broader community. The Charter of BPI's Board of Directors articulates and sets forth with specificity the governance and oversight responsibilities exercised by the directors and their roles and functions in the company together with provisions on board composition, board committees and board governance subject to provisions of the corporation's articles of incorporation, by-laws and applicable laws. The Bank's corporate governance policy and the Board Charter are both disclosed on the company website and are incorporated in the Manual of Corporate Governance which is also posted online. The Manual of Corporate Governance details the Bank's governance policies and practices as well as the types of decisions made by the Board.	
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	<p>Relevant information on the Company’s corporate governance policy/board charter, types of decisions requiring board approval and their roles and responsibilities is disclosed in the reports below. The Board has a Director’s Code of Conduct which also dictates that directors act in good faith, with due diligence and care, and in the best interest of the company and affirm this annually.</p> <p>Sources:</p> <ol style="list-style-type: none"> ARTICLES OF INCORPORATION and AMENDED BY-LAWS, Article V-VIII, p. 22-35 https://www.bpiexpressonline.com/media/uploads/592bcc524c043_BPI_AOI_2015.pdf https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf MANUAL OF CORPORATE GOVERNANCE <i>PDF</i> https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf <ul style="list-style-type: none"> - “Corporate Governance Philosophy”, Sec. I., p. 5 - “Governance Structure”, “Board of Directors”, “Directors”, “Board Committees”, “Operating Management”, Sec. II. A.-D., pp. 4-71 - “Code of Business Conduct & Ethics”, “Director’s Code of Conduct”, Sec. III. B., p. 75 BPI WEBSITE <ul style="list-style-type: none"> - Governance > Board and Governance > Board Matters > Board Charter https://www.bpiexpressonline.com/p/1/1346/board-charter 	
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	<p>- Governance> “Board and Governance”> “Board Matters” https://www.bpiexpressonline.com/p/1/782/board-matters</p> <p>- Governance> “Environmental, Social and Governance Reporting”> “Manual of Corporate Governance” https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance</p> <p>- Governance> “Board and Governance”> “Code of Business Conduct and Ethics” https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics https://www.bpiexpressonline.com/media/uploads/59d1d6fa571b0_BPI_Directors_Code_of_Conduct_Final_Approved_092117.pdf</p> <p>- Governance https://www.bpiexpressonline.com/p/0/78/corporate-governance</p> <p>4. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 90-96</p> <p>- ANNUAL REPORT, (2016 Glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 20-IS, Discussion of compliance with leading practices on Corporate Governance, pp.39-44 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_-_for_Disclosure)_030718.pdf</p>	
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		https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	<p>Board discussions on the Bank's business objectives and strategy are conducted in board meetings and executive sessions which are highly confidential in nature and involve proprietary information. Links to minutes of such discussions cannot be provided. The Corporate Secretary confirms that, however, that the Board's review and approval of strategies and objectives and monitoring of its implementation is continuously done through the regular reporting of the business and financial performance of the Bank. Management provides the Board with regular reports and works with the Board on strategic issues through the different board-level committees.</p> <p>Relevant information on the Board's duties and responsibilities with respect to the company's vision and mission statement and the Board of Directors' periodic review of the foregoing as well as continuing oversight in implementation of the corporate strategy is disclosed in the reports below.</p> <p><u>Sources:</u></p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Powers of the Board of Directors", "General responsibility of the Board", "Specific Duties and Responsibilities of the Board", Sec. II.A., 8.-10., p. 23-31</p> <p>2. BPI WEBSITE</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		

		<p>- Who We Are https://www.bpiexpressonline.com/p/1/776/about-bpi-Governance> "Board and Governance"> "Board Matters"> "Board Charter" https://www.bpiexpressonline.com/p/1/1346/board-charter - Governance> "Board and Governance"> "Board Matters" https://www.bpiexpressonline.com/p/1/782/board-matters - Governance> "Board and Governance"> "Manual of Corporate Governance" https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance - Governance>"Environmental, Social and Governance Reporting"> "Annual Corporate Governance Report" https://www.bpiexpressonline.com/p/1/346/annual-corporate-governance-report</p> <p>3. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 90-98</p> <p>- ANNUAL REPORT, (2016 Glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance Pages from BPI Annual Report Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 20-IS, Discussion of compliance with leading practices on Corporate Governance, pp. 39-44, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c BPI 2018 ASM - Definitive Information Statement (Final - for Disclosure) 030718.pdf</p>	
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		https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf 4. PSE EDGE Template Name: Announce PSE Report or Date and Time: Form: Circular No.: Information Statement Mar 08, 2018 17-5 CR01325-2018 07:51 AM Mar 27, 2017 CR01608-2017 11:30 AM Annual Report Apr 13, 2018 17-1 CR02159-2018 03:30 PM http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	https://www.bpiexpressonline.com/p/1/776/about-bpi	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	Same link as provided above Recommendation 2.2 on the duties and responsibilities of the Board with respect to the strategy execution process. 1. ANNUAL REPORTS - ANNUAL REPORT ON 17-A, Part II. Item 6. Management Discussion and Analysis of Financial Condition and Results of Operations (Last Three Years: 2015, 2016, and 2017), pp. 20-31, https://www.bpiexpressonline.com/p/1/239/company-disclosures-main	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Under the Manual of Regulations for Banks, the election/appointment of directors/officers, which includes the Chairperson, of banks such as BPI, must be confirmed by the Monetary Board of the Bangko Sentral ng Pilipinas. Elected/appointed directors/officers must submit required certifications and other documentary	

		<p>proof of qualifications for the confirmation of their election/appointment.</p> <p>The Bangko Sentral requires that the director's/chairperson's integrity/probity, education/training, and possession of competencies relevant to the function such as knowledge and experience, skills and diligence be assessed to determine that the person is fit and proper for the position.</p> <p>1. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. A149-A152</p> <p>- ANNUAL REPORT, (2016 Glossy), pp.72, 73, 76, 80, 81, PDF https://bpiexpressonline.com/media/uploads/573c0aa19ff9d_Governance.pdf</p> <p>Annexes pp.232-237, PDF https://bpiexpressonline.com/media/uploads/573c0ac2ee55c_Board_of_Directors_and_PrincipalOfficers.pdf</p> <p>- ANNUAL REPORT ON 20-IS, Annex "A", Nominees to the BPI Board, pp.17-22 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p>	
Recommendation 2.4			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>COMPLIANT</p>	<p>The BSP in its Manual of Regulations of Banks requires banks such as BPI to have succession planning programs in place, particularly directors as well as critical officers and senior management of the Bank. The Board, through</p>	

<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>COMPLIANT</p>	<p>the Personnel and Compensation Committee, has oversight for the succession planning of the Bank, including its policies with respect to retirement of directors and key officers.</p> <p>The effective succession planning as well as the existence of the policy on retirement of directors and key officers is also evident through the review of the refreshment of the Board in the past years since 2014, which includes the creation of an Advisory Council to the Chairman composed of past members of the Board, as well as the changes in the President/CEO in the last 10 years.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Definition and Composition”, “Nomination of Directors”, “Specific Duties and Responsibilities of the Board”, Sec. II.A.2.-3., 7., pp. 23-30</i></p> <p>- <i>“Retirement Policy for Directors and Officers”, Sec. II.B., 4., p. 42</i></p> <p>- <i>“Personnel and Compensation Committee Charter”, Sec. II.C., 3., pp. 46-48</i></p> <p>2. BPI WEBSITE</p> <p>- Governance> “Board and Governance”> “Board Matters”> “Succession Planning and Talent Management” https://www.bpiexpressonline.com/p/1/1351/succession-planning-and-talent-management</p> <p>- Governance> “Board and Governance”> “Board Committees”> “Personnel and Compensation Committee”> “Personnel and Compensation Committee Charter”</p>	
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		https://bpiexpressonline.com/media/uploads/56ea6462df2ab Personnel and Compensation Committee Charter .pdf	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	1. ARTICLES OF INCORPORATION and AMENDED BY-LAWS, Article V-VII, pp. 7-9, 12 https://www.bpiexpressonline.com/media/uploads/592bcc524c043 BPI AOI 2015.pdf	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3 BPI By Laws 2015.pdf 2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91 BPI Corporate Governance Manual Rev S ECCGPLCCodeCompliant for SEC PSE posting 052917.pdf - “Remuneration Policy for Directors and Officers”, Sec. II.B., 5., p. 42 - “Personnel and Compensation Committee Charter”, Sec. II.C., 3., pp. 46-48 3. BPI WEBSITE - Governance> “Board and Governance”> “Board Matters”> “Remuneration” https://www.bpiexpressonline.com/p/1/804/renumeration - Governance> “Board and Governance”> “Board Committees”> “Personnel and Compensation Committee”> “Personnel and Compensation Committee Charter” https://bpiexpressonline.com/media/uploads/56ea6462df2ab Personnel and Compensation Committee Charter .pdf	
Optional: Recommendation 2.5			

<p>1. Board approves the remuneration of senior executives.</p>	<p>COMPLIANT</p>	<p>Provide proof of board approval</p> <p>The Corporate Secretary confirms that the Board, through the Personnel and Compensation Committee approves annually the remuneration of senior executives.</p>	
<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.</p>	<p>COMPLIANT</p>	<p>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> <p>As explained in the Personnel and Compensation Committee charter, remuneration decisions for Officers must reflect the proper risk incentives, and must be aligned and support the achievement of sustainable, long-term value creation. Apart from ensuring that management pay appropriately reflects industry conditions and is linked to financial performance delivered, management remuneration must reflect the interests of the shareholders and the Bank, and must be structured to encourage the long-term commitment of the employee as well as long-term outlook and plans of the Bank. Factors to consider include revenues, volume, earnings, EPS, ROE, ROA, capital strength, risk containment, corporate governance, customer satisfaction, adherence to corporate values, contributions both to operating unit and company-wide achievement.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S</p>	

		ECCGPLCCodeCompliant for SEC PSE posting 052917.pdf - "Governance Structure", "Board Committees", "Personnel and Compensation Committee", Sec. II.C.3, pp. 46-49 - "Governance Structure", "Directors", "Remuneration Policy for Directors and Officers", Sec. II. B.5., pp. 42-44 2. BPI WEBSITE - Governance > "Board and Governance" > "Board Matters" > "Remuneration" https://www.bpiexpressonline.com/p/1/804/renumeration	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	Nomination and election processes, including the director qualifications and shortlisting process, and stockholder engagement for the said nomination and election processes are disclosed in the documents linked below, which includes the Manual on Corporate Governance, as well as are disclosed and posted on the	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		

<p>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>company website. This includes the right of minority shareholders to nominate candidates to the board. The Bank not only considers internal standards, including those which are stated in the Amended By-Laws, Manual of Corporate Governance and Director’s Code of Conduct with respect to candidates’ director qualifications but also the stringent qualifications required by the Bangko Sentral ng Pilipinas and laws on banking, in addition to requirements of the SEC and the PSE. In addition, the Nomination Committee considers the long-term strategic goals and directions as well as requirements of the Bank and other companies in the BPI Group, moving forward. The nomination and election processes and their effectiveness, are reviewed annually by the Nomination Committee during its review of the committee charter and its self-assessment, by its members, of committee performance. Proof that the committee conducted such a review or annual self-assessment is disclosed on the company website and is also part of its duties and responsibilities stated in the committee charter.</p> <p>1. AMENDED BY-LAWS, Article IV-V, pp. 2-7 https://www.bpiexpressonline.com/media/uploads/592bcc524c043_BPI_AOI_2015.pdf https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE <i>PDF</i> https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p>	
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	<p>- <i>“Definition and Composition”, “Nomination of Directors”, “Election of Directors”, Sec. II.A.2, 6.-7., pp. 7, 9-23</i></p> <p>- <i>“Stockholder’s Right and Protection of Minority Stockholder Interests”, “Shareholders’ Rights”, “Duty to Promote Stockholders’ Rights”, Sec. VII. A., B., pp. 91-93</i></p> <p>- <i>“Board Governance”, “Performance Evaluation”, Sec. II.A.12, p. 36</i></p> <p>3. Director’s Code of Conduct</p> <p>- Governance> “Board and Governance”> “Board Matters”> “Director’s Code of Conduct” https://www.bpiexpressonline.com/media/uploads/59d1d6fa571b0_BPI_Directors_Code_of_Conduct_Final_Approved_092117.pdf</p> <p>4. BPI WEBSITE</p> <p>- Governance> “Board Matters”> “Nomination and Election” https://www.bpiexpressonline.com/p/1/1347/nomination-and-election</p> <p>- Governance> “Board Matters”> “Composition, Qualification, Diversity and Independence” https://www.bpiexpressonline.com/p/1/783/composition-qualification-diversity-and-independence</p> <p>- Governance> “Board Matters”> “Composition, Qualification, Diversity and Independence”> “Board Diversity Policy” https://bpiexpressonline.com/media/uploads/56ea6462d78cb_BPI_Board_Diversity_Policy.pdf</p> <p>- Disclosures> “Notice of ASM” https://www.bpiexpressonline.com/p/1/819/notice-of-asm</p> <p>- Disclosures> “Minutes of ASM” https://www.bpiexpressonline.com/p/1/820/minutes-of-asm</p>	
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		<p>- Investor Relations> "Annual Stockholders Meeting" https://www.bpiexpressonline.com/p/0/163/annual-stockholders-meeting</p> <p>- Governance>"Board and Governance"> "Board Matters"> "Performance Evaluation" https://www.bpiexpressonline.com/p/1/1350/performance-evaluation</p> <p>- Governance>"Board and Governance"> "Board Committees"> "Nominations Committee" https://www.bpiexpressonline.com/p/1/787/nominations-committee</p> <p>4. ANNUAL REPORTS https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>- ANNUAL REPORT (2017 Glossy) pp. 90-91, 93-96</p> <p>- ANNUAL REPORT, (2016 Glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 20-IS, pp.1-8, 10-11, 15-16, 39-44 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>5. PSE EDGE</p> <table border="0"> <tr> <td>Template</td> <td>Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td>Name:</td> <td>Date and Time:</td> <td>Form:</td> <td>Circular No.:</td> </tr> <tr> <td>Information Statement</td> <td>Mar 08, 2018 7:51 AM</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017</td> <td></td> <td>CR01608-2017</td> </tr> </table>	Template	Announce	PSE	Report or	Name:	Date and Time:	Form:	Circular No.:	Information Statement	Mar 08, 2018 7:51 AM	17-5	CR01325-2018		Mar 27, 2017		CR01608-2017	
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		<p>11:30AM Mar 07, 2018 7-1 C01445-2018 09:44 AM Mar 27, 2017 C01738-2017 12:32PM</p> <p>[Amend-1]Notice of Annual or Special Stockholders' Meeting</p> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234</p>	
Optional: Recommendation to 2.6			
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.	COMPLIANT	The Ayala Group, which includes BPI, has employees and/or directors who are also Fellows of the Institute of Corporate Directors and has access to the ICD database/members.	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	- "Code of Business Conduct and Ethics", "Conflict of Interest Policy", "Related Party Transactions Policy", Sec. III. A., B., C., 1., 2., pp. 74-78	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	2. BPI WEBSITE - Governance > "Board and Governance"> "Code of Business Conduct and Ethics" https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics - Governance > "Board and Governance"> "Fair Dealing – Related Party Transactions Policy"	

	<p>https://www.bpiexpressonline.com/p/1/1875/fair-dealing-related-party-transactions-policy - Governance> “Board and Governance”> “Board Committees”> “Related Party Transactions Committee” https://www.bpiexpressonline.com/p/1/793/related-party-transaction-committee - Governance> “Board and Governance”> “Board Committees”> “Related Party Transactions Committee”> “Related Party Transactions Committee Charter”</p> <p>3. ANNUAL REPORTS</p> <p>https://www.bpiexpressonline.com/p/1/270/annual-reports - ANNUAL REPORT (2017 Glossy) pp. 105, 109 - ANNUAL REPORT, (2016 Glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf Audited Financial Statements, Note 27, A39-A42, PDF https://www.bpiexpressonline.com/media/uploads/59195603ade26_08_Financial_Report_Part_02_Pages_from_BPI_Annual_Report_Y2016-9.pdf - ANNUAL REPORT ON 20-IS, pp. 8-9, 39-44 and Note 27 of Audited Financial Statements, pp. 100-106, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf - ANNUAL REPORT ON 17-A, Part 1, Item 1., A., 11., pp. 48-49 and Note 27 of Audited Financial Statements, pp. 112-118,</p>	
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Supplement to Recommendations 2.7							
<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>RPTs that are classified as Material Transaction shall be approved by the Board and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting.</p> <p>RPTs involving amounts below the Materiality Threshold shall be approved by the appropriate approving authority and submitted for confirmation by the Board of Directors of BPI or the subsidiary as the case may be. Provided, RPTs involving DOSRI, subsidiaries and affiliates, shall at all times be submitted to the appropriate Board of Directors for approval.</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Transaction Type</th> <th style="text-align: left;">Materiality Threshold</th> </tr> </thead> <tbody> <tr> <td>a. On/Off-balance sheet credit</td> <td></td> </tr> </tbody> </table>	Transaction Type	Materiality Threshold	a. On/Off-balance sheet credit		
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a. On/Off-balance sheet credit							

		<p>exposures and claims</p> <p>b. Borrowings</p> <p>c. Guarantees</p> <p>d. Stand-alone Loan vs. Deposits</p> <p>e. Credit exposure with Bank's DOSRI</p> <p>f. Trading and Derivative transactions</p> <p>g. Investments</p> <p>h. Outward and inward Fund Transfers</p> <p>i. Financial/Operating Lease</p> <p>j. Lease of Property</p> <p>k. Credit Card Lines</p> <p>Any proposed transaction with amount higher than approving limit of CreCom</p> <p>P540M per transaction/contract</p> <p>P270M per transaction/contract</p> <p>P50M per transaction/contract</p> <p>P1M and above</p>	
<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>Ratification by the stockholders is sought for all the acts and the resolutions of the Board of Directors, Executive Committee, and other Board committees and all the acts of Management of the Bank taken or adopted since the prior year's annual stockholders' meeting until the current one. The acts and resolutions of the Board and its committees include approval of contracts and transactions entered into by the Bank, credit/loan transactions including to related parties, projects and investments, treasury matters, manpower related decisions/approvals, corporate governance-related actions, and acts and resolutions covered by disclosures to the Securities and Exchange Commission (SEC) and the</p>	

		<p>Philippine Stock Exchange (PSE). The acts of Management were those taken to implement the resolutions of the Board or its committees or taken in the general conduct of business.</p> <p>Approval by the stockholders will need the affirmative vote of at least a majority of the issued and outstanding stock entitled to vote and represented at the meeting. Each outstanding share of stock entitles the registered holder to one vote. All votes received shall be tabulated by the Office of the Corporate Secretary and the results will be validated by the Bank's external auditor.</p>	
Recommendation 2.8			
<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>Identity the Management team appointed.</p> <p>As stated in the Bank's Amended By-Laws and Manual of Corporate Governance, the Personnel and Compensation Committee reviews and evaluates the qualifications of all persons nominated to positions in the Bank which require appointment by the Board. In addition, other Board-level committees are also mandated under specific BSP Circulars to appoint certain heads of control functions such as the Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer.</p> <p>1. ARTICLES OF INCORPORATION and AMENDED BY-LAWS, Article VI, VII-A, pp. 7-9, 12 https://www.bpiexpressonline.com/media/uploads/592bcc524c043_BPI_AOI_2015.pdf https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p>	

	<p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <ul style="list-style-type: none"> - <i>“Specific Duties and Responsibilities of the Board”</i>, Sec. II.A., 10., a. i.-iii., c. xii., pp. 23-24, 28 - <i>“Operating Management”</i>, Sec. II.D., pp. 63-64, 69-72 - <i>“Personnel and Compensation Committee Charter”</i>, Sec. II.C., 3., pp. 46-49 - <i>“Risk Management Committee Charter”</i>, Sec. II.C., 3., p. 56-57 - <i>“Audit Committee Charter”</i>, Sec. II.C., 3., pp. 51 <p>3. BPI WEBSITE</p> <ul style="list-style-type: none"> - Governance > “Board and Governance” > “Board Matters” > “Remuneration” https://www.bpiexpressonline.com/p/1/804/remuneration - Governance > “Board and Governance” > “Board Committees” > “Personnel and Compensation Committee” > “Personnel and Compensation Committee Charter” https://bpiexpressonline.com/media/uploads/56ea6462df2ab_Personnel_and_Compensation_Committee_Charter.pdf - Governance > “Board and Governance” > “Board Committees” > “Risk Management Committee” https://www.bpiexpressonline.com/p/1/789/risk-management-committee - Governance > “Board and Governance” > “Board Committees” > “Risk Management Committee” > “Risk Management Committee Charter” 	
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		<p>- Governance> "Board and Governance"> "Board Committees"> "Audit Committee" https://www.bpiexpressonline.com/p/1/788/audit-committee</p> <p>- Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p> <p>As of December 31, 2017: President and CEO – Cezar P. Consing Executive Vice President, Corporate Clients – Daniel Gabriel M. Montecillo Executive Vice President, Financial Products and services – Simon R. Paterno Executive Vice President, Global Markets – Antonio V. Paner Executive Vice President, Strategy and Development – Joseph Albert L. Gotuaco Executive Vice President, Enterprise Services – Ramon L. Jocson Executive Vice President, Retail Clients – Natividad N. Alejo Chief Financial Officer – Maria Theresa Marcial Javier Chief Credit Officer – Joseph Anthony M. Alonso Chief Risk Officer – Edgardo O. Madrilejo Chief Audit Executive – Rosemarie B. Cruz Chief Compliance Officer – Marita Socorro D. Gayares</p>	
<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>As stated in the Bank's Amended By-Laws and Manual of Corporate Governance, the Personnel and Compensation Committee oversees the performance evaluation process within the Bank which includes annual review and approval of the corporate goals and objectives relevant to CEO, senior management and other key officers of the Bank. Senior management provides the PerCom an annual report regarding the performance review for key officers. Related to executive succession planning, this also includes talent reviews for other high potential individuals to ensure that there is a sufficient pool of qualified internal candidates to fill senior and leadership positions and to identify opportunities, performance gaps and next steps as part of the Bank's executive succession planning and development process, all of which shall be reviewed with the PerCom.</p> <p>In addition, other Board-level committees are also mandated under the BSP Manual of Regulation for Banks and specific BSP Circulars to review the performance of certain heads of control functions, i.e., Chief Risk Officer, Chief Audit Executive, etc. Assessment of performance is done annually. More information can be found in the following documents:</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S</p>	
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		<p>ECCGPLCCCodeCompliant for SEC PSE posting 052917.pdf</p> <ul style="list-style-type: none"> - <i>“Specific Duties and Responsibilities of the Board”</i>, Sec. II.A., 10., a. i.-iii., c. xii., pp. 23-24, 28 - <i>“Personnel and Compensation Committee Charter”</i>, Sec. II.C., 3., pp. 46-48 - <i>“Risk Management Committee Charter”</i>, Sec. II.C., 3., p. 56-57 - <i>“Audit Committee Charter”</i>, Sec. II.C., 3., pp. 51 <p>2. BPI WEBSITE</p> <ul style="list-style-type: none"> - Governance> “Board and Governance”> “Board Matters”> “Remuneration” https://www.bpiexpressonline.com/p/1/804/remuneration - Governance> “Board and Governance”> “Board Committees”> “Personnel and Compensation Committee”> “Personnel and Compensation Committee Charter” https://bpiexpressonline.com/media/uploads/56ea6462df2ab_Personnel_and_Compensation_Committee_Charter.pdf - Governance> “Board and Governance”> “Board Committees”> “Risk Management Committee” https://www.bpiexpressonline.com/p/1/789/risk-management-committee - Governance> “Board and Governance”> “Board Committees”> “Risk Management Committee”> “Risk Management Committee Charter” - Governance> “Board and Governance”> “Board Committees”> “Audit Committee” https://www.bpiexpressonline.com/p/1/788/audit-committee 	
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		- Governance> “Board and Governance”> “Board Committees”> “Audit Committee”> “Audit Committee Charter”	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel. The Personnel and Compensation Committee directs and ensures the development and implementation of long-term strategies and plans for the Bank's human resources, in alignment with the Board's vision for the organization. Performance is generally measured on the performance of the employee, the business unit, or the Bank as a whole, or using a combination of all as the executive's responsibilities may dictate. Factors include revenues, volume, earnings, earnings per share, return on equity, return on assets, capital strength, risk containment, corporate governance, customer satisfaction, adherence to corporate values, contributions both to operating unit and company-wide achievement, and long-term direction of the Bank. The performance management framework considers the following components: A. Goals – actual results of a given period’s business objectives B. Core competencies – behavior, technical competencies and soft skills exhibited by the employee during the period under review C. Fitness and propriety – employee’s continuous efforts to the skills and requirements needed Performance management cycle:	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		

		<p>1. Goal Setting – KRAs, KPIs, KPOs, Performance rating standards and Weights 2. Performance monitoring 3. Performance appraisal 4. Performance reinforcement 5. Performance improvement More comprehensive details on the Bank’s performance management framework can be found in the Bank’s Management Operating Manual database which, however, is only for internal use and contains confidential, proprietary information.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Specific Duties and Responsibilities of the Board”, Sec. II.A., 10., a. i.-iii., c. xii., pp. 23-24, 28 - “Personnel and Compensation Committee Charter”, Sec. II.C., 3., pp. 46-48</p> <p>2. BPI WEBSITE - Governance> “Board and Governance”> “Board Matters”> “Remuneration” https://www.bpiexpressonline.com/p/1/804/remuneration - Governance> “Board and Governance”> “Board Committees”> “Personnel and Compensation Committee”> “Personnel and Compensation Committee Charter”</p>	
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		https://bpiexpressonline.com/media/uploads/56ea6462df2ab/Personnel and Compensation Committee Charter .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	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91 BPI Corporate Governance Manual Rev S ECCGPLCCodeCompliant for SEC PSE posting 052917.pdf - "Compliance system and Internal Control", "Internal Audit and Control", Sec. IV.B., p. 84 - "Code of Business Conduct and Ethics", "Conflict of Interest Standards", "Whistleblower Policy", "Anti-Bribery and Anti-Corruption Policy", "compliance with Code", Sec. IV.A.-C., pp. 74-83</p> <p>2. BPI WEBSITE - Governance> "Internal Audit and Control"> "Internal Audit Charter" - Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter" - Governance> "Internal Audit and Control"> "Report of the Audit Committee" https://www.bpiexpressonline.com/media/uploads/5919552f18b49 07 Financial Report Part 01 Pages from BPI Annual Report Y2016-8.pdf</p>	

		<p>3. ANNUAL REPORTS</p> <ul style="list-style-type: none"> - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 99-108 - ANNUAL REPORT, (2016 Glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf - ANNUAL REPORT ON 17-A, Part II, Item 7., pp. 30-32 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, B. Item 7., pp. 13-14 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf 	
3. Board approves the Internal Audit Charter.	COMPLIANT	<p>Provide reference or link to the company's Internal Audit Charter</p> <p>1. BPI WEBSITE - Governance> "Internal Audit and Control"> "Internal Audit Charter" https://www.bpiexpressonline.com/p/1/816/internal-audit-and-control</p>	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	<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>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>Information showing the Board’s oversight responsibility on the Bank’s enterprise risk management framework is discussed in the documents below. Effectiveness of risk management strategies is also reported in the risk management sections of the annual reports.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Risk Management Function” and “Risk Management Committee”</i>, Sec. II.C.5. & Sec. V., pp. 56, 86</p> <p>- <i>“Compliance System and Internal Control”</i>, Sec. IV., A.-C., pp. 84-85</p> <p>2. BPI WEBSITE - Governance> “Enterprise Risk Management” https://www.bpiexpressonline.com/p/1/815/enterprise-risk-management - Governance>“Board and Governance”> “Board Committees”> “Risk Management Committee”> “Risk Management Committee Charter” https://bpiexpressonline.com/media/uploads/57454deef29d7_Approved_Risk_Management_Committee_082715.pdf - Governance> “Internal Audit and Control”> “Internal Audit Charter”</p>	
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		Information Statement Mar 08, 2018 17-5 7:51 AM CR01325-2018 Mar 27, 2017 11:30AM CR01608-2017 Annual Report Apr 13, 2018 17-1 03:30 PM CR02159-2018 http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	1. BPI WEBSITE - Governance > " Board and Governance " > " Board Matters " > " Board Charter " https://www.bpiexpressonline.com/p/1/1346/board-charter	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - " Board Governance " and " Board Charter ", Sec. II.A.12. p. 33	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or link/reference to a document showing company's insider trading policy.	
		1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance	

	<p>https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Code of Business Conduct and Ethics”, “Employee Code of Conduct”, “Director’s Code of Conduct”, “Conflict of Interest Policy”, “Insider Trading Policy”, Sec. III. A.- C., pp. 74-80</i></p> <p>2. BPI WEBSITE</p> <p>- <i>Disclosures> “SEC Filings”> “SEC Form 23 A/B (Statement of Beneficial Ownership)”</i></p> <p>https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- <i>Governance> “Board and Governance”> “Insider Ownership – Insider Trading Policy”</i></p> <p>https://www.bpiexpressonline.com/p/1/1874/insider-ownership-insider-trading-policy</p> <p>- <i>Governance> “Board and Governance”> “Code of Business Conduct and Ethics”> “Insider Trading Policy”</i></p> <p>https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics</p> <p>- <i>Investor Relations> “Stock Information”> “Top 100 Stockholders”</i></p> <p>3. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy)</p> <p>https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>p. 109</p> <p>- ANNUAL REPORT, (2016 glossy), G1-G28 PDF</p> <p>https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 17-A, Item 11., pp. 46-49</p>	
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Optional: Principle 2

<p>1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Code of Business Conduct and Ethics", "Conflict of Interest Policy", "Related Party Transactions Policy", Sec. III. A.,B., C.,1., 2., pp. 74-78</p> <p>2. BPI WEBSITE - Governance> "Board and Governance"> "Code of Business Conduct and Ethics" https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics - Governance> "Board and Governance"> "Board Committees"> "Related Party Transactions Committee" https://www.bpiexpressonline.com/p/1/793/related-party-transaction-committee - Governance> "Board and Governance"> "Board Committees"> "Related Party Transactions Committee"> "Related Party Transactions Committee Charter"</p> <p>3. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 109 - ANNUAL REPORT, (2016 glossy) G1-G28 PDF</p>	
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2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	Indicate the types of decision requiring board of directors' approval and where there are disclosed.																																	

		<p>RPTs that are classified as Material Transaction shall be approved by the Board and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting.</p> <p>RPTs involving amounts below the Materiality Threshold shall be approved by the appropriate approving authority and submitted for confirmation by the Board of Directors of BPI or the subsidiary as the case may be. Provided, RPTs involving DOSRI, subsidiaries and affiliates, shall at all times be submitted to the appropriate Board of Directors for approval.</p> <table border="0"> <thead> <tr> <th data-bbox="1016 632 1301 659">Transaction Type</th> <th data-bbox="1384 632 1644 659">Materiality Threshold</th> </tr> </thead> <tbody> <tr> <td data-bbox="1016 667 1301 799">a. On/Off-balance sheet credit exposures and claims</td> <td data-bbox="1346 667 1659 767">Any proposed transaction with amount higher than approving limit of CreCom</td> </tr> <tr> <td data-bbox="1016 807 1211 834">b. Borrowings</td> <td></td> </tr> <tr> <td data-bbox="1016 842 1211 869">c. Guarantees</td> <td></td> </tr> <tr> <td data-bbox="1016 877 1301 943">d. Stand-alone Loan vs. Deposits</td> <td data-bbox="1346 877 1592 943">P540M per transaction/contract</td> </tr> <tr> <td data-bbox="1016 951 1290 1016">e. Credit exposure with Bank's DOSRI</td> <td></td> </tr> <tr> <td data-bbox="1016 1024 1211 1125">f. Trading and Derivative transactions</td> <td></td> </tr> <tr> <td data-bbox="1016 1133 1211 1160">g. Investments</td> <td></td> </tr> <tr> <td data-bbox="1016 1168 1301 1233">h. Outward and inward Fund Transfers</td> <td></td> </tr> <tr> <td data-bbox="1016 1241 1301 1307">i. Financial/Operating Lease</td> <td data-bbox="1346 1241 1592 1307">P270M per transaction/contract</td> </tr> <tr> <td data-bbox="1016 1315 1279 1342">j. Lease of Property</td> <td data-bbox="1346 1315 1592 1380">P50M per transaction/contract</td> </tr> <tr> <td data-bbox="1016 1382 1279 1409">k. Credit Card Lines</td> <td data-bbox="1346 1382 1525 1409">P1M and above</td> </tr> </tbody> </table>	Transaction Type	Materiality Threshold	a. On/Off-balance sheet credit exposures and claims	Any proposed transaction with amount higher than approving limit of CreCom	b. Borrowings		c. Guarantees		d. Stand-alone Loan vs. Deposits	P540M per transaction/contract	e. Credit exposure with Bank's DOSRI		f. Trading and Derivative transactions		g. Investments		h. Outward and inward Fund Transfers		i. Financial/Operating Lease	P270M per transaction/contract	j. Lease of Property	P50M per transaction/contract	k. Credit Card Lines	P1M and above	
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h. Outward and inward Fund Transfers																											
i. Financial/Operating Lease	P270M per transaction/contract																										
j. Lease of Property	P50M per transaction/contract																										
k. Credit Card Lines	P1M and above																										

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.

Recommendation 3.1

<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>1. AMENDED BY-LAWS, Article VI, VII, pp. 10-13 https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Size and Composition”, “Specific Duties and Responsibilities of the Board”, Sec. II.A.3., 12., pp. 7, 22-30</i></p> <p>- <i>“Board Committees”, “Executive Committee”, “Nomination Committee”, “Audit Committee”, “Risk Committee”, “Corporate Governance Committee”, “Personnel and Compensation Committee”, “Related Party Transactions Committee”, “Retirement/Pension Committee”, Sec. II. C., 2., pp. 44-62</i></p> <p>3. BPI WEBSITE - Governance> “Board and Governance”> “Board Matters”> “Board Charter” https://www.bpiexpressonline.com/p/1/1346/board-charter</p>	
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	<p>- Governance> "Board and Governance"> "Board Committees" https://www.bpiexpressonline.com/p/1/784/committees-and-charters</p> <p>4. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 93-96</p> <p>- ANNUAL REPORT, (2016 glossy), pp.G6-G9 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 20-IS, Discussion of compliance with leading practices on corporate governance, pp. 40-42; Annex A, pp. 13-18 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>5. PSE EDGE</p> <table border="0"> <tr> <td>Template Name: Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td>Information Statement</td> <td>Date and Time: Mar 8, 2018 7:51 AM</td> <td>Form: 17-5 Circular No.: CR01325-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017 11:30AM</td> <td>CR01608-2017</td> </tr> </table> <p>http://edge.pse.com.ph/companyDisclosures/form.do?company_id=234</p>	Template Name: Announce	PSE	Report or	Information Statement	Date and Time: Mar 8, 2018 7:51 AM	Form: 17-5 Circular No.: CR01325-2018		Mar 27, 2017 11:30AM	CR01608-2017	
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Recommendation 3.2

<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 Audit Committee recommends to the Board of Directors the appointment, re-appointment, and removal of a BSP- accredited external auditor for the purpose of preparing or issuing an audit report or related work. The appointment, re-appointment, and removal of the external auditor must be ratified by the shareholders. The Committee also assesses the external auditor's effectiveness, integrity, independence and objectivity, ensuring that key partners are rotated at appropriate intervals; and removes the external auditors if circumstances warrant. The Committee also oversees the resolution of disagreements between management and the external auditors in the event that they arise.</p> <p>1. AMENDED BY-LAWS, Article VII, p. 13 https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Size and Composition", "Specific Duties and Responsibilities of the Board", Sec. II.A.3., 12., pp. 7, 22-30</p>	
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		<p>- "Board Committees", "Audit Committee", Sec. II. C., 2., pp. 49-56</p> <p>3. BPI WEBSITE</p> <p>- Governance > "Board and Governance" > "Board Committees"</p> <p>https://www.bpiexpressonline.com/p/1/784/committees-and-charters</p> <p>- Governance > "Board and Governance" > "Board Committees" > "Audit Committee" > "Audit Committee Charter"</p>	
<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>1. BPI WEBSITE</p> <p>- Governance > "Board and Governance" > "Board Committees" > "Audit Committee"</p> <p>https://www.bpiexpressonline.com/p/1/788/audit-committee</p> <p>- Governance > "Board and Governance" > "Board Committees" > "Audit Committee" > "Audit Committee Charter"</p> <p>- About Us > "Leadership" > "Board of Directors"</p> <p>https://bpiexpressonline.com/p/1/751/board-of-directors</p> <p>https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>2. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy)</p> <p>https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>pp. 93-96</p> <p>- ANNUAL REPORT, (2016 glossy), pp.1-15 PDF</p>	

		<p>https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_Principal_Officers_Pages_from_BPI_Annual_Report_Y2016-4.pdf - ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39</p> <p>https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Item 5., pp. 5-6; Annex A, pp. 13-18 PDF</p> <p>https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>3. PSE EDGE</p> <table border="0"> <tr> <td>Template Name: Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td>Information Statement</td> <td>Date and Time: Mar 8, 2018 7:51 AM</td> <td>Form: 17-5</td> </tr> <tr> <td></td> <td>Mar 27, 2017 11:30AM</td> <td>Circular No.: CR01325-2018</td> </tr> <tr> <td>Annual Report</td> <td>Apr 13, 2018 03:30 PM</td> <td>CR01608-2017</td> </tr> <tr> <td></td> <td></td> <td>CR02159-2018</td> </tr> </table>	Template Name: Announce	PSE	Report or	Information Statement	Date and Time: Mar 8, 2018 7:51 AM	Form: 17-5		Mar 27, 2017 11:30AM	Circular No.: CR01325-2018	Annual Report	Apr 13, 2018 03:30 PM	CR01608-2017			CR02159-2018	
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<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>Same link and information as in Recommendation 3.2, #2 above.</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>																

		Same link and information as in Recommendation 3.2, #2 above.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <p>Approval of audit and non-audit services is included in the Duties and Responsibilities of the Audit Committee, as stated in the Committee Charter. There were no non-audit services in 2017 as may be verified in the annual reports and Report of the Audit Committee to the Board.</p> <p>1. BPI WEBSITE - Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter" - Governance> "Internal Audit and Control"> "Report of the Audit Committee"</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 108 - ANNUAL REPORT, (2016 glossy), p.21 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf - ANNUAL REPORT ON 17-A, thru Part II., Item 7., p. 30-32 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, B., Item 7., p. 13 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-</p>	

		Definitive Information Statement (Final - for Disclosure) 030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	<p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <p>1. BPI WEBSITE - Governance> “Internal Audit and Control”> “Report of the Audit Committee”</p>	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	COMPLIANT	<p>Indicate the number of Audit Committee meetings during the year and provide proof</p> <p>In 2017, the Audit Committee had 14 meetings. Information on this can be found on the company website and annual reports.</p> <p>1. BPI WEBSITE - Governance> “Board and Governance”> “Board Committees”> “Audit Committee” https://www.bpiexpressonline.com/p/1/788/audit-committee - Governance> “Board and Governance”> “Board Committees”> “Audit Committee”> “Audit Committee Charter” - Governance> “Internal Audit and Control”> “Report of the Audit Committee”</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports</p>	

		<p>pp. 93-96, A155</p> <p>- ANNUAL REPORT, (2016 glossy), Committee Attendance, p.15 PDF</p> <p>https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_PrincipalOfficers_Pages_from_BPI_Annual_Report_Y2016-4.pdf</p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <p>Audit Committee approval of the appointment of the Chief Audit Executive or Internal Auditor is found in the Audit Committee Charter under Duties and Responsibilities. The Audit Committee also evaluates the performance of the CAE following guidelines set by the Bank for performance evaluation of officers. There has been no instance in recent years and in 2017 when the Audit Committee had to approve the removal of the CAE or internal auditor.</p> <p>1. BPI WEBSITE</p> <p>- Governance> "Board and Governance"> "Board Committees"> "Audit Committee"</p> <p>https://www.bpiexpressonline.com/p/1/788/audit-committee</p> <p>- Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p> <p>- Governance> "Internal Audit and Control"> "Report of the Audit Committee"</p>	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions	

<p>corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</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 Committee oversees the conduct of the annual Board of Directors self-assessment. Key evaluation factors of the assessments include specific aspects involving content, process or dynamic: the functions of the board, board strategy and effectiveness, board structure and committees, chairperson's, committee's and individual director's performance. Director's alignment with leadership fundamentals, including Bank strategy, is part of the assessment.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <ul style="list-style-type: none"> - <i>"Size and Composition", "Specific Duties and Responsibilities of the Board", "Board Governance", "Performance Evaluation",</i> Sec. II.A.3., 12., pp. 7, 22-30, 36 - <i>"Board Committees", "Corporate Governance Committee",</i> Sec. II. C., 2., pp. 58-60 <p>2. BPI WEBSITE</p> <ul style="list-style-type: none"> - Governance > "Board and Governance" > "Board Committees" https://www.bpiexpressonline.com/p/1/784/committees-and-charters - Governance > "Board and Governance" > "Board Committees" > > "Corporate Governance Committee" 	
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		<p>https://www.bpiexpressonline.com/p/1/786/corporate-governance-committee - Governance> "Board and Governance"> "Board Committees"> > "Corporate Governance Committee"> "Corporate Governance Committee Charter" - Governance> "Board and Governance"> "Board Matters"> "Performance Evaluation"</p>	
<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>1. BPI WEBSITE - Governance> "Board and Governance"> "Board Committees"> > "Corporate Governance Committee" https://www.bpiexpressonline.com/p/1/786/corporate-governance-committee - Governance> "Board and Governance"> "Board Committees"> > "Corporate Governance Committee"> "Corporate Governance Committee Charter" - About Us> "Leadership"> "Board of Directors" https://bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 93-96 - ANNUAL REPORT, (2016 glossy), pp.1-15 PDF</p>	

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<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> <p>Same link and information as in Recommendation 3.3, #2 above for profile of Chairman.</p>																
<p>Optional: Recommendation 3.3.</p>																		

<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 2017, the Corporate Governance Committee had 4 meetings. Information on this can be found on the company website and annual reports.</p> <p>1. BPI WEBSITE - Governance > "Board and Governance" > "Board Committees" https://www.bpiexpressonline.com/p/1/784/committees-and-charters - Governance > "Board and Governance" > "Board Committees" > > "Corporate Governance Committee" https://www.bpiexpressonline.com/p/1/786/corporate-governance-committee - Governance > "Board and Governance" > "Board Committees" > > "Corporate Governance Committee" > "Corporate Governance Committee Charter"</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports p. A155 - ANNUAL REPORT, (2016 glossy), Committee, Attendance, p.15 PDF https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_PrincipalOfficers_Pages_from_BPI_Annual_Report_Y2016-4.pdf</p>	
<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</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>system to ensure its functionality and effectiveness.</p>		<p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Size and Composition”, “Specific Duties and Responsibilities of the Board”, Sec. II.A.3., 12., pp. 7, 22-30 - “Board Committees”, “Risk Management Committee”, Sec. II. C., 2., pp. 56-58 2. BPI WEBSITE - Governance> “Board and Governance”> “Board Committees” https://www.bpiexpressonline.com/p/1/784/committees-and-charters - Governance> “Board and Governance”> “Board Committees”> > “Risk Management Committee” https://www.bpiexpressonline.com/p/1/789/risk-management-committee - Governance> “Board and Governance”> “Board Committees”> > “Risk Management Committee”> “Risk Management Committee Charter”</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>1. BPI WEBSITE - Governance> “Board and Governance”> “Board Committees”> > “Risk Management Committee” https://www.bpiexpressonline.com/p/1/789/risk-management-committee</p>	

		<p>- Governance> "Board and Governance"> "Board Committees"> > "Risk Management Committee"> "Risk Management Committee Charter"</p> <p>- About Us> "Leadership"> "Board of Directors" https://bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>2. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 93-96</p> <p>- ANNUAL REPORT, (2016 glossy) pp.1-15 PDF https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_Principal_Officers_Pages_from_BPI_Annual_Report_Y2016-4.pdf</p> <p>- ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, Item 5., pp. 5-6; Annex A, pp. 13-18 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>3. PSE EDGE</p> <p>Template Name: Announce PSE Report or Date and Time: Form: Circular No.: Information Statement Mar 8, 2018 17-5 CR01325-2018 7:51 AM</p>	
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<p>3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.</p>	<p>NON-COMPLIANT (for 2017); COMPLIANT (Current)</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the BROCC</p> <p>Same link and information as in Recommendation 3.4, #2 above.</p>	<p>1. Interrelatedness of Risk and Related Part Transactions Functions. For 2017, Mr./Director Octavio R. Espiritu was Chairman of both the Risk Management Committee and the Related Party Transactions Committee and a member of the Audit Committee. Typically, in fact, a Control, Risk and Related Party Transactions Committee is common in other jurisdictions, particularly in Europe. The aggrupation of such functions in one board-level committee particularly for management of risk and related party transactions, allows the Board to have a more cohesive, seamless and comprehensive appreciation of proper risk assessment and treatment of transactions with interested parties.</p> <p>BPI's Related Party Transactions Committee was created in 2014 and from its</p>

			onset, was chaired by Mr./Director Espiritu. Nevertheless, this has been remediated at the latest Annual Stockholders Meeting on April 19, 2018 for the 2018-2019 term of the Board of Directors where Mr./Director Espiritu now only chairs the Risk Management Committee.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC. Same link and information as in Recommendation 3.4, #2 above.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions. 1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Size and Composition", "Specific Duties and Responsibilities of the Board", Sec. II.A.3., 12., pp. 7, 22-30 - "Board Committees", "Related Party Transactions Committee", Sec. II. C., 2., pp. 60-62	

		<p>2. BPI WEBSITE</p> <ul style="list-style-type: none"> - Governance > "Board and Governance" > "Board Committees" https://www.bpiexpressonline.com/p/1/784/committees-and-charters - Governance > "Board and Governance" > "Board Committees" > > "Related Party Transactions Committee" https://www.bpiexpressonline.com/p/1/793/related-party-transaction-committee - Governance > "Board and Governance" > "Board Committees" > > "Related Party Transactions Committee" > "Related Party Transactions Committee Charter" 	
<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>1. BPI WEBSITE</p> <ul style="list-style-type: none"> - Governance > "Board and Governance" > "Board Committees" > > "Related Party Transactions Committee" https://www.bpiexpressonline.com/p/1/793/related-party-transaction-committee - About Us > "Leadership" > "Board of Directors" https://bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2 <p>2. ANNUAL REPORTS</p> <ul style="list-style-type: none"> - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 93-96 - ANNUAL REPORT, (2016 glossy), pp.1-15 PDF 	

		<p>https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_PrincipalOfficers_Pages_from_BPI_Annual_Report_Y2016-4.pdf - ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39</p> <p>https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Item 5., pp. 5-6; Annex A, pp. 13-18 PDF</p> <p>https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>3. PSE EDGE</p> <table border="0"> <tr> <td>Template Name: Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td>Information Statement</td> <td>Date and Time: Mar 8, 2018 7:51 AM</td> <td>Form: 17-5</td> </tr> <tr> <td></td> <td>Mar 27, 2017 11:30AM</td> <td>Circular No.: CR01325-2018</td> </tr> <tr> <td>Annual Report</td> <td>Apr 13, 2018 03:30 PM</td> <td>CR01608-2017</td> </tr> <tr> <td></td> <td></td> <td>CR02159-2018</td> </tr> </table>	Template Name: Announce	PSE	Report or	Information Statement	Date and Time: Mar 8, 2018 7:51 AM	Form: 17-5		Mar 27, 2017 11:30AM	Circular No.: CR01325-2018	Annual Report	Apr 13, 2018 03:30 PM	CR01608-2017			CR02159-2018	
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Recommendation 3.6																		
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.																
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	1. AMENDED BY-LAWS, Article VI, VII, pp. 10-13 https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf																

	<p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <ul style="list-style-type: none"> - <i>“Size and Composition”, “Specific Duties and Responsibilities of the Board”, Sec. II.A.3., 12., pp. 7, 22-30</i> - <i>“Board Committees”, “Executive Committee”, “Nomination Committee”, “Audit Committee”, “Risk Committee”, “Corporate Governance Committee”, “Personnel and Compensation Committee”, “Related Party Transactions Committee”, “Retirement/Pension Committee”, Sec. II. C., 2., pp. 44-62</i> <p>3. BPI WEBSITE</p> <ul style="list-style-type: none"> - Governance> “Board and Governance”> “Board Committees”> “Audit Committee”> “Audit Committee Charter” - Governance> “Board and Governance”> “Board Committees”> > “Corporate Governance Committee”> “Corporate Governance Committee Charter” - Governance> “Board and Governance”> “Board Committees”> > “Risk Management Committee”> “Risk Management Committee Charter” - Governance> “Board and Governance”> “Board Committees”> > “Related Party Transactions Committee”> “Related Party Transactions Committee Charter” - Governance> “Board and Governance”> “Board Committees”> > “Nominations Committee”> “Nominations Committee Charter” <p>https://bpiexpressonline.com/media/uploads/56ea6462db5bb_BPI_Nomination_Committee_Charter.pdf</p>	
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		<p>- Governance> "Board and Governance"> "Board Committees"> > "Personnel and Compensation Committee"> "Personnel and Compensation Committee Charter" https://bpiexpressonline.com/media/uploads/56ea6462df2ab Personnel and Compensation Committee Charter.pdf</p> <p>- Governance> "Board and Governance"> "Board Committees"> > "Retirement Pension Committee"> "Retirement Pension Committee Charter" https://bpiexpressonline.com/media/uploads/56ea6462df2ab BPI Pension Retirement Committee Charter.pdf</p> <p>- Governance> "Board and Governance"> "Board Committees"> > "Executive Committee"> "Executive Committee Charter" https://bpiexpressonline.com/media/uploads/56ea6462db5bb BPI Article VII Executive Committee.pdf</p>	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p>https://www.bpiexpressonline.com/p/1/784/committees-and-charters</p> <p>Above landing page provides direct links to charters; same website links as in Recommendation 3.6, #2 above.</p>	
<p>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.</p>			
<p>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.	COMPLIANT	<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>The Bank generally follows the guidelines provided by SEC Memorandum Circular No. 15, Series of 2001.</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>During 2017, the Board reported attendance in its respective meetings as shown in the link below. Where a Director could not attend meetings owing to prior commitments or other unavoidable circumstances, he or she provided input to the Chairman so that his or her views were known. Average attendance at the Board's 14 meetings in 2017 was 94%. Board and committee as well as shareholder meeting attendance is also disclosed in the various annual reports and on the company website.</p> <p>1. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. 93-96</p> <p>2. BPI WEBSITE https://www.bpiexpressonline.com/p/1/794/board-governance-meetings-quorums-and-attendance - Governance> "Board and Governance"> "Board Committees"> "Audit Committee" - Governance> "Board and Governance"> "Board Committees"> > "Corporate Governance Committee" - Governance> "Board and Governance"> "Board Committees"> > "Risk Management Committee" - Governance> "Board and Governance"> "Board Committees"> > "Related Party Transactions Committee"</p>	
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		<p>- Governance> “Board and Governance”> “Board Committees”> “Nominations Committee”</p> <p>- Governance> “Board and Governance”> “Board Committees”> > “Personnel and Compensation Committee”</p> <p>- Governance> “Board and Governance”> “Board Committees”> > “Retirement Pension Committee”</p> <p>- Governance> “Board and Governance”> “Board Committees”> > “Executive Committee”</p>	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>The Corporate Secretary confirms that business units comply with the internal policy to make Board materials available to the directors for review at least five (5) days in advance of the scheduled meeting.</p> <p>https://www.bpiexpressonline.com/p/1/794/board-governance-meetings-quorums-and-attendance</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p>Items placed on the board agenda are those that have the most fundamental importance and broad policy implications for the bank. Directors are free to suggest items for inclusion in the agenda, and are free to raise at any board meeting subjects that are not on the agenda for that meeting. At the chairman’s discretion, any agenda items may also be referred for discussion in the respective committees.</p> <p>The chairman presides over meetings of the board. The vice chair presides in the absence of the chair. Board and committee meetings are conducted consistent with the bank’s By-Laws and Robert’s Rules of Order. The Corporate Secretary rules on all disputed questions of procedure. Discussions during the board meetings are</p>	

		<p>open and independent views are given due consideration.</p> <p>Minutes of Board and Committee Meetings are considered highly confidential and may contain proprietary information. The Corporate Secretary confirms that such board discussions/clarificatory questions/requests for more in-depth reports or analysis/independent director's dissent regularly take place and was evident as well in 2017.</p>	
Recommendation 4.2			
<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>Yes, the Bank has a Policy on Directorships. The Bank has adopted a policy limiting directorships of non-executive directors in publicly-listed companies to a maximum of five (5), with the express provision that said limit cannot apply if this will violate stockholders' rights, i.e., ownership.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Governance Structure", "Directors", "Policies on Directorships", Sec. II.B.2., pp. 40-41</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>	

		<p>Information on directorships of the members of the Board in listed and non-listed companies can be found in the following:</p> <p>1. BPI WEBSITE - <i>About Us</i>> <i>Leadership</i>> <i>Board of Directors</i> https://bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. A149-A152 - ANNUAL REPORT, (2016 glossy), pp.1-15 PDF https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10 Board of Directors and Principal Officers Pages from BPI Annual Report Y2016-4.pdf - ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Item 5., pp. 5-6; Annex A, pp. 14-19 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c BPI 2018 ASM - Definitive Information Statement (Final for Disclosure) 030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6 BPI Definitive 20-IS (2017).pdf</p> <p>3. PSE EDGE Template Name: Announce PSE Report or Date and Time: Form: Circular No.: 17-5 CR01325-2018</p>	
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Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed. The Corporate Secretary confirms that directors advise the Chairman/advise the Board through the Office of the Corporate Secretary prior to acceptance of directorships/chairmanships in other companies. Updated bio-datas of newly-elected and re-elected directors, are submitted by the directors, and forwarded annually to the BSP for confirmation as well.	
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	The only Executive Director, Cezar P. Consing, is an Independent Director of Jollibee Corporation and regular Director of National Reinsurance Corporation for the year 2017. Same links as in #1, Recommendation 4.2 above.	
2. Company schedules board of directors' meetings before the start of the financial year. 3.	COMPLIANT	Board of Director's meetings are scheduled at the beginning of the year, immediately after the annual stockholders meeting, to cover the full term of the newly elected or re-elected members of the Board, reckoned from the date of the current year's annual stockholders' meeting to that of the following year. 1. BPI WEBSITE	

		<p>- Governance> "Board and Governance"> "Board Matters"> "Board Governance, Meetings, Quorum and Attendance" https://www.bpiexpressonline.com/p/1/794/board-governance-meetings-quorums-and-attendance</p>	
4. Board of directors meet at least six times during the year.	COMPLIANT	<p>Indicate the number of board meetings during the year and provide proof</p> <p>Our Board meets as often as is necessary for the effective discharge of its obligations. Currently, regular board meetings are convened in accordance with a monthly cycle (at least 12 a year), and special meetings may be called for as needed.</p> <p>In 2017, the Board reported attendance in its respective meetings as shown in the link below. Where a Director could not attend meetings owing to prior commitments or other unavoidable circumstances, he or she provided input to the Chairman so that his or her views were known. Average attendance at the Board's 14 meetings in 2017 was 94%.</p> <p>https://www.bpiexpressonline.com/p/1/794/board-governance-meetings-quorums-and-attendance</p> <p>1. BPI WEBSITE - Governance> "Board and Governance"> "Board Matters"> "Board Governance, Meetings, Quorum and Attendance" https://www.bpiexpressonline.com/p/1/794/board-governance-meetings-quorums-and-attendance</p>	
5. Company requires as minimum quorum of at least 2/3 for board decisions.	NON-COMPLIANT	Indicate the required minimum quorum for board decisions	The Amended By-Laws of the Bank state that a majority of the members of the Board of

			<p>Directors shall constitute a quorum at any meeting for the transaction of business and every decision of the majority of the quorum duly assembled as a board shall be valid as a corporate act, unless otherwise provided in these By-Laws. The current size of the Board (15) as well as its composition of 14 out of 15 Non-Executive Directors provides for a majority as a practical minimum quorum that also safeguards stakeholders with respect to decisions of the board.</p> <p>1. AMENDED BY-LAWS, Article V, p. 7</p> <p>https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p>
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Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board</p> <p>BPI's board operates with significant independence from its management. Our 2017 board currently has seven directors classified as Independent or having no interest or relationship with BPI at time of election, appointment, or re-election. Fourteen of the 15-member board, are</p>	
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	<p>Non-Executive Directors of the Bank who are not part of the day-to-day management of banking operations. Currently, the one Executive Director is the Bank's President and CEO. Historically, our Chairman has also been a Non-Executive Director and is separately appointed from our President and Chief Executive Officer.</p> <p>1. BPI WEBSITE - <i>About Us</i> > <i>Leadership</i> > <i>Board of Directors</i> https://bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. A149-A152 - ANNUAL REPORT, (2016 glossy), pp.1-15 PDF https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_PrincipalOfficers_Pages_from_BPI_Annual_Report_Y2016-4.pdf - ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Item 5., pp. 5-6; Annex A, pp. 14-19 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p>	
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Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p>Same links as in #1 above Rec. 5.1.</p>	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p>There are no such agreements or constraints.</p> <p>1. AMENDED BY-LAWS, Article V, p. 7 https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. ANNUAL REPORTS FOR 2017 - ANNUAL REPORT ON 17-A, thru Part III., Item 11., 1-3., pp. 46-49 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>3. PSE EDGE</p> <p>Template Name: Announce PSE Report or Date and Time: Form: Circular No.: Annual Report Apr 13, 2018 17-1 CR02159-2018 03:30 PM</p>	

Recommendation 5.3

<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	COMPLIANT	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p>Currently, the Bank has no Independent Directors retained beyond the term limit of nine years, as reckoned from 2012. Policy on ID Term Limits is found in the Manual on Corporate Governance. Data on terms are in annual reports and the website.</p> <p>1. BPI WEBSITE - <i>About Us</i> > <i>Leadership</i> > <i>Board of Directors</i> https://bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. A149-A152 - ANNUAL REPORT, (2016 glossy), pp.1-15 PDF https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_PrincipalOfficers_Pages_from_BPI_Annual_Report_Y2016-4.pdf - ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Item 5., pp. 5-6; Annex A, pp. 14-19 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-</p>	
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<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>Currently, the Bank has no Independent Directors retained beyond the term limit of nine years, as reckoned from 2012. The Bank has a policy on the term limits of Independent Directors which includes such a provision.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://bpiexpressonline.com/media/uploads/573c004402a32_BPI_Corporate_Governance_Manual_Rev_091015_post.pdf https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance - "Governance Structure", "Directors", "Specific Policies for Independent Directors", Sec. II.B.3., p. 41</p> <p>2. BPI WEBSITE - About Us> "Leadership"> "Board of Directors" https://bpiexpressonline.com/p/1/751/board-of-directors</p>																																	

		<p>https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>3. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy)</p> <p>https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>pp. A149-A152</p> <p>- ANNUAL REPORT, (2016 glossy), pp.1-15 PDF</p> <p>https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_PrincipalOfficers_Pages_from_BPI_Annual_Report_Y2016-4.pdf</p> <p>- ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39</p> <p>https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, Item 5., pp. 5-6; Annex A, pp. 14-19 PDF</p> <p>https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>4. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td></td> <td>Date and Time:</td> <td>Form:</td> <td>Circular No.:</td> </tr> <tr> <td>Information Statement</td> <td>Mar 8, 2018</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>7:51 AM</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Mar 27, 2017</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td></td> <td>11:30AM</td> <td></td> <td></td> </tr> <tr> <td>Annual Report</td> <td>Apr 13, 2018</td> <td>17-1</td> <td>CR02159-2018</td> </tr> <tr> <td></td> <td>03:30 PM</td> <td></td> <td></td> </tr> </table>	Template Name:	Announce	PSE	Report or		Date and Time:	Form:	Circular No.:	Information Statement	Mar 8, 2018	17-5	CR01325-2018		7:51 AM				Mar 27, 2017		CR01608-2017		11:30AM			Annual Report	Apr 13, 2018	17-1	CR02159-2018		03:30 PM			
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<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>Currently, the Bank has no Independent Directors retained beyond the term limit of nine years, as reckoned from 2012. The Bank has a policy on the term limits of Independent Directors which includes such a provision.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Governance Structure", "Directors", "Specific Policies for Independent Directors", Sec. II.B.3., p. 41</p> <p>2. BPI WEBSITE - About Us> "Leadership"> "Board of Directors" https://bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>3. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp. A149-A152 - ANNUAL REPORT, (2016 glossy), pp.1-15 PDF https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_PrincipalOfficers_Pages_from_BPI_Annual_Report_Y2016-4.pdf - ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39</p>	
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Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer Chairman of the Board – Jaime Augusto Zobel de Ayala President and CEO – Cezar P. Consing	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	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. 1. AMENDED BY-LAWS, Article IX, pp. 13-17 https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf 2. MANUAL OF CORPORATE GOVERNANCE PDF	

		<p>https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Governance Structure”, “Directors”, “Specific Policies for Independent Directors”, Sec. II.D.3., p. 41</p> <p>Identify the relationship of Chairman and CEO.</p> <p>The Chairman and the CEO are two separate, unrelated individuals.</p>	
Recommendation 5.5			
<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>NON-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>The Bank’s Manual on Corporate Governance has a provision on the lead independent director role. 1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Governance Structure”, “Board of Directors”, “Leadership”, “Lead Independent Director”, Sec. II.A.11., p. 32</p> <p>Indicate if Chairman is independent.</p>	<p>For Banks and Financial Institutions supervised by the Bangko Sentral ng Pilipinas, under the Manual of Regulations for Banks, appointment of a Lead Independent Director is not mandatory. A Lead Independent Director is only required in exceptional cases where the positions of Chairman and CEO are held by one person.</p> <p>BPI has 7 Independent Directors in its 2017 Board. This constitutes 47% or almost a majority, which is key to fairness and integrity, and allows the board to strike a balance between public, corporate and</p>

		The Chairman is a Non-Executive Director but not an Independent. The BPI Board also has a Vice-Chairman who is, likewise, a Non-Executive Director.	all stakeholder interests. Likewise, Non-Executive Directors (NEDs) comprised a majority or 14 out of the 15 members. The only Executive Director (ED) is the President and CEO.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	Provide proof of abstention, if this was the case The Corporate Secretary confirms that directors with material interest in such transactions affecting the Bank, have, in such instances, abstained from the discussions and decision making accordingly.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	COMPLIANT	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings. The Corporate Secretary confirms that the non-executive directors of the Board held such meetings in 2017 and has records for the frequency and attendees.	
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT	Same reply as in #1 under Recommendation 5.5 above.	
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 current President and CEO – Cezar P. Consing, has been President and CEO since 2013.	
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	<p>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</p> <p>The conduct of the BOD annual self-assessment is mandated in the respective BOD and committee charters and is also stated in the Manual of Corporate Governance. The annual conduct of the same is also disclosed in the annual reports and the company website.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- "Size and Composition", "Specific Duties and Responsibilities of the Board", Sec. II.A.3., 12., pp. 7, 22-30</p> <p>- "Board Committees", "Executive Committee", "Nomination Committee", "Audit Committee", "Risk Committee", "Corporate Governance Committee", "Personnel and Compensation Committee", "Related Party Transactions Committee", "Retirement/Pension Committee", Sec. II. C., 2., pp. 44-62</p> <p>2. BPI WEBSITE</p> <p>- Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p> <p>- Governance> "Board and Governance"> "Board Committees"> > "Corporate Governance Committee"> "Corporate Governance Committee Charter"</p>	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		

		<p>- Governance > "Board and Governance" > "Board Committees" > > "Risk Management Committee" > "Risk Management Committee Charter"</p> <p>- Governance > "Board and Governance" > "Board Committees" > > "Related Party Transactions Committee" > "Related Party Transactions Committee Charter"</p> <p>- Governance > "Board and Governance" > "Board Committees" > > "Nominations Committee" > "Nominations Committee Charter"</p> <p>https://bpiexpressonline.com/media/uploads/56ea6462db5bb_BPI_Nomination_Committee_Charter.pdf</p> <p>- Governance > "Board and Governance" > "Board Committees" > > "Personnel and Compensation Committee" > "Personnel and Compensation Committee Charter"</p> <p>https://bpiexpressonline.com/media/uploads/56ea6462df2ab_Personnel_and_Compensation_Committee_Charter.pdf</p> <p>- Governance > "Board and Governance" > "Board Committees" > > "Retirement Pension Committee" > "Retirement Pension Committee Charter"</p> <p>https://bpiexpressonline.com/media/uploads/56ea6462df2ab_BPI_Pension_Retirement_Committee_Charter.pdf</p> <p>- Governance > "Board and Governance" > "Board Committees" > > "Executive Committee" > "Executive Committee Charter"</p> <p>https://bpiexpressonline.com/media/uploads/56ea6462db5bb_BPI_Article_VII_Executive_Committee.pdf</p> <p>3. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy)</p> <p>https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>p. 93</p> <p>- ANNUAL REPORT, (2016 glossy), pp.1-15 PDF</p>	
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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. The conduct of the Board of Directors self-assessment has not yet reached three (3) years, as of December 31, 2017. Nevertheless, annually, the Bangko Sentral ng Pilipinas assesses the quality of corporate governance in banks, of which a major component is the assessment of the effectiveness and efficiency of the Board of Directors (BOD) and Senior Management. The Board of Director’s internal self-assessment exercise is reviewed by the BSP and likewise evaluated and monitored as to areas for improvement and action plans. The Bank also has a policy in its Manual on Corporate Governance on this. 1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf	

		- "Specific Duties and Responsibilities of the Board", Sec. II.A.10., p. 28	
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<p>A summary statement on the results of the annual Board of Directors self-assessments is disclosed on the company website for any concerns or feedback from shareholders, who may communicate through the Office of the Corporate Secretary.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- "Governance Structure", "Board of Directors", "Board Governance", "Performance Evaluation", Sec.II.A.12,p. 36</p> <p>2. BPI WEBSITE - Governance> "Board and Governance"> "Board Matters"> "Performance Evaluation" https://www.bpiexpressonline.com/p/1/1350/performance-evaluation</p>	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well	COMPLIANT	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	

<p>as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>		<p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf <i>- “Code of Business Conduct and Ethics”, “Overview of Employee’s Code of Conduct”, “Overview of Director’s Code of Conduct”, Sec.III.A-C.,pp.74-83</i></p> <p>2. BPI WEBSITE <i>- Governance> “Board and Governance”> “Code of Business Conduct and Ethics”</i> https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics Employee’s Code of Business Conduct and Ethics: https://www.bpiexpressonline.com/media/uploads/59ae0c5d9363d_BPI_Code_of_Conduct_and_Ethics_FINAL_090417.pdf Director’s Code of Conduct: https://www.bpiexpressonline.com/media/uploads/59d1d6fa571b0_BPI_Directors_Code_of_Conduct_Final_Approved_092117.pdf</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>Employee’s Code of Conduct: This Code of Business Conduct and Ethics can be accessed by employees and senior management from the Management and Operating Manual in the Bank’s intranet electronic database. This Code is also posted on the company website.</p>	

		<p>Director's Code of Conduct: Directors have been provided with copies of the Code, through the Corporate Governance Committee. The Director's Code is also posted on the company website.</p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	COMPLIANT	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</p> <p>1. BPI WEBSITE - Governance > "Board and Governance" > "Code of Business Conduct and Ethics" https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics</p> <p>Employee's Code of Business Conduct and Ethics: https://www.bpiexpressonline.com/media/uploads/59ae0c5d9363d_BPI_Code_of_Conduct_and_Ethics_FINAL_090417.pdf</p> <p>Director's Code of Conduct: https://www.bpiexpressonline.com/media/uploads/59d1d6fa571b0_BPI_Directors_Code_of_Conduct_Final_Approved_092117.pdf</p>	
Supplement to Recommendation 7.1			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	COMPLIANT	<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>The Bank's Employee Code of Business Conduct and Ethics and the Director's Code of Conduct include the policy on anti-bribery and anti-corruption as well as conflict of interest standards. The detailed policies and procedures are found in the internal management and operating manuals database for access of all employees. Same links as in above #1, Recommendation 7.1.</p>	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<p>Written affirmation of compliance by directors, employees and officers with the respective Codes of Conduct forms part of the Bank's compliance with BSP Cir. 969 on "Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions" and BSP Cir. 900 on "Guidelines on Operational Risk Management. Affirmation of the Board is implemented and monitored through the Office of the Corporate Secretary and the Corporate Governance unit of the Bank while the Human Resources Management Group implements and monitors affirmation and compliance of all employees.</p> <p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p>All directors, officers and employees are required to comply with the respective Codes and provide written affirmation of this annually. Currently, there are no cases of non-compliance among the Board of Directors. Any instances of non-compliance or code violations among officers and employees are monitored or reported to and dealt with by the Human Resources Management Group.</p>	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures	

<p>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>including reports distributed/made available to shareholders and other stockholders</p> <p>The Company, through the Board and management, commits at all times to fully disclose all material information about the company for the benefit of the stockholder and other stakeholders. It likewise causes the filing of all required information through the, appropriate Exchange mechanisms for listed companies and submissions to the SEC for the interest of its stockholders and other stakeholders. Quarterly interim and annual reports are likewise posted on the PSE EDGE and on the company website to ensure the widest cost-efficient accessibility for all stakeholders.</p> <p>As a publicly-listed company, BPI files quarterly, annual and other regular disclosures and reports with the SEC and on the electronic facilities provided by the PSE's Electronic Disclosure Generation Technology or PSE EDGE, as required, in carrying out its structured and unstructured disclosures.</p> <p>The Company also has its Investor Relations unit to handle media, analysts and institutional investors briefings and press conferences, among others, as well as a Corporate Communications unit to handle brand equity, public relations and internal stakeholder engagement.</p> <p>The Company also utilizes its official company website to communicate with all stakeholders and established social media-based company sites as well. The official company website is compliant with and follows the prescribed format and template of the SEC (Memorandum Cir. No. 11, Series 2014).</p>	
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		<p>We value opportunities to communicate our initiatives, policies, operations, financial performance and goals with all of our stakeholders. We believe that maintaining an on-going dialogue with our stakeholders is essential in ensuring their active engagement with the Bank and that providing them with timely, balanced, and understandable information is integral, as well, to fulfilling our role and responsibilities as a global financial institution.</p> <p>We aim to continually enhance our disclosure and transparency levels. We work to improve the usefulness of information so that it matches the different needs of stakeholders. More importantly, we also carefully consider the varied and increasing degrees in granularity of disclosures required by developing market practices and greater regulatory focus on specific areas of the business. Consequently, we strive to present the Bank's disclosures in a way that is more informative to its audience and adds value beyond minimum standards and requirements.</p> <p>We also recognize our continuous disclosure obligations under Philippine Stock Exchange Listing Rules and to the Securities and Exchange Commission under the 2015 Securities Regulation Code ("SRC"). As a publicly-listed company, our corporate actions are required to be disclosed to these two bodies. Corporate actions are approved by the Board of Directors and/or Executive Committee. Any corporate action is disclosed by the Bank's Corporate Secretary or the Investor Relations Unit in accordance with the minutes of the meeting of the Board or the Executive Committee.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF</p>	
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Supplement to Recommendations 8.1			
<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>	COMPLIANT	<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>BPI also practices regular disclosure of financial results. Quarterly financial results are presented to the Audit Committee and the Board of Directors before disclosure and are immediately disclosed after the approval by the Board to the SEC and PSE. Press releases relative to the financial performance are pre-cleared with the CFO and the President. Quarterly and year-end financial statements and detailed management's discussion and analysis are filed within the mandated 45 and 105 calendar days respectively from the end of financial period, if not earlier. The company's financial reporting disclosures are in compliance with BSP, PSE and SEC requisites. These reports are made available to investors</p>	

		and analysts after disclosure and are posted as well on the PSE EDGE and on the company's website. Same links as in Recommendation 8.1, #1.	
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.	COMPLIANT	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. <p>The Bank discloses share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership (holding 5% or more) and direct and indirect holdings of major shareholders and directors. It also has a policy of communication and transparency. Voting power is proportionate to the percentage of ownership in the Company. Such information is regularly posted on the PSE EDGE company disclosure site and is also disclosed in the regulatory annual reports submitted by the Bank as well as posted on the company website.</p> <p>As of December 31, 2017, Ayala Corporation and its affiliates owned an effective interest of 48.2 percent in BPI. The Roman Catholic Archbishop of Manila owned 8.3 percent, and the Government of Singapore Investment Corporation owned 4.4 percent. Public investors held 39.1 percent, well above the required minimum public float of 10 percent.</p> <p>1. ANNUAL REPORTS</p>	

		<p>- ANNUAL REPORT ON 17-A, thru Part III., Item 11., pp. 46-49 PDF https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, B. Control and Compensation Information, Item 4., pp. 2-4 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>2. PSE EDGE</p> <table border="0"> <tr> <td>Template Name: Announce</td> <td>PSE</td> <td>Report or</td> <td></td> </tr> <tr> <td>Information Statement</td> <td>Date and Time: Mar 8, 2018 7:51 AM</td> <td>Form: 17-5</td> <td>Circular No.: CR01325-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017 11:30AM</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td>Annual Report</td> <td>Apr 13, 2018 03:30 PM</td> <td>17-1</td> <td>CR02159-2018</td> </tr> </table>	Template Name: Announce	PSE	Report or		Information Statement	Date and Time: Mar 8, 2018 7:51 AM	Form: 17-5	Circular No.: CR01325-2018		Mar 27, 2017 11:30AM		CR01608-2017	Annual Report	Apr 13, 2018 03:30 PM	17-1	CR02159-2018	
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Recommendation 8.2																			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	COMPLIANT	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p>																	
<p>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>	COMPLIANT	<p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p>With respect to direct and indirect shareholdings of directors and senior management, all directors and senior management (c-suite officers, i.e., Chief Executive Officer, Chief Finance Officer, Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer), Treasurer,</p>																	

	<p>Corporate Secretary and Assistant Corporate Secretary, are required to report to the Office of the Compliance Office within ten (10) days from the end of each quarter their trades with BPI securities during such quarter. In compliance with the SEC’s directive, the Bank also requires all directors and senior management to file within three (3) business days the required SEC Form 23A and B to the SEC. Said Forms SEC 23A and 23B are also disclosed online on PSE EDGE and on the company website.</p> <p>The Company also regularly discloses the above information on its company website and in its annual reports or, previously, the Annual Corporate Governance Report.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Code of Business Conduct and Ethics”, “Related Policies under the Code”, “Insider Trading Policy”, Sec.III.C.3.,p.79</p> <p>2. BPI WEBSITE - About Us> “Disclosures” https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - About Us> “Disclosures”> “SEC 23 A/B Forms” https://bpiexpressonline.com/p/1/1837/2017-forms</p> <p>3. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports</p>	
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		<p>p. 109</p> <p>- ANNUAL REPORT, (2016 glossy), (Insider Trading Policy), G21-G22 PDF</p> <p>https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 20-IS, Discussion of compliance with leading practices on corporate governance, pp. 42-43 PDF</p> <p>https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>- ANNUAL REPORT ON 17-A, shareholdings of major and/or substantial shareholders, directors and management; employees ESOP: Part 3, Item 11., pp. 46-49; PDF</p> <p>https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>4. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td></td> <td>Date and Time:</td> <td>Form:</td> <td>Circular No.:</td> </tr> <tr> <td>Information Statement</td> <td>Mar 8, 2018</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>7:51 AM</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Mar 27, 2017</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td></td> <td>11:30AM</td> <td></td> <td></td> </tr> <tr> <td>Annual Report</td> <td>Apr 13, 2018</td> <td>17-1</td> <td>CR02159-2018</td> </tr> <tr> <td></td> <td>03:30 PM</td> <td></td> <td></td> </tr> </table>	Template Name:	Announce	PSE	Report or		Date and Time:	Form:	Circular No.:	Information Statement	Mar 8, 2018	17-5	CR01325-2018		7:51 AM				Mar 27, 2017		CR01608-2017		11:30AM			Annual Report	Apr 13, 2018	17-1	CR02159-2018		03:30 PM			
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Supplement to Recommendation 8.2																																			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions)	COMPLIANT	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.																																	

<p>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>Provide link or reference to the company's Conglomerate Map.</p> <p>The Bank also discloses the relationship of the company to other companies in the group through its conglomerate map, which details ownership information on parent/holding company, subsidiaries, associates, joint ventures, etc., and is posted on the company website and in the Bank's annual reports.</p> <p>The Company discloses information on share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership and has a policy of communication and transparency as disclosed in the reports below, together with other relevant information.</p> <p>1. BPI WEBSITE - About Us> "Leadership"> "Conglomerate Map" https://www.bpiexpressonline.com/p/1/757/conglomerate-map</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports p.A134 (Conglomerate Map), pp.108-109 (Code of Conduct, Insider Trading) - ANNUAL REPORT, (2016 glossy), (Code of Business Conduct and Ethics, Insider Trading), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p>	
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		<p>- About Us> “Investor Relations”> “Annual Reports”> “2016 Annual Report”> “Financial Report Part 3”> “Conglomerate Map” https://www.bpiexpressonline.com/media/uploads/591956cfc4b5a_09_Financial_Report_Part_03_Pages_from_BPI_Annual_Report_Y2016-10.pdf</p> <p>- ANNUAL REPORT ON 17-A, shareholdings of major and/or substantial shareholders, directors and management; employees ESOP: Part 3, Item 11., pp. 46-49; Part 2, Item 5., p.99-101 (including Note 19 of Audited Financial Statements) https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, shareholdings of major and/or substantial shareholders, directors and management; employees compensation plans (ESOP) and Corporate Governance, Part 1, B., Item 4.(d), pp.7-8; Item 8., p.14; Annex A-1, pp. 39-44 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>3. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td></td> <td>Date and Time:</td> <td>Form</td> <td>Circular No.</td> </tr> <tr> <td>Information Statement</td> <td>Mar 8, 2018</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>7:51 AM</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Mar 27, 2017</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td></td> <td>11:30AM</td> <td></td> <td></td> </tr> <tr> <td>Annual Report</td> <td>Apr 13, 2018</td> <td>17-1</td> <td>CR02159-2018</td> </tr> <tr> <td></td> <td>03:30 PM</td> <td></td> <td></td> </tr> </table>	Template Name:	Announce	PSE	Report or		Date and Time:	Form	Circular No.	Information Statement	Mar 8, 2018	17-5	CR01325-2018		7:51 AM				Mar 27, 2017		CR01608-2017		11:30AM			Annual Report	Apr 13, 2018	17-1	CR02159-2018		03:30 PM			
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		Initial Statement of Beneficial Ownership of Securities Regular, Various 17-6 Regular, Various Statement of Changes in Beneficial Ownership of Securities Regular, Various 17-7 Regular, Various Public Ownership Report Regular, Various POR-1 Regular, Various List of Top 100 Stockholders Regular, Various 17-12 Regular, Various http://edge.pse.com.ph/companyDisclosures/form.do?cmpry_id=234	
Recommendation 8.3			
<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>	COMPLIANT	<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>1. BPI WEBSITE - <i>About Us</i>> <i>"Leadership"</i>> <i>"Board of Directors"</i> https://bpiexpressonline.com/p/1/751/board-of-directors https://www.bpiexpressonline.com/p/1/905/board-of-directors-2</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports</p>	

		<p>pp.A149-A152</p> <ul style="list-style-type: none"> - ANNUAL REPORT, (2016 glossy), pp.1-15/A98-A100, PDF https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10 Board of Directors and Principal Officers Pages from BPI Annual Report Y2016-4.pdf - ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - Shareholdings of major and/or substantial shareholders, directors and management; employees ESOP: Part 3, Item 11., pp. 46-49; Part 2, Item 5., p.99-100 (including Note 19 of Audited Financial Statements) - ANNUAL REPORT ON 20-IS, Profile of Board of Directors, Item 5., pp. 5-6; Annex A, pp. 13-18 - Shareholdings of major and/or substantial shareholders, directors and management; employees compensation plans (ESOP) and Corporate Governance, Part 1, B., Item 4.(d), pp.7-8; Item 8., p.14; Annex A-1, pp. 39-44 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6 BPI Definitive 20-IS (2017).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>1. BPI WEBSITE</p>	

	<p>- About Us> “Leadership”> “Management Team”> “President”> “Executive Vice Presidents”> “Senior Vice Presidents”> “Vice Presidents”</p> <p>https://bpiexpressonline.com/p/1/752/president https://bpiexpressonline.com/p/1/753/evps https://bpiexpressonline.com/p/1/754/svps https://bpiexpressonline.com/p/1/755/vps</p> <p>2. ANNUAL REPORTS</p> <p>- ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp.A152-A154</p> <p>- ANNUAL REPORT, (2016 glossy), pp.1-15/A98-A100, PDF https://www.bpiexpressonline.com/media/uploads/5919581da88ce_10_Board_of_Directors_and_Principal Officers Pages from BPI Annual Report Y2016-4.pdf</p> <p>- ANNUAL REPORT ON 17-A, thru Part III., Item 9., A-1., pp. 32-39 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- Shareholdings of major and/or substantial shareholders, directors and management; employees ESOP: Part 3, Item 11., pp. 46-49; Part 2, Item 5., p.99-100 (including Note 19 of Audited Financial Statements)</p> <p>- ANNUAL REPORT ON 20-IS, Profile of Board of Directors, Item 5., pp. 5-6; Annex A, pp. 13-18</p> <p>- Shareholdings of major and/or substantial shareholders, directors and management; employees compensation plans (ESOP) and Corporate Governance, Part 1, B., Item 4.(d), pp.7-8; Item 8., p.14; Annex A-1, pp. 39-44 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-</p>	
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		Definitive Information Statement (Final - for Disclosure) 030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf	
Recommendation 8.4			
<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>	COMPLIANT	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p>1. ARTICLES OF INCORPORATION and AMENDED BY-LAWS, Article V-VII, pp. 7-9, 12 https://www.bpiexpressonline.com/media/uploads/592bcc524c043_BPI_AOI_2015.pdf https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Remuneration Policy for Directors and Officers”, Sec. II.B., 5., p. 42 - “Personnel and Compensation Committee Charter”, Sec. II.C., 3., pp. 46-48</p> <p>3. BPI WEBSITE - Governance> “Board and Governance”> “Board Matters”> “Remuneration” https://www.bpiexpressonline.com/p/1/804/renumeration - Governance> “Board and Governance”> “Board Committees”> “Personnel and Compensation</p>	

		Committee"> "Personnel and Compensation Committee Charter" https://bpiexpressonline.com/media/uploads/56ea6462df2ab_Personnel_and_Compensation_Committee_Charter.pdf	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p> <p>1. AMENDED BY-LAWS, Article VI-VII, pp. 8, 11 https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- "Remuneration Policy for Directors and Officers", Sec. II.B., 5., p. 42 - "Personnel and Compensation Committee Charter", Sec. II.C., 3., pp. 46-48</p> <p>3. BPI WEBSITE - Governance> "Board and Governance"> "Board Committees"> "Personnel and Compensation Committee"> "Personnel and Compensation Committee Charter" https://bpiexpressonline.com/media/uploads/56ea6462df2ab_Personnel_and_Compensation_Committee_Charter.pdf </p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	Director's remuneration is disclosed in the annual reports in aggregate to the extent

		<p>1. ANNUAL REPORTS</p> <ul style="list-style-type: none"> - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports p.92 - ANNUAL REPORT, (2016 glossy), (Board of Directors*) pp. G4-G5 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf - ANNUAL REPORT ON 17-A, Item 10.*, pp. 44-46, https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Part 1, B. Control and Compensation, Item 5. Directors and Executive Officers, (a) Number and attendance in meetings, Item 6.* Compensation of Directors and Executive Officers, pp. 12-13; Discussion on compliance with leading practices on Corporate Governance (Training/Continuing Education), p. 39-44, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf <p>2. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td></td> <td>Date and Time:</td> <td>Form:</td> <td>Circular No.:</td> </tr> <tr> <td>Information Statement</td> <td>Mar 8, 2018</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>7:51 AM</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Mar 27, 2017</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td></td> <td>11:30AM</td> <td></td> <td></td> </tr> </table>	Template Name:	Announce	PSE	Report or		Date and Time:	Form:	Circular No.:	Information Statement	Mar 8, 2018	17-5	CR01325-2018		7:51 AM				Mar 27, 2017		CR01608-2017		11:30AM			<p>allowable without raising commercial, privacy and security issues as well as business efficiency and competitiveness concerns for the Bank.</p>
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		<p>Annual Report Apr 13, 2018 17-1 CRO2159-2018 03:30 PM</p> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234</p> <p><i>*Remuneration is reported in aggregate amount.</i></p>	
Recommendation 8.5			
<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>BPI discloses its Related Party Transactions Policy in its Manual on Corporate Governance, including annual reports, which are posted on the company website. The RPT Policy guards against internal conflicts of interest between the company and/or its group and their directors, officers and significant shareholders and ensures that transactions such as loans and advances, deposit arrangements, trading of government securities and commercial papers, sale of assets, lease of bank premises, investment advisory/management, service arrangements and advances for operating expenses are made in the normal course of banking activities with terms and conditions that are generally comparable to those offered to non-related parties or to similar transactions in the market. RPTs are reviewed, approved and disclosed in accordance with appropriate and defined thresholds as set out in the Company' Guidelines on the Proper Handling of Related Party Transactions.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S</p>	

		<p>ECCGPLCCodeCompliant for SEC PSE posting 052917.pdf</p> <p>- <i>“Code of Business Conduct and Ethics”, “Conflict of Interest Policy”, “Related Party Transactions Policy”, Sec. III. A.,B., C.,1., 2., pp. 74-78</i></p> <p>2. BPI WEBSITE</p> <p>- Governance> “Board and Governance”> “Code of Business Conduct and Ethics” https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics</p> <p>- Governance> “Board and Governance”> “Code of Business Conduct and Ethics”> “Director’s Code of Conduct” https://www.bpiexpressonline.com/media/uploads/59d1d6fa571b0_BPI_Directors_Code_of_Conduct_Final_Approved_092117.pdf</p> <p>- Governance> “Board and Governance”> “Fair Dealing – Related Party Transactions Policy” https://www.bpiexpressonline.com/p/1/1875/fair-dealing-related-party-transactions-policy</p> <p>- Governance> “Board and Governance”> “Board Committees”> “Related Party Transactions Committee” https://www.bpiexpressonline.com/p/1/793/related-party-transaction-committee</p> <p>- Governance> “Board and Governance”> “Board Committees”> “Related Party Transactions Committee”> “Related Party Transactions Committee Charter”</p> <p>3. ANNUAL REPORT</p> <p>- ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp.105,109</p> <p>- ANNUAL REPORT, (2016 glossy), G1-G28 PDF</p>	
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	<p>https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf A16-A83, <i>PDF</i></p> <p>https://bpiexpressonline.com/media/uploads/573c0aabc9b99_Financial_Report.pdf - ANNUAL REPORT ON 20-IS, pp. 8-9, 39-44 and Note 27 of Audited Financial Statements, pp. 100-106, <i>PDF</i></p> <p>https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf - ANNUAL REPORT ON 17-A, Part 1, Item 1., A., 11., pp. 49-50 and Note 27 of Audited Financial Statements, pp. 110-116, https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>4. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td></td> <td>Date and Time:</td> <td>Form:</td> <td>Circular No.:</td> </tr> <tr> <td>Information Statement</td> <td>Mar 8, 2018</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>7:51 AM</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Mar 27, 2017</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td></td> <td>11:30AM</td> <td></td> <td></td> </tr> <tr> <td>Annual Report</td> <td>Apr 13, 2018</td> <td>17-1</td> <td>CR02159-2018</td> </tr> <tr> <td></td> <td>03:30 PM</td> <td></td> <td></td> </tr> </table> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	Template Name:	Announce	PSE	Report or		Date and Time:	Form:	Circular No.:	Information Statement	Mar 8, 2018	17-5	CR01325-2018		7:51 AM				Mar 27, 2017		CR01608-2017		11:30AM			Annual Report	Apr 13, 2018	17-1	CR02159-2018		03:30 PM			
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		<p>Apart from the RPT Policy, the Bank also has a Director's Code of Conduct which mandates that a director must exclude himself/herself in any decision making process of the Related Party Transactions Committee for approval of such transactions where they may have a conflict of interest.</p> <p>All Directors, officer and employees are also required to disclose conflicts and potential conflicts, as well as relationships with clients, prospects, suppliers and other interests.</p> <p>The Corporate Secretary confirms that in instances when a director has a conflict of interest in contemplated identified transactions of the Bank, the director abstains from discussion and decision-making on said item.</p>	
<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>Vetting transactions with related parties is done either by the Board level Related Party Transaction Committee or Management Vetting Committee, depending on</p>	

	<p>materiality, prior to implementation. The two committees provide guidance and vet on credit and non-credit related party transactions of significant amounts (P50Mn and above for RPTC and below P50Mn for MVC).</p> <p>The RPTC for the 2016-2017 and 2017-2018 terms is composed of three directors, two of whom are independent including the Chairman, and includes two non-voting members from management, the Chief Audit Executive and the Chief Compliance Officer, both of whom perform post-reviews to ensure proper implementation of related party transactions. On the other hand, the Management Vetting Committee is composed of the Executive Vice Presidents of the Bank. The Committee may also call on independent experts to help with valuation issues, if needed, to also ensure that the interests of the company and stakeholders are protected. The Bank is committed to ensure strict compliance with laws, regulations and reporting requirements relating to DOSRI and related party transactions.</p> <p>All transactions involving DOSRI are reported to the BSP and the BPI Group is in full compliance with the General Banking Law and BSP regulations concerning DOSRI loans. Related Party Transactions (name, relationship and value) are also properly disclosed in the Bank's annual report in the audited financial statements, and other applicable fillings in accordance with the relevant rules and issuances of the Securities and Exchange Commission and other regulatory bodies.</p> <p>RPTs for 2017 were reviewed, approved and disclosed in accordance with appropriate and defined thresholds as set out in the Company's Guidelines on the Proper Handling of Related Party Transactions and in compliance with BSP regulations.</p>	
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	<p>Relevant information and disclosure of material/significant RPTs were disclosed in the Bank's annual reports and posted in the company website.</p> <p>Sources:</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>"Code of Business Conduct and Ethics", "Conflict of Interest Policy", "Related Party Transactions Policy", Sec. III. A.-C., pp. 74-79</i></p> <p>2. BPI WEBSITE - Governance> <i>"Code of Business Conduct and Ethics"</i> https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics - Governance> <i>"Board and Governance"</i>> <i>"Board Committees"</i>> <i>"Related Party Transactions Committee"</i> https://www.bpiexpressonline.com/p/1/793/related-party-transaction-committee - Governance> <i>"Board and Governance"</i>> <i>"Board Committees"</i>> <i>"Related Party Transactions Committee"</i>> <i>"Related Party Transactions Committee Charter"</i></p> <p>3. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports pp.105,109 Audited Financial Statements, Note 27, A59-A65 - ANNUAL REPORT, (2016 glossy), G1-G28 PDF</p>	
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Supplement to Recommendation 8.5																															
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.																													

		<p>The Bank's Manual of Corporate Governance and respective Codes of Conduct for employees, officers and directors require written affirmation of directors, employees and officers that they are in compliance with the Manual and adhere to the respective Codes of Conduct. The Statement of Affirmation, which is done annually, forms part of the Bank's compliance with BSP Cir. 969 on "Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions" and BSP Cir. 900 on "Guidelines on Operational Risk Management. All directors, officers and employees are required to comply with the respective Codes. Any conflicts of interest from among the Board of Directors, officers or employees must be disclosed prior to accomplishment of the Statement of Affirmation. Such conflicts of interests are disclosed by directors to the Board through the Corporate Secretary or directly to the Related Party Transactions Committee.</p>	
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>Same links as in Recommendation 8.5, #2 above.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Related Party Transactions Policy", Sec. III. C.2., pp. 78</p> <p>2. BPI WEBSITE - Governance> "Board and Governance"> "Fair Dealing – Related Party Transactions Policy"</p>	

		https://www.bpiexpressonline.com/p/1/1875/fair-dealing-related-party-transactions-policy - Governance> "Board and Governance"> "Board Committees"> "Related Party Transactions Committee" https://www.bpiexpressonline.com/p/1/793/related-party-transaction-committee - Governance> "Board and Governance"> "Board Committees"> "Related Party Transactions Committee"> "Related Party Transactions Committee Charter"	
Recommendation 8.6			
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.	COMPLIANT	Provide link or reference where this is disclosed We aim to continually enhance our disclosure and transparency levels. We work to improve the usefulness of information so that it matches the different needs of stakeholders. More importantly, we also carefully consider the varied and increasing degrees in granularity of disclosures required by developing market practices and greater regulatory focus on specific areas of the business. Consequently, we strive to present the Bank's disclosures in a way that is more informative to its audience and adds value beyond minimum standards and requirements. We also recognize our continuous disclosure obligations under Philippine Stock Exchange Listing Rules and to the Securities and Exchange Commission under the 2015 Securities Regulation Code ("SRC"). As a publicly-listed company, our corporate actions are required to be disclosed to these two bodies. Corporate actions are approved by the Board of Directors and/or Executive Committee. Any corporate action is disclosed by the Bank's Corporate Secretary or the Investor Relations Unit	

		<p>in accordance with the minutes of the meeting of the Board or the Executive Committee.</p> <p>BPI also practices regular disclosure of financial results. Quarterly financial results are presented to the Audit Committee and the Board of Directors before disclosure and are immediately disclosed after the approval by the Board to the SEC and PSE. Press releases relative to the financial performance are pre-cleared with the CFO and the President. Quarterly and year-end financial statements and detailed management's discussion and analysis are filed within the mandated 45 and 105 calendar days respectively from the end of financial period, if not earlier. The company's financial reporting disclosures are in compliance with BSP, PSE and SEC requisites. These reports are made available to investors and analysts after disclosure and are posted as well on the PSE EDGE and on the company's website.</p> <p>1. BPI WEBSITE - About Us > "Disclosures" > "Other Disclosures" https://www.bpiexpressonline.com/p/1/656/other-disclosures</p> <p>2. ANNUAL REPORTS - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports p.110 Audited Financial Statements, A4-A148 - ANNUAL REPORT, (2016 glossy), pp. G22-G23 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>3. PSE EDGE http://edge.pse.com.ph/companyDisclosures/form.do?cmpry_id=234</p>	
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<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>For any such transactions, the Bank has its Internal Audit Division as well as external independent auditor, Isla Lipana & Co.</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p> <p>1. ANNUAL REPORTS - ANNUAL REPORT ON 20-IS, Note 31 of Audited Financial Statements, pp. 85-111, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf - ANNUAL REPORT (2017 Glossy) https://www.bpiexpressonline.com/p/1/270/annual-reports p.110 Audited Financial Statements, A4-A148</p>	
Supplement to Recommendation 8.6			
<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>1. BPI WEBSITE - About Us> "Leadership" > "Conglomerate Map" https://www.bpiexpressonline.com/p/1/757/conglomerate-map - Investor Relations> "Annual Reports" https://www.bpiexpressonline.com/p/1/270/annual-reports</p>	

	<p>- Investor Relations> “Stock Information” https://www.bpiexpressonline.com/p/1/763/stock-information</p> <p>- Investor Relations> “Stock Information”> “Top 100 Stockholders” https://www.bpiexpressonline.com/media/uploads/5aa76c8754b95_BPI_Top_100_Stockholders_as_of_December_31_2017.pdf</p> <p>- Investor Relations> “Shareholder Inquiry” https://www.bpiexpressonline.com/p/1/767/shareholder-inquiry</p> <p>- Disclosures> “SEC Filings”> “SEC 23A/B (Statement of Beneficial Ownership)” https://bpiexpressonline.com/p/1/1837/2017-forms</p> <p>- Governance> “Role of Stakeholders” https://www.bpiexpressonline.com/p/1/807/role-of-stakeholders</p> <p>https://www.bpiexpressonline.com/p/1/811/stockholders</p> <p>- Governance> “Board and Governance”> “Insider Ownership – Insider Trading Policy” https://www.bpiexpressonline.com/p/1/1874/insider-ownership-insider-trading-policy</p> <p>2. ANNUAL REPORTS</p> <p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports pp.105,109,110</p> <p>Audited Financial Statements, A4-A148</p> <p>- ANNUAL REPORT, (2016 glossy), (Code of Business Conduct and Ethics, Insider Trading) G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p>	
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	<p>pp. 14-33, (Our Clients and Our People) PDF https://www.bpiexpressonline.com/media/uploads/5919519642a8c_04_Our_Clients_and_Our_People_Pages_from_BPI_Annual_Report_Y2016-3.pdf</p> <p>p. 4, (Conglomerate Map) PDF https://www.bpiexpressonline.com/media/uploads/591956cfc4b5a_09_Financial_Report_Part_03_Pages_from_BPI_Annual_Report_Y2016-10.pdf</p> <p>- ANNUAL REPORT ON 17-A, shareholdings of major and/or substantial shareholders, directors and management; employees ESOP: Part 3, Item 11., pp. 46-48; Part 2, Item 5., p.18-19 (including Note 19 of Audited Financial Statements) https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, shareholdings of major and/or substantial shareholders, directors and management; employees compensation plans (ESOP) and Corporate Governance, Part 1, B., Item 4.(d), pp.7-8; Item 8., p.14; Annex A-1, pp. 37-38, p. 157 (Conglomerate Map) PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_-_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>3. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td></td> <td>Date and Time:</td> <td>Form</td> <td>Circular No.</td> </tr> <tr> <td>Information Statement</td> <td>Mar 8, 2018</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>7:51 AM</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Mar 27, 2017</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td></td> <td>11:30AM</td> <td></td> <td></td> </tr> </table>	Template Name:	Announce	PSE	Report or		Date and Time:	Form	Circular No.	Information Statement	Mar 8, 2018	17-5	CR01325-2018		7:51 AM				Mar 27, 2017		CR01608-2017		11:30AM			
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		Annual Report Apr 13, 2018 17-1 CRO2159-2018 03:30 PM Initial Statement of Beneficial Ownership of Securities Regular, Various 17-6 Regular, Various Statement of Changes in Beneficial Ownership of Securities Regular, Various 17-7 Regular, Various Public Ownership Report Regular, Various POR-1 Regular, Various List of Top 100 Stockholders Regular, Various 17-12 Regular, Various http://edge.pse.com.ph/companyDisclosures/form.do?cmpry_id=234	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted. 1. BPI WEBSITE https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT	https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_SECCG_PLCCodeCompliant_for_SEC_PSE_posting_052917.pdf	
3. Company's MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Provide proof of submission. Manual on Corporate Governance posted on website has stamp of receipt from SEC. It is also submitted to the PSE on EDGE.	

		<p>1. BPI WEBSITE https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_SECCG_PLCCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>2. PSE EDGE</p> <p>Template Name: Announce PSE Report or Date and Time: Form Circular No. Other SEC Forms, Mar 30, 2017 17-18 CR03869-2017 Reports and 9:42AM Requirements</p>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	COMPLIANT	The Bank regularly provides a comprehensive Management Discussion and Analysis and Results of Operations in its annual reports. This includes details on the business of the company, its history and recent business milestone; principal subsidiaries and nature of business as well as ownership history; principal products and services; distribution network; intellectual property (patents, trademarks, etc.); related parties; employees; operating risks; competition; government regulation; operational and financial information as well as non-financial indicators; key performance indicators; material event/s and uncertainties; and future prospects, targets and strategies. This is supplemented by the Audited Financial Statements and Notes to the Financial Statements which provide much more detail on the company's operations. The Bank's annual reports are easily accessed on the company website while SEC	
b. Financial performance indicators	COMPLIANT		
c. Non-financial performance indicators	COMPLIANT		
d. Dividend Policy	COMPLIANT		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT		
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT		

<p>g. Total remuneration of each member of the board of directors</p>	<p>NON-COMPLIANT</p>	<p>annual report disclosures are likewise posted on PSE EDGE. Copies of annual reports are likewise distributed and made available to stockholders during the Annual Stockholders Meeting.</p> <p>The Bank also complies with the Bangko Sentral ng Pilipinas Annual Report Assessment Checklist (ARAC), issued under BSP Memorandum No. M-2014-007, which likewise requires posting of the annual report on the company website and contain disclosures that include:</p> <ol style="list-style-type: none"> 1. Financial performance 2. Qualitative and quantitative information on risk 3. Basic business management and corporate governance information including remuneration policies and related party transactions 4. Capital structure and capital adequacy 5. Risk exposures and assessments 6. Specific info on credit, market, operational risks; interest rates <p>BPI's dividend policy, as the only major Philippine bank that pays dividends on a regular basis, is to consistently pay cash dividends and has paid P0.90 per share semi-annually in the past years; however, the Bank evaluates its dividend payments from time to time in accordance with business and regulatory requirements, and cannot make explicit warranties about the quantum of future dividend payments. Relevant information on the Bank's dividend policy is posted on its website and found in the annual report and other documents below.</p> <p>The Bank also discloses biographical details of its Board of Directors and Key Officers. Attendance details of directors for Board and Committee meetings are disclosed as well in the Annual Reports. Remuneration is disclosed on an aggregate basis.</p> <p>1. ANNUAL REPORTS</p>	<p>Director's remuneration is disclosed in the annual reports to the extent allowable (in aggregate) without raising commercial, privacy and security issues as well as business efficiency and competitiveness concerns for the Bank.</p>
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	<p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Message from Chairman and CEO, p.6 Cultivating an Integrated Approach, p. 16 Strengthening Pillars for Growth, p.22 Delivering Shared Value, p.30 Managing our Capitals, p.70 BPI Senior Leadership, p.117 Audited Financial Statements, A4-A148</p> <p>- ANNUAL REPORT, (2016 glossy), pp. 7-12, (Corporate Objectives, Financial and Non-Financial Performance Indicators) PDF https://www.bpiexpressonline.com/media/uploads/5919199dbfd4c_03_Message_from_the_Chairman_and_the_President_and_CEO_Pages_from_BPI_Annual_Report_Y2016-2.pdf pp. A1-A15, G1-G28 (Corporate Objectives, Key Risks, Financial Performance Indicators, Governance) PDF https://www.bpiexpressonline.com/media/uploads/5919552f18b49_07_Financial_Report_Part_01_Pages_from_BPI_Annual_Report_Y2016-8.pdf https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf pp. G4-G5 (Board of Directors Remuneration*) PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf pp. 14-33, (Our Clients and Our People, Financial and Non-Financial Performance Indicators) PDF https://www.bpiexpressonline.com/media/uploads/5919519642a8c_04_Our_Clients_and_Our_People_Pages_from_BPI_Annual_Report_Y2016-3.pdf</p>	
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	<p>pp. S1-S14, (Sustainability, Non-Financial Performance Indicators, Returns to Investors) PDF https://www.bpiexpressonline.com/media/uploads/59195414df4aa_05_Sustainability_Pages_from_BPI_Annual_Report_Y2016-7.pdf</p> <p>pp. A1-A97, (Summary of Financial Performance, Audited Financial Statements – Note 19), PDF https://www.bpiexpressonline.com/media/uploads/5919552f18b49_07_Financial_Report_Part_01_Pages_from_BPI_Annual_Report_Y2016-8.pdf</p> <p>- ANNUAL REPORT ON 17-A, Key Risks, Corporate Objectives, Financial, Non-Financial Performance Indicators: Part 1, Item 1., (A), pp. 5-32 Dividend policy and history, Part 2, Item 5., pp. 18-20; Part 5, Item 14, b., p.52 Management Discussion and Analysis, Item 6, pp. 20-30; https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, Key Risks, Corporate Objectives, Financial and Non-Financial Performance Indicators, : Annex A-1, pp. 26-38, Audited Financial Statements, pp. 46-192; Corporate Governance, pp. 39-44, Dividend policy and history, p. 27 Part 1, B. Control and Compensation, Item 5. Directors and Executive Officers, (a) Number and attendance in meetings, Item 6.* Compensation of Directors and Executive Officers, pp. 12-13; Discussion on compliance with leading practices on Corporate Governance (Training/Continuing Education), p. 39-44, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_-_for_Disclosure)_030718.pdf</p>	
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		<p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>*Remuneration is reported in aggregate amount.</p> <p>2. PSE EDGE</p> <p>Template Name: Announce PSE Report or Date and Time: Form Circular No.</p> <p>Information Statement Mar 8, 2018 17-5 CR01325-2018 7:51 AM</p> <p>Mar 27, 2017 CR01608-2017 11:30AM</p> <p>Annual Report Apr 13, 2018 17-1 CR02159-2018 03:30 PM</p> <p>Declaration of Cash Dividends Regular, 6-1 Regular, Various Various</p> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234</p>	
<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>1. ANNUAL REPORTS</p> <p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>Governance, pp.90-116</p> <p>- ANNUAL REPORT, (2016 glossy), Governance, pp. G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 20-IS, Annex A-1, Discussion on compliance with leading practices on Corporate Governance, p. 37-38, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-</p>	

		Definitive Information Statement (Final - for Disclosure) 030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).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>The Board, thru the Risk Management Committee and the Audit Committee, is able to review the bank's material controls and risk management systems.</p> <p>The Board carries out its risk management function through its Risk Management Committee (RMC), which is tasked with nurturing a culture of risk management across the enterprise, proposing guidelines and regularly reviewing risk management structures, metrics, limits, and issues across the BPI Group, in order to meet and comply with regulatory and international standards on risk measurement and management. The committee also supports technology and training for key personnel in risk management.</p> <p>BPI's Risk Management Office is headed by a Chief Risk Officer. The CRO is ultimately responsible for formulating risk management policies and methodologies in alignment with the strategy of the bank, ensuring that risks are rationally undertaken and within the bank's risk appetite, as well as commensurate to maximize returns on capital. The CRO and the RMO facilitate risk management learning programs and promote best practices on an enterprise-wide basis.</p> <p>The Bank's risk framework conforms not only to its own rigorous standards, but also to Bangko Sentral directives promoting an effective Internal Capital Adequacy Assessment Process.</p>	

		<p>In the same way, the Board, through the Audit Committee, discharges its oversight responsibilities; under the guidance of the Audit Committee, Internal Audit provides an independent reasonable assurance that the Bank's system of risk management, internal controls, and corporate governance processes are adequate and effective, as well as ensures that operating and business units adhere to internal processes and procedures and to regulatory and legal requirements.</p> <p>Based on Internal Audit assurance activities, Internal Audit through the Chief Audit Executive provides reasonable assurance to the Audit Committee, Board of Directors and Senior Management that the Bank's systems of internal controls, corporate governance, and risk management processes are adequate and generally effective.</p> <p>This assessment of controls, systems and processes of the Bank is done annually and is covered by the annual audit work plan, which is developed using the Audit Risk Assessment/scoring model. The annual work plan is reviewed and approved by the Audit Committee. The audit risk scoring model is also reviewed annually and approved also by the Audit Committee. The COSO internal control framework comprising of its components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities, and the Control Objectives for Information and Related Technology (COBIT) are the frameworks being used/considered in the assessing the effectiveness of the internal control system.</p> <p>Relevant information on the company's internal controls and oversight by the Board of the material controls and risk management system as well as the statement of the Board on the review and adequacy of the same is disclosed in the reports below.</p>	
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		<p><u>Sources:</u></p> <p>1. ANNUAL REPORTS</p> <p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Governance, pp.90-116</p> <p>- ANNUAL REPORT, (2016 glossy), pp.G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 17-A, Item I., A., 2., pp. 14-16 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, B. Item 7., pp. 13-14, Discussion on compliance with leading practices on Corp. Governance, p.39-44, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>The following documents/sources also include a discussion of the regular conduct of such reviews:</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Risk Management Function”</i> and <i>“Risk Management Committee”</i>,</p>	
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		<p>Sec. II.C.5. & Sec. V., pp. 44, 73 - "Compliance System and Internal Control", Sec. IV., A.-C., pp. 70-72</p> <p>2. BPI WEBSITE</p> <p>- Governance> "Enterprise Risk Management" https://www.bpiexpressonline.com/p/1/815/enterprise-risk-management</p> <p>- Governance> "Board Matters"> "Committees and Charters"> "Risk Management Committee"> "Risk Management Committee Charter" https://bpiexpressonline.com/media/uploads/57454deef29d7 Approved Risk Management Committee 082715 .pdf</p> <p>- Governance> "Internal Audit and Control"> "Internal Audit Charter" https://www.bpiexpressonline.com/media/uploads/56e0c4d189061 Internal Audit Charter.pdf</p> <p>- Governance> "Board Matters"> "Committees and Charters"> "Audit Committee"> "Audit Committee Charter" https://bpiexpressonline.com/media/uploads/56d63dea48b6 Audit Committee Charter.pdf</p> <p>- Governance> "Internal Audit and Control"> "Report of the Audit Committee" https://bpiexpressonline.com/media/uploads/574fc365836d0 2015 BPI AC REPORT TO THE BOD.pdf</p> <p>3. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce</td> <td>PSE</td> <td>Report or</td> </tr> <tr> <td></td> <td>Date and Time:</td> <td>Form:</td> <td>Circular No.:</td> </tr> <tr> <td>Information Statement</td> <td>Mar 8, 2018 7:51 AM</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017 11:30AM</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td>Annual Report</td> <td></td> <td>17-1</td> <td>CR02159-2018</td> </tr> </table>	Template Name:	Announce	PSE	Report or		Date and Time:	Form:	Circular No.:	Information Statement	Mar 8, 2018 7:51 AM	17-5	CR01325-2018		Mar 27, 2017 11:30AM		CR01608-2017	Annual Report		17-1	CR02159-2018	
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		Apr 13, 2018 03:30 PM http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234	
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.	COMPLIANT	Provide link or reference to where this is contained in the Annual Report Audit Committee Report 1. ANNUAL REPORTS - ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Governance, pp.90-116 - ANNUAL REPORT, (2016 glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance Pages from BPI Annual Report Y2016-6.pdf - ANNUAL REPORT ON 17-A, Item I., A., 2., pp. 15-17, https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, B. Item 7., pp. 13-14, Discussion on compliance with leading practices on Corp. Governance, p.39-44, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM - Definitive Information Statement (Final - for Disclosure) 030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI Definitive 20-IS (2017).pdf	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	COMPLIANT	Provide link or reference to where these are contained in the Annual Report The discussion of key risks is found in the Management's Discussion and Analysis, the sections on Risk	

		<p>Management and Governance as well as in the Notes to the Audited Financial Statements which are part of the Annual Report. (Note 29)</p> <p>1. ANNUAL REPORTS</p> <p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>Risk Management and Governance, pp.90-116</p> <p>- ANNUAL REPORT, (2016 glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 17-A, Item I., A., 2., pp. 14-16 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, B. Item 7., pp. 13-14, Discussion on compliance with leading practices on Corp. Governance, p.39-44, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p>	
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Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

<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>	
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		<p>The Audit Committee recommends to the Board of Directors the appointment, re-appointment, and removal of a BSP- accredited external auditor for the purpose of preparing or issuing an audit report or related work. The appointment, re-appointment, and removal of the external auditor must be ratified by the shareholders. The Committee also assesses the external auditor's effectiveness, integrity, independence and objectivity, ensuring that key partners are rotated at appropriate intervals; and removes the external auditors if circumstances warrant. The Committee also oversees the resolution of disagreements between management and the external auditors in the event that they arise.</p> <p>1. AMENDED BY-LAWS, Article VII, p. 13 https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE <i>PDF</i> https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - “Size and Composition”, “Specific Duties and Responsibilities of the Board”, Sec. II.A.3., 12., pp. 7, 22-30 - “Board Committees”, “Audit Committee”, Sec. II. C., 2., pp. 49-56</p> <p>3. BPI WEBSITE - Governance> “Board and Governance”> “Board Committees” https://www.bpiexpressonline.com/p/1/784/committees-and-charters</p>	
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		- Governance > "Board and Governance" > "Board Committees" > "Audit Committee" > "Audit Committee Charter"	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor. 98.59% Voted In Favor https://www.bpiexpressonline.com/media/uploads/59019fa78e3cd_ASM_-_Minutes_04202017_FINAL_for_EOL.pdf	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor. There has been no removal or change of the external auditor within the last three (3) years (2015-2017).	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years. Report of the Audit Committee to the Board of Directors, No. 2.A. https://www.bpiexpressonline.com/media/uploads/5b0517d305da8_Noted_BPI_AC_Report_to_BOD_2017.pdf https://www.bpiexpressonline.com/p/1/816/internal-audit-and-control	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors;	COMPLIANT	Provide link/reference to the company's Audit Committee Charter 1. BPI Website: - Governance > "Board and Governance" > "Board Committees" > "Audit Committee" > "Audit Committee Charter"	

<p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<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>	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>1. BPI Website: - Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p>	
Supplement to Recommendations 9.2			
<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>	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>1. BPI Website: - Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>1. BPI Website: - Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p>	
Recommendation 9.3			

<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>This is included in the Duties and Responsibilities of the Audit Committee, as stated in the Committee Charter.</p> <p>1. BPI WEBSITE - Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p> <p>In 2017, there were no non-audit services. This can be verified in the latest annual reports:</p> <ul style="list-style-type: none"> - ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Governance, Audit, p.90-116 - ANNUAL REPORT, (2016 glossy), p.21 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf - ANNUAL REPORT ON 17-A, thru Part II., Item 7., p. 31 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, B., Item 7., p. 13 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf 	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-</p>	<p>COMPLIANT</p>	<p>Provide link or reference to guidelines or policies on non-audit services</p>	

<p>audit services, which could be viewed as impairing the external auditor's objectivity.</p>		<p>This is included in the Duties and Responsibilities of the Audit Committee, as stated in the Committee Charter.</p> <p>1. BPI WEBSITE - Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p> <p>In recent years, there have been no non-audit services. However, the Audit Committee guidance on non-audit services can also be verified in the latest annual reports:</p> <ul style="list-style-type: none"> - ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Governance, Audit, p.90-116 - ANNUAL REPORT, (2016 glossy), p.21 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf - ANNUAL REPORT ON 17-A, thru Part II., Item 7., p. 31 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, B., Item 7., p. 13 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf 	
Supplement to Recommendation 9.3			
<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>Information on Audit and Non-Audit Fees are disclosed in the latest annual reports:</p>	

		<p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Governance, Audit, p.90-116</p> <p>- ANNUAL REPORT, (2016 glossy), p.21 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 17-A, thru Part II., Item 7., p. 31 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, B., Item 7., p. 13 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p>	
Additional Recommendation to Principle 9			
<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> <p>Name of the audit engagement partner: ZALDY D. AGUIRRE Accreditation number: 1176-AR-1 (Category A) Date Accredited: January 14, 2015 Expiry date of accreditation: April 30, 2018 (accreditation for 2018 is now for approval by the SEC en banc)</p> <p>Name, address, contact number of the audit firm. Isla Lipana & Co. 29/F Philamlife Tower, Paseo de Roxas, 1226 Makati City, Philippines +63 (2) 845 2728</p>	

		Accreditation number: 0009-FR-4, Category A; effective until July 15, 2018	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. For the year 2017, PwC Philippines was not subjected to SOAR and has not yet received any advice from the SEC for the said inspection.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. https://www.bpiexpressonline.com/p/1/1876/environmental-social-and-governance-reporting https://www.bpiexpressonline.com/p/1/1877/sustainability	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used. For 2017 and earlier, the Bank has adopted the standard/framework : G4 Framework by the Global Reporting Initiative (GRI). - ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports	

		https://www.bpiexpressonline.com/media/uploads/5b022d5d8a090_2018_IR_Indices.pdf - ANNUAL REPORT, (2016 glossy), https://www.bpiexpressonline.com/media/uploads/59195414df4aa_05_Sustainability_Pages from BPI Annual Report Y2016-7.pdf https://www.bpiexpressonline.com/media/uploads/591958e43c095_11_GRI_Content_Index_Pages from BPI Annual Report Y2016-14.pdf	
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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.). Provide links, if any.</p> <p>The Company, through the Board and management, commits at all times to fully disclose all material information about the company for the benefit of the stockholder and other stakeholders. It likewise causes the filing of all required information through the, appropriate Exchange mechanisms for listed companies and submissions to the SEC for the interest of its stockholders and other stakeholders. Quarterly interim and annual reports are likewise posted on the PSE EDGE and on the company website to ensure the widest cost-efficient accessibility for all stakeholders.</p> <p>As a publicly-listed company, BPI files quarterly, annual and other regular disclosures and reports with the SEC and on the electronic facilities provided by the PSE's Electronic Disclosure Generation Technology or PSE</p>	
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		<p>EDGE, as required, in carrying out its structured and unstructured disclosures.</p> <p>The Company also has its Investor Relations unit to handle media, analysts and institutional investors briefings and press conferences, among others, as well as a Corporate Communications unit to handle brand equity, public relations and internal stakeholder engagement.</p> <p>The Company also utilizes its official company website to communicate with all stakeholders and established social media-based company sites as well. The official company website is compliant with and follows the prescribed format and template of the SEC (Memorandum Cir. No. 11, Series 2014).</p> <p>We value opportunities to communicate our initiatives, policies, operations, financial performance and goals with all of our stakeholders. We believe that maintaining an on-going dialogue with our stakeholders is essential in ensuring their active engagement with the Bank and that providing them with timely, balanced, and understandable information is integral, as well, to fulfilling our role and responsibilities as a global financial institution.</p> <p>We aim to continually enhance our disclosure and transparency levels. We work to improve the usefulness of information so that it matches the different needs of stakeholders. More importantly, we also carefully consider the varied and increasing degrees in granularity of disclosures required by developing market practices and greater regulatory focus on specific areas of the business. Consequently, we strive to present the Bank's disclosures in a way that is more informative to its</p>	
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		<p>audience and adds value beyond minimum standards and requirements.</p> <p>We also recognize our continuous disclosure obligations under Philippine Stock Exchange Listing Rules and to the Securities and Exchange Commission under the 2015 Securities Regulation Code ("SRC"). As a publicly-listed company, our corporate actions are required to be disclosed to these two bodies. Corporate actions are approved by the Board of Directors and/or Executive Committee. Any corporate action is disclosed by the Bank's Corporate Secretary or the Investor Relations Unit in accordance with the minutes of the meeting of the Board or the Executive Committee.</p> <p>BPI also practices regular disclosure of financial results. Quarterly financial results are presented to the Audit Committee and the Board of Directors before disclosure and are immediately disclosed after the approval by the Board to the SEC and PSE. Press releases relative to the financial performance are pre-cleared with the CFO and the President. Quarterly and year-end financial statements and detailed management's discussion and analysis are filed within the mandated 45 and 105 calendar days respectively from the end of financial period, if not earlier. The company's financial reporting disclosures are in compliance with BSP, PSE and SEC requisites. These reports are made available to investors and analysts after disclosure and are posted as well on the PSE EDGE and on the company's website.</p> <p>We also support the recommendations and guidance made by the Bangko Sentral ng Pilipinas to broaden and deepen the disclosures of banks in a number of areas, including governance, risk and compliance. It is the Bank's view that best-in-class disclosures will continue to</p>	
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		<p>evolve in light of ongoing pursuit of greater market and stakeholder engagement within the banking sector.</p> <p>The company website and official social media sites include:</p> <p>https://www.bpiexpressonline.com/ https://m.facebook.com/bpi https://mobile.twitter.com/TalktoBPI https://www.linkedin.com/company/bank-of-the-philippine-islands https://m.youtube.com/user/BPIvideochannel</p> <p>Other relevant information can be found in the reports below.</p> <p><u>Sources:</u></p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - <i>“Communication and Information”, “Management’s Responsibilities for Information”, “Investor Relations Program”, “Reports and Disclosures”, Sec. VI. A.-C., pp. 74-76</i></p> <p>2. BPI WEBSITE - Governance>Disclosure & Transparency https://www.bpiexpressonline.com/p/1/1747/disclosures-and-transparency - Governance> https://www.bpiexpressonline.com/p/0/78/corporate-governance - Disclosures> SEC Filings</p>	
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	<p>https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - Investor Relations> https://www.bpiexpressonline.com/p/0/81/investor-relation - Contact Us> https://www.bpiexpressonline.com/p/0/112/contact-us</p> <p>3. ANNUAL REPORTS - ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports https://www.bpiexpressonline.com/media/uploads/5b022d5d8a090_2018_IR_Indices.pdf Governance, pp.90-116 - ANNUAL REPORT, (2016 glossy), Communication and Information, G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf A109, Contact Information, PDF https://www.bpiexpressonline.com/media/uploads/591958e43c095_11_GRI_Content_Index_Pages_from_BPI_Annual_Report_Y2016-14.pdf - ANNUAL REPORT ON 17-A, Part 1, Item 1., A., (2), Distribution Network, pp. 7-8, https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Annex A-1, Discussion on compliance with leading practices on Corporate Governance, (d), p. 39-44, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_-_for_Disclosure)_030718.pdf</p>	
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		https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf 4. PSE EDGE Template Name: Announce PSE Report or Date and Time: Form: Circular No.: Information Statement Mar 8, 2018 17-5 CR01325-2018 7:51 AM Mar 27, 2017 CR01608-2017 11:30AM Annual Report Apr 13, 2018 17-1 CR02159-2018 03:30 PM http://edge.pse.com.ph/companyInformation/form.do?cmpry_id=234	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:		Provide link to company website	
a. Financial statements/reports (latest quarterly)	COMPLIANT	https://www.bpiexpressonline.com/p/1/239/company-disclosures-main	
b. Materials provided in briefings to analysts and media	COMPLIANT	https://www.bpiexpressonline.com/p/1/766/presentations	
c. Downloadable annual report	COMPLIANT	https://www.bpiexpressonline.com/p/1/270/annual-reports	
d. Notice of ASM and/or SSM	COMPLIANT	https://www.bpiexpressonline.com/p/1/819/notice-of-asm	
e. Minutes of ASM and/or SSM	COMPLIANT	https://www.bpiexpressonline.com/p/1/820/minutes-of-asm	
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	https://www.bpiexpressonline.com/media/uploads/592bcc524c043_BPI_AOI_2015.pdf https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf	

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	COMPLIANT	https://www.bpiexpressonline.com/ https://www.bpiexpressonline.com/p/1/776/about-bpi	
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Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p><i>In adherence to Recommendations 9.1, 9.2 and 12.3 of the SEC Code of Corporate Governance for Publicly-Listed Companies, this is contained in the Audit Committee Charter wherein the Board, through the Audit Committee, oversees the appointment of the Internal Auditor and the External Auditor. The Audit Committee Charter, including policies with respect to the external auditor, is disclosed on the company website.</i></p> <p><i>The Audit Committee reviews the internal audit function of BPI including its independence and the authority of its reporting relationships at least annually. It ensures that the Chief Audit Executive is not dependent on any Bank executive or operating officer for the security of his or her position. Additionally, it ensures that the Chief Audit Executive has access to the Board, on a confidential basis, and that the Internal Audit is independent of Bank management, both by intent and actual practice. The Audit Committee also held periodic private sessions and meetings with the Chief Audit Executive to discuss any significant control and/or risk issues. The Head of Internal</i></p>	
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	<p><i>Audit or the Chief Audit Executive is identified, disclosed and reported to the Bangko Sentral ng Pilipinas. The Report of the Audit Committee to the Board of Directors, disclosed on the company website, assures the substantive role and performance of the Internal Audit Unit/Chief Audit Executive.</i></p> <p><i>The assessment of controls, systems and processes of the Bank is covered by the annual audit work plan, which is developed using the Audit Risk Assessment/scoring model. The annual work plan is reviewed and approved by the Audit Committee. The audit risk scoring model is also reviewed annually and approved also by the Audit Committee. The COSO internal control framework comprising of its components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities, and the Control Objectives for Information and Related Technology (COBIT) are the frameworks being used/considered in the assessing the effectiveness of the internal control system.</i></p> <p><i>The Audit Committee recommends to the Board of Directors the appointment, re-appointment, and removal of a BSP/SEC-accredited external auditor for the purpose of preparing or issuing an audit report or related work. The appointment, re-appointment, and removal of the external auditor is ratified by the shareholders. The engagement of the external auditor is also done pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors).</i></p> <p><i>The Audit Committee reviews the external auditor's annual plan, scope of work, and in consultation with management approves the external auditor's term of engagement and audit fees.</i></p>	
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		<ul style="list-style-type: none"> <i>The external auditor and the members of the audit team adhere to the highest standards of professional conduct, including integrity and objectivity.</i> <p><i>The external auditor reviews and discusses the financial statements and reports, including results of operations, with Management and the Internal Auditor, and endorses the same to the Board of Directors for approval. Audited Financial Statements are signed by the Chairman of the Board of Directors, the President and CEO and the CFO. The Audit Committee also holds executive/private meetings with the external auditors without the presence of Management.</i></p> <p><i>The Internal Audit Unit has an established quality assurance and improvement program to ensure that audit activities conform to the International Standards for the Professional Practice of Internal Auditing. The program includes periodic internal and external quality assessment as well as ongoing monitoring of the performance of the internal audit activity. Periodic internal assessments are conducted annually, while external quality assessments are conducted at least once every five years by a qualified independent validator. This unit maintains its “generally conforms” ratings on both internal and external assessments, which indicate that its activities have continuously conformed to professional standards, code of ethics, and other internal standards.</i></p>	
<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 adherence to Recommendation 2.10, 2.11, 12.1 and 12.4 of the SEC Code of Corporate Governance for Publicly-Listed Companies, the Bank espouses a comprehensive risk management and capital management framework, which integrates the management of all its financial and non-financial risk exposures. The framework conforms not only to the Bank's own rigorous standards, but also Bangko Sentral directives in promoting an effective Internal Capital Adequacy Assessment Process (ICAAP) and other risk management processes; also ensures that the Bank has adequate liquidity and capital levels to mitigate risks. The framework focuses on three (3) key components of –</p> <ol style="list-style-type: none"> I. Sound Risk Management Governance. II. Effective processes, information systems, and controls. III. Timely and reliable risk data <p>BPI's Board of Directors fulfills its risk management function through its Risk Management Committee. In adherence to Recommendation 12.5 of the SEC Code of Corporate Governance for Publicly-Listed Companies, at the management level, the Risk Management Office is headed by the Chief Risk Officer. The CRO is responsible in leading the formulation of risk management policies, methodologies, and metrics in alignment with the overall strategy of the Bank, ensuring that risks are prudently and rationally undertaken and within the Bank's risk appetite, as well as commensurate and disciplined to</p>	
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		<p>maximize returns on capital. The CRO and the RMO facilitate risk management learning programs and promote best practices on an enterprise-wide basis. The Bank's risk exposures are identified, measured, and monitored according to three (3) major classifications:</p> <ol style="list-style-type: none"> 1. Credit Risk, the largest single risk for most local banks, arises from the Bank's core lending and investing business, and involves the thorough evaluation, appropriate approval, management and continuous monitoring of exposure risks, such as borrower (or counterparty) risk, facility risk, concentrations and industry risk relating to each loan account. In BPI, the entire credit risk management process is governed by stringent underwriting policies and rating parameters, and lending procedures and standards which are regularly reviewed and updated given regulatory requirements and market developments. The Bank's loan portfolio is continuously monitored and reviewed as to overall asset quality, concentration and utilization of limits. The Bank continuously experiences growth in loan volumes but is able to manage overall low credit risk and maintain asset quality (as evidenced by generally low NPLs and adequate reserves cover), and did so in general compliance with regulatory and prudential requirements relating to credit risk management (e.g. RPT and DOSRI restrictions, single borrower's limits, and credit concentration, internal and regulatory stress tests, among others). 2. Market and Liquidity Risks arise from the Bank's business in managing interest rate and liquidity gaps, as well as in the trading and distribution of fixed income, foreign exchange, and derivative instruments (as allowed by regulation). Price risk and liquidity risk are managed using a set of established policies and metrics guided by 	
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		<p>the Bank's market risk management framework set by the Board/RMC. Price risk is the risk that the Bank's earnings will decline immediately (or over time) because of volatility in interest rates, FX rates, or equity prices. The Bank employs various methodologies such as value-at-risk (VaR), loss limits, balance sheet value-at-risk, and earnings at-risk, supplemented by regular stress tests. Liquidity exposures on funding mainly come from the mismatches of asset, liability, and exchange contract maturities. The Bank manages liquidity risk by setting a minimum cumulative liquidity gap (MCLG – smallest net cumulative cash inflow or the largest net cumulative cash outflow), conducting internal and regulatory liquidity stress tests, and testing an established contingency funding plan. The Bank's market and liquidity risk exposures are generally well within the RMC (Board-level) approved VaR, stop loss, and other risk limits at the BPI parent and consolidated group levels. .</p> <p>3. Operational and Information Technology Risks arise from the Bank's people and processes, its information technology, threats to the security of its facilities, personnel, or data, models, business interruption risk, reputational risk, and compliance obligations to regulatory or taxing authorities, amongst others. Operational and IT risk management in the Bank involves the formulation of policies, setting and monitoring of key risk indicators, overseeing the thoroughness of bank-wide risk and control self-assessments and loss incident management; and in the process, creating and maintaining a sound business operating environment that ensures and protects the integrity of the Bank's assets, transactions, reputation, records and data of the Bank and its customers, the enforceability of the Bank's claims, and compliance with</p>	
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		<p>all pertinent legal and regulatory parameters. The Bank's actual operational losses are generally less than 1% of the Bank's annual gross income, which is well within the Bank's appetite for operational and IT risks. .</p> <p>Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive operational experience working within the Bank. The Bank's risk managers regularly monitor key risk indicators and report exposures against carefully-established credit, market, and operational and IT risk metrics and limits approved by the RCom. Finally, independent reviews are regularly conducted by the bank's Internal Audit group, regulatory examiners, and external auditors to ensure that risk controls and mitigants are in place and functioning effectively as intended.</p> <p>The Board of Directors carries out the risk management function through the Risk Management Committee (RCom) of the Board. The Risk Management Committee is tasked with nurturing a culture of risk management across the enterprise. It supports the Board by overseeing and managing the bank's exposures to financial and non-financial risks, assesses new and emerging risk issues across the Bank, regularly reviews the Bank's risk management appetite, policies, structures, and metrics, and monitors liquidity and capital adequacy, in order to meet and comply with regulatory and international standards on risk measurement and management. Specifically, the Risk Management Committee –</p> <ol style="list-style-type: none"> 1. Reviews the reports from the Bank's various management committees and business units that are necessary to identify, measure, monitor and assess the 	
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		<p>risk exposures and capital adequacy and their implication/s to the Bank.</p> <p>2. Reviews and recommends to the Board for approval the -</p> <ol style="list-style-type: none"> a. The most appropriate capital structure for the BPI Group in consideration of the BPI Group's long-term strategic objectives, current business plans, and risk appetite; and b. The BPI Group's risk and capital management policies. <p>3. Reviews, approves and/or confirms proposals relating to risk limits, risk exposure allocation, capital allocation and other related risk management policies.</p> <p>The Bank's RCom regularly reviews the Bank's risk management systems and structures in its monthly meetings (or more frequent meetings may also be called) and conducted its full year 2017 annual review in its Q1 2018 meetings. The RCom conducted its self-assessment evaluations, individually and jointly, for year 2017.</p> <p>1. ANNUAL REPORTS</p> <ul style="list-style-type: none"> - ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Risk Management and Governance, pp.90-116 - ANNUAL REPORT, (2016 glossy), Risk Management, G10-G18 PDF - ANNUAL REPORT ON 17-A, Item I., A., 2., pp. 14-16 	
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		https://www.bpiexpressonline.com/p/1/239/company-disclosures-main	
Supplement to Recommendations 12.1			
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.	COMPLIANT	<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>Review and frequency of the compliance program is based on the risk assessment conducted at the respective business units, and at the minimum, is done annually.</p> <p>1. ANNUAL REPORTS</p> <p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>Compliance, pp.106-107</p> <p>- ANNUAL REPORT, (2016 glossy), Compliance, G18-G20 https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 17-A, Item I., A., 2., pp. 16-17 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p>	
Optional: Recommendation 12.1			
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.	COMPLIANT	<p>Provide information on IT governance process</p> <p>BPI has established a Board-approved IT risk governance structure that espouses the three lines of defense. Identification, assessment, monitoring and addressing IT Risks is the primary responsibility of the business and</p>	

		<p>operating units, including the Bank's Information Systems Group (ISG), through tools such as Risk Assessments, Key Risk Indicator (KRI) monitoring, Loss Event Data (LED) collection and analysis. There is an IT Risk Committee and IT Steering Committee that meets regularly, where IT risk issues are discussed at management level.</p> <p>The second line of defense is performed by the Risk Management Office (RMO), headed by a Chief Risk Officer, which reports regularly to the board-level Risk Management Committee (RMC). Under the RMO is the Operational and Information Technology Risk Management (OTRM) division, which develops and deploys the tools (such as Risk Assessments, KRIs, LED) used to identify, assess and monitor IT risks, and provides the RMC reports on the Bank's IT risk profile.</p> <p>The Bank also has an Enterprise Information Security Management team which develops strategies and provides oversight in mitigating risks to the confidentiality, integrity, and availability of the Bank's information assets and information systems.</p> <p>The Bank also has in place business continuity and disaster recovery plans to ensure the recovery and availability of all critical organizational assets and customer-servicing infrastructure. Incident Management processes are in place to properly manage incidents. A Crisis Resiliency Committee and process is in place to prevent incidents from escalating to catastrophic proportions. Robust BCP sites are situated in strategic locations for critical head office services to meet the increasing demand on business continuity preparedness of the bank's operations.</p> <p>The Board-level RMC is regularly apprised of IT risks through comprehensive reporting and discussions during monthly meetings. To further strengthen information security awareness, the Board is continually briefed on</p>	
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	<p>current cybercrime landscapes, emerging risks and industry trends, as well as mitigating measures implemented by the Bank.</p> <p>Sources:</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Risk Management Function”, “Chief Risk Officer” and “Risk Management Committee”, Sec. II.C.5., D.2., & Sec. V., pp. 56, 69, 86</i></p> <p>2. BPI WEBSITE - <i>Governance> “Enterprise Risk Management”</i> https://www.bpiexpressonline.com/p/1/815/enterprise-risk-management - <i>Governance> “Board and Governance”> “Board Matters”> “Committees and Charters”> “Risk Management Committee”> “Risk Management Committee Charter”</i></p> <p>3. ANNUAL REPORTS - ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Risk Management, pp.99-104</p> <p>- ANNUAL REPORT, (2016 glossy), G10-G16 (Risk Management) PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 17-A, Part I., Item 1., A-2, Risk Management, pp. 14-16</p>	
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		https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Discussion of compliance with leading practices on Corporate Governance, pp.40-41, PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf	
Recommendation 12.2			
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.	COMPLIANT	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm. Internal Audit is a Division of the Bank (in-house).	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities. 1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Operating Management", "Duties and Responsibilities of Officers", "Chief Audit Executive", Sec. II.D., pp. 63-64, 69-72 - "Audit Committee Charter", Sec. II.C., 3., pp. 51	

		<p>2. BPI WEBSITE</p> <p>- Governance> "Board and Governance"> "Board Committees"> "Audit Committee" https://www.bpiexpressonline.com/p/1/788/audit-committee</p> <p>- Governance> "Board and Governance"> "Board Committees"> "Audit Committee"> "Audit Committee Charter"</p> <p>As of December 31, 2017: Chief Audit Executive – Rosemarie B. Cruz</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.	COMPLIANT	<p>Please refer to the Bank's Internal Audit Charter. https://www.bpiexpressonline.com/p/1/816/internal-audit-and-control</p> <p>BPI Internal Audit has no outsourced activity to a third party provider.</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.	COMPLIANT	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p>This is not applicable to BPI which has an in-house Internal Audit Division and does not outsource activity to a third party provider.</p>	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p>Provide information on company's risk management function.</p> <p>In adherence to Recommendation 2.10, 2.11, 12.1 and 12.4 of the SEC Code of Corporate Governance for Publicly-Listed Companies, the Bank espouses a comprehensive risk management and capital management framework, which integrates the management of all its financial and non-financial risk exposures. The framework conforms not only to the Bank's own rigorous standards, but also Bangko Sentral</p>	

	<p>directives in promoting an effective Internal Capital Adequacy Assessment Process (ICAAP) and other risk management processes; also ensures that the Bank has adequate liquidity and capital levels to mitigate risks. The framework focuses on three (3) key components of –</p> <ul style="list-style-type: none"> I. Sound Risk Management Governance. II. Effective processes, information systems, and controls. III. Timely and reliable risk data <p>BPI’s Board of Directors fulfills its risk management function through its Risk Management Committee. In adherence to Recommendation 12.5 of the SEC Code of Corporate Governance for Publicly-Listed Companies, at the management level, the Risk Management Office is headed by the Chief Risk Officer. The CRO is responsible in leading the formulation of risk management policies, methodologies, and metrics in alignment with the overall strategy of the Bank, ensuring that risks are prudently and rationally undertaken and within the Bank’s risk appetite, as well as commensurate and disciplined to maximize returns on capital. The CRO and the RMO facilitate risk management learning programs and promote best practices on an enterprise-wide basis.</p> <p>The Bank’s risk exposures are identified, measured, and monitored according to three (3) major classifications:</p> <ul style="list-style-type: none"> 1. Credit Risk, the largest single risk for most local banks, arises from the Bank’s core lending and investing business, and involves the thorough evaluation, appropriate approval, management and continuous monitoring of exposure risks, such as borrower (or counterparty) risk, facility risk, concentrations and industry risk relating to each loan account. In BPI, the entire credit risk management process is governed by 	
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		<p>stringent underwriting policies and rating parameters, and lending procedures and standards which are regularly reviewed and updated given regulatory requirements and market developments. The Bank's loan portfolio is continuously monitored and reviewed as to overall asset quality, concentration and utilization of limits. The Bank continuously experiences growth in loan volumes but is able to manage overall low credit risk and maintain asset quality (as evidenced by generally low NPLs and adequate reserves cover), and did so in general compliance with regulatory and prudential requirements relating to credit risk management (e.g. RPT and DOSRI restrictions, single borrower's limits, and credit concentration, internal and regulatory stress tests, among others).</p> <p>2. Market and Liquidity Risks arise from the Bank's business in managing interest rate and liquidity gaps, as well as in the trading and distribution of fixed income, foreign exchange, and derivative instruments (as allowed by regulation). Price risk and liquidity risk are managed using a set of established policies and metrics guided by the Bank's market risk management framework set by the Board/RMC. Price risk is the risk that the Bank's earnings will decline immediately (or over time) because of volatility in interest rates, FX rates, or equity prices. The Bank employs various methodologies such as value-at-risk (VaR), loss limits, balance sheet value-at-risk, and earnings at-risk, supplemented by regular stress tests. Liquidity exposures on funding mainly come from the mismatches of asset, liability, and exchange contract maturities. The Bank manages liquidity risk by setting a minimum cumulative liquidity gap (MCLG – smallest net cumulative cash inflow or the largest net cumulative cash</p>	
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		<p>outflow), conducting internal and regulatory liquidity stress tests, and testing an established contingency funding plan. The Bank's market and liquidity risk exposures are generally well within the RMC (Board-level) approved VaR, stop loss, and other risk limits at the BPI parent and consolidated group levels. .</p> <p>3. Operational and Information Technology Risks arises arise from the Bank's people and processes, its information technology, threats to the security of its facilities, personnel, or data, models, business interruption risk, reputational risk, and compliance obligations to regulatory or taxing authorities, amongst others. Operational and IT risk management in the Bank involves the formulation of policies, setting and monitoring of key risk indicators, overseeing the thoroughness of bank-wide risk and control self-assessments and loss incident management; and in the process, creating and maintaining a sound business operating environment that ensures and protects the integrity of the Bank's assets, transactions, reputation, records and data of the Bank and its customers, the enforceability of the Bank's claims, and compliance with all pertinent legal and regulatory parameters. The Bank's actual operational losses are generally less than 1% of the Bank's annual gross income, which is well within the Bank's appetite for operational and IT risks. .</p> <p>Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive operational experience working within the Bank. The Bank's risk managers regularly monitor key risk indicators and report exposures against carefully-established credit, market, and operational and IT risk</p>	
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		<p>metrics and limits approved by the RCom. Finally, independent reviews are regularly conducted by the bank's Internal Audit group, regulatory examiners, and external auditors to ensure that risk controls and mitigants are in place and functioning effectively as intended.</p> <p>The Board of Directors carries out the risk management function through the Risk Management Committee (RCom) of the Board. The Risk Management Committee is tasked with nurturing a culture of risk management across the enterprise. It supports the Board by overseeing and managing the bank's exposures to financial and non-financial risks, assesses new and emerging risk issues across the Bank, regularly reviews the Bank's risk management appetite, policies, structures, and metrics, and monitors liquidity and capital adequacy, in order to meet and comply with regulatory and international standards on risk measurement and management. Specifically, the Risk Management Committee –</p> <ol style="list-style-type: none"> 1. Reviews the reports from the Bank's various management committees and business units that are necessary to identify, measure, monitor and assess the risk exposures and capital adequacy and their implication/s to the Bank. 2. Reviews and recommends to the Board for approval the - <ol style="list-style-type: none"> a. The most appropriate capital structure for the BPI Group in consideration of the BPI Group's long-term strategic objectives, current business plans, and risk appetite; and 	
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		<p>b. The BPI Group's risk and capital management policies.</p> <p>3. Reviews, approves and/or confirms proposals relating to risk limits, risk exposure allocation, capital allocation and other related risk management policies.</p> <p>The Bank's RCom regularly reviews the Bank's risk management systems and structures in its monthly meetings (or more frequent meetings may also be called) and conducted its full year 2017 annual review in its Q1 2018 meetings. The RCom conducted its self-assessment evaluations, individually and jointly, for year 2017.</p> <p>1. ANNUAL REPORTS - ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports Risk Management, pp.99-104 - ANNUAL REPORT, (2016 glossy), Risk Management, G10-G18 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf - ANNUAL REPORT ON 17-A, Item I., A., 2., pp. 14-16 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p>	
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. The Bank from time to time engages reputable external consultants (e.g. SAS and SPM Consulting, SGV-EY, Deloitte Philippines, etc.) to either enhance and/or</p>	

		benchmark the maturity of its risk management systems and processes to also align with industry best practices. Such risk management engagements usually involve knowledge-transfer modules to further equip our risk management officers and specialists.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<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>As of December 31, 2017: Chief Risk Officer – Edgardo O. Madrilejo</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Risk Management Function”, “Chief Risk Officer” and “Risk Management Committee”, Sec. II.C.5., D.2., & Sec. V., pp. 56, 69, 86</i></p> <p>2. BPI WEBSITE - Governance> “Enterprise Risk Management” https://www.bpiexpressonline.com/p/1/815/enterprise-risk-management - Governance> “Board and Governance”> “Board Matters”> “Committees and Charters”> “Risk Management Committee”> “Risk Management Committee Charter”</p>	

		<p>Provide qualifications/background or bio.</p> <p>EDGARDO O. MADRILEJO Chief Risk Officer (CRO)</p> <p>Filipino, 61 years old, serves as the Bank’s Chief Risk Officer. He has worked in BPI for 37 years and led the transformation in BPI’s Risk Management culture, framework, and best practices positioning the Bank as a leader in governance and risk management.</p> <p>Mr. Madrilejo began his career as a professor at De La Salle University from 1980 to 1982. He transitioned to the banking sector as Head of Planning and Project Development of BPI Corporate Planning in 1982. Working his way up, he became Business Center Head of Western Visayas in BPI Provincial Lending in 1988 to 1992, and eventually became the Head of Credit and Marketing of BPI Agribank from 1992 to 1993. He also served as the Head of Training in BPI Corporate Services Group, as Division Head Money Management of BPI Treasury in 1995, and at 1997 he went back to BPI Corporate Planning as the Corporate Risk and Data Mining Head until 2006. He then became Managing Director of BPI Europe PLC from 2007 to 2013; and in 2013 up to 2017, he served as Chief Risk Officer and group head of the BPI Risk Management Office leading more than 100 highly-skilled risk management officers and specialists. He also concurrently serves as a Director and Risk and Compliance Committee Member in BPI International Finance Limited (Hong Kong), and Director and Audit Committee Member in BPI Europe PLC (London, United Kingdom). He has a degree in A.B. Economics from De La Salle University in 1976. He took Masters of Science in Arts and Sciences and completed his PhD units in the University of Pennsylvania in 1980.</p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>COMPLIANT</p>	<p>The CRO is a Senior Vice President.</p>	

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 The CEO and CAE Attestation is attached as an Annex to this report.	
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. 1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf - "Stockholders' Rights and Protection of Minority Stockholders Interests", Sec. VII.A.-C., pp. 91-93	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website https://www.bpiexpressonline.com/p/1/811/stockholders https://www.bpiexpressonline.com/p/1/812/minority-stockholders	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	1. ARTICLES OF INCORPORATION and AMENDED BY-LAWS https://www.bpiexpressonline.com/media/uploads/592bcc524c043_BPI_AOI_2015.pdf	

		https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p>Authorized capital stock of P49,600,000,000 divided into: (i) 4,900,000,000 Common Shares with a par value of P10.00 per share and (ii) 60,000,000 Preferred A Shares with a par value of P10.00 per share. As of January 31, 2018, the Bank had 3,943,404,825 Common Shares outstanding and no Preferred A Shares outstanding. The Bank has no Common Shares held in treasury. Each Common Share entitles the holder to one vote. Same links as in Supplement to Recommendation 13.1, #1 above.</p>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p>Voting is by poll.</p> <p>1. AMENDED BY-LAWS, Article IV, p. 4 PDF https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- "Election of Directors", Sec. I.A.7., p. 21 - "Stockholder's Right and Protection of Minority Stockholder Interests", "Shareholders' Rights", "Duty to Promote Stockholders' Rights", Sec. VII. A., B., pp. 91-93</p> <p>3. BPI WEBSITE</p>	

	<p>- Governance> “Board and Governance”> “Board Matters”> “Nomination and Election” https://www.bpiexpressonline.com/p/1/1347/nomination-and-election</p> <p>- Disclosures> “Notice of ASM” https://www.bpiexpressonline.com/p/1/819/notice-of-asm</p> <p>- Disclosures> “Minutes of ASM” https://www.bpiexpressonline.com/p/1/820/minutes-of-asm</p> <p>- Investor Relations> “Annual Stockholders Meeting” https://www.bpiexpressonline.com/p/0/163/annual-stockholders-meeting</p> <p>4. ANNUAL REPORTS</p> <p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>Governance, Nomination/Election/Selection, pp.91-92</p> <p>- ANNUAL REPORT, (2016 glossy), G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>- ANNUAL REPORT ON 20-IS, Voting procedures and validation of third-party auditors, pp. pp. 1-8, 10-11, 13-18, 39-44, 39-44 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>5. PSE EDGE</p> <p>Template Announce PSE Report or Circular Name: Date and Time: Form:</p>	
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		<p>Information Statement Mar 08, 2018 17-5 CR01325-2018 07:51 AM</p> <p>Mar 27, 2017 CR01608-2017 11:30AM</p> <p>[Amend-1]Notice of Annual or Special Stockholders' Meeting Mar 07, 2018 7-1 C01445-2018 09:44 AM</p> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234</p>	
<p>4. Board has an effective shareholder voting mechanisms 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>The Board protects rights of all shareholders including minority shareholders. (same links as Rec. 13 items)</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- "Stockholder's Right and Protection of Minority Stockholder Interests", "Shareholders' Rights", "Duty to Promote Stockholders' Rights", Sec. VII. A., B., pp. 91-93</p> <p>- "Definition and Composition", "Nomination of Directors", "Election of Directors", Sec. II.A.2, 6.-7., pp. 7, 9-23</p> <p>2. BPI WEBSITE - Governance> "Environmental, Social and Governance Reporting"> "Sustainability"> "Role of Stakeholders"> "Minority Stockholders"</p>	

		https://www.bpiexpressonline.com/p/1/812/minority-stockholders - Governance> “Board Matters”> “Nomination and Election” https://www.bpiexpressonline.com/p/1/1347/nomination-and-election	
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.	COMPLIANT	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p>While there was no such instance in or during the covered period, 2017, such shareholder's rights are provided for in the Bank's Amended By-Laws and is part of the Board's duties and responsibilities as provided in the Manual on Corporate Governance. (links also above)</p> <p>1. AMENDED BY-LAWS, Article IV https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p>1. AMENDED BY-LAWS, Article IV https://www.bpiexpressonline.com/media/uploads/592bcdefe2fe3_BPI_By_Laws_2015.pdf</p> <p>2. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- “Stockholder’s Right and Protection of Minority Stockholder Interests”, “Shareholders’ Rights”, “Duty to Promote Stockholders’ Rights”, Sec. VII. A., B., pp. 91-93 -“Nomination/Election of Directors”, Sec. II.A.6., pp.9-21</p> <p>3. BPI WEBSITE</p>	

		<p>- Governance> “Environmental, Social and Governance Reporting”> “Sustainability”> “Role of Stakeholders”> “Minority Stockholders” https://www.bpiexpressonline.com/p/1/812/minority-stockholders</p>	
<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>Dividends are declared and paid out of the earned surplus or net profits of the Bank as often and at such intervals as the Board of Directors may determine and in accordance with the provisions of law and the regulations of the BSP. There are no specific requirements relating to the Bank’s dividend policy other than required by applicable laws. Dividends to be paid in cash by the Bank are subject to approval by a majority of the Board of Directors and no further approval from the Bank’s shareholders is required. Dividends to be paid in the form of stock requires both the approval of a majority of the Board of Directors and the approval of shareholders representing not less than two-thirds of the Bank’s outstanding capital stock. Both cash and stock dividends require BSP approval. The Bank’s dividend declaration strategy is an integral component of its capital management policy rather than a stand-alone process. Its fundamental and overriding policy is sustainability. Dividend policy and pay-outs are reviewed semi-annually. These are referenced against the Bank’s capital management adequacy process. The Bank</p>	

		<p>has historically paid and intends to continue to pay dividends on its Shares subject to: the Bank's earnings, cash flow, financial condition and other factors, including business and regulatory requirements. Dividends may be declared only from unrestricted retained earnings. Circumstances which could restrict the payment of cash dividends include, but are not limited to, when the Bank undertakes major projects and developments requiring substantial cash expenditures. The Board of Directors may, at any time, modify the Bank's dividend pay-out ratio depending on the results of operations and future projects and plans of the Bank.</p> <p>Unlike non-banks, the company must seek and obtain regulatory approval for the payment of dividends. In October 2015, BSP Circular No. 888, Amendments to Regulations on Dividend Declaration and Interest Payments on Tier 1 Capital Instruments, was issued which amends the section on recording of dividends. The liability for dividends declared shall now be recognized in the bank's books upon its declaration. Prior to the release of BSP Circular No. 888, the liability for recording dividends declared is recognized only upon receipt of BSP approval thereof or if no such approval is received, after thirty (30) banking/business days from the date the required report on dividend declaration was received by the appropriate department of the Supervision and Examination Sector, whichever comes earlier. The impact of BSP Circular 888 is a thus a more immediate recognition of dividend payments, essentially immediately following approval by the board of directors. Nevertheless, the Bank takes all effort to ensure prompt payment based on declaration date and record date.</p> <table data-bbox="987 1340 1704 1415"> <thead> <tr> <th data-bbox="987 1340 1279 1380">Declaration Date</th> <th data-bbox="1279 1340 1704 1380">Payment Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="987 1380 1279 1415">May 20, 2015*</td> <td data-bbox="1279 1380 1704 1415">Sept. 2, 2015</td> </tr> </tbody> </table>	Declaration Date	Payment Date	May 20, 2015*	Sept. 2, 2015	
Declaration Date	Payment Date						
May 20, 2015*	Sept. 2, 2015						

		<p>December 16, 2015 January 27, 2016 June 15, 2016 July 20, 2016 December 14, 2016 January 20, 2017 June 21, 2017 July 27, 2017 December 13, 2017 January 19, 2018</p> <p>*Prior to October 2015, cash dividends declared are payable to common shareholders of record as of 15th working day from receipt by the Parent Bank of the approval by the BSP and distributable on the 15th working day from the said record date.</p> <p>1. ANNUAL REPORT - ANNUAL REPORT ON 17-A, Dividend policy and history, Part 2, Item 5., pp. 18-20; Part 5, Item 14, b., p.52; Note 19 of Audited financial statements, p.99-102 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main - ANNUAL REPORT ON 20-IS, Dividend policy and history, pp. 24-25; Note 19 of Audited financial statements, p.99-102 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>2. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce Date and Time:</td> <td>PSE Form</td> <td>Report or Circular</td> </tr> <tr> <td>Information Statement</td> <td>Mar 08, 2018 07:51 AM</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017 11:30AM</td> <td></td> <td>CR01608-2017</td> </tr> </table>	Template Name:	Announce Date and Time:	PSE Form	Report or Circular	Information Statement	Mar 08, 2018 07:51 AM	17-5	CR01325-2018		Mar 27, 2017 11:30AM		CR01608-2017	
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		Annual Report Apr 13, 2018 17-1 CR02159-2018 03:30 PM Declaration of Cash Dividends Regular, 6-1 Regular, Various Various http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p>For the 2017 Annual Stockholders' Meeting, our independent auditor, Isla Lipana & Co., performed this.</p>	
Recommendation 13.2			
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.	COMPLIANT	<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>We send the Notice of the Annual Stockholders' Meeting to our shareholders well before the meeting date in order to allow time for shareholders to review the meeting's agenda as well as to provide shareholders with sufficient information regarding the issues to be decided at the meeting; the Definitive Information Statement, or SEC Form 20-IS is issued in accordance with the BPI's By-Laws and Securities Regulation Code 20.</p>	

		<p>In 2017, it was March 27, 2017; 25 days ahead. Most current, the Notice of Annual Stockholders Meeting was sent out on March 7, 2018; this is 43 days ahead of the Annual Stockholders' Meeting scheduled on April 19, 2018.</p> <p>The Agenda includes the election of the external auditor and approval of remuneration.</p> <p>1. Notice of ASM and Information Statement - ANNUAL REPORT ON 20-IS, Agenda, pp. 1-8, 10-11, 13-18, 39-44, 39-44 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf</p> <p>2. PSE EDGE</p> <table border="1"> <thead> <tr> <th>Template Name:</th> <th>Announce Date and Time:</th> <th>PSE Form:</th> <th>Report or Circular</th> </tr> </thead> <tbody> <tr> <td>Information Statement</td> <td>Mar 08, 2018 07:51 AM</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017 11:30AM</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td>[Amend-1]Notice of Annual or Special Stockholders' Meeting</td> <td>Mar 07, 2018 09:44 AM</td> <td>7-1</td> <td>C01445-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017 12:32PM</td> <td></td> <td>C01738-2017</td> </tr> </tbody> </table> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234</p>	Template Name:	Announce Date and Time:	PSE Form:	Report or Circular	Information Statement	Mar 08, 2018 07:51 AM	17-5	CR01325-2018		Mar 27, 2017 11:30AM		CR01608-2017	[Amend-1]Notice of Annual or Special Stockholders' Meeting	Mar 07, 2018 09:44 AM	7-1	C01445-2018		Mar 27, 2017 12:32PM		C01738-2017	
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Supplemental to Recommendation 13.2

<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>1. Notice of ASM and Information Statement - ANNUAL REPORT ON 20-IS, Agenda, pp. 1-8, 10-11, 13-18, 39-44, 39-44 PDF https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf</p> <p>2. PSE EDGE</p> <table border="0"> <tr> <td>Template Name:</td> <td>Announce Date and Time:</td> <td>PSE Form:</td> <td>Report or Circular</td> </tr> <tr> <td>Information Statement</td> <td>Mar 08, 2018 07:51 AM</td> <td>17-5</td> <td>CR01325-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017 11:30AM</td> <td></td> <td>CR01608-2017</td> </tr> <tr> <td>[Amend-1]Notice of Annual or Special Stockholders' Meeting</td> <td>Mar 07, 2018 09:44 AM</td> <td>7-1</td> <td>C01445-2018</td> </tr> <tr> <td></td> <td>Mar 27, 2017 12:32PM</td> <td></td> <td>C01738-2017</td> </tr> </table> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234</p>	Template Name:	Announce Date and Time:	PSE Form:	Report or Circular	Information Statement	Mar 08, 2018 07:51 AM	17-5	CR01325-2018		Mar 27, 2017 11:30AM		CR01608-2017	[Amend-1]Notice of Annual or Special Stockholders' Meeting	Mar 07, 2018 09:44 AM	7-1	C01445-2018		Mar 27, 2017 12:32PM		C01738-2017	
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[Amend-1]Notice of Annual or Special Stockholders' Meeting	Mar 07, 2018 09:44 AM	7-1	C01445-2018																				
	Mar 27, 2017 12:32PM		C01738-2017																				
<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>Same link as above Supplemental to Recommendation 13.2.</p>																					
<p>b. Auditors seeking appointment/re-appointment</p>	<p>COMPLIANT</p>	<p>Same link as above Supplemental to Recommendation 13.2.</p>																					
<p>c. Proxy documents</p>	<p>COMPLIANT</p>	<p>Same link as above Supplemental to Recommendation 13.2.</p>																					

Optional: Recommendation 13.2

1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	Provide link or reference to the rationale for the agenda items Notice of ASM, p.2; Same link as above Supplemental to Recommendation 13.2..	
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. 1. BPI WEBSITE - About Us > "Disclosures" > "Minutes of ASM" https://www.bpiexpressonline.com/p/1/820/minutes-of-asm - About Us > "Disclosures" > "Voting Results" https://bpiexpressonline.com/p/1/1514/voting-results 2. PSE EDGE Template Announce PSE Report or Circular Name: Date and Time: Form: Results of Annual or Special Stockholders' Meeting Apr 19, 2018 4-24 C02633-2018 01:27 PM Apr 20, 2017 C022893-2017 2:17PM http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234	
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	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.	

		<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>Our Minutes of the Annual Stockholders' Meeting includes all information pertinent to the meeting: Date, Time, Location of the Annual Meeting; Qualified participants, Attendance and quorum present to conduct business; Approval of prior minutes; General report of the President; Record of action items in the meeting including Election of the Board, any pertinent discussions, and actual votes done by poll; Corporate resolutions that were adopted also voted upon by poll. The minutes also records the dialogue between our stockholders and the Board and Management, facilitating Board and Management's responses to stockholders' questions and clarifications as well as determining any follow up actions that need to be taken by Board and Management in the future.</p> <p>1. BPI WEBSITE - About Us> "Disclosures"> "Minutes of ASM" https://www.bpiexpressonline.com/p/1/820/minutes-of-asm</p>	
Supplement to Recommendation 13.3			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>COMPLIANT</p>	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p> <p>Yes, the external auditor and other relevant individuals were present in the last ASM.</p>	
Recommendation 13.4			

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p>It is the policy of the Bank to resolve disputes or differences with stockholders, regulatory authorities and other third parties, if and when such disputes or differences arise, through mutual consultation or negotiation, mediation or arbitration. If the agreement between the Bank and third parties has an arbitration clause, arbitration is the ADR system being adopted. If none, the Bank initiates conciliation- earnest effort to arrive at amicable settlement. If everything fails, and the dispute progresses into court litigation, the Bank strictly adheres to and complies with Supreme Court A.M. No. 11-1-6-SC-PHILJA dated January 11, 2011 [Consolidated and Revised Guidelines to Implement the Expanded Coverage of Court-Annexed Mediation (CAM) and Judicial Dispute Resolution (JDR)].</p> <p>Relative to regulatory authorities, the Bank adopts and complies with the alternative modes of dispute resolution they are using or promoting such as, but not limited to, mediation, conciliation and arbitration, in compliance with Republic Act No. 9285 (Alternative Dispute Resolution Act of 2004).</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S</p>	

		ECCGPLCCodeCompliant for SEC PSE posting 052917.pdf - <i>“Stockholder’s Right and Protection of Minority Stockholder Interests”, “Shareholders’ Rights”, “Duty to Promote Stockholders’ Rights”, “Alternative Dispute Mechanism”, Sec. VII. A.-C., pp. 91-93</i>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person: Rhodora Lugay (For 2017); Maria Consuelo A. Lukban (For 2018) 2. Telephone number: (632)8455944 3. Fax number: 4. E-mail address: investorrelations@bpi.com.ph	
2. IRO is present at every shareholder’s meeting.	COMPLIANT	Indicate if the IRO was present during the ASM. Yes, the IRO was present in the last ASM.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. There are no capital structures or arrangements that enable certain shareholders to obtain a degree of control, i.e, shareholders agreement, voting cap, multiple voting rights, pyramid structures or crossholding structures. The voting procedures discussed earlier in the document also support that the Board does not have any anti-takeover measures in place.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	Indicate the company’s public float. As of December 31, 2017, public float was 39.1% https://www.bpiexpressonline.com/p/1/763/stock-information	

Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	<p>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</p> <p>https://www.bpiexpressonline.com/p/0/81/investor-relation https://www.bpiexpressonline.com/p/1/1747/disclosures-and-transparency</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	NON-COMPLIANT	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p>The Bank does not have facilities for electronic voting overseas or outside of the Annual Stockholders Meeting Venue/Metro Manila. However, the Bank normally provides facilities for electronic voting on-site, during the Annual Stockholders Meeting and voting by proxy which provides for protection of stockholder 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	<p>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> <p>https://www.bpiexpressonline.com/p/1/807/role-of-stakeholders 1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S</p>	

		<p>ECCGPLCCodeCompliant for SEC PSE posting 052917.pdf</p> <ul style="list-style-type: none"> - <i>“Code of Business Conduct and Ethics”</i>, Sec. III. A.-E., pp. 74-83, - <i>“Stockholders’ Rights and Protection of Minority Stockholder Interests”</i>, Sec. VII., A.-C., pp.91-93 <p>2. BPI WEBSITE</p> <ul style="list-style-type: none"> - Who We Are - Who We Are> “Awards” https://www.bpiexpressonline.com/p/1/760/awards - Governance> “Role of Stakeholders” https://www.bpiexpressonline.com/p/1/807/role-of-stakeholders https://www.bpiexpressonline.com/p/1/808/clients https://www.bpiexpressonline.com/p/1/809/employees https://www.bpiexpressonline.com/p/1/810/suppliers https://www.bpiexpressonline.com/p/1/811/stockholders https://www.bpiexpressonline.com/p/1/812/minority-stockholders https://www.bpiexpressonline.com/p/1/906/environment-friendly-value-chain https://www.bpiexpressonline.com/p/1/813/investors https://www.bpiexpressonline.com/p/1/814/communities - Governance> “Code of Business Conduct and Ethics” https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics - Sustainability https://www.bpiexpressonline.com/p/1/298/bpi-foundation-home <p>3. ANNUAL REPORT</p> <ul style="list-style-type: none"> - ANNUAL REPORT, (2017 glossy), 	
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	<p>https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>Message from Chairman and CEO, p.6 Cultivating an Integrated Approach, p. 16 Strengthening Pillars for Growth, p.22 Delivering Shared Value, p.30 Managing our Capitals, p.70 BPI Senior Leadership, p.117</p> <p>- ANNUAL REPORT, (2016 glossy), (Code of Business Conduct and Ethics, Customer Experience) G1-G28 PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages from BPI Annual Report Y2016-6.pdf</p> <p>pp. S1-S14, (Sustainability, Stakeholder Rights) PDF https://www.bpiexpressonline.com/media/uploads/59195414df4aa_05_Sustainability Pages from BPI Annual Report Y2016-7.pdf</p> <p>pp. 14-33, (Our Clients and Our People) PDF https://www.bpiexpressonline.com/media/uploads/5919519642a8c_04_Our Clients and Our People Pages from BPI Annual Report Y2016-3.pdf</p> <p>pp. 1-6, (Our Credo) PDF https://www.bpiexpressonline.com/media/uploads/591918f180fcb_02 Title Page BPI Credo ToC Pages from BPI Annual Report Y2016.pdf</p> <p>- ANNUAL REPORT ON 17-A, Bank operations towards client needs and satisfaction, Part 1, Item 1., A., 1., pp. 5-9, Item 6, pp. 16-28 https://www.bpiexpressonline.com/p/1/239/company-disclosures-main</p> <p>- ANNUAL REPORT ON 20-IS, Discussion of compliance with leading practices on Corporate Governance, pp.35-40, PDF</p>	
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		https://www.bpiexpressonline.com/media/uploads/5aa9f18c6f99c_BPI_2018_ASM_-_Definitive_Information_Statement_(Final_for_Disclosure)_030718.pdf https://www.bpiexpressonline.com/media/uploads/58e1db2705da6_BPI_Definitive_20-IS_(2017).pdf 6. PSE EDGE Template Name: Announce PSE Report or Date and Time: Form: Circular No.: Information Statement Mar 8, 2018 17-5 CR01325-2018 7:51 AM Mar 27, 2017 CR01608-2017 11:30AM Annual Report Apr 13, 2018 17-1 CR02159-2018 03:30 PM http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=234	
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 https://www.bpiexpressonline.com/p/1/807/role-of-stakeholders Links are provided also in Recommendation 14.1, #1.	
Recommendation 14.3			
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.	COMPLIANT	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. Provide information on whistleblowing policy, practices and procedures for stakeholders	

	<p>For any issues and concerns, the Bank discloses on its website and annual reports, its regular customer service and venues for stakeholders to communicate directly with the Bank. For customer inquiries, comments or feedback, stakeholders may contact our 24-Hour Customer Service at 89-100 for Metro Manila; 1-800-188-89100 for domestic toll-free calls (available to PLDT subscribers); 63 + 2 + 89-10000 for mobile phone and international access; and International Toll-Free Numbers (refer to Contact Us for details) or send an email to expressonline@bpi.com.ph.</p> <p>The Bank's customer centers can also be contacted thru mobile (Text us your thoughts via SMS. Send FEEDBACK to 0917-8910000), electronic mail as well as social media sites. For specific concerns of stakeholders, i.e., suppliers, investors, etc. there are assigned contact persons as disclosed on the company website and on its annual report.</p> <p>Apart from providing online, telephone and mobile, email, social media, etc. touch points for any concerns, the Bank also has a Whistleblower Policy for reporting of violations or suspected violations or similar concerns. These contact details are all provided on the company website as well as through its Annual Report. Below are the disclosures of such contact details on the website and Annual Report:</p> <p>Corporate Information BANK OF THE PHILIPPINE ISLANDS 6768 Ayala Avenue Makati City 0720 Philippines (632) 818 5541 to 48 www.bpiexpressonline.com</p>	
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	<p>BPI Stock Transfer Office c/o Marian J. Machado 16/F BPI Building 6768 Ayala Avenue Makati City 1226 (632) 816 9898, 816 9068, 816 9067 stocktransferoffice@bpi.com.ph</p> <p>BPI Investor Relations Office c/o Maria Consuelo Lukban 16/F BPI Building 6768 Ayala Avenue Makati City 1226 (632) 845 5944, 816 9333 investorrelations@bpi.com.ph</p> <p>Office of the Corporate Secretary c/o Atty. Angela Pilar B. Maramag 18/F BPI Building 6768 Ayala Avenue Makati City 1226 (632) 816 9705</p> <p>BPI Sustainability Office 16/F BPI Building, 6768 Ayala Avenue, Makati City 1226 bpisusta@bpi.com.ph <u>(632) 816 9681</u></p> <p>Customer Inquiries 89-100 or expressonline@bpi.bom.ph</p> <p>Supplier, Creditor Inquiries 89-100 or expressonline@bpi.bom.ph</p>	
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	<p>Media Inquiries Strategic Brand Management 18/F BPI Building, 6768 Ayala Avenue, Makati City 1226 brandbpi@bpi.com.ph <u>(632) 816 9233</u></p> <p>Careers Human Resources Management 5/F BPI Building, 6768 Ayala Avenue, Makati City 1226 (632) 845-5046</p> <p>Whistleblower Reports Eye_report@bpi.com.ph</p> <p>The Company provides venues and contact details for stakeholders to communicate their concerns, disclosed in the reports below, together with other relevant information.</p> <p><u>Sources:</u></p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Code of Business Conduct and Ethics”, “Whistleblower Policy”, Sec. III. A.-F., pp. 62-70,</i> - <i>“Stockholders’ Rights and Protection of Minority Stockholder Interests”, Sec. VII., A.-B., pp.77-79</i></p> <p>2. BPI WEBSITE - Contact Us https://www.bpiexpressonline.com/p/0/112/contact-us</p>	
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	<p>- Governance> “Business Conduct and Ethics”>“Whistleblower Policy”, “Insider Trading Policy”, etc. https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics</p> <p>- Who We Are https://www.bpiexpressonline.com/p/1/776/about-bpi</p> <p>3. ANNUAL REPORT</p> <p>- ANNUAL REPORT, (2017 glossy), https://www.bpiexpressonline.com/p/1/270/annual-reports</p> <p>Message from Chairman and CEO, p.6 Cultivating an Integrated Approach, p. 16 Strengthening Pillars for Growth, p.22 Delivering Shared Value, p.30 Managing our Capitals, p.70 BPI Senior Leadership, p.117</p> <p>- ANNUAL REPORT, (2016 glossy), A106-A109 (Contact details for all stakeholders) PDF https://www.bpiexpressonline.com/media/uploads/591958e43c095_11_GRI_Content_Index_Pages_from_BPI_Annual_Report_Y2016-14.pdf</p> <p>G1-G28 (Code of Business Conduct and Ethics, Customer Experience) PDF https://www.bpiexpressonline.com/media/uploads/5919544fea6e0_06_Governance_Pages_from_BPI_Annual_Report_Y2016-6.pdf</p> <p>S1-S14, (Sustainability, Stakeholder Rights) PDF https://www.bpiexpressonline.com/media/uploads/59195414df4aa_05_Sustainability_Pages_from_BPI_Annual_Report_Y2016-7.pdf</p> <p>pp. 14-33, (Our Clients and Our People) PDF</p>	
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Annual Report	Apr 13, 2018 03:30 PM	17-1	CR02159-2018																

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 or differences with stockholders, regulatory authorities and other third parties, if and when such disputes or differences arise, through mutual consultation or negotiation, mediation or arbitration. If the agreement between the Bank and third parties has an arbitration clause, arbitration is the ADR system being adopted. If none, the Bank initiates conciliation- earnest effort to arrive at amicable settlement. If everything fails, and the dispute progresses into court litigation, the Bank strictly adheres to and complies with Supreme Court A.M. No. 11-1-6-SC-PHILJA dated January 11, 2011 [Consolidated and Revised Guidelines to Implement the Expanded Coverage of Court-Annexed Mediation (CAM) and Judicial Dispute Resolution (JDR)].</p> <p>Relative to regulatory authorities, the Bank adopts and complies with the alternative modes of dispute resolution they are using or promoting such as, but not limited to, mediation, conciliation and arbitration, in compliance with Republic Act No. 9285 (Alternative Dispute Resolution Act of 2004).</p>	
Additional Recommendations to Principle 14			
<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>No instances in 2017.</p>	

2. Company respects intellectual property rights.	COMPLIANT	Provide specific instances, if any. Policies for the protection of intellectual property rights are found in the internal Management Operating Manual database of the Bank for internal use of employees.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	<p>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</p> <p>1. BPI WEBSITE https://www.bpiexpressonline.com/p/1/1345/asean-corporate-governance-scorecard https://www.bpiexpressonline.com/media/uploads/5951f76102efe_BPI_ACGS_Part_C_2017.pdf , page 1</p> <p>The Bank seriously takes its responsibility in developing and sustaining relationships with its stakeholders, internal and external. Its stakeholders may be grouped into two: those who are directly affected by its business operations and outcomes, and those who guide and influence the Bank in carrying out its business. The first group consists of investors, clients, employees, suppliers and the community at large, while the latter includes government and regulatory agencies, non-government and civil society groups and industry organizations.</p> <p>The Bank's engagement with stakeholders takes on various forms and is carried out through a range of information, communication and consultative activities and disclosures. The Bank conducts dialogues about its role in society, products and services, business</p>	

		<p>performance and other issues, at the business unit and Group levels.</p> <p>This active engagement has allowed the Bank and its stakeholders to:</p> <ul style="list-style-type: none"> • Identify our most significant stakeholder groups and their specific interests, and determine the most significant issues from the economic, environmental and social sustainability perspective. • Become more responsive in addressing various concerns, from customer service to financial solutions, systems, promotion-related complaints, shareholder return, operational strategies, business outlook, regulatory compliance, employee conduct, and employee salaries, benefits and financial assistance. • Integrate the outcomes of our stakeholder engagement with well-established risk management processes, allowing us to address potential risks and align the management of sustainable issues with our business processes and strategies. • Innovate and improve our products, services, systems, operational processes and practices. <p>The Bank's Credo and Core Values clearly state its policy with respect to recognition and protection of the rights of key stakeholders. The Bank also operates on a framework of shared values which emphasizes the importance of all stakeholders and how their interests are integrated into the business of the Bank.</p> <p>For its clients/customer welfare:</p> <p>Our Sustainability Strategy and Framework of shared value guides our thrust to become every Filipino's Banking Champion. We innovate for operational</p>	
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		<p>efficiency, empower our people and society, use resources efficiently, and continue to build stakeholder trust focused on three main areas:</p> <ul style="list-style-type: none"> • Financial wellness – We help individuals, communities and businesses grow their funds and build their wealth by facilitating financial wellness opportunities, a range of innovative programs and more accessible investment options. • Financial inclusion – We continually strive to widen our reach by developing products and services that address the needs and preferences of clients coming from low-income and underserved segments. We adhere to the ideals that true prosperity can only be achieved when everyone is involved. • Sustainable development investments – We promote investments in industries that strengthen urban and countryside development. Advocating and advancing shared value financing, we also stimulate business innovation through cleaner, low carbon, and resource efficient technologies. <p>For customers:</p> <p>In terms of service architecture, the Bank’s active engagement with Customers is done through: BPI Customer Care Department - These include financial wellness events such as those launched with the personal finance symposia with Suze Orman and participation in the Money Summit and Wealth Expo. BPI Contact Center and BPI Express Online - Customer feedback system is obtained through the BPI Contact Center and our website. Feedback received is handled by our Customer Care Department which is dedicated to</p>	
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		<p>attend and take appropriate action on customer complaints.</p> <p>The BPI Contact Center is equipped to operate on a 24-hour, 7-days a week basis to allow customers easy access to assistance and information most especially should they encounter any problems and difficulties for any banking needs.</p> <p>The Bank also has its Risk Management and Compliance Units which focus on fraud monitoring to assist customers should there be any concerns on ATM use or possible fraud-related incidents such as unauthorized withdrawals, non-dispensing machines or card captures. BPI Facebook and Twitter Accounts, BPI Express Mobile – The Bank also enhanced its social media presence through Facebook and Twitter. Our official Twitter account (@talktobpi) and Facebook fan page (www.facebook.com/bpi) disseminates and addresses customer service information and concerns. In addition, the Bank also dominates the mobile arena with its mobile app, BPI Express Mobile, which allows greater servicing and reach of Bank customers and communication of announcements as well as provision of answers and solutions to frequently asked questions. With regards health and safety of customers, the Bank has as a matter of policy, ensured that all bank premises follow proper health and safety protocols, i.e., ban on smoking, ban on firearms, disaster preparedness (fire, earthquake, etc.), special access ramps for PWDs, pest prevention and more.</p> <p>In support of the foregoing, the Bank also secures customer feedback through customer satisfaction surveys. Through the Mystery Client Survey (MCS), the Bank tracks service standards at every point of customer interaction in all BPI branches and kiosks nationwide. It</p>	
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		<p>also uses the Net Promoter Score (NPS) survey to know if clients would recommend BPI to their friends/relatives. In addition it commissions third-party research agencies to conduct face-to-face interviews with respondents. These surveys mostly probe into customer satisfaction with BPI's products, services and personnel. These also include problem handling and solicitation of suggestions or comments for improvement. The Bank likewise conducts telephone surveys through third-party agencies who call on its clients and ask questions, and online surveys through a questionnaire posted in BPI Express Online.</p> <p>In 2017, the Bank, through its Customer Experience Management Office (CXMO) established the BPI Customer Assistance Program to establish guidelines that will help ensure that all feedback from customers and potential customers are well handled in alignment with the Bank's consumer protection policies. The designated Customer Assistance Officers underwent onsite training to equip them in their function in addressing customer issues and to ensure compliance with the Bank's Consumer Protection Program. The need to conduct continuous information and education campaign on the Financial Consumer Protection Program has been a major priority of the unit.</p> <p>To deepen customer engagement and address specific customer needs, CXMO spearheaded the conduct of the Service Quality Review (SQR) where various business units present their performance updates on their defined service quality goals to the Bank's Customer Experience Council. The Customer Experience Council includes top executives of the Bank. A Customer Feedback Database was also created to strengthen the role of the frontliners in addressing and reporting customer issues.</p>	
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		<p>For 2017, the Bank tracked and monitored customer issues and feedback concerning its products and services (the table below shows the number of customer complaints we received for the past three years, and the number of customer transactions recorded for the same year). Action plans were implemented to ensure that the most pressing and important issues raised by customers were resolved within the committed turn-around times. .</p> <table border="1" data-bbox="1003 512 1599 683"> <thead> <tr> <th></th> <th><u>2015</u></th> <th><u>2016</u></th> <th><u>2017</u></th> </tr> </thead> <tbody> <tr> <td><u>Complaints (in thousands)</u></td> <td><u>291.5</u></td> <td><u>306.0</u></td> <td><u>437.5</u></td> </tr> <tr> <td><u>Transactions (in millions)</u></td> <td><u>1,268.1</u></td> <td><u>1,341.4</u></td> <td><u>1,442</u></td> </tr> </tbody> </table>		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Complaints (in thousands)</u>	<u>291.5</u>	<u>306.0</u>	<u>437.5</u>	<u>Transactions (in millions)</u>	<u>1,268.1</u>	<u>1,341.4</u>	<u>1,442</u>	
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<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>1. BPI WEBSITE https://www.bpiexpressonline.com/p/1/1345/asean-corporate-governance-scorecard https://www.bpiexpressonline.com/media/uploads/5951f76102efe_BPI_ACGS_Part_C_2017.pdf , page 4</p> <p>In ensuring a global supply chain for its business of banking, the Bank operates with a focus on two areas:</p> <ul style="list-style-type: none"> • Sustainability. At all times, our goal is to work collaboratively with our supply chain partners on sustainability. Our supply chain must not only be sustainable; it must also work towards improving the lives of workers, their communities and the environment. It is essential that our suppliers promote fair and sustainable development and comply with 													

		<p>national laws and internationally recognized standards and conventions for ethical, environmental and social conditions.</p> <ul style="list-style-type: none"> • Governance. From a governance standpoint, the commercial transactions with our suppliers should be economically beneficial to all parties involved and relationships should be based on the principle of fair and honest dealings, and be in compliance with internal policies that are in place to stop fraud, money laundering, bribery and corruption as well as be in adherence with local or international laws and regulations. <p>BPI has an established Supplier Accreditation and Dis-accreditation Policy that covers all processes involved in the contracting of suppliers, service providers, and business partners, and all personnel involved in the administration and execution of these processes. The policy focuses on giving equal opportunities for qualified suppliers and contractors. BPI operates on the principle of transparency with suppliers and works collectively with suppliers to ensure their adherence to the policy.</p> <p>The policy involves the formation of centralized accreditation committees for all services that are common across units, i.e., professional, legal counsel, IT project management, janitorial, messengerial, security, etc. Accreditation of parties is based on:</p> <ul style="list-style-type: none"> • Legitimacy of the party being accredited; suppliers with whom BPI has regular and recurring dealings should have good management and governance processes in place to ensure compliance with the policy. • Capacity for continuous business operations to sustain delivery of the required goods/services or the 	
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		<p>performance of business arrangements; suppliers must ensure that their systems and procedures are sufficient to mitigate any potential negative impact on BPI's brand and reputation.</p> <ul style="list-style-type: none"> • Quality of and reasonableness of the prices for the goods / services / business arrangements being offered, and; suppliers must make reasonable efforts to monitor their supply chain as well, ensuring their sub-contractors are also aware of, and compliant with, the aims of the policy. • Track record on reliability, qualifications, professional activities and credit worthiness. <p>The policy also states the grounds for dis-accreditation as well as the processes for pre-termination, removal, inclusion in the bank's official Negative Data system and, if needed, activation of a Business Continuity Plan.</p> <p>For supplier/contractor selection activities:</p> <p>The bank actively engages suppliers.</p> <ul style="list-style-type: none"> • It has established processes for accreditation, vendor selection and suppliers audit to assure qualified suppliers of equal opportunity when bidding for projects with the Bank. • All accreditation of suppliers, contractors, and service providers are subject to regular renewal to maintain their active status with BPI and must meet Unibank Accreditation Standards. • All employees, departments and divisions are regularly advised to update and review their respective list of suppliers to meet accreditation requirements. 	
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		<p>During the annual review as well as in any application for accreditation, all related policies, such conflict of interest, related party transactions, among others, are applied and enforced to ensure that the bank and the counterparties are protected by fairness, accountability and transparency. BPI reserves the right to randomly review the supplier’s policies, procedures or any other document related to adherence to BPI’s Supplier Policy.</p> <p>The Bank has invested in an automated procurement system, the Ariba Spend Management System, a procurement software solution with one of the broadest set of capabilities on the market that allows for the Bank’s integration with the a large supplier network comprised of the pre-enabled suppliers. This allows easy supplier and catalog enablement, and provides automated tools and approval flows with global reach. It also gives the Bank comprehensive monitoring of its procurement with easily configurable dashboards and reports.</p> <p>Examples of supplier activities facilitated through the Ariba Spend Management System:</p> <ol style="list-style-type: none"> 1) Strategic sourcing: 84 including IT-related (laptop/desktops) Logistics, ATM/CAM and selected Branch office supplies, etc.; 2) Construction-related projects for branches: 261; 3) Repairs (both branches and Head Office): 276 <p>The Bank ensures that there is a cascade of policies (requirements, criteria) to suppliers and provides real-time updates on procurement-related concerns (cost, terms of payment, mode of shipment, warranties). Apart</p>	
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		from the accreditation process, these are also communicated through emails, letters and memos.	
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			
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.	COMPLIANT	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation. https://www.bpiexpressonline.com/p/1/809/employees	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	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. Yes, the Bank, in aligning management's interest with shareholders, has an equity-linked incentive plan to its all its officers, including junior officers from Assistant Manager and up (with eligibility requirements): Executive Stock Purchase Plan (ESPP). A major initiative of the Bank under its long-term incentive program, the Executive Stock Purchase Plan (ESPP) was launched in 2013. The ESPP gives the officers the opportunity to buy shares of stock in BPI, at a discounted price based on the volume weighted average of BPI's share price for the past 30 days. Management believes that this stronger alignment between the interests of BPI officers and interests of shareholders will benefit all stakeholders, i.e., more robust earnings and a healthier balance sheet will be reflected in a stronger and higher stock valuation.	

		https://www.bpiexpressonline.com/p/1/809/employees	
<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>Employee Welfare. Consistent with the Bank’s goal of being one of the Philippines’ preferred employers, the Bank has adopted a compensation policy that it believes is competitive with industry standards in the Philippines. Regular employees are provided with a comprehensive pay and benefits package, which is reviewed periodically and adjusted to retain current employees and attract new talent.</p> <p>Tied to this is a performance management system that calls for the alignment of individual key results, competencies, and development plans with the Bank’s overall business targets and strategy. Officers and employees undergo regular performance evaluations based on their individual accomplishments vis-a-vis their responsibilities, as well as that of the business unit or the Bank. This takes into consideration our earnings performance, asset quality, business volume, customer satisfaction, corporate governance and the long-term strategy, goals and outlook of the Bank, among other things. Deserving officers are granted an annual performance bonus, which is directly related in amount to the size and quality of the Bank’s annual earnings. The performance bonuses are based not only on an employee’s individual productivity and performance relative to assigned targets, but also on a relative comparison to the performance of peers within their rank.</p>	

		<p>Another testament to BPI’s commitment of offering greater value to its employees—and aligning management’s interest with shareholders—is its equity-linked incentive plan to its all its officers, including junior officers from Assistant Manager and up (with eligibility requirements): Executive Stock Purchase Plan (ESPP). A major initiative of the Bank under its long-term incentive program, the Executive Stock Purchase Plan (ESPP) was launched in 2013. The ESPP gives the officers the opportunity to buy shares of stock in BPI, at a discounted price based on the volume weighted average of BPI’s share price for the past 30 days. Management believes that this stronger alignment between the interests of BPI officers and interests of shareholders will benefit all stakeholders, i.e., more robust earnings and a healthier balance sheet will be reflected in a stronger and higher stock valuation.</p> <p>The Bank also extends the inherent benefits of being a financial institution by offering our employees and their families our products and services at affordable terms. These include low-interest rates for auto and housing loans, emergency loans, medical and group term insurance, salary and emergency loans. In addition, we provide financial security to employees even after their retirement from the Bank through a retirement benefit plan. The Bank has a defined benefit retirement plan which defines an amount that employees will receive dependent on the employee’s age, years of service and compensation. The Bank also has a defined contribution retirement plan, where the defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal</p>	
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	<p>retirement age with the required credited years of service based on the provisions of Republic Act (“RA”) No. 7641. All non-unionized employees hired on or after the effective date are automatically enrolled under the new defined contribution plan. Employees hired prior to the effective date shall have the option to elect to become members of the new defined contribution plan. Plan assets for both the defined benefit and defined contribution plans are held in trusts, governed by local regulations and practice in the Philippines.</p> <p>The Bank also continues to strictly comply with labor laws and regulations and implement best practices in our workplace. The Bank recognizes the existence of company union(s) and the rights to freedom of association and collective bargaining. The Bank does not discriminate on gender, religion, age, race, color, political stand or social background. It strictly enforces non-employment of minors and is against forced compulsory labor. We maintain harmonious relations with our labor unions. The Bank also has an open-door communications policy to address concerns among employees immediately before they escalate.</p> <p>As a requirement in their certification process, the Bank also trains and retrains security personnel, who are not formally part of our workforce and belong to third-party agencies, every two years on human rights-related topics. This is to ensure that they uphold the rights not only of our employees but also of our clients, suppliers and other stakeholders that do business with the Bank.</p> <p>The Bank also has various interest clubs to allow employees to pursue their passions and explore talents</p>	
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		<p>outside of work while building camaraderie and esprit de corp.</p> <p>The Bank also looks after its retiring employees through the conduct of annual seminars on estate planning, investment opportunities in the Bank and outside, and transition from being an employee to an entrepreneur. There are also counseling programs that help employees face life during retirement. The Bank's off-boarding program has also been strengthened to further equip BPI retirees as they transition to the next chapter of their lives – among other improvements, processing of documents has been made more convenient.</p> <p>Employee Health and Safety. The Bank believes it must create an environment where its employees have opportunities for development in tandem of their mind and body. Hence, the Bank provides a comprehensive medical program which provides for in-patient and out-patient benefits for employees and dependents. Year-round, there also are sports, recreational, health and wellness programs and physical activities, i.e., running, bowling, basketball, badminton, aerobics and dancing, etc., for all employees. The Bank runs education and training programs regarding serious illnesses. Examples of programs implemented are seminars on cancer awareness, prevention of stroke, and basic life support. Aside from health education, we also have risk-control programs in place to assist workforce members and their families regarding serious diseases. This was done through wellness fairs conducted in the head offices and provincial business centers where employees and their families avail of free or discounted services such as vaccinations, bone screening and physical examinations.</p>	
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		<p>With regards health and safety of its employees, the Bank, as a matter of policy, ensures that all bank premises follow proper health and safety protocols, i.e., ban on smoking, ban on firearms, special access ramps for PWDs, pest prevention and more. Regular disaster preparedness activities are also conducted bank and group-wide (fire, earthquake, etc.) and frequent notices and reminders are broadcast regularly through the Bank's intranet or posted where employees can easily read them. The Bank also has quality circles which regularly conduct audits and heighten awareness about best practices with regards workplace management towards health and safety.</p> <p>Because of its policy of strict compliance with labor laws and regulations and implementation of best practices in our workplace, the Bank has had zero incidents of labor discrimination, compulsory labor, child labor or human rights abuses annually. While the Bank has not been a party to legal cases arising from any of these labor issues, it has a grievance mechanism embedded in the Collective Bargaining Agreement to promptly dispose and amicably settle all grievances. Steps are clearly defined until the level of arbitration. There was no reported incident nor complaint of any kind of discrimination in 2017. The Bank's employees are unionized and there was no incident or complaint involving prohibition of unions or any employees association in 2017. There was no incident of child labor or employment of minors whether directly or indirectly within the Bank or any of its subsidiaries in 2017. And finally, there was no incident or complaint of forced labor in 2017.</p>	
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		<p>Being a financial services company, the Bank's employees are less exposed to occupational health and safety issues usually associated with manufacturing and industrial companies. As such, there are no notable recorded incidents of injury, occupational diseases, serious work-related diseases and other fatalities in our organization. Most recently starting in 2015, recognizing the increasingly difficult commuting and traffic conditions in Metro Manila and nearby areas, management implemented staggered work schedules for non-branch employees. This simple act not only restored productivity levels in the work place but also provided significant relief to employees who pointed to the worsening metro traffic as a major contributor to day-to-day stress. Similarly starting in 2015, to ensure the welfare, health and safety of even our new employees, those who are from areas outside Metro Manila are flown into and accommodated in the capital, and given the same level of head office experience and training that their metro counterparts receive.</p>	
<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. Include information on any training conducted or attended.</p> <p>Employee Training and Development. Employee training and education are essential to the bank's growth strategy. By ensuring that our staff, specialists, and officers are trained, steeped in best practices, and exposed to an environment that nurtures continuous learning, we are able to provide the highest quality service to our clients. We have a wide array of training programs and activities designed along the Bank's business objectives, aimed at</p>	

		<p>honing the skills and capabilities of our employees in carrying out their daily duties, as well as preparing them to assume higher responsibilities as the next leaders of the organization. These programs range from the new employee orientation and values orientation workshops for new hires; officers training programs, which initiate new officers into their leadership roles; sales officers training programs; advanced leadership programs for officers; courses on financial advisory; and programs designed to help employees comply with regulatory requirements, among others.</p> <p>We use a blended learning approach that includes workshops, coaching/mentoring, instructor-led training sessions, and web-based training courses. We also design and facilitate leadership and management training programs for supervisors, functional managers, and senior managers to support our investment in leadership development. Mid-level officers take part in the BPI Leadership Excellence Acceleration Program (BPI LEAP). BPI LEAP has become a benchmark in training and development. Major focus areas include:</p> <ol style="list-style-type: none"> 1. Leadership and Management Development – Programs that provide opportunities for BPI Leaders to develop their ability to lead, inspire and motivate their team members and organization. This would also cover Professional Effectiveness Programs that would develop Personal Leadership. 2. Functional – Programs that develop and strengthen specific functional and technical competencies required from the individuals so they can perform their functional tasks effectively. 3. Core and Team Effectiveness – Programs that would provide foundational knowledge and competencies for 	
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		<p>any member of the BPI team. This would also cover programs and interventions for teams at BPI.</p> <p>The Bank requires every employee to undertake a minimum of five training days every year, ensuring not only their continuous professional improvement but also their being updated on industry developments.</p> <p>For 2017, the Bank conducted, at least, 70 programs which allowed our employees to take, on average, about 2-3 trainings for the year. Here are some highlights of the recent trainings of the Bank:</p> <table border="1" data-bbox="1003 555 1688 861"> <thead> <tr> <th rowspan="2">Course Name</th> <th colspan="2">Number of Trained Employees</th> </tr> <tr> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Conflict of Interest</td> <td>2,611</td> <td>2,338</td> </tr> <tr> <td>BPI Service Plus</td> <td>2,511</td> <td>2,183</td> </tr> <tr> <td>Information Security Awareness Program</td> <td>2,713</td> <td>2,273</td> </tr> <tr> <td>Money Laundering and Terrorism Financing Prevention Program</td> <td>10,948</td> <td>9,872</td> </tr> <tr> <td>Risk Management Overview</td> <td>1,356</td> <td>2,453</td> </tr> <tr> <td>Values Orientation Workshop</td> <td>1,984</td> <td>1,963</td> </tr> </tbody> </table>	Course Name	Number of Trained Employees		2016	2017	Conflict of Interest	2,611	2,338	BPI Service Plus	2,511	2,183	Information Security Awareness Program	2,713	2,273	Money Laundering and Terrorism Financing Prevention Program	10,948	9,872	Risk Management Overview	1,356	2,453	Values Orientation Workshop	1,984	1,963	
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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>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf <i>- "Code of Business Conduct and Ethics", "Related Policies under the Code", "Anti-Bribery and Anti-Corruption Policy", Sec. III. C., 5., p. 83</i></p> <p>2. BPI WEBSITE</p>	
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<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 how the board disseminated the policy and program to employees across the organization</p> <p>The Bank's Manual on Corporate Governance and respective Codes of Conduct for directors, officers and employees, containing said policies and programs, are disseminated through the provision of hard copies and publishing on the company's website and intranet database of policies. Regular updates and emails are broadcast to all employees on the various policies and programs of the Bank. Directors, officers and employees are also required to affirm in writing annually, their adherence and compliance with the Manual on Corporate Governance and Codes of Conduct.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance</p>	

		<p>https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Code of Business Conduct and Ethics”, “Overview of Employee’s Code of Conduct”, “Overview of Director’s Code of Conduct”, Sec.III.A-C.,pp.74-83</i></p> <p>2. BPI WEBSITE</p> <p>- <i>Governance> “Board and Governance”> “Code of Business Conduct and Ethics”</i></p> <p>https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics</p> <p>Employee’s Code of Business Conduct and Ethics: https://www.bpiexpressonline.com/media/uploads/59ae0c5d9363d_BPI_Code_of_Conduct_and_Ethics_FINAL_090417.pdf</p> <p>Director’s Code of Conduct: https://www.bpiexpressonline.com/media/uploads/59d1d6fa571b0_BPI_Directors_Code_of_Conduct_Final_Approved_092117.pdf</p>	
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>The Bank has zero tolerance for bribery and corruption and has the requisite policies and procedures for guidance of employees to curb and penalize involvement in corrupt practices. These are found in the Bank’s internal management and operating manual database which is for internal use only and contain proprietary information, hence, link cannot be provided.</p>	

		<p>The personnel policies on acts or omissions in violation of the Bank's policies, rules and regulations as well as acts prejudicial to the interest of the Bank or adversely affect its reputation include corruption and bribery in its table of offenses. There is also a corresponding sanctions grid which imposes appropriate penalties ranging from verbal reprimand up to dismissal and which may include restitution and/or forfeiture of benefits/privileges. For bribery and corrupt practices, the penalty, upon first offense, is dismissal.</p> <p>Include any finding of violations of the company policy.</p> <p>The Bank's anti-bribery and anti-corruption (ABC) program is an enterprise-wide effort, coordinated with various units, i.e., Human Resources Management Group/Employee Relations, Corporate Banking Group Investigation Unit, Internal Audit, Legal and Security Office, among others. The Bank also has a management level Fraud Committee which investigates and reviews, as well as recommends proper sanctions. All cases involving such violations are handled with utmost confidentiality. Regular reporting on these is done to the Audit, Personnel and Compensation and/or Corporate Governance Committees.</p>	
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>The Bank has a Whistleblower Policy and program, an important mechanism for preventing and detecting fraud or misconduct, and for enabling fast and coordinated</p>	

		<p>incident responses. The Bank remains committed to fostering and maintaining an environment of utmost confidentiality where all personnel can act appropriately without fear of reprisal and be treated with utmost confidentiality.</p> <p>1. MANUAL OF CORPORATE GOVERNANCE PDF https://www.bpiexpressonline.com/p/1/237/manual-of-corporate-governance https://www.bpiexpressonline.com/media/uploads/5930b21bd0d91_BPI_Corporate_Governance_Manual_Rev_S_ECCGPLCCodeCompliant_for_SEC_PSE_posting_052917.pdf</p> <p>- <i>“Code of Business Conduct and Ethics”, “Related Policies Under the Code”, “Whistleblower Policy”, Sec.III., C. 4.,pp.81</i></p> <p>2. BPI WEBSITE - <i>Governance> “Board and Governance”> “Raising Integrity Concerns – Whistleblower Policy”</i> https://www.bpiexpressonline.com/p/1/1873/raising-integrity-concerns-whistleblower-policy</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Yes. Non-Retaliation:</p> <ul style="list-style-type: none"> i. An individual who makes a "protected disclosure" shall not suffer harassment, retaliation, or adverse employment consequences. Any person who retaliates against any individual who makes a protected disclosure shall be subject to discipline up to an including termination. ii. The right of a whistleblower for protection against retaliation does not include immunity for his/her wrongdoing or participation in the reported irregularity 	
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		<p>and such participation was eventually verified and proven during the course of the investigation.</p> <p>iii. In case the whistleblower believes he has been retaliated against for whistleblowing, he may seek redress or file a formal complaint to the HRD Group Head, Chief Internal Auditor, or the Chief Risk Officer.</p> <p>Provide contact details to report any illegal or unethical behavior.</p> <p>Employee whistleblowers may approach any of the following Officers who shall be the designated contacts for the Bank and the primary reporting line:</p> <ul style="list-style-type: none"> • Head of Human Resources Management Group (HRMG) or • Chief Internal Auditor or • Chief Risk Officer <p>The whistleblower may send or communicate a report, formally or anonymously, through a face-to-face meeting with the aforementioned primary contacts or communicate in writing, by telephone, in person, or through the external email at eye_report@bpi.com.ph or the internal e-mail at BPI Eye Report Box.</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	<p>Apart from above designated contacts, whistleblowers can also course complaints through other reporting lines (President or Chairman of the Bank's Audit Committee who is an Independent Director).</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p>The Board supervises and ensures enforcement through the regular review of the whistleblowing framework that</p>	

		is done by the Human Resources Management Group and reporting of the review of the whistleblower policy and any incidents of this nature that are made periodically to the Audit Committee as well as the Personnel and Compensation Committee and/or Corporate Governance Committee. All whistleblowing cases are handled with utmost confidentiality.	
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.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p>We understand that Environmental, Social, and Governance (ESG) issues are tied directly to a company's operations or products, or indirectly through stakeholder actions across the entire value chain, and can, thus, impact company financial performance. Volatility in the global business environment due to ESG shocks - financial risks, regulatory uncertainty, extreme weather, business interruption costs, and social media, among others - demands that companies build new capabilities such as preparedness for the unknown, and the ability to execute a business strategy without incurring too much risk. Left unmanaged, such ESG shocks can result in critical harm to any company's management, culture, and financial well-being.</p> <p>At BPI, we believe that the proper management of ESG issues is a key component of strategy, essential to the</p>	

		<p>execution of our core business processes and to being able to deliver returns with greater certainty. By identifying and assessing ESG issues in terms of their materiality to our business, and responding accordingly, i.e., strategic rethinking of the business, new product innovation, business model changes, etc., we are able to build a better, more resilient and more valuable bank. And by adapting to changes in the business environment, and not merely to operational or financial risks, we also demonstrate recognition and management of ESG issues as a long-term driver of market value.</p> <p>The importance of such is incorporated in the Codes of Conduct for directors, officers and employees.</p> <p>1. BPI WEBSITE <u>- Governance> “Board and Governance”> “Code of Business Conduct and Ethics”</u> <u>https://www.bpiexpressonline.com/p/1/806/code-of-business-conduct-and-ethics</u> Employee’s Code of Business Conduct and Ethics, Section V., e., p. 19: <u>https://www.bpiexpressonline.com/media/uploads/59ae0c5d9363d_BPI_Code_of_Conduct_and_Ethics_FINAL_090417.pdf</u> Director’s Code of Conduct, Section I, p.4: <u>https://www.bpiexpressonline.com/media/uploads/59d1d6fa571b0_BPI_Directors_Code_of_Conduct_Final_Approved_092117.pdf</u> Environmental, Social and Governance Reporting <u>https://www.bpiexpressonline.com/p/1/1876/environmental-social-and-governance-reporting</u> <u>https://www.bpiexpressonline.com/p/1/1877/sustainability</u> <u>https://www.bpiexpressonline.com/p/1/814/communities</u></p>	
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Optional: Principle 16

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development. https://www.bpiexpressonline.com/p/1/906/environment-friendly-value-chain	
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. https://www.bpiexpressonline.com/p/1/814/communities http://www.bpifoundation.org/	

SIGNATURES

Pursuant to SEC Memorandum Circular No. 15, Series of 2017 and PSE Memorandum CN No. 2017-0079 mandating all listed companies to submit SEC Form I-ACGR for the year 2017, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on _____.

By:

BANK OF THE PHILIPPINE ISLANDS
Issuer



JAIME AUGUSTO ZOBEL DE AYALA
Chairman of the Board



ROMEO L. BERNARDO
Independent Director



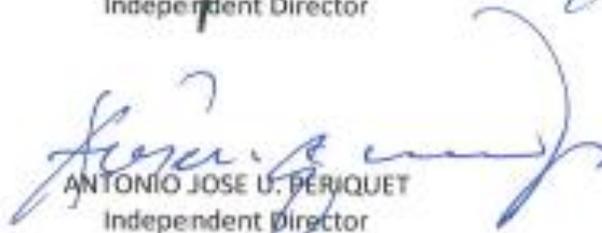
IGNACIO R. BUNYE
Independent Director



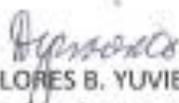
OCTAVIO V. ESPIRITU
Independent Director



XAVIER P. LOINAZ
Independent Director



ANTONIO JOSE U. PERIQUET
Independent Director



DOLORES B. YUVIENCO
Independent Director



MARY ASTRID S. TUMINEZ
Independent Director


CEZAR P. CONSING
President, CEO and COO


ANGELA PILAR B. MARAMAG
Corporate Secretary


NORAVIR A. GEALOGO
Chief Compliance Officer

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this MAY 24 2018; affiant(s) exhibiting to me his/her Passport Number/Residence Certificates, with the following details:

NAME(S)	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Jaime Augusto Zobel De Ayala	EC4856934	Aug.04, 2015/DFA Manila	August 03, 2020
Romeo L. Bernardo	EC5403253	September 20, 2015/DFA Manila	September 19, 2020
Ignacio R. Bunye	Driver's License No. N15-64-001064	April 12, 2016/ LTO	April 19, 2019
Octavio V. Espiritu	P0623905A	October 14, 2016/ DFA NCR South	October 13, 2021
Xavier P. Loinaz	EC0584896	March 18, 2014/ DFA Manila	March 17, 2019
Antonio Jose U. Periquet	EB8951527	August 22, 2013/ DFA Manila	August 21, 2018
Dolores B. Yuvienco	EC3605047	March 06, 2015/ DFA NCR South	March 05, 2020
Mary Astrid S. Tuminez	486943027	August 24, 2011/United States of America	August 23, 2021
Cezar P. Consing	EB9284966	Oct.02, 2013/PCG Hong Kong	October 1, 2018
Angela Pilar B. Maramag	EC0393973	February 25, 2014/DFA Manila	February 24, 2019
Noravir A. Gealogo	P4846759A	26 October 2017/DFA Far East	October 25, 2022

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FELIPE L. ILEDAN JR.
Notary Public for and in Makati City
Until Dec. 31, 2018, Appt. No. M-13
Roll No. 27925, TIN 136397808
Rm. 412, 4th Fl. VCP Center, Ayala, Makati City
2018 SVR No. 0813002 issued 11/9/2017, MIA
ICP No. 974517-8/18/14
1071 Santa Monica Blvd., 1226/2018

CHIEF EXECUTIVE OFFICER AND CHIEF AUDIT EXECUTIVE ATTESTATION

Based on the assurance activities performed by the Bank of the Philippine Island's Internal Audit and its external auditor for the year 2017, we assess that the Bank's system of internal controls, risk management and governance processes are in place and continue to be adequate and generally effective, in all material respects. These processes provide a level of assurance that enables the Senior Management of the Bank to recognize, understand, manage and effectively control its exposure to risk. We likewise confirm that the audit scope and coverage are sufficient, comprehensive and risk-based, that Management is aware of its responsibility for internal control, and that there is no interference with the accomplishment of audit activities and reporting of relevant issues and other pertinent information to the Audit Committee and the Board of Directors.

This attestation is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on 24 MAY 2018.

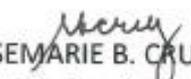
BANK OF THE PHILIPPINE ISLANDS

Issuer

By:



CEZAR P. CONSING
President, CEO and COO



ROSEMARIE B. CRUZ
SVP and Chief Audit Executive

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this 24 MAY 2018; affiant(s) exhibiting to me his/her Passport Number/Residence Certificates, with the following details:

NAME(S)	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Cezar P. Consing	P6868155A	April 17, 2018/DFA NCR South	April 16, 2028
Rosemarie B. Cruz	EC1054756	May 12, 2014/DFA NCR South	May 11, 2019

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Notary Public for and in Makati City
Until Dec. 31, 2018, Appt. No. M-13
Roli No. 27625, TIN 136897808
Rm. 412, 4th Flr. VGP Center, Ayala, Makati City
PTR No. 6949062 Issued 12/6/2017, Mla.
IBP No. 974042; 8/18/14
MCLE Comp. V-0023610, 8/26/2016