COVER SHEET

0 0 0 0 0 2 4 6 8 1

S.E.C. Registration Number

P H I L I P P I N E V E T E R A N S B A N K

Company's Full Name

6 T H F L O O R P V B B L D G 1 0 1 V . A .
R U F I N O S T C O R D E L A R O S A S T
L E G A S P I V I L L A G E M A K A T I C I T Y

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

Ma. Theresa L. Escobar	0 2 7 9 0 2 1 6 0 0
Contact Person	Company Telephone Number

1 2	3 1	2022 ACGR PC & RI	0 6	1 4
Month	Day	Form Type	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

C G F D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

395,871		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

sye/jps

Securities and Exchange Commission
PHILIPPINES

SEC FORM-ACGR (FOR PC/RI)

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

1. For the fiscal year ended **2022**
2. SEC Registration Number **0000024681**
3. BIR Tax Identification Number **000-836-616-000**
4. Exact Name of the Issuer as specified in its charter **PHILIPPINE VETERANS BANK**
5. Province, Country or other jurisdiction of incorporation or organization **PHILIPPINES**
6. Address of Principal Office **PVB Bldg. 101 VA Rufino cor. Dela Rosa St. Legaspi Village, Makati City**
7. Postal Code **1224**
8. Issuer's telephone number, including area code **02 7 902-1600**
9. Former name, former address, and former fiscal year, if changed since last report **N/A**
10. Industry Classification Code (For SEC's use only) ....

Pursuant to the requirements of the Securities and Exchange Commission, this Annual Corporate Governance Report for Public Companies is signed on behalf of the registrant by the undersigned.

[redacted]

ROBERTO F. DE OCAMPO
Chairman of the Board

[redacted]

RENATO A. CLARAVALL
President & CEO

[redacted]

MA. THERESA L. ESCOBAR
Compliance Officer

(no longer connected w/PVB)
ATTY. JOCELYN GRACE N. NAVATO
Board Secretary

ACKNOWLEDGEMENT

Republic of the Philippines)
PASIG CITY
~~Makati City~~)S.S

BEFORE ME, a duly notarized Notary Public for and in PASIG CITY City on DEC 23 2024, 2024 personally appeared before me, the following who are personally known to me and/or identified through competent evidence of identity and with community tax certificate/s, to wit:

Roberto F. De Ocampo	
Renato A. Claravall	
Ma. Theresa L. Escobar	[redacted]
Atty. Jocelyn Grace N. Navato	

[redacted]

GAUDENCIO A. BARBOZA, JR.
NOTARY PUBLIC
Cities of Pasig, San Juan and
in the Municipality of Pateros, Metro Manila
Until December 31, 2024
PTR No. [illegible] Pasig City
IBP No. [illegible] For Year 2024/RSM
Roll No. 41989
MCLE Comp. VII-0028557/April 19, 2023
No. 11, Unit J Freemont Arcade Bldg.
Shaw Blvd. Brgy. San Antonio, Pasig City

Doc. No. 415
Page No. 83
Book No. 34
Series of 2024

Pursuant to the requirements of the Securities and Exchange Commission, this Annual Corporate Governance Report for Public Companies is signed on behalf of the registrant by the undersigned.

[redacted]

JOSE A. NUNEZ JR.
Independent Director

[redacted]

CESAR A. RUBIO
Independent Director

[redacted]

MA. CECILIA G. SORIANO
Independent Director

[redacted]

REYNALDO V. VELASCO
Independent Director

ACKNOWLEDGEMENT

Republic of the Philippines)
PASIG CITY
Makati City)S.S

BEFORE ME, a duly notarized Notary Public for and in PASIG CITY City on DEC 23 2024, 2024 personally appeared before me, the following who are personally known to me and/or identified through competent evidence of identity and with community tax certificate/s, to wit:

Jose A. Nunez Jr.	
Cesar A. Rubio	
Ma. Cecilia G. Soriano	[redacted]
Reynaldo V. Velasco	

GAUDENCIO A. BARBOZA, JR.
NOTARY PUBLIC
Cities of Pasig, San Juan and
in the Municipality of Pateros, Metro Manila
Until December 31, 2024
PTR No. [illegible] / 01/[illegible]/2024 Pasig City
IBP No. 3[illegible]34 / 12/11/2023 For Year 2024/RSM
Roll No. 41969
MCLE Comp. VII-0028657/April 19, 2023
No. 11, Unit J Freemont Arcade Bldg.
Shaw Blvd. Brgy. San Antonio, Pasig City

Doc. No. 415
Page No. 87
Book No. 34
Series of 2024

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

	RECOMMENDATION	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		THE BOARD'S GOVERNANCE RESPONSIBILITIES		
	Principle 1. ESTABLISHING A COMPETENT BOARD			
	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 growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.			
	Recommendation 1.1			
1	The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	*Provide information or link/reference to a document containing information on the following:* *1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors.* *2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.*	• Attached - Board of Directors Profile in the PVB 2022 Annual Report • Attached – PVB Corporate Governance Manual pages 10 -15 and 40-41
2	The 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		
	Recommendation 1.2			
1	The Board is headed by a competent and qualified Chairperson.	COMPLIANT	*Provide information or reference to a document containing information of the Chairperson, including his/her name, qualifications, and expertise.*	• Attached - Board of Directors Profile in the PVB 2022 Annual Report • Attached – PVB Corporate Governance Manual page 13
	Recommendation 1.3			
1	The company provides a policy on training of directors.	COMPLIANT	*Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.*	• Attached – PVB Corporate Governance Manual pages 42-44
2	The company has an orientation program for first-time directors.	COMPLIANT	*Provide information or link/reference to a document containing information of the orientation program and trainings of directors for the covered year, including the number of hours attended and topics covered.*	
3	The company has relevant annual continuing training for all directors.	COMPLIANT		
	Recommendation 1.4			
1	The Board has a policy on board diversity.	COMPLIANT	*Provide information or link/reference to a document containing the company's board diversity policy.* *Indicate gender, age and competence composition of the board.*	• Attached – PVB Corporate Governance Manual page 10

Recommendation 1.5				
1	The Board is assisted by a Corporate Secretary.	COMPLIANT	*Provide information or link/reference to a document containing information of the Corporate Secretary, including his/her name, qualifications, duties and functions.*	• Attached – PVB Corporate Governance Manual page 10 • Attached - Board of Directors Profile in the PVB 2022 Annual Report
2	The Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3	The Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4	The Corporate Secretary attends annual training/s on corporate governance.	COMPLIANT	*Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of training, number of hours and topics covered.*	• Attached certificate of training of the Board Secretary
Recommendation 1.6				
1	The Board is assisted by a Compliance Officer.	COMPLIANT	*Provide information or link/reference to a document containing information of the Compliance Officer, including his/her name, position, qualifications, duties and functions.*	• Attached – PVB Corporate Governance Manual pages 27-28 • The Bank's Compliance Officer is Ma. Theresa L. Escobar • The Compliance Officer may not have a Senior Vice President rank, but is a Senior Officer (VP rank) that has adequate stature and authority in the Bank. • The Compliance Officer is not a member of the Board.
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	Non-COMPLIANT		
3	The Compliance Officer is not a member of the board.	COMPLIANT		
4	The Compliance Officer attends annual training/s on corporate governance.	COMPLIANT	*Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of the training, number of hours and topics covered.*	• Attached – Training Certificate of the Compliance Officer

Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company's articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.

Recommendation 2.1				
1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	COMPLIANT	*Provide information or reference to a document containing information on how the directors performed their duties (this can include board resolutions and minutes of meetings).*	Materials are sent ahead of time to the Board so that they are fully informed of the matters to be taken up during Board Meetings. The discussions during meetings show that the directors act in good faith, with due diligence and care, and in the best interest of the company.

Recommendation 2.2				
1	The Board oversees the development and approval of the company's business objectives and strategy.	COMPLIANT	*Provide information or link/reference to a document containing information on how the directors performed this function (this can include board resolutions and minutes of meetings).* *Indicate frequency of development of business objectives and strategy.*	• Attached - Secretary Certificate on the approval of 2022 Strategic Plan • The Board reviews on a monthly basis the performance of business units in terms of set targets.
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		
Recommendation 2.3				
1	The Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	*Disclose and provide information or link/reference to a document containing the company's succession planning policies and programs and its implementation.*	The Bank has in place a retirement and succession planning program for its employees which includes key officers of the Bank. The Board elect a new director for the unexpired term of a deceased or resigned director.
2	The Board adopts a policy for the retirement of directors and key officers.	COMPLIANT		
Recommendation 2.4				
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	COMPLIANT	*Provide information or link/reference to a document containing the company's remuneration policy and its implementation, including the relationship between remuneration and performance.*	• Attached – Compensation & Benefits Policy • Attached – PVB Corporate Governance Manual page 16
2	The Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Recommendation 2.5				
1	The Board has a formal and transparent board nomination and election policy.	Non-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 candidates are shortlisted and how it encourages nominations from shareholders.* *Provide proof if minority shareholders have a right to nominate candidates to the board.* *Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.*	The Bank may not have yet documented the process of nomination and election but it has existing practice in the Bank. On nomination, inclusion in the notice of ASM the nomination for members of the Board of Directors. Upon expiration of the period of nomination, the Nomination Committee shall convene to evaluate and approved the nomination of qualified nominees. Qualified nominees will be submitted to the Board for approval. The board-approved nominees will be submitted to the stockholders for election during the ASM. Nominations from shareholders are submitted to the Bank through the Chairman of the Board or Board Secretary.
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Non-COMPLIANT		
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	Non-COMPLIANT		
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	Non-COMPLIANT		

5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	COMPLIANT		• Attached Nomination Committee Performance Assessment
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	COMPLIANT		• The Bank follows the requirement of the Bank's Charter and BSP & SEC regulations.
Recommendation 2.6				
1	The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	*Provide information or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.* *Identify transactions that were approved pursuant to the policy.*	PVB, through its Board of Directors (the "Board"), recognizes that transactions with related parties create financial, commercial, and economic benefits to the Bank, its shareholders, depositors, creditors, suppliers, vendors, and other stakeholders. In this regard, Related Party Transactions ("RPT") are generally allowed provided, that these are done on an arm's length basis, i.e., the condition or the fact that the parties to a transaction are independent and on equal footing. The Bank exercises appropriate oversight and implements control systems for managing said exposures as these may potentially lead to abuses that are disadvantageous to the Bank and its stakeholders. The Bank shall ensure that transactions with related parties are reviewed for. The Bank shall cause the monitoring and disclosure of RPTs, take appropriate steps to control or mitigate the risks, and write off exposures in accordance with standard policies and processes. 5.4. The Bank shall maintain a central Related Party Database to be used as reference by business units. The database shall be updated as changes or updates occur to capture organizational and structural changes in the Bank and its related parties. Review on the completeness and accuracy of the database shall be done on an annual basis. Material RPTs approved by the Board of Directors are reported to the BSP and to the stockholder during the Annual Stockholders Meeting.
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
Recommendation 2.7				
1	The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	*Provide information or reference to a document containing the Board's policy on approving the selection of management.* *Identify the Management team appointed.*	• Attached – Recruitment Policy

2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	*Provide information or reference to a document containing the Board's policy on assessing the performance of management.* *Provide information on the assessment process and indicate frequency of assessment of performance.*	• Attached – Performance Management Policy
Recommendation 2.8				
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management's performance is on par with the standards set by the Board and Senior Management.	COMPLIANT	*Provide information or link/reference to a document containing the Board's performance evaluation framework for management and personnel.*	• Attached Performance Management Policy
2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel's performance is on par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.9				
1	The Board ensures that an appropriate internal control system is in place.	COMPLIANT	*Provide information or link/reference to a document showing the Board's responsibility in ensuring that an appropriate internal control system is in place, and what comprises the internal control system.*	As provided under Sec. 4.7.4 of the Corporate Governance Manual on Audit Committee (Board-level Committee) shall monitor and evaluate the adequacy and effectiveness of the bank's internal control system.
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	COMPLIANT		
3	The Board adopts an Internal Audit Charter.	COMPLIANT	*Provide reference or link to the company's Internal Audit Charter.*	• Attached Internal Audit Charter
Recommendation 2.10				
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	*Provide information 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.* *Provide proof of effectiveness of risk management strategies, if any.*	As provided under Sec. 4.7.12 of the Corporate Governance Manual on Risk Management Oversight Committee (Board-level Committee), shall assist the Board in fulfilling its responsibilities in managing the Bank's risk-taking activities. It shall advise the Board of the state of the Bank's risk profile and provide insights and propose the formulation of enhancement of programs, policies, directions and courses of action needed to address and manage the Bank's risk exposures.
2	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		
Recommendation 2.11				

1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	*Provide link to the company's website where the Board Charter is disclosed and/or other proof that it is publicly available.*	The Bank's Board Charter is disclosed in the Veterans Bank website. https://www.veteransbank.com.ph/corporate-governance-view/26
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	COMPLIANT		
3	The Board Charter is publicly available.	COMPLIANT		
Principle 3. ESTABLISHING BOARD COMMITTEES				
The 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, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.				
Recommendation 3.1				
1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	*Provide information or link/reference to a document containing information of all board committees established by the company.*	• Attached – PVB Corporate Governance Manual pages 23-27
Recommendation 3.2				
1	The 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.	COMPLIANT	*Provide information or link/reference to a document containing information of the Audit Committee, including its functions.* *Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.*	• Attached – Audit Committee Charter • Attached – Board of Director Profile • Attached – Secretary Certificate on the 2022 Organizational Meeting • The Chairperson of the Audit Committee is Ms. Judith V. Lopez from January 1 – June 28, 2022 while Mr. Cesar A. Rubio from June 29 up to December 31, 2024.
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	COMPLIANT	*Provide information or link/reference to a document containing information of the members of the Audit Committee, including their qualifications and type of directorship.*	
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	*Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.*	
4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	COMPLIANT	*Provide information or link/reference to a document containing information of the Chairperson of the Audit Committee.*	
Recommendation 3.3				

1	The Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	*Provide information or reference to a document containing information of the Corporate Governance Committee, including its functions.* *Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.*	
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	COMPLIANT	*Provide information or link/reference to a document containing information of the members of the Corporate Governance Committee, including their qualifications and type of directorship.*	1-2. Attached – CGCOC Charter; Attached – Secretary Certificate on the 2021 Organizational meeting; Attached - Board of Directors Profile in the PVB 2022 Annual Report
Recommendation 3.4				
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	*Provide information or link/reference to a document containing information of the Board Risk Oversight Committee (BROC), including its functions*	• Attached – RMOC Charter
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	COMPLIANT	*Provide information or link/reference to a document containing information of the members of the BROC, including their qualifications and type of directorship.*	• Attached – Board Resolution on the 2022 Organizational meeting
3	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.*	• Attached - Board of Directors Profile in the PVB 2022 Annual Report
Recommendation 3.5				
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 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.*	• Attached – PVB Corporate Governance Manual pages 23-27
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	COMPLIANT		
Principle 4. FOSTERING COMMITMENT				

To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.				
Recommendation 4.1				
1	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	*Provide information or link/reference to a document containing the process and procedure for tele/videoconferencing board and/or committee meetings.* *Provide information or link/reference to a document containing the attendance and participation of directors to Board, Committee and shareholders' meetings.*	• Attached – PVB Corporate Governance Manual page 23 • Attached 2022 Board & Board Committee Attendance • Please refer to sample Minutes of the Board meeting where the Directors raised questions or sought clarification/explanation during the Board meeting.
2	The Directors review meeting materials for all Board and Committee meetings.	COMPLIANT		
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	*Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors*	
Recommendation 4.2				
1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	COMPLIANT	*Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.* *Provide information or reference to a document containing information on the directorships of the company's directors in listed companies, registered issuers and public companies.*	• Attached – PVB Corporate Governance Manual page 20
Recommendation 4.3				
1	The Directors notify the company's board before accepting a directorship in another company.	COMPLIANT	*Provide copy of/reference to the written notification to the board or minutes of board meeting wherein the matter was discussed.*	• Attached – PVB Corporate Governance Manual pages 19 & 20
Principle 5. REINFORCING BOARD INDEPENDENCE				
The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.				
Recommendation 5.1				
1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	COMPLIANT	*Identify or provide link/reference to a document identifying the directors, the type of their directorships and their qualifications.*	• Attached - Board of Directors Profile and Type of Directorship in the PVB 2022 Annual Report
Recommendation 5.2				
1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	COMPLIANT	*Provide information or link/reference to a document containing the number of independent directors in the board.*	The Board is composed of eleven (11) directors including four (4) Independent Directors (ID). Attached Appointment of IDs
Recommendation 5.3				

1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	COMPLIANT	*Provide information or link/reference to a document containing the qualifications of independent directors.*	The qualifications of the independent directors are contained in the Corporate Governance Manual page 11. The certification of one of the independent directors that they continue to possess all the qualifications and none of the disqualifications are hereto attached as additional reference.
Recommendation 5.4				
1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	COMPLIANT	*Provide information or link/reference to a document containing the company's policy on term limits for its independent director.*	• Attached – PVB Corporate Governance Manual pages 12
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	COMPLIANT	*Provide reference to the meritorious justification and proof of shareholders'/members' approval during the annual regular meeting.*	The Bank's policy does not allow an Independent Director to serve in the same capacity after nine years reckoned from 2012. None of the Independent Directors of the Bank has served for more than nine years.
Recommendation 5.5				
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	Non-COMPLIANT	*Identify the company's Chairperson of the Board and Chief Executive Officer (or its equivalent).*	BSP Monetary Board in its Resolution No. 1561 dated 10 October 2019 approved the request of the Bank to allow Mr. Roberto F. De Ocampo to retain his concurrent positions as Chairman of the Board of Directors and Chief Executive Officer of PVB up to the end of 2022. PVB's request was made as Mr. De Ocampo, as Chair and CEO, is crucial in the completion of the Bank's Charter Change and the entry of new investors into the Bank. Dir. Ma. Nieves R. Confesor is still the Lead Independent Director.
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.	COMPLIANT	*Provide information or link/reference to a document containing the roles and responsibilities of the Chairperson of the Board and Chief Executive Officer (or its equivalent).* *Identify the relationship of the Chairperson and CEO.*	Attached – PVB Corporate Governance Manual pages 13-14
Recommendation 5.6				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	COMPLIANT	*Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.* *Indicate if Chairperson is an independent director.*	Dir. Jose A. Nunez Jr. is the Lead Independent Director. Attached – Board Resolution on the Appointment of Lead ID
Recommendation 5.7				

1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in the deliberations for the same, and recuse from voting on the approval of transaction.	COMPLIANT	*Provide proof of full disclosure and abstention, if any, of the interested director/trustee.*	Please to sample Board minutes on non-participating in the deliberation of transaction.
Recommendation 5.8				
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 directors present.	NON-COMPLIANT	*Provide proof and details of said meeting, if any.* *Provide information on the frequency and attendees of meetings.*	The meeting of the IDs with the external auditor (SGV) was held during the Audit Committee wherein the results of the 2021 External Interim Audit results was discussed. The meeting was attended by three (3) of the IDs, including the Lead Independent Director of the Bank. The head of risk and compliance functions were not able to attend the said meeting. Moving forward, periodic meetings will be held.
2	The meetings are chaired by the lead independent director, if applicable.	NON-COMPLIANT		
Principle 6. ASSESSING BOARD PERFORMANCE				
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	The Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	*Provide proof of self-assessments conducted by the whole board, the individual members, the Chairperson and the Committees.*	The results of the self-assessment of the 2021 performance of the Board, the individual members, the Chairman and the Committees are hereto attached.
2	The Chairperson conducts an annual 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		
Recommendation 6.2				
1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees 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/members.*	• Attached – PVB Corporate Governance Manual pages 40-42
2	The system allows for a feedback mechanism from the shareholders/members.	COMPLIANT		
Principle 7. STRENGTHENING BOARD ETHICS				
The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.				

Recommendation 7.1				
1	The Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.	COMPLIANT	*Provide information or link/reference to the company's Code of Business Conduct and Ethics.*	• Attached – PVB CG Manual page 39
2	The Code is properly disseminated to the members of Board.	COMPLIANT	*Provide information or discuss how the company disseminated the Code to the members of the Board.*	The Bank's Code of Ethics/Conduct is posted and can be accessed by all PVB employees in the Veterans Bank Intranet portal. In the New employee orientation/program, the Bank's Code of Conduct is one of the topics being discussed. New directors are apprised of the code of conduct of the Bank
3	The Code is disclosed and made available to the public through the company website.	Non-COMPLIANT	*Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.*	The Bank's Code of Ethics/Conduct is posted in the Veterans Bank Intranet portal. It will be posted n the Bank's website.
Recommendation 7.2				
1	The 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.* *Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.*	To ensure compliance with the Code of Ethics/Conduct, all new employees undergo the Employee Orientation/ Program of the Bank wherein it is one of the topics being discussed. The Bank's Code of Conduct is posted in the Veterans Bank Intranet portal The Administrative Investigation Committee (AIC) and Board Administrative Investigation Committee (BAIC) was created to act as an independent body in the evaluation and review of cases involving violation of the Code of conduct of the Bank. The Committee also ensures that the appropriate preventive, corrective and disciplinary measures are imposed on cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an employee.
DISCLOSURE AND TRANSPARENCY				
Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES				
The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.				
Recommendation 8.1				
1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	NON-COMPLIANT	*Provide information or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders/members and other stockholders.*	The Bank may not have yet documented the its disclosure policies and procedures but it has complied with the SEC requirement regarding submission of Definitive Information Statement and distribution of the same to the stockholders of the Bank.

Recommendation 8.2				
1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	COMPLIANT	*Provide information or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's shares.* *Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.*	• Attached – PVB Corporate Governance Manual pages 37 -38 on Reportorial Requirements and Disclosure
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	COMPLIANT		
Recommendation 8.3				
1	The 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.*	https://www.veteransbank.com.ph/corporate-governance?page=1
2	The company's MCG is submitted to the SEC.	COMPLIANT		
3	The company's MCG is posted on the company website.	COMPLIANT		
Recommendation 8.4				
1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	COMPLIANT	*Provide link to the company's website where the Annual Corporate Governance Report is posted.*	• ACG Report will be submitted • It will be posted in PVB website
2	The company's ACGR is submitted to the SEC.	Non-COMPLIANT		
3	The company's ACGR is posted on the company website.	Non-COMPLIANT		
Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY				
The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.				
Recommendation 9.1				
1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	COMPLIANT	*Provide information or link/reference to a document containing the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.*	• Attached 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 the shareholders/members.	COMPLIANT	*Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.*	The percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor is more than 2/3 of outstanding shares of the capital stock of the Bank.
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the	COMPLIANT	*Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.*	The Bank's external auditor remains to be Sycip Gorres Velayo & Co.

	shareholders/members, and the public through the company website and required disclosures.			
Recommendation 9.2				
1	The Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	*Provide link/reference to the company's Audit Committee Charter.*	• Attached Audit Committee Charter
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT		
Recommendation 9.3				
1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	COMPLIANT	*Disclose the nature of non-audit services performed by the external auditor, if any.*	In 2022, the Bank did not engage the external auditor for non-audit services. Moving forward, if there's any, we will comply with the requirement. Attached – PVB CG Manual page 41
2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	*Provide link or reference to guidelines or policies on non-audit services.*	
Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING				
The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.				
Recommendation 10.1				
1	The Board has a clear and focused strategy on the disclosure of non-financial information.	COMPLIANT	*Disclose or provide link to the company's policies and practices on the disclosure of non-financial information, including EESG issues.*	As stated in our 2022 Annual Report under Key Governance Policies and Initiatives – Focus on Financial Stability. The material and reportable non-financial and sustainability issues are included in the disclosures to all shareholders/ members and other stakeholders as part of the Bank's strategic (long-term goals) and operational objectives (short-term goals). The management of environmental, economic, social and governance (EESG) issues of the Bank's business, which underpin
2	The company discloses to all shareholders/members and other stakeholders the company's strategic and operational objectives with emphasis on the management of environmental, economic, social and	COMPLIANT	*Provide link or reference to the company's disclosure of strategic and operational objectives, with emphasis on EESG matters.*	

	governance (EESG) issues of its business which underpin sustainability.			sustainability, are given importance and emphasis, as can be shown in the numerous policies approved by the Board.
Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION				
The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.				
Recommendation 11.1				
1	The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	COMPLIANT	*Provide link to the company's website.*	www.veteransbank.com.ph
INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS				
Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS				
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 system.				
Recommendation 12.1				
1	The company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	*List quality service programs for the internal audit functions.* *Indicate frequency of review of the internal control system.*	• Attached Audit Committee Charter
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	*Identify international framework used for Enterprise Risk Management.* *Provide information or reference to a document containing information on:* *1. Company's risk management procedures and processes.* *2. Key risks the company is currently facing.* *3. How the company manages the key risks.* *Indicate frequency of review of the enterprise risk management framework.*	The Bank's Enterprise risk management (ERM) is the culture, capabilities and practices, integrated with strategy setting and its execution, that PVB relies on to manage risk in creating, preserving and realizing its strategic objectives. The Group's ERM Framework (the "Framework") provides for a comprehensive management of risks through the process of identifying, measuring, evaluating, mitigating and controlling, monitoring and reporting, as well as stress testing the Group's material risk exposures. The Risk Governance Structure of the Bank - The Board of Directors, through the Risk Management Oversight Committee (RMOC), exercises its powers to oversee the efficiency and effectiveness of the Group's development and implementation of risk management policies and procedures. The Risk Management Division (RMD) of the Group has the overall view of the risk management providing review and check on the

				different business/support units, subsidiaries and/or affiliates who are the owners of the different risks. The RMD, through the Chief Risk Officer, reports to the members of Senior Management and the Risk Management Oversight Committee (RMOC) the status of the risk assessment and the risks faced by the Group in the pursuit of its strategic objectives. In formulating risk appetite, the Bank uses both a top down and bottom up approach. PVB employs a top-down approach, in terms of an enterprise-wide view of risk exposures arising from its business objectives. Under the top-down approach, the Bank's Board sets the cultural context for the Group, provides a basis for oversight and governance, and facilitates alignment of risk appetite to risk strategy.
Recommendation 12.2				
1	The 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 hired.*	• Internal Audit is in-house
CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS				
Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS				
The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.				
Recommendation 13.1				
1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	*Provide link or reference to the company's Manual on Corporate Governance where shareholders'/members' rights are disclosed.*	• Attached – PVB Corporate Governance Manual pages 32-35.
Recommendation 13.2				
1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	COMPLIANT	*Indicate the number of days before the annual or special stockholders'/members' meeting when the notice and agenda were sent out. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).*	• Please see attached Agenda of the 2022 ASM
Recommendation 13.3				
1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	COMPLIANT	*Provide information or reference to a document containing 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.*	Please see below the link to the Minutes of the Meeting of ASM – https://www.veteransbank.com.ph/ckfinder/userfiles/files/Minutes%20ASM%202022%20(1).pdf

2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date ofthe 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.* *Indicate also if the voting on resolutions was by poll.* *Include whether there was opportunity to ask question and the answers given, if any.*	
Recommendation 13.4				
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	*Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.* *Provide link/reference to where it is found in the Manual on Corporate Governance.*	• Attached – Corporate Governance Manual page 39
Recommendation 13.5				
1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.	COMPLIANT	*Disclose the contact details of the officer/office responsible for investor relations, such as:* *1. Name of the person* *2. Telephone number* *3. Fax number* *4. E-mail address*	The Office of the Board Secretary (OBS) is in-charge of ensuring constant engagement with the Bank's shareholders/members
2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	COMPLIANT	*Indicate if the IRO or CRO or its equivalent was present during the ASM.*	The Officers and Staff of OBS and the Bank's Customer Experience & Protecion are present at every shareholder's/members' meeting.
DUTIES TO STAKEHOLDERS				
Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS				
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	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	*Identify the company's stakeholders and provide information or reference to a document containing the company's policies and programs for its stakeholders.*	• Attached – PVB Corporate Governance Manual pages 32-35
Recommendation 14.2				
1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	COMPLIANT	*Identify policies and programs for the protection, fair treatment and enforcement of the rights of the company's stakeholders.*	• Attached – PVB Corporate Governance Manual page 32-35

Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.

Recommendation 15.1				
1	The 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 or link/reference to company policies, programs and procedures that encourage employee participation.*	• Attached – Corporate Governance Manual page 38
Recommendation 15.2				
1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	COMPLIANT	*Identify or provide link/reference to the company's policies, programs and practices against corruption.*	The Bank's Integrity Upholding Policy (whistleblowing mechanism) for Directors, officers, and concerned individuals to "blow the whistle" on any potential or perceived wrongdoings, misconduct, or corrupt practices of Directors, employees, customers, suppliers, contractors, vendors, consultants, or other third parties, that come to their attention. The policy includes protection from reprisal for employees to communicate legitimate concerns about illegal, unethical, or questionable RPTs. The policy shall likewise provide guidance on how such concerns should be reported, investigated and addressed. The Bank's Code of conduct includes sanction for violation of anti-graft and corrupt practices.
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	*Identify how the board disseminated the policy and program to the employees across the organization.*	The Bank's policies and programs are discussed to all new employees in the Employee Orientation Program. As part of the continuing education of the employees, the Bank has developed an e-learning program on the various company policies which include, among others, Anti-Money Laundering Act, Related Party Transactions Policy, Data Privacy, etc. The Company Policies are also disclosed in the Bank's Intranet Portal which can be accessed by everybody.
Recommendation 15.3				
1	The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	COMPLIANT	*Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.*	The Bank shall set a policy on whistleblowing for Directors, officers, and concerned individuals to "blow the whistle" on any potential or perceived wrongdoings, misconduct, or corrupt practices of Directors,

2	The 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	*Indicate if the framework includes procedures to protect the employees from retaliation.* *Provide contact details to report any illegal or unethical behavior.*	employees, customers, suppliers, contractors, vendors, consultants, or other third parties, that come to their attention. The policy includes protection from reprisal for employees to communicate legitimate concerns about illegal, unethical, or questionable RPTs. The policy shall likewise provide guidance on how such concerns should be reported, investigated and addressed.
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	*Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.*	
Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY				
The company should be socially responsible in all its dealings with the communities in which 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	The company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	*Provide information or reference to a document containing the company's community involvement and environment-related programs.*	The Bank's Corporate Social Responsibility efforts are discussed in the Bank' Annual Report

4.3. Composition of the Board

PVB's Board of Directors shall be composed of at least five (5) members and a maximum fifteen (15) members, who shall be veterans or heirs of good standing, except for independent directors, with formal business training and/or experience in banking and finance and who possess the qualifications and none of the disqualifications of Directors, as prescribed under BSP rules and regulations, and shall be elected annually by the stockholders in the manner prescribed by the Revised Corporation Code of the Philippines.

It is represented by a combination of highly qualified business professionals, former bank presidents and senior officials affiliated with regulatory bodies and international organizations with integrity, decades of experience and technical expertise in banking and finance. Furthermore, it is composed of individuals with distinct finance, marketing, audit, risk and legal competencies as well as business leaders with extensive knowledge and experience in different industries. This broad and collective range of expertise provides value in strengthening and upholding good corporate governance practices of the Bank. In determining the appropriate Board composition, Board diversity shall consider professional experience, skills, knowledge, background, moral standing in the community and other distinctions between Directors. The Bank does not discriminate against gender, age, and ethnic, political, religious, or cultural backgrounds.

4.3.1. Directors

a. Qualifications:

i. A PVB Director is a veteran or an heir with good standing, except for independent directors, with formal business training and/or experience in banking and finance and who possess the qualifications and none of the disqualifications of Directors as prescribed under BSP rules and regulations, and shall be elected annually by the stockholders in the manner prescribed by the Revised Corporation Code of the Philippines.

ii. He is fit and proper for the position of Director in the Bank. In determining whether a person is fit and proper for the position of a Director, the following matters must be considered:
   1) Integrity/Probity;
   2) Physical/Mental Fitness;
   3) Relevant Education/Financial Literacy/Training;
   4) Possession of competencies relevant to the job, such as knowledge and experience, skills, diligence and independence of mind, and sufficiency of time to fully carry out responsibilities.

iii. He has attended a seminar on corporate governance for Board of Directors. A director shall submit to the BSP a certification of compliance for first time directors and documentary proof of such compliance

b. Disqualification and Procedure

Without prejudice to specific provisions of law prescribing disqualifications and disqualification procedures for directors/ officers; disqualified to become directors/ officers are those defined under BSP Circular No. 1076.

c. Tenure:

Upon election, a Director serves for a term of one (1) year subject to re-election the following year. The Nominations Committee shall evaluate each Director's qualifications for term renewal annually.

4.3.2. Independent Directors:

a. Qualifications

i. Is not or was not a director, officer or employee of the Bank, its subsidiaries, affiliates or related interests during the past three (3) years counted from the date of his election/appointment.
ii. Is not or was not a director, officer, or employee of the Bank's substantial stockholders and their related companies during the past three (3) years counted from the date of his election/appointment.
iii. Is not an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the Board of Directors of the institution, or in any of its related companies or of its majority corporate shareholders.
iv. Is not a close family member of any director, officer or stockholder holding shares of stock sufficient to elect one (1) seat in the Board of Directors of the Bank or any of its related companies or of any of its substantial stockholders.
v. Is not acting as a nominee or representative of any director or substantial shareholder of the Bank, any of its related companies or any of its substantial shareholders.
vi. Is not or was not retained as professional adviser, consultant, agent or counsel of the Bank, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) years counted from the date of his election.
vii. Is independent of management and free from any business or other relationship, has not engaged within the last two (2) years and does not engage in any transaction with the Bank or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment.
viii. Was not appointed in the Bank, its subsidiaries, affiliates or related interests as Chairman "Emeritus", "Ex-Officio", Directors/Officers or Members of any

Advisory Board, or otherwise appointed in a capacity to assist the Board of Directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his appointment;

ix. Is not affiliated with any non-profit organization that receives significant funding from the Bank or any of its related companies or substantial shareholders.

x. Is not employed as an executive officer of another company where any of the Bank's executives serve as directors.

b. Tenure

An independent director (ID) may only serve as such for a maximum cumulative term of nine (9) years. The nine (9) year maximum cumulative term for ID shall be reckoned from 2012, after which the ID shall be perpetually barred from serving as ID in the same bank, but may continue to serve as regular director.

4.3.3. Lead Independent Director

The Lead Independent Director is designated by the Board among the independent directors, if the positions of the Chairperson of the Board and the Chief Executive Officer are held by one person.

The Lead Independent Director shall be designated in the Organizational Meeting of the Board of Directors following the Annual Stockholders Meeting. The Lead Independent Director shall act as the preferred point of contact for other Independent Directors on the Board. Whenever necessary and at least once a year, he organizes a meeting exclusively for Independent Directors to discuss issues not included in the regular Board agenda.

a. Specific Duties and Responsibilities of the Lead Independent Director:

i. Supports the Chairman of the Board;
ii. Serves as intermediary between the Chairman, the Board and the Board
iii. Stakeholders in cases where Management has clear conflict of interest
iv. Convenes and Chairs meetings of Independent Directors and Non-Executive Directors;
v. Contributes to the Performance evaluation of the Chairman, as required;
vi. Leads the Independent Directors at the Board meetings in raising queries and pursuing matters;
vii. Ensures the nomination and succession of the Chairman of the Board.

4.3.4. Board Officers

a. Chairman of the Board

The Chairman of the Board of Directors shall provide leadership in the Board of Directors. He shall ensure effective functioning of the Board of Directors, including maintaining a relationship of trust with members of the Board of Directors.

i. Specific Duties and Responsibilities of the Chairman of the Board

1) Ensures that the meeting agenda focuses on strategic matters including discussions on risk appetites, and key governance concerns;
2) Ensures a sound decision making process;
3) Encourages and promotes critical discussion;
4) Ensures that dissenting views can be expressed and discussed within the decision-making process;
5) Ensures that members of the board of directors receives accurate, timely, and relevant information;
6) Ensures the conduct of proper orientation for first time directors and provide training opportunities for all directors; and
7) Ensures conduct of performance evaluation of the Board of Directors at least once a year.

ii. Qualifications of the Chairman of the Board

To promote checks and balances, the Chairperson of the Board of Directors shall be a non-executive or independent director, and must not have served as CEO of the Bank within the past three (3) years prior to his/her election as Chairman of the Board.

The positions of the Chairman and CEO shall not be held by one person. In case where the position of Chairman of the Board of Directors and CEO is held by one (1) person, with approval of the BSP Monetary Board, a Lead Independent Director shall be appointed.

b. Vice Chairman of the Board

The Vice Chairman shall assist the Chairman of the Board in performing the latter's duties and responsibilities. In particular, the Vice Chairman shall take the important role in monitoring the implementation of the Company's strategies. During the period when the Chairman is absent and the normal functions of the Chairman cannot be carried out, the Vice Chairman will assume the role as the acting Chairman until the Chairman resumes carrying out his normal duties and/or a new Chairman has been elected and appointed by the Board.

c. Chief Executive Officer (CEO)

The CEO shall be the overall-in-charge for the management of the business and affairs of the Bank governed by the strategic direction and risk appetite approved by the Board of Directors. He shall be primarily accountable to the Board of Directors in championing the desired conduct and behavior, implementing strategies, and in promoting the long-term interest of the Bank. He gives guidance and direction in maintaining the uptrend in the Bank's financial performance.

i. **Specific Duties and Responsibilities of the CEO**

1) Determines the Bank's strategic direction and formulate & implement its strategic plan on the direction of the business;
2) Communicates and implements the Bank's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same;
3) Maintains a good working knowledge of the banking industry and market and keeps up-to-date with its core business purpose;
4) Manages the Bank's resources prudently and ensure a proper balance of the same;
5) Provides the Board with timely information and interface between the Board and the employees;
6) Builds the corporate culture and motivates the employees of the Bank;
7) Serves as the link between internal operations and external stakeholders;
8) Exercises the power of supervision and control over decisions or actions of subordinate officers and all other powers that may be granted by the Board;

4.3.5. **President and Chief Operation Officer**

The President and Chief Operating Officer (COO) takes a leadership role in building, implementing and overseeing the Bank's financial goals, systems, processes, workflows and procedures. The position also plays a critical role in helping to shape and guide the future growth and development of the Bank. He is responsible for the over-all direction and control of the Bank's entire operations. He oversees capital formulation, authorization of capital expenditures, acquisition or disposition of assets, and declaration of dividends.

a. **Duties and Responsibilities:**

i. Directs and manages internal operations to achieve budgeted results and other financial criteria and to preserve the capital funds invested of the organization;
ii. Establishes processes and system to manage all resources required for business including technology and people;
iii. Establishes a strategic plan that is aligned to the business objective of the CEO to ensure business profitability;
iv. Leads the development and installation of procedures and controls, to promote communication and adequate information flow to solidify management control and direction of the Bank;
v. Develops and establishes operating policies consistent with the CEO's broad policies and objectives and ensures their adequate execution;
vi. Appraises, evaluates and reports the results of overall operations regularly and systematically to the CEO to ensure that all activities and operations are performed in compliance with the policies and regulations and laws governing business operations;
vii. Develops and maintains a sound plan of organization and establishes policies to ensure adequate management development and to provide for capable

management succession for those business units reporting under his responsibility;

viii. Leads the different units of the Bank to look for ways to automate and systematize processes of the business to increase efficiency;

ix. Ensures that structures and procedures are in place for effective recruitment, training and evaluation of employees;

x. Ensures that structures and procedures are in place for securing the resources required by the Bank.

4.3.6. **Board Secretary**

a. **Duties and Responsibilities of the Board Secretary**

i. Safekeeps and preserves the integrity of the minutes of meeting of the Board, Board committees and shareholders/ members, as well as other official records of the Bank;

ii. Assists the Board and the Board committees in the conduct of their meetings, including preparing an annual schedule of Board and Committee meetings and the annual board calendar, and assisting the chairs of the Board and Board Committees to set the agenda for the meetings at least five (5) working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

iii. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so and maintains record of the same;

iv. Reviews the By-laws and initiates amendments, if needed, to ensure that they conform to regulatory requirements;

v. Advises the Board and the Chairman on relevant laws, regulations, governance issuances, and industry developments that affect the operations of the Bank;

vi. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and Management, the Board and its Committees, and the Board and its stakeholders, as well as other stakeholders;

vii. Advises on the establishment of Board Committees and their terms of reference;

viii. Ensures that the biographical data and other information on Directors and Senior Officers are updated and kept at the DOSRI/RPT Database;

ix. Ensures that the list of the Bank's stockholders, their proxies and their stockholdings, is complete and updated, maintains the stock transfer book/s, and keeps track of all outstanding certificates in the manner required by law and regulations;

x. Maintains and implements an effective, secure, and efficient voting system during the Annual Stockholders' Meeting or any special meeting; Discloses the appointment of the Compliance Officer to the Securities and Exchange Commission on SEC Form 17-C;

4.12. CODE OF ETHICS

The Bank's Directors, the Senior Management and employees shall fulfill their commitment to customers that "We are the Bank with a Heart", guided by their core values. They shall champion the fair treatment and protection of the Bank's stakeholders, particularly its customers, resource providers, creditors and the community in which it operates. Fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders promote stable, long term relationship.

This Code of Ethics shall aim to instill a commitment and dedication to the virtues of honesty and integrity, together with a high sense of prudence, responsibility and efficiency in the conduct of duties. It is imperative that Directors, officers and employees live by the values that the Bank stands for and reflect these values in their behaviors.

The Bank shall establish a Board Administrative Investigation Committee (BAIC) to set the right tone from the top.

To enforce Bank-wide compliance, the Bank's Codes of Ethics and Discipline for Directors and employees shall be posted in the Bank's intranet and the Human Resources Management Division public folder for easy access of all directors, officers and employees of the bank.

4.13. CORPORATE GOVERNANCE ASSESSMENT AND MONITORING

Good corporate governance is the foundation of safe and sound banking operations. It is the reflection of the collective values and competence of the Board of Directors and Senior Management, as well as quality and effective implementation of the Bank's corporate governance standards and practices.

The evaluation of the quality of governance shall focus more on the effective implementation of the governance standards and principles by putting greater weight on the practices and performance of the Board of Directors, and Senior Management.

The Board shall establish an evaluation system to determine and measure its compliance with the corporate governance standards and principles. Any violation thereof shall subject the responsible director, advisor, officer or employee to the penalty provided.

There are two (2) sets of Evaluation Forms that will assess the Bank's corporate governance practices, using the five (5) point rating scale, with 5 being the highest rating:

a. Director's Performance Evaluation Form

The Directors' self-assessment on the Director's Individual Qualitative Performance; the Board and Board Committees shall reflect the collective values, performance and competence of the board of directors on corporate governance standards and principles.

The Chairman, individual members of the Board and Committees shall conduct an annual self-assessment in order to evaluate the performance for the previous year. The assessment is done annually. The performance of the President, on the other hand, shall be evaluated by the Board of Directors.

After the Directors' self-assessment, the results shall be discussed and noted by the CGCOC before submission to the Board for notation.

b. Scorecard of the Governance Self-Assessment Form

The Directors' self-assessment on the four (4) management component factors, such as: Governance Landscape; Fitness and propriety of the Board and Management; Risk Governance; Controls and Independent Oversight shall reflect the quality and effective implementation of the Bank's corporate governance practices.

The five (5) point rating scale/ scorecard is described as follows:

RATING	DESCRIPTION
5 – EXCELLENT (GWA- 4.6- 5)	DYNAMIC AND INNOVATIVE. With very competitive actions, systems and processes. It creates high impact solution to the organization.
4 – VERY SATISFACTORY)) (GWA- 3.6- 4.5)	EXEMPLARY – considered necessary given the size risk profile and complexity of operations of the bank. Deficiencies or weaknesses may exit but do not affect the overall quality of governance in a bank.
3 – SATISFACTORY (GWA- 2.6-3)	AVERAGE PERFORMER. Delivered what is needed or asked, however, timeliness, accuracy and efficiency of actions, decisions, or processes did not exceed expectations.
2 – NEEDS IMPROVEMENT/ DEFICIENT (GWA- 1.6-2)	DEFICIENT - Needs to exert better action/ decision to be able to perform based on timeliness, accuracy and efficiency.
1 – POOR (GWA- 1- 1.5)	CRITICALLY DEFICIENT - Not worth pursuing. Needs dramatic change and improvement in all aspect.

Apart from assigning a rating, it should come up with specific applicable action recommendations commensurate with the issues identified and the resulting assessment on the quality of governance.

4.14. REPORTORIAL REQUIREMENTS AND DISCLOSURE

The Board shall establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations

1.1.1-3

Dr. Roberto F. De Ocampo, OBE
Chairman
77, Filipino

Dr. Roberto F. De Ocampo, OBE, a son of a WWII veteran, was the former Secretary of Finance of the Philippines, and became the first Filipino to receive the most internationally prestigious award to Finance Ministers Worldwide, the "Global Finance Minister of the Year" award from Euromoney in 1995. In 1996, Euromoney named him "Asian Finance Minister of the Year." In 1997, he was again recognized as Asian Finance Minister of the Year, this time by Asiamoney Magazine.

He is known nationally and internationally for public and international finance, having been Chairman of the APEC and ASEAN Finance Ministers (at the onset of the Asian financial crisis) whose meetings he chaired and resulted in the landmark Manila Framework that prescribed the steps to exit the crisis. He was also a member of the Boards of Governors of the World Bank, the International Monetary Fund, and the Asian Development Bank.

He was Secretary of Finance (1994-1998) during the presidency of Fidel V. Ramos, and was widely recognized as the principal architect of the resurgence of the Philippine economy whose achievement was hailed by the international finance community.

He is the past president of the Asian Institute of Management having retired from that position in May 2006, and until recently was a member of the AIM Board of Trustees.

Prior to these posts, he also served as Chairman and CEO of the Development Bank of the Philippines (DBP) and led its rehabilitation. This earned DBP the recognition from the prestigious international The Banker magazine as one of the "world's soundest banks" during his tenure. As Secretary of Finance he was also concurrently Chairman of the Land Bank of the Philippines.

Dr. De Ocampo is a recipient of many international and national honors. In September 2001, he was named to the Ordre National de la Legion d' Honneur by the Republic of France with the rank of Chevalier for his successful efforts and initiatives to promote closer Philippine-France relations. On the occasion of the Queen's Diamond Jubilee, he was conferred by Her Majesty Queen Elizabeth II the Most Excellent Order of the British Empire (OBE) for his outstanding efforts in promoting Philippine-UK relations during his years in public service, and in his capacity as Chairman of the British Alumni Association. More recently, he was conferred by the Vatican as a knight of the Equestrian Order of the Holy Sepulchre of Jerusalem.

He has also been awarded the Philippine Legion of Honor, the highest honor conferred on Filipino civilians by the Republic of the Philippines in 1998 for his outstanding contributions to the country. He is one of the first ASEAN members of the Trilateral Commission, an international think-tank of distinguished global leaders and was also the first recipient of the Man of the Year Award from the Association of Development Finance Institutions of Asia Pacific (ADFIAP). He is a founding Partner of a Global Advisory Group (Centennial Group) based in Washington D.C. and is a Founding Director of the Global Economic Forum: The Emerging Markets Forum. He is the first Asian to be elected to the Board of the Global Reporting Initiative (GRI) which is the global authority on Sustainability Reporting based in Amsterdam.

Dr. De Ocampo was 1975 Ten Outstanding Young Men (TOYM) awardee in the field of National Economic Development for pioneering the Philippine rural electrification program. He had been cited as one of the 500 Great Asians in 2001 and a recipient of several Baron's Who's Who awards. In 2004, he was elected to the Board of Advisors of the Conference Board, one of the world's leading authorities in international business economics (based in New York). In 2006, he was conferred with the Asian Human Resources Development Award by the Asia HRD Congress.

At present, he Chairs the Board Advisers of the RFO Center for Public Finance & Regional Economic Cooperation, an ADB Regional Knowledge Hub. He is also the present Chairman of Intervest Projects, Inc. and Intervest Insurance Agency, Inc., wholly owned subsidiaries of Veterans Bank. In addition he chairs five other organizations and is a board member of several publicly listed and non-listed companies and institutions.

Guillermo L. Parayno Jr.
Vice Chairman
75, Filipino

- Current Director, Metro Retail Stores Group, Inc.
- Current Chairman: E-Konek Pilipinas; Bagong Silang Farms, Inc.; and Parayno Consultancy Services
- Commissioner, Bureau of Customs, 1992-1998
- Commissioner, Bureau of Internal Revenue, 2002-2005
- Co-Chairman, Lina Group of Companies, 1999-2002
- PMA Alumni Cavalier Awardee for outstanding accomplishments in Public Administration
- Outstanding Professional of the Year by the Professional Regulatory Commission of the Philippines
- Economic Warrior Award of the Department of Finance
- Bachelor of Science degree, Magna Cum Laude, Philippine Military Academy
- Masters in Psychology, University of the Philippines
- Computer Programming, National Computer Center
- Master of Business Management, Asian Institute of Management

Renato A. Claravall
President & Chief Operating Officer
71, Filipino

- Director, Philippine Veterans Bank (2015-2018)
- Senior Vice President and Chief Finance Officer (CFO), Benguet Corporation, 2010-2015 (retired)
- Director, various wholly owned companies of Benguet Corporation
- Senior Management positions in various financial institutions, 1997-2010
- Deputy General Manager, Bank of Boston Manila Offshore Branch, 1984-1997
- Senior Manager, Union Bank of the Philippines, 1979-1984
- Bachelor of Arts in Economics, Ateneo De Manila University

Percianita G. Racho
Non-Executive Director
65, Filipino

- Regional Chairman, Girl Scout of the Philippines (GSP) Eastern Mindanao Region, July 2021-2024
- President, GSP Agusan Council, 2018-June 2021
- Consultant, Office Cong. Angel Amante Matba Representative, 2nd District Agusan Del Norte
- Provincial Administrator, Agusan del Norte, 2009-2015
- Former Mayor, Municipality of Buenavista, Agusan del Norte, 2001-2004
- Assistant Legal Officer, Agusan del Norte, 1998-2001
- Former Vice Mayor, Municipality of Buenavista, Agusan del Norte, 1992-1995
- Former National President of the VFP - Sons & Daughters Association, Inc. (VFP-SDAI)
- Bachelor of Laws, University of Bohol, 1980 – 1984
- AB Political Science, University of Bohol, 1976 – 1980

Jose A. Nuñez, Jr.
Independent Director
70, Filipino

- Former Chairman, Development Bank of the Philippines
- Vice-Chairman, Unicapital Securities, Inc.
- Director, Unicapital, Inc.
- Director, Unicapital Finance, Inc.
- Director and Treasurer - Universal LRT Corp, Ltd.; Agus 3 Hydro Corp.; ULCOM Company; Bukidnon Hydro Electric Corp.; Lear Aero Ltd. Inc.; Tranzen Group, Inc.; La Costa Development Corporation, Inc.
- Former Vice-Chairman, Amanah Islamic Bank
- Former Director, Philippine Veterans Bank – 2000-2010
- Former Vice Chairman and CEO, Federal Savings Bank
- Former Chairman and President, Asian Express Money Services Corp.
- Former Chairman, SB Cards Corp.
- Former President, Security Diners International Corp.
- MBA Candidate, Ateneo De Manila University
- Bachelor of Arts major in Economics, Xavier University

Gerardo Manuel Luis B. Anonas
Director
65, Filipino

- Appointed Director of Veterans Bank in September 2017
- President, Optimum Development Bank, 2015-2017
- Executive Vice President, East West Banking Corp., 1998-2006
- Executive Vice President, Philippine Banking Corp., 1994-1998
- Senior Vice President, Urban Bank, 1991-1994
- Masters in International Business, Shiller International University Paris Study Center
- Bachelor of Science in Management, Ateneo de Manila University

Francisco S. Magsajo
Director
75, Filipino

- Elected Director of the Bank in April 2019
- Director, Philippine Savings Bank
- Director Metrobank Card Corporation
- Director, First Metro Investment Corp. (FMIC)
- Former President & COO, Rizal Commercial Banking Corporation
- Former President & CEO, RCBC Savings Bank
- Former President & CEO, Philippine Export-Import Credit Corporation
- Former Executive Vice President, Philippine National Bank
- Former Managing Director, PNB International Finance, Ltd, HK
- Former Director, PNB Remittance Corp, USA
- Former Banking Consultant, Allied Banking Corporation
- Advanced Bank Mgmt. Program, Wharton School of Econ, University of Pennsylvania
- Education: Bachelor of Science in Economics, Lyceum of the Philippines

Cesar A. Rubio
Independent Director
76, Filipino

- Former EVP-CFO, United Coconut Planters Bank
- Former Director - UCPB Savings Bank; UCPB Securities; UCPB Leasing and Finance; UCPB Foreign Exchange Corporation
- Former Chairman, UCPB Condominium Corp., Master Caterers, Inc.
- Former EVP, RCBC Corporate Planning Group
- Former AVP Metrobank
- Attended Citibank Executive Training Program prior to becoming Credit and Account Officer
- Past Director, Financial Executive Institute of the Philippines (FINEX)
- Past Treasurer and Member of the Board of Trustees, FINEX Foundation
- Past Director, Makati Sports Club, Inc.
- Masters in Business Management, Asian Institute of Management
- Pacific Rim Bankers Program, University of Washington
- Certified Public Accountant, Professional Regulatory Commission
- Bachelor of Science in Commerce major in Accounting, De La Salle University

Michael Democrito C. Mendoza
Director
61, Filipino

- Vice-Chairman, Multi-Sectoral Advisory Board - VISCOM AFP, 2017
- Vice-President, Trade Union Congress of the Philippines (TUCP), 2012
- National President, Associated Labor Unions (ALU)
- National President, Associated Philippine Seafarers Union (APSU)
- Former Commissioner, Cebu Port Authority
- Bachelor of Laws, Southwestern University
- AB Political Science, University of the Philippines Cebu

Ma. Cecilia G. Soriano, Ph.D.
Independent Director
66, Filipino

- Independent Consultant of DBM, DOF, NEDA, DILG, WB, ADB, JICA
- Member, Board of Trustees – Foundation for Economic Freedom (FEF)
- Founding Member, Steering Committee, AguaJaring (SEA Capacity Building Network for IWRM)
- Co-Founder and President, Philippine Capacity Building Network for IWRM (PhilCapNet)
- Former Member, Board of Trustees, Metropolitan Waterworks and Sewerage System (MWSS), 2011-2016
- Former Program Director for Professional Development Program, Department of Finance (DOF), 2011-2013
- Former Advisor to the Executive Director for Brazil, Columbia and the Philippines in World Bank (WB), Washington DC, 1992-1994
- Former Undersecretary of Finance – DOF, 1995-1998 ; 1991–1992
- Held various positions in the International Finance Group of the DOF, 1986-1991
- Ph.D in Economics, University of California at Berkeley
- Bachelor of Science in Management Engineering, Ateneo De Manila University, Magna cum Laude and Valedictorian

PLTGEN. Reynaldo V. Velasco Ph.D., (RET)
Independent Director
74, Filipino

- Former Administrator, Metropolitan Waterworks and Sewerage System (MWSS) 2017 - 2021
- Former Chairman, Board of Trustees, MWSS 2019 -2021
- Former Municipal Mayor, Sta. Barbara Pangasinan 2007 - 2010
- Former PNP Deputy Chief for Operations and Administration 2004 - 2005
- Former Executive Director, Philippine Center on Transnational Crime (PCTC)
- Former Regional Director, NCRPO
- Former Director, Philippine National Police Region Office (PNP NCRPO)
- Former Trustee, AFP Savings & Loans, Inc. 2001 -2003
- Former Board of Director, Public Safety Mutual Benefit Fund Inc. 2001 – 2002
- Former Board of Director, AFP Mutual Benefit Association Inc. 2004 - 2005
- Doctor of Philosophy, Bicol University 2003
- Master in Business Administration, University of St. La Salle, Bacolod 1992 - 1996
- Bachelor of Science, Philippine Military Academy 1967 - 1971
- Bachelor of Science in Chemical Engineering, Mapua Institute of Technology Manila 1965 - 1967

Atty. Jocelyn Grace N. Navato
Board Secretary and concurrent Acting Chief Governance Officer
51, Vice President

- Joined PVB on November 1, 2021
- Former Chief Compliance Officer of RCBC Leasing and Finance Corporation
- Former head of Credit Department, RCBC Leasing and Finance Corporation
- Former Assistant Corporate Secretary of Rizal Commercial Banking Corporation
- Former Corporate Secretary of Rizal Microbank, Inc., RCBC Leasing and Finance Corporation, and RCBC Rental Corporation
- Former Chief of Staff of Board Trustee Karina Constantino-David – Government Service Insurance System
- Former head of HR/General Services/Secretariat in Bank of Tokyo – Mitsubishi UFJ, Ltd. (now MUFG Bank)
- Former Bank Security Officer of Bank of Tokyo – Mitsubishi UFJ, Ltd. (concurrent)
- Former Commonwealth Business Area Head of Maynilad Water Services Inc.
- Bachelor of Laws - College of Law, University of the Philippines, Diliman
- Bachelor of Arts in Mass Communications (major in Communications Research) – College of Mass Communications, University of the Philippines, Diliman

i. **Specific Duties and Responsibilities of the Chairman of the Board**

1) Ensures that the meeting agenda focuses on strategic matters including discussions on risk appetites, and key governance concerns;
2) Ensures a sound decision making process;
3) Encourages and promotes critical discussion;
4) Ensures that dissenting views can be expressed and discussed within the decision-making process;
5) Ensures that members of the board of directors receives accurate, timely, and relevant information;
6) Ensures the conduct of proper orientation for first time directors and provide training opportunities for all directors; and
7) Ensures conduct of performance evaluation of the Board of Directors at least once a year.

ii. **Qualifications of the Chairman of the Board**

To promote checks and balances, the Chairperson of the Board of Directors shall be a non-executive or independent director, and must not have served as CEO of the Bank within the past three (3) years prior to his/her election as Chairman of the Board.

The positions of the Chairman and CEO shall not be held by one person. In case where the position of Chairman of the Board of Directors and CEO is held by one (1) person, with approval of the BSP Monetary Board, a Lead Independent Director shall be appointed.

b. **Vice Chairman of the Board**

The Vice Chairman shall assist the Chairman of the Board in performing the latter's duties and responsibilities. In particular, the Vice Chairman shall take the important role in monitoring the implementation of the Company's strategies. During the period when the Chairman is absent and the normal functions of the Chairman cannot be carried out, the Vice Chairman will assume the role as the acting Chairman until the Chairman resumes carrying out his normal duties and/or a new Chairman has been elected and appointed by the Board.

c. **Chief Executive Officer (CEO)**

The CEO shall be the overall-in-charge for the management of the business and affairs of the Bank governed by the strategic direction and risk appetite approved by the Board of Directors. He shall be primarily accountable to the Board of Directors in championing the desired conduct and behavior, implementing strategies, and in promoting the long-term interest of the Bank. He gives guidance and direction in maintaining the uptrend in the Bank's financial performance.

4.14.1. The reports or disclosures required under this Manual shall be prepared and submitted to the SEC by the Office of the Board Secretary or responsible officer designated by the Bank.

4.14.2. The Bank shall disclose in the Annual Report the nature of non-audit related services performed by external auditors.

4.14.3. All material information about the Bank that could potentially affect share price, its viability or the interest of its stockholders and other stakeholders, shall be publicly and timely disclosed. Such information shall include corporate strategy, earnings results, material acquisition or disposal of assets, off balance sheet transactions, Board changes, material related party transactions, shareholdings of directors, changes to ownership and direct and indirect remuneration of members of the Board and Senior Management.

4.14.4. The Board is primarily accountable to the stockholders. The Board shall ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders to give a fair and complete picture of the Bank's financial condition, results and business operations. The Board shall commit at all times to fully disclose material information dealings for the interest of the stakeholders. It shall cause the filing of all required information through submission to the Commission for the interest of the Bank's stockholders and other stakeholders.

4.14.5. The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications and assess any potential conflicts that might affect their judgment.

4.14.6. The company's corporate governance policies, programs and procedures should be contained in its Manual on Corporate Governance, which should be submitted to the regulators and posted on the company's website.

4.15. COMMUNICATION PROCESSES AND TRAINING

This Manual shall be available for inspection by any stockholder of the Bank at reasonable hours on business days. This Manual shall likewise be posted in the Bank's website.

4.15.1. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

4.15.2. The copy of this Manual will be posted and be made available in the Bank's intranet, and shall be known by all its employees and stakeholders.

4.15.3. If necessary, funds shall be allocated by the Chief Financial Officer (CFO) or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.

4.15.4. A Director shall, before assuming as such, be required to attend training and seminar related to corporate governance.

a. Internal Training and Education

As early as the selection process of the Board and during the fit and proper review of the CGCOC, the credibility and work experience of the shortlisted candidates are considered and aligned with the requirements of the Bank. Members of the Committee provide an overview of the directorship function and an orientation of the banking operation.

The Bank, through the Office of the Board Secretary shall furnish all Directors with a copy of the duties and responsibilities of the Board of Directors. Each Director is required to acknowledge receipt of the copies of such and certify that they fully understand the same.

First time directors shall undergo an orientation program for at least eight (8) hours. The orientation program ensures that new members are appropriately apprised of their duties and responsibilities, before beginning their directorships, and throughout their tenure. It covers topics on corporate governance, membership to Board-level committees, introduction to the company's business, Articles of Incorporation and other topics relevant in carrying out his/her duties and responsibilities as director.

The Board Secretary shall orient first-time directors.

b. External Training and Education

All directors must have attended a seminar on corporate governance for board of directors. First time directors shall submit to the BSP a certification of their compliance/attendance on corporate governance training. However, first time directors are exempted from complying with this requirement if he/she is any of the following:

(a) Filipino citizens with recognized stature, influence and reputation in the banking community and whose business practices stand as testimonies to good corporate governance;
(b) Distinguished Filipino and foreign nationals who served as senior officials in central banks and/or financial regulatory agencies, including former Monetary Board members;
(c) Former Chief Justices and Associate Justices of the Philippine Supreme Court.

The Bank shall ensure allocation of sufficient time, budget and other resources for the continuing education of directors and draw on external expertise as needed.

The annual continuing training program makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Bank. Training can be on any matter relevant to the Bank, which could include seminar on new regulatory issuances, internal controls, risk management, sustainability, strategy and also other topics relevant in carrying out the director's duties and responsibilities.

The annual continuing training shall be at least for four (4) hours.

5. **Policy Deviation**
   5.1.1. The guidelines of the Loss Event Assessment Form (LEAF) shall govern the reporting of errors and procedural lapses.
   5.1.2. Deviations from the aforementioned policies and related procedures shall be raised to OPCOM and/or Mancom, and approval of the Board of Directors.

6. **Information Security and Data Privacy**
   6.1.1. This policy shall conform to the minimum provisions prescribed under the Information Security Policy and Data Privacy Manual.

7. **PENALTIES OR SANCTIONS**
   7.1. Violations or failure to observe and / or perform any of the statements in this policy shall be subject to penalty or sanction in accordance with the Bank's Code of Ethics and Discipline handbook; and 2018 MORB Section 147 (Bank Protection).

8. **RELATED DOCUMENTS**

Document Type	Document Code	Document Name
		By-Laws and Articles of Incorporation
		Securities and Exchange Commission (SEC) Regulations: 1. Memo Cir 2, s2015 : Additional Guidelines on Corporate Governance training Programs and Lectures (Parts VI & VII Superseded by Memo Cir. 19 dated Nov. 22, 2016) 2. SEC M-2020-024 3. Memo Cir 7, s2018 : Amendment to Rule 38.2.7 of the 2015 IRR of the Securities Regulation Code 4. Memo Cir 8, s2018 : Shareholders' Approval on Any Change in Bank's External Auditor and Audit Committee Composed Entirely all Board Members
		Bangko Sentral ng Pilipinas (BSP) Regulations 1. **Cir. No. M-2013-002 dated Jan. 11, 2003 :** Guidelines in Assessing the Quality of Corporate Governance in BSP- Supervised Financial Institutions

4.3. Composition of the Board

PVB's Board of Directors shall be composed of at least five (5) members and a maximum fifteen (15) members, who shall be veterans or heirs of good standing, except for independent directors, with formal business training and/or experience in banking and finance and who possess the qualifications and none of the disqualifications of Directors, as prescribed under BSP rules and regulations, and shall be elected annually by the stockholders in the manner prescribed by the Revised Corporation Code of the Philippines.

It is represented by a combination of highly qualified business professionals, former bank presidents and senior officials affiliated with regulatory bodies and international organizations with integrity, decades of experience and technical expertise in banking and finance. Furthermore, it is composed of individuals with distinct finance, marketing, audit, risk and legal competencies as well as business leaders with extensive knowledge and experience in different industries. This broad and collective range of expertise provides value in strengthening and upholding good corporate governance practices of the Bank. In determining the appropriate Board composition, Board diversity shall consider professional experience, skills, knowledge, background, moral standing in the community and other distinctions between Directors. The Bank does not discriminate against gender, age, and ethnic, political, religious, or cultural backgrounds.

4.3.1. Directors

a. Qualifications:

i. A PVB Director is a veteran or an heir with good standing, except for independent directors, with formal business training and/or experience in banking and finance and who possess the qualifications and none of the disqualifications of Directors as prescribed under BSP rules and regulations, and shall be elected annually by the stockholders in the manner prescribed by the Revised Corporation Code of the Philippines.

ii. He is fit and proper for the position of Director in the Bank. In determining whether a person is fit and proper for the position of a Director, the following matters must be considered:

1) Integrity/Probity;
2) Physical/Mental Fitness;
3) Relevant Education/Financial Literacy/Training;
4) Possession of competencies relevant to the job, such as knowledge and experience, skills, diligence and independence of mind, and sufficiency of time to fully carry out responsibilities.

iii. He has attended a seminar on corporate governance for Board of Directors. A director shall submit to the BSP a certification of compliance for first time directors and documentary proof of such compliance management succession for those business units reporting under his responsibility;

viii. Leads the different units of the Bank to look for ways to automate and systematize processes of the business to increase efficiency;

ix. Ensures that structures and procedures are in place for effective recruitment, training and evaluation of employees;

x. Ensures that structures and procedures are in place for securing the resources required by the Bank.

4.3.6. **Board Secretary**

a. **Duties and Responsibilities of the Board Secretary**

i. Safekeeps and preserves the integrity of the minutes of meeting of the Board, Board committees and shareholders/ members, as well as other official records of the Bank;

ii. Assists the Board and the Board committees in the conduct of their meetings, including preparing an annual schedule of Board and Committee meetings and the annual board calendar, and assisting the chairs of the Board and Board Committees to set the agenda for the meetings at least five (5) working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

iii. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so and maintains record of the same;

iv. Reviews the By-laws and initiates amendments, if needed, to ensure that they conform to regulatory requirements;

v. Advises the Board and the Chairman on relevant laws, regulations, governance issuances, and industry developments that affect the operations of the Bank;

vi. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and Management, the Board and its Committees, and the Board and its stakeholders, as well as other stakeholders;

vii. Advises on the establishment of Board Committees and their terms of reference;

viii. Ensures that the biographical data and other information on Directors and Senior Officers are updated and kept at the DOSRI/RPT Database;

ix. Ensures that the list of the Bank's stockholders, their proxies and their stockholdings, is complete and updated, maintains the stock transfer book/s, and keeps track of all outstanding certificates in the manner required by law and regulations;

x. Maintains and implements an effective, secure, and efficient voting system during the Annual Stockholders' Meeting or any special meeting; Discloses the appointment of the Compliance Officer to the Securities and Exchange Commission on SEC Form 17-C;

xi. Submits to the SEC, at the end of every fiscal year, an annual sworn certification on the directors' record of attendance in Board meetings;

xii. Performs all required administrative functions;

xiii. Performs such other duties and responsibilities as are incident to his office and those which may be required of him by the Board, the CEO or provided by the regulatory body.

4.4. Board Remuneration

The Bank shall have a clear policy in setting Board per diem. It should be aligned with the long-term interests of the Bank.

4.4.1 Per diem/Allowance

The members of the Board of Directors shall receive a per diem/allowance for every meeting of the Board/ Board Committee actually attended by them, the amount of which shall be set by the Remunerations Committee based on the acceptable banking industry rates and shall be set in accordance with the pertinent provisions of the Revised Corporation Code of the Philippines.

The Remuneration Committee shall review the per diem structure of the Board of Directors annually or as necessary. Any adjustment in the per diem rates shall be endorsed to the Board of Directors for approval.

Every Annual Stockholders Meeting, the compensation of the Board of Directors in aggregate amount received for the year by the board of directors is reported to the shareholders.

4.4.2 Others

The Bank grants travel privileges to members of the Board of Directors for their official or business travels locally or abroad, subject to approval. The President & Acting CEO shall approve said travel and all expenses related thereto including but not limited to transportation (air fare, etc.) and hotel accommodation, subject to confirmation of the Executive Committee.

4.5. Board Nomination and Appointment, Retirement and Succession

4.5.1. **Confirmation of Election/ Appointment of Directors and Officers**

The Board of Directors shall, upon election and qualification, organize itself and, by a majority vote of all its members, elect its Chairperson, Vice-Chairperson and Secretary. The Board Secretary should not be a member of the Board.

Vacancies shall be filled by majority vote of the remaining Directors if they still constitute a quorum. In the event that resignation, death or disqualification shall reduce the members of the Board to a number less than a quorum, vacancies shall be filled by election in a special meeting of Stockholders to be called for the purpose.

Only nominees whose names appear on the final list of candidates shall be eligible for election. No other nominations shall be entertained after the final list of candidates shall have been prepared; and no further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting. The Directors shall be elected by the stockholders entitled to vote during the annual meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

The election/appointment of directors/officers shall be subject to confirmation by BSP:

Confirming Authority	Position Level
a. Monetary Board	Directors, **President**, CEO of the Bank and its subsidiary Bank
b. FSS Committee	Treasurer and heads of internal audit, risk management and compliance functions, and other officers with rank of senior vice president and above (or equivalent ranks), Trust officer and **Trust Independent Professional.**

The resignation, retirement, or replacement of directors/officers shall be reported to the appropriate department of the BSP FSS within twenty (20) banking days after such resignation/retirement/replacement.

The election/appointment of abovementioned directors/officers shall be deemed to have been confirmed by the BSP, if no advice received from the supervising department of the FSS sixty (60) banking days from receipt of the complete required reports.

However, the confirmation by the Monetary Board/FSS Committee of the election/appointment to above-mentioned position levels shall not be required in the following cases:

bip 1941 BAIPHIL

BANKERS INSTITUTE OF THE PHILIPPINES, INC.

presents this

Certificate of Attendance

to

Jocelyn Grace N. Navato

Board Secretary and Chief Governance Officer
Philippine Veterans Bank

for having attended the

Webinar on Basic Corporate Governance

on November 28, 2022

[redacted]

MYRNA E. AMAHAN
President

1.5.4

The Committee shall be composed of at least three (3) members, all of whom shall be independent directors.

4.7.12. **Risk Management Oversight Committee (RMOC)**

The Risk Management Oversight Committee shall assist the Board in fulfilling its responsibilities in managing the Bank's risk-taking activities. It shall advise the Board of the state of the Bank's risk profile and provide insights and propose the formulation of enhancement of programs, policies, directions and courses of action needed to address and manage the Bank's risk exposures.

The Committee shall be composed of at least three (3) members of the Board of Directors, majority of whom are non-executive directors and one independent director.

4.7.13. **Trust Committee**

The Trust Committee shall assist the Board in fulfilling its responsibilities to oversee the proper management and administration of trust and other fiduciary business of the Bank.

The Committee shall be composed of at least five (5) members including the President, Trust Officer and Non-Executive Directors who are appointed by the Board on an annual basis, or those considered at "independent professionals".

4.8. BOARD GOVERNANCE: OVERSIGHT OFFICERS, DUTIES AND RESPONSIBILITIES

The Board shall appoint Oversight Officers whose critical functions are to ensure that all business units adhere to the provisions of the regulatory bodies as well as to the Board approved charters, policies and procedures. They coordinate and report directly to the Board and to the Board Committees.

The minimum level for the Oversight Head shall be Vice President (VP).

4.8.1. **Chief Compliance Officer (CCO)**

The CCO is the lead senior officer in administering the compliance program of the Bank and interacting with the BSP on compliance related issues. He is vested with sufficient stature, seniority, independence and authority within the Bank including the

ability to conduct investigations for breaches of the compliance policy and ensure that remedial or disciplinary action is taken in a timely manner.

The CCO is independent from executive functions and business line responsibilities, operations and revenue-generating functions. He has direct access to the Board of Directors and all the Bank Committees, Chief Executive Officer, President & Chief Operating Officer and other Senior Management to discuss and report any business and compliance risk related issues. The CCO serves on a full-time basis and reports to CGCOC.

The CCO is provided with adequate logistical support and resources and has ready access to information and personnel as he deems necessary to effectively carry out his responsibilities. He is primarily liable to the Bank and its shareholders, and has, among others, the following duties and responsibilities:

a) Advises the Board of Directors and Senior Management on relevant laws, rules and standards, including keeping them informed on developments in the area;
b) Apprises Bank personnel on compliance issues, and act as the contact point within the Bank for compliance queries;
c) Establish written guidance on the appropriate implementation of laws, rules and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines;
d) Identifies, document and assess the compliance risks associated with the Bank's business activities, including new products and business units;
e) Assesses the appropriateness of the Bank's compliance procedures and guidelines, promptly following up any identified deficiencies, and where necessary, formulate proposals for amendments;
f) Monitors and tests compliance by performing sufficient and comprehensive compliance testing;
g) Maintains a constructive working relationship with the BSP, and other regulators
h) Ensures proper on-boarding of new directors (i.e., orientation on the Bank's business, charter, articles of incorporation and By-Laws, among others);
i) Monitors, reviews, evaluates and ensures the compliance by the Bank, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies);
j) Ensures the integrity and accuracy of all documentary and electronic submissions as may be allowed under SEC rules and regulations;
k) Reports to the CGCOC and the Board if violations are found and recommends the imposition of appropriate disciplinary action;
l) Appears before the SEC when summoned in relation to compliance with this Code and other relevant rules and regulations;
m) Ensures the attendance of board members and key officers to relevant trainings; and
n) Performs such other duties as may be provided by the Board and regulatory body.

4.8.2. Corporate Governance Officer (CGO)

1.6

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BANKERS INSTITUTE OF THE PHILIPPINES, INC.

presents this

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to

Ma. Theresa L. Escobar

for having attended the 4-hour webinar on

Enhanced Corporate Governance Guidelines

(BSP Cir. Nos. 969, 970, 971, 972)

Conducted by the Institute on
April 22, 2022

[redacted]

GINA G. LANZANAS
Chairperson
Governance, Legal & Compliance
Course Committee

[redacted]

ROMEL D. MENIADO
President
BAIPHIL

2.3

SUCCESSION MANAGEMENT PROGRAM POLICY

1. PURPOSE

1.1. The Bank's succession management program is designed to:

1.1.1. Strengthen the Bank's leadership bench so that key positions are filled immediately from internal or external sources.
1.1.2. Identify high potential employees who manifest the necessary competencies to perform assigned functions effectively, who will eventually occupy key positions.
1.1.3. Access talents from external sources to complement/augment the Bank's talent pool.
1.1.4. Ensure that a pipeline of future leaders is developed on a continuing basis.
1.1.5. Develop effective training and development programs to address the competency gaps of incumbents and potential successors.
1.1.6. Address the incumbent's and potential successor's individual development vis-à-vis the individual career goals as well as corporate goals.

2. SCOPE

2.1. This policy shall govern and apply to officers assuming the following key positions:
2.1.1. President
2.1.2. Chief Executive Officer
2.1.3. Chief Operating Officer
2.1.4. Business Unit Head (Group/Division Head)
2.1.5. Division Head
2.1.6 Area Head
2.1.7. Department Head
2.1.8. Branch Managers
2.1.9. Other position required by BSP, SEC, NPC (e.g. CISO, Treasurer, DPO)

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
AA	Above Average
HRD	Human Resources Division
ILDP	Individual Learning and Development Program
O	Outstanding
MORB	Manual of Regulations for Banks
SMP	Succession Management Program
TODD	Training and Organization Development Department

Terms	Definition
Key Position	Positions whose decision-making authority and related responsibilities significantly influence and affect organizational policies, strategic goals, business operations, attainment of bank's key performance measures (revenue, costs and quality), and compliance to regulatory requirements and standards.
Ready Now	• The talent is ready now to assume the key position. • Has achieved 80% and above competency rating.
Ready in 1-2 years	• The talent may be ready in 1 to 2 years' time to assume

	the key position. • Has achieved 50-79.99% competency rating

4. POLICY STATEMENT

A change in executive leadership is inevitable for all organizations. Leaders come and go because of various reasons such as retirement, resignation, sickness, disability and even death. Such movements also include transfer of accountabilities and/or salient information (e.g. client data, business strategies and formula, other trade secrets, etc.) to the successor. Bank should not suffer business interruption or expose it to any forms of operational risk as a result of vacancies of key positions. Hence, the Bank should be ready should any of these circumstances occur.

In this regard, a succession plan is expected to be dynamic, constantly changed and evolving to be able to adapt to future needs and goals of the Bank.

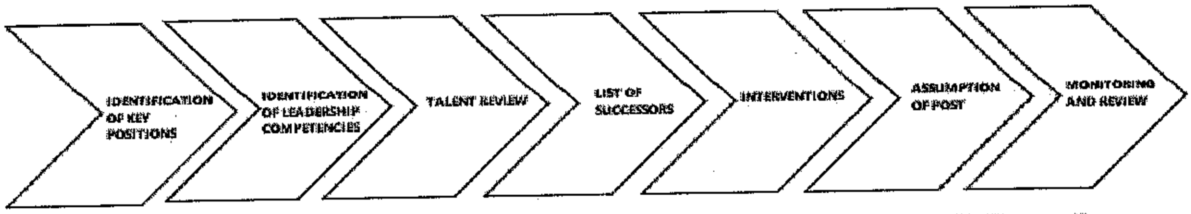
2020 BSP MORB Section 146 stated that "The board shall establish an effective succession planning program. The program should include a system for identifying and developing potential successors for key and or critical positions in an organization, through systematic evaluation process and training. This will require identifying critical skills and competencies; assessing gaps; and designing, developing, and delivering training and development programs to build or improve critical skills and competencies. The program should be adequately documented to facilitate monitoring and assessment of its implementation."

4.1. QUALIFICATIONS

Below are the qualifications to be considered a potential successor:

4.1.1. **Performance Rating.** The candidate's performance rating must be at least Above Average (AA) for two (2) consecutive years to be considered a potential successor.
4.1.2. **Education and Work Experience.** The candidate shall be at least a college graduate two (2) years of managerial position in banking industry or five (5) years of managerial position in other industries, and has taken the relevant trainings.
4.1.3. **Derogatory Record.** The candidate must not be a subject of any administrative investigation that may lead to suspension or termination of employment, unless the complaint or case filed against the candidate was established to be lacking in substance or frivolous in nature. The candidate must not have any active disciplinary sanction in the form of suspension or is not under preventive suspension.
4.1.4. Possesses all the qualifications and none of the disqualifications of an officer in compliance with BSP Circular No. 1076.
4.1.5. Has achieved the minimum leadership competency rating.

4.2. SUCCESSION MANAGEMENT PROCESS



4.2.1. Identification of Key Positions

Key positions in the bank shall be identified based on the negative impact and interruption on the bank operations when it is left vacant. Thus, affecting the Bank's ability to achieve its strategic objectives. Such vacancies can either be expected (retirement) or unexpected (resignation or involuntary separation).

4.2.2. Identification of Leadership Competencies

This step involves the identification of Leadership competencies deemed significant and important for each key position. It shall also determine the desired level of competencies for all key positions.

4.2.3. Talent Review

Successors will be identified through a 2-step process:

a. HRD shall provide the following data to the Business Unit Heads on the possible candidates for successors.

   i. Performance rating for the last 2 years
   ii. Education and work experience
   iii. Derogatory record

b. Business Unit Heads and Incumbent shall assess the possible successor using the Successor's Profile Sheet to determine if qualified as successor, the readiness level (Ready Now, Ready in 1-2 years) and the leadership gaps that need to be addressed.

   Aside from the "one or two downs," a potential successor may also come from other units or external sources[1].

4.2.4. List of Successors

HR and Business Unit Heads agree on the list of identified successors for each key position.

---

[1] Please refer to Recruitment and Selection Policy

Identified successors are informed that they are part of the succession plan and the criteria that they have to meet annually.

4.2.5. Interventions

The identified competency gaps of the incumbent and successor will serve as the basis of HRD-TODD in providing the required interventions (e.g. training, coaching, mentoring, job rotation, etc.) needed to address these gaps. An Individual Learning and Development Program (ILDP) will be made for every identified successor.

4.2.6. Assumption of Post

Following the stages of Succession Management process, the identified successor shall be ready to assume the key position prior to the incumbent's separation or retirement from the Bank.

4.2.7. Monitoring and Review

To ensure that the unit's succession planning efforts are successful, it is important to systematically monitor workforce data, evaluate activities and revise, if necessary. The Succession Management Program shall be reviewed annually.

A successor will be delisted from the program if he fails to meet the required performance rating, is involved in a case, or under a disciplinary action (DA). He may be enlisted in the program in the next talent review cycle.

5. DUTIES AND RESPONSIBILITIES

5.1. Business Unit Heads (Group/Division Heads) and Incumbents

5.1.1. Shall accomplish the Successor's Profile Sheet and submit a list of identified successors for each key position.

5.1.2. Shall discuss the succession plan, preparation and criteria to the identified successors.

5.1.3. Shall conduct coaching, mentoring and job shadowing to the identified successors.

5.1.4. For retiring incumbent, shall identify a successor who will take the role of a deputy at least one (1) year before retirement date.

5.2. Human Resources Division – Training and Organization Development Department (HRD - TODD)

5.2.1. Shall conduct a Talent Review on Succession Management Program (SMP) annually.

5.2.2. Shall initiate a thorough discussion of each and every incumbent and successor's interventions and ILDP (e.g. training, coaching, mentoring, job rotation, etc.).

6. PROVISIONS

6.1. POLICY DEVIATION

6.1.1. Deviations from this policy shall conform to reporting requirements via Risk Assessment Form (RAF). Depending on the residual risk shown in the RAF, approvals of the deviations shall be as follows:

RAF Result	Approver	Notation
Low	BU Head endorsing deviation + BU Head Policy Owner	OPCOM
Medium	OPCOM	MANCOM
High	OPCOM and MANCOM	BOD

6.2. OPERATIONAL RISK MANAGEMENT

6.2.1. This policy shall conform to reporting requirements of the Internal Loss Data Collection (ILDC) Policy whereby loss events shall be reported by accomplishing the Loss Event Assessment Form (LEAF) and submitting it to ORMD within five (5) banking days upon discovery and reports on crimes and/or losses.

6.3. INFORMATION SECURITY & DATA PRIVACY

6.3.1. This policy shall conform to the minimum provision prescribed under the Information Security Policy and Data Privacy Policy.

6.4. REPEALING CLAUSE

6.4.1. Any memoranda or related issuance inconsistent with this Policy is hereby amended accordingly. Unaffected portions of the aforementioned memoranda, guideline or issuance will still remain in force.

7. PENALTIES OR SANCTIONS

7.1. Violations or failure to observe and /or properly perform any of the required standards or required acts in this policy shall be subject to penalty or sanction in accordance with the Bank's Code of Conduct.

7.2. Violations of the bank's policy may subject the offender to BSP reporting under the BSP's RCL (Reports on Crimes and Losses) regulations.

8. RELATED DOCUMENTS

Document Type	Document Code	Document Name
Policy		BSP Circular No. 1076
Policy	PRD-POL-002-002	Recruitment and Selection Policy
Policy		Information Security Policy
Policy		Data Privacy Manual
Policy		ILDC Policy

Policy		Code of Conduct
Guideline		LEAF Guideline
Guideline		RAF Guideline
Guideline		RCL Guideline

SUCCESSION MANAGEMENT PROGRAM POLICY

ANNEXES

Annex A: LEADERSHIP COMPETENCIES

COMPETENCIES	DESCRIPTION OF COMPETENCY
1. Strategic Thinking	Formulates objectives and priorities, and implements plans consistent with the long-term interests of the organization in a global environment. Capitalizes on opportunities and manages risks.
2. Human Capital Management	Builds and manages workforce based on organizational goals, budget considerations, and staffing needs. Ensures that team members are appropriately recruited, selected, appraised, and rewarded; takes action to address performance problems. Manages a multi-sector workforce and a variety of work situations.
3. Conflict Management	Encourages creative tension and differences of opinions. Anticipates and takes steps to prevent counter-productive confrontations. Manages and resolves conflicts and disagreements in a constructive manner.
4. Developing Others	Develops the ability of others to perform and contribute to the organization by providing ongoing feedback and by providing opportunities to learn through formal and informal methods.
5. Problem Solving and Decision Making	Identifies and analyzes problems. Weighs relevance and accuracy of information. Evaluates alternative solutions and makes recommendations. Makes well-informed, effective, and timely decisions, even when data are limited or solutions produce unpleasant consequences; perceives the impact and implications of decisions.
6. Influencing and Negotiating	Persuades others, build consensus through give and take; gains cooperation from others to gather information and accomplish goals.
7. Technical or Functional Credibility	Understands and appropriately applies principles, procedures, regulations, requirements, and policies related to specialized expertise.
8. Financial Management	Understands the organization's financial processes. Prepares, justifies, and administers the program budget. Oversees procurement and contracting to achieve desired results.

Annex B: DESIRED LEVEL OF LEADERSHIP COMPETENCIES

LEADERSHIP COMPETENCIES	CEO/COO	BU HEAD (Group/ Division Heads)	DIVISION / AREA HEAD	DEPARTMENT HEAD / BRANCH MANAGER
1) STRATEGIC THINKING	5	5	5	5
2) HUMAN CAPITAL MANAGEMENT	5	5	5	5
3) INFLUENCING / NEGOTIATING	5	5	4	4
4) DEVELOPING OTHERS	5	5	4	4
5) CONFLICT MANAGEMENT	5	5	5	4
6) PROBLEM SOLVING	5	5	5	4
7) FINANCIAL MANAGEMENT	5	5	4	4
8) TECHNICAL CREDIBILITY	5	5	5	4
TOTAL	**40**	**40**	**37**	**34**

SUCCESSION MANAGEMENT PROGRAM POLICY

Annex C: SUCCESSOR'S PROFILE SHEET (PAGE 1)

veteransbank	SUCCESSION MANAGEMENT PROGRAM: SUCCESSOR'S PROFILE SHEET						
SUCCESSOR'S NAME:	FULL NAME			YEAR:	2023	DESIRED LEVEL:	0
SUCCESSOR'S POSITION TITLE:	POSITION TITLE			READINESS LEVEL		CURRENT LEVEL:	0
SUCCESSOR'S RANK:	RANK			Ready Now	80% - above	GAP SCORE:	0
INCUMBENT'S NAME:	IMMEDIATE SUPERIOR			Ready in 1-2 years	55 - 79.99%	PERCENTAGE:	100%
GR / DIV / DEPT/ AREA:	GROUP	DIVISION/AREA	DEPARTMENT / BRANCH	Ready in 3-4 years	20 - 54.99%	READINESS LEVEL:	Ready Now

ROLE FOR SUCCESSION: POSITION/ COMPETENCY	DESIRED LEVEL	PROFICIENCY LEVEL INDICATORS: 5 - EXPERT	4 - ADVANCE	3 - INTERMEDIATE	2 - BASIC	1 - AWARENESS	SUCCESSOR'S CURRENT LEVEL	GAP SCORE
1) STRATEGIC THINKING	0	- Anticipates a demographic change and establishes a vision to effect change through formulation and implementation of objectives and priorities	- Leads and directs a team to address and outline the future direction of an organization - Designs approaches and procedures to develop a strategic plan supporting key goals and objectives	- Conducts review of the organization's core mission and gathers information from relevant sources to support development of a strategic plan - Develops and implements organization policy and developing a budget	- Considers customer needs and trends in the development of strategic plans - Implements strategic objectives and develops metrics to assess attainment of work unit goals	- Develops project teams and staffing plans based on consideration of strategic objectives - Ensures team objectives are consistent with strategic plan	0	0
2) HUMAN CAPITAL MANAGEMENT	0	- Redesigns organizational structure to provide improved service to customers by considering organizational goals, timeframes for achieving goals, and staff responsibilities - Creates human capital programs and activities to meet strategic objectives	- Develops rewards system to recognize the impact of team member contributions to the organization - Identifies creative strategies to recruit team members with the required skills and qualifications, despite having limited resources	- Reviews and updates position descriptions and performance plans - Explains restructuring plan to staff and addresses concerns	- Recognizes and addresses deficiencies of human resources processes or tools - Provides positive feedback to high-performing staff and rewards exceptional performance	- Makes personnel decisions based upon promotion criteria and position requirements - Utilizes peer recognition process to recognize team members - Meets with team members to set performance goals	0	0
3) INFLUENCING & NEGOTIATING	0	- Convinces colleagues and management/board to accept recommendations involving substantive organization resources and changes in established practice - Influences regulatory to achieve substantive goals	- Negotiates with leaders for changes to reorganization design based on feedback from subordinates - Develops plan and convinces high-level organization officials to adopt approach by meeting with officials to explain points	- Develops trust among various parties involved in a negotiation process - Persuades manager to change leadership position or approach to better fit a situational need	- Meets with team leaders to gain buy-in for new direction of division - Uses factual information to support own point of view when meeting with team members	- Explains to staff the importance of their involvement on high stakes projects - Recommends team member seek professional assistance for personal issues affecting work performance	0	0
4) DEVELOPING OTHERS	0	- Designs and implements opportunities for career development in anticipation of organization restructuring, including mentoring staff and providing training - Directs working group to design training programs focused on skills necessary for meeting strategic goals	- Recommends details and developmental assignments to staff based on career interests and work unit needs - Recognizes staff potential and guides team members in developing skills by recommending appropriate training and sources of information	- Provides constructive feedback, guidance, and reinforcement to team members regarding job performance - Works with staff to identify work goals and create individual development plans - Evaluates training programs to ensure content meets staff needs	- Encourages team members to participate in mentoring programs and other learning opportunities - Pairs new staff with seasoned team members to facilitate understanding of the position and organization - Provides orientation to new team members	- Provides developmental feedback to staff on job performance - Involves staff in developing project goals and timelines	0	0

SUCCESSION MANAGEMENT PROGRAM POLICY

Annex C: SUCCESSOR'S PROFILE SHEET (PAGE 2)

veteransbank — SUCCESSION MANAGEMENT PROGRAM: SUCCESSOR'S PROFILE SHEET

SUCCESSOR'S NAME:	FULL NAME		YEAR:	2023	DESIRED LEVEL:	0
SUCCESSOR'S POSITION TITLE:	POSITION TITLE		READINESS LEVEL		CURRENT LEVEL:	0
SUCCESSOR'S RANK:	RANK		Ready Now	80% - above	GAP SCORE:	0
INCUMBENT'S NAME:	IMMEDIATE SUPERIOR		Ready in 1-2 years	55 - 79.99%	PERCENTAGE:	100%
GR / DIV / DEPT/ AREA:	GROUP	DIVISION /AREA / DEPARTMENT / BRANCH	Ready in 3-4 years	20 - 54.99%	READINESS LEVEL:	Ready Now

ROLE FOR SUCCESSION: POSITION/ COMPETENCY	DESIRED LEVEL	PROFICIENCY LEVEL INDICATORS: 5 - EXPERT	4 - ADVANCE	3 - INTERMEDIATE	2 - BASIC	1 - AWARENESS	SUCCESSOR'S CURRENT LEVEL	GAP SCORE
5) CONFLICT MANAGEMENT	0	• Leads managers through consensus process on organization's response to issues • Resolves conflicts arising at the organization level due to competing objectives, limited resources, or differing perspectives	• Recognizes conflict and takes steps to address issues by meeting with the involved parties • Mitigates staff concerns regarding organization-wide issues by investigating allegations and taking appropriate action	• Meets with team members and addresses concerns regarding critical issues in an open and honest manner • Takes action to address behavior issues to ensure team members treat each other with respect	• Ensures team members receive mediation to resolve issues affecting the workgroup • Resolves issues by meeting one-on-one with	• Addresses team member concerns by providing accurate information to reduce conflict or concern within workplace • Takes action to address team member grievances	0	0
6) PROBLEM SOLVING & DECISION MAKING	0	• Improves organizational efficiency by developing, planning, and implementing a multi-tier solution to complex or unprecedented problems • Develops and implements a remediation plan restoring stakeholder confidence in a critical organization program •Takes decisions on a wider scale and levels without seeking guidance from upward approval. •Considers long term consequences when making decisions.	• Synthesizes information from internal and external sources to develop an action plan addressing program issue. • Addresses systemic barriers inhibiting the achievement of results by forming teams to conduct focus groups and develop solutions. •Challenges decisions and suggests new alternative solutions. •Takes into account the wider implications of decisions.	• Reconciles conflicting and/or incomplete information to develop solutions • Applies appropriate methodology to discover or identify policy issues and resource concerns. •Easily makes objective and timely decisions.	• Addresses routine organizational problems by leading a team to brainstorm solutions • Establishes guidelines to clarify complex and/or controversial processes •Assembles gathered information to ensure evidence based decisions.	• Proposes solution to improve customer satisfaction • Determines cause of workforce problem and recommends corrective action •Seeks guidance from superiors to support decision making.	0	0
7) FINANCIAL MANAGEMENT	0	• Designs and implements an financial management system to meet organizational objectives • Audits major projects, presents findings, takes corrective action and builds relationships as needed.	• Develops and implements work system to support organization program within time and budgetary constraints • Considers implications of financial decisions and suggests methods for meeting needs of staff and the organization overall	• Conducts a cost-benefit analysis to develop sound financial plans with programmatic impact • Follows established guidelines and procedures to ensure approval of funding for key initiatives • Prepares and monitors unit's annual operating budget	• Justifies requested budget allocation to management in relation to program objectives • Allocates program budget across multiple projects	• Ensures inventory accounting is accurate and complete • Monitors income and expenditures for projects	0	0
8) TECHNICAL & FUNCTIONAL CREDIBILITY	0	• Serves as expert consultant to managers on complex matters • Uses expert knowledge in subject matter area to develop new approaches to resolve technical problems	• Provides expertise in technical subject area to an organization or team • Develops technical portions of organization guidelines for internal and external use • Evaluates, incorporates, and communicates the latest developments in specialty area through organization guidelines and criteria	• Resolves technical issues promptly by determining and correcting problems • Advises staff on solutions to complex problems, projects, or programs • Uses technical expertise to identify and resolve conflicts between theories, procedures, requirements, regulations, and policies	• Provides staff with feedback and support on technical issues Makes sound recommendations to improve delivery of services.	• Interacts with staff to understand technical aspects of job duties • Gathers technical information from internal and external stakeholders	0	0
TOTAL DESIRED LEVEL	0	SUCCESSOR'SCURRENT LEVEL & READINESS LEVEL			Ready Now		0	0

IMMEDIATE SUPERIOR Rated by: Incumbent's Name and signature	NEXT LEVEL SUPERIOR Approved by: Next level superior / Grp Manager's Name and signature	HRD HEAD Reviewed by: Human Resources Division Head's Name and signature

Annex C: SUCCESSOR'S PROFILE SHEET (PAGE 3)

veteransbank	SUCCESSION MANAGEMENT PROGRAM: INTERVENTIONS FOR SUCCESSORS						
SUCCESSOR'S NAME:	FULL NAME			YEAR:	2023	DESIRED LEVEL:	0
SUCCESSOR'S POSITION TITLE:	POSITION TITLE			READINESS LEVEL		CURRENT LEVEL:	0
SUCCESSOR'S RANK:	RANK			Ready Now	80% - above	GAP SCORE:	0
INCUMBENT'S NAME:	IMMEDIATE SUPERIOR			Ready in 1-2 years	65 - 79.99%	PERCENTAGE:	100%
GR./ DIV / DEPT/ AREA:	GROUP	DIVISION /AREA	DEPARTMENT / BRANCH	Ready in 3-4 years	20 - 64.99%	READINESS LEVEL:	Ready Now

ROLE FOR SUCCESSION: POSITION/ COMPETENCY / IDENTIFIED COMPETENCY GAPS	DESIRED LEVEL	SUCCESSOR'S CURRENT LEVEL	INTERVENTIONS FOR SUCCESSORS: INTERVENTIONS	EXPECTED OUTCOME	COMPLETION DATE	STATUS
1) STRATEGIC THINKING	0	0				
2) HUMAN CAPITAL MANAGEMENT	0	0				
3) INFLUENCING & NEGOTIATING	0	0				
4) DEVELOPING OTHERS	0	0				
5) CONFLICT MANAGEMENT	0	0				
6) PROBLEM SOLVING & DECISION MAKING	0	0				
7) FINANCIAL MANAGEMENT	0	0				
8) TECHNICAL & FUNCTIONAL CREDIBILITY	0	0				
TOTAL DESIRED LEVEL	0	0	SUCCESSOR'S CURRENT LEVEL & READINESS LEVEL		Ready Now	

IMMEDIATE SUPERIOR	NEXT LEVEL SUPERIOR	HRD HEAD
Rated by: Incumbent's Name and signature	Approved by: Next level superior / Group Manager's Name and signature	Reviewed by: Human Resources Division Head's Name and signature

xi. Submits to the SEC, at the end of every fiscal year, an annual sworn certification on the directors' record of attendance in Board meetings;

xii. Performs all required administrative functions;

xiii. Performs such other duties and responsibilities as are incident to his office and those which may be required of him by the Board, the CEO or provided by the regulatory body.

4.4. Board Remuneration

The Bank shall have a clear policy in setting Board per diem. It should be aligned with the long-term interests of the Bank.

4.4.1 Per diem/Allowance

The members of the Board of Directors shall receive a per diem/allowance for every meeting of the Board/ Board Committee actually attended by them, the amount of which shall be set by the Remunerations Committee based on the acceptable banking industry rates and shall be set in accordance with the pertinent provisions of the Revised Corporation Code of the Philippines.

The Remuneration Committee shall review the per diem structure of the Board of Directors annually or as necessary. Any adjustment in the per diem rates shall be endorsed to the Board of Directors for approval.

Every Annual Stockholders Meeting, the compensation of the Board of Directors in aggregate amount received for the year by the board of directors is reported to the shareholders.

4.4.2 Others

The Bank grants travel privileges to members of the Board of Directors for their official or business travels locally or abroad, subject to approval. The President & Acting CEO shall approve said travel and all expenses related thereto including but not limited to transportation (air fare, etc.) and hotel accommodation, subject to confirmation of the Executive Committee.

4.5. Board Nomination and Appointment, Retirement and Succession

PROMOTION POLICY

1. PURPOSE

To establish guidance for all Heads when recommending their direct reports for promotion.

2. SCOPE

The policy applies to all qualified regular PVB employees.

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
AR	Accounts Receivables
HRD	Human Resources Division
NFIS	Negative File Information System
PVB	Philippine Veterans Bank

Terms	Definition
Promotion	Is when an employee assumes a job with higher level compared to his/her previous job with corresponding increase in responsibilities which may be brought about by an upgrading of the job itself or actual promotion involving upward movement. It is a tool for employee retention, a means to reward performance and to ensure business continuity.
Exemplary Performer	The employee consistently obtained a performance rating equivalent to Above Average/Outstanding for the last 2 or 3 consecutive rating periods such that his/her performance of major job responsibilities consistently and significantly exceeded all requirements.

4. POLICY STATEMENT

4.1. CRITERIA FOR PROMOTION

Promotion shall be based on the following criteria:

4.1.1. At least AA for two or three consecutive years
4.1.2. Must meet the minimum requirements of the new role
4.1.3. Compliance with employee's attendance and punctuality standards
4.1.4. No derogatory record

PROMOTION POLICY

4.2. CONDITIONS FOR PROMOTION

4.2.1. Employee must be cleared on the following:
   i. Accounts Receivables (AR) as based on Accounting records
   ii. NFIS findings (with undertaking, closed or restructuring agreement)

4.2.2. Only one-step promotion is allowed and up to the maximum rank range of the position.

RANK & FILE

Job level / From - To	***Required Time-In-Rank***	***Ratings***
JL2 – JL3	*At least two (2) years*	*Consistent performance rating equivalent to at least ABOVE AVERAGE recorded in the last 2 consecutive rating periods such that their performance of major job responsibilities consistently and significantly exceeded all requirements.*
JL3 – JL4		
JL4 – JL5		
JL5 – JL6		
JL6 – Assistant Manager		

OFFICERS

Job level/ From – To	***Required Time-In Rank***	***Ratings***
AM – M	*At least two (2) years*	*Consistent performance rating equivalent to at least ABOVE AVERAGE recorded in the last 2 – 3 consecutive rating periods such that their performance of major job responsibilities consistently and significantly exceeded all requirements*
M – SM		
SM – AVP	*At least 3 years*	
AVP – VP		
VP – FVP		
FVP – SVP		

4.2.3. Promotion is up to the maximum rank range of the position.
4.2.4. Employees (officers and staff) in acting capacity will be given the formal position of six (6) months from the time he/she assumes the role in acting capacity provided he/she met the necessary requirements/competencies of the said position. If for any reason the employee fails the necessary requirements of the position in acting capacity, the employee will be reverted to the old position before the 6th month.
4.2.5. Promotions shall be processed every April of the year. The recommendation for promotion must be well justified that should include the value of the employee's role in the organization and how his/her competencies and performance impact the business.
4.2.6. Approving matrix for promotion must be followed[1].
4.2.7. Promoted employees shall receive a memo from HRD, through the Business Unit Heads, confirming the promotion appointment with the corresponding details on effectivity and salary adjustment.

5. DUTIES AND RESPONSIBILITIES

5.1. Immediate Superior

5.1.1. Shall prepare recommendation for promotion of his/her direct reports.
5.1.2. Shall assess the performance of those who are in acting capacity on the 5th month.

5.2. Department/Division/Group Head

5.2.1. Shall review the content of the recommendation for promotion and signs on the form[2].

5.3. Human Resources Division

5.3.1. Shall review and check if the candidates meet the promotion requirement.
5.3.2. Shall recommend the possible salary adjustment based on the new rank.
5.3.3. Shall prepare the final list for promotion.

5.4. President, HR Committee and Board

5.4.1. Shall review the list and makes the final decision on the promotion.

[1] Refer to Annex B – Approval Matrix
[2] Refer to Annex C – Recommendation for Promotion Form

6. PROVISIONS

6.1. POLICY DEVIATION

6.1.1. Deviations from this policy shall conform to reporting requirements for Risk Assessment via Risk Assessment Form (RAF). Depending on the residual risk shown in the RAF, approvals of the deviations shall be as follows:

RAF Result	Approver	Notation
Low	BU Head endorsing deviation + BU Head Policy Owner	OPCOM
Medium	OPCOM	MANCOM
High	OPCOM and MANCOM	BOD

6.2. OPERATIONAL RISK MANAGEMENT

6.2.1. This policy shall conform to reporting requirements of the Internal Loss Data Collection (ILDC) Policy whereby loss events shall be reported by accomplishing the Loss Event Assessment Form (LEAF) and submitting it to ORMD within five (5) banking days upon discovery.

6.3. INFORMATION SECURITY & DATA PRIVACY

6.3.1. This policy shall conform to the minimum provision prescribed under the Information Security Policy and Data Privacy Policy.

6.4. REPEALING CLAUSE

6.4.1. Any memoranda or related issuance inconsistent with this Policy is hereby amended accordingly. Unaffected portions of the aforementioned memoranda, guideline or issuance will still remain in force.

7. PENALTIES OR SANCTIONS

7.1. Violations or failure to observe and /or properly perform any of the required standards or required acts in this policy shall be subject to penalty or sanction in accordance with the Bank's Code of Conduct.

7.2. Violations of the bank's policy may subject the offender to BSP reporting under the BSP's RCL (Reports on Crimes and Losses) regulations.

8. RELATED DOCUMENTS

Document Type	Document Code	Document Name
Policy		Bank's Code of Conduct
Policy		Performance Management System Policy
Policy		OIC

ANNEX

ANNEX A – APPROVAL MATRIX

Process	Rank and File – Assistant Vice President	Vice President and Up
1. Recommendation	Section/Department/ Branch/Area/ Division/Group Head	Area/Division/Group Head
2. Review and Endorsement	HRD Head	HRD Head
3. Approval	President	President and HR Committee
4. Confirmation	NA	Board of Directors

PROMOTION POLICY

ANNEX B – RECOMMENDATION FOR PROMOTION FORM

veteransbank

TO : President & Chief Operating Officer
THRU : Head, Human Resources Division
FROM : The Group Head
DATE :
SUBJECT : Recommendation for Promotion (Name of Employee)

This is to recommend the grant of promotion to Mr. / Ms. ____________, presently assigned as ______(position/rank)______at our (Name of Department, Division, Group) he/she is being recommended for promotion based on the following justifications:

1. He/She has been in her present rank for _________years. (at least 2/3 years in current rank and position).
2. At least Above Average rating in the PMS for the last 2/3 years.
3. Achievements or citations (attach supporting documents)

In view of subject officer's outstanding contributions, we highly recommend the promotion of Mr./Ms. ____________________________that he/she only deserves.

Recommended by:

____
Section/Dep/Branch/Division/Area/Group Head

PVB Bldg., 101 V.A. Rufino cor. Dela Rosa Sts., Legaspi Village, Makati City 1229 Philippines
+632 902 1600 | +632 857 3800
www. Veteransbank.com.ph

S/N	Enablers	D1	D2	D3	D4	AVERAGE
1	The Committee size and composition is appropriate	5	3	4	4	4.00
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	5	3	3	3	3.50
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	4	3	3	3.50
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	4	3	2	3.25
5	The agenda for the Committee is sufficiently strategic and focused	4	5	3	3	3.75
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	4	5	3	3	3.75
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	5	3	3	3.75
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	4	2	4	2	3.00
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	3	4	3	3.50
10	The Committee chair and staff/resource persons responsible were well-prepared.	4	4	3	3	3.50
11	The Committee has access to reliable information at any time.	4	4	3	2	3.25
12	The communication line between Board, Board Committee and Management are open and clear.	4	4	3	3	3.50
13	The Committee reviews and evaluates the qualifications of, and recommends to the Board of Directors, the nominees for the election of members of the Board	4	4	3	3	3.50
14	The Committee nominates the members of the Committee on Elections, which shall: (a) oversee the election proceedings at the stockholders' meeting and (b) certify the results of the election	4	2	3	4	3.25
15	Reviews and makes recommendations on the processes and procedures in the election or replacement of members of the Board	4	2	3	3	3.00
16	Assists the Corporate Governance and Compliance Oversight Committee in the formulation, review and implementation of the Board's succession plan	4	2	3	2	2.75
	GRAND AVERAGE per Board Committee	4.13	3.50	3.19	2.88	3.42

Legend:

1 - Poor
2- Needs Improvement
3- Satisfactory
4-Very Satisfactory

RELATED PARTY TRANSACTIONS POLICY

1. Policy Statement

1.1. Philippine Veterans Bank (the "**Bank**"), through its Board of Directors (the "**Board**"), recognizes that transactions between and among related parties create financial, commercial, and economic benefits to the Bank, its shareholders, depositors, creditors, suppliers, vendors, and other stakeholders. In this regard, Related Party Transactions ("**RPT**") are generally allowed provided, that these are done using Arm's Length Principle (ALP), i.e., the condition or the fact that the parties to a transaction are independent and on equal footing.

1.2. The Bank exercises appropriate oversight and implements control systems for managing said exposures as these may potentially lead to abuses that are disadvantageous to the Bank and its stakeholders. The Bank shall ensure that transactions with related parties are reviewed for.

1.3. The Bank shall cause the monitoring and disclosure of RPTs, take appropriate steps to control or mitigate the risks, and write off exposures in accordance with standard policies and processes.

2. PURPOSE

a. To ensure that transactions involving related parties of the Bank are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations, and conducted on an arm's-length basis.

b. To avoid conflict of interest which may result to personal gain at the expense of the Bank.

c. To protect the interest of shareholders, employees, and other stakeholders and prevent potential abuses or unethical conduct.

3. SCOPE

1. The provisions set forth in this policy shall apply to all employees of the Bank, subsidiaries and affiliates, if any, and other related parties.

2. This policy covers all credit and non-credit dealings or transactions of the Bank, including Trust Department, with identified related parties regardless of whether or not a price is charged.

4. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
BOD	Board of Directors
BSFI	BSP-Supervised Financial Institution
BSP	Bangko Sentral ng Pilipinas
CGO	Corporate Governance Office
DOSRI	Directors, Officers, Stockholders, Related Interest
DOS	Directors, Officers, Stockholders

MVC	Management Vetting Committee composed of the President, FAG Head, and BU Head where the RPT originates
ORP	Other Related Party
RP	Related Party
RPT	Related Party Transaction
RPTC	Related Party Transactions Committee, a board-level committee composed of at least three (3) members, two (2) of whom shall be Independent Directors including the Chairperson.

Terms	Definition
Related Parties	These are the Bank's DOSRI, Subsidiaries and Affiliates and their subsidiaries, affiliates and special purpose entities, close family members of the Bank's DOS within the second degree of consanguinity or affinity, corresponding persons in affiliated companies and other related parties as defined and approved by the Board.
Directors	These are directors who are named as such in the articles of incorporation, duly elected in subsequent meetings of the stockholders or those elected to fill vacancies in the board of directors.
Officers	Refer to the Chief Executive Officer (CEO) or President or any other title referring to the top management post, Executive Vice President, Senior Vice-President, Vice President, General Manager, Treasurer, Secretary, Trust officer and others mentioned as officers, or those whose duties as such are defined in the by-laws, or are generally known to be the officers of the Bank.
Stockholder	Refers to any stockholder of record who owns one percent (1%) or more of the total subscribed capital stock of the Bank singly or collectively with any of the following: 1. spouse and/or relatives within the first degree[1] of consanguinity or affinity, or relative by legal adoption; 2. a partnership in which the stockholder and/or the spouse and/or any of the aforementioned relatives is a general partner; and 3. a corporation, association or firm more than fifty percent (50%) of which is owned by the stockholder and/or his spouse and/or other first

[1] refer to relationships in Exhibit 1

	degree relatives by consanguinity, affinity or legal adoption.
Related Interest	Refers to any of the following: 1. Spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, of a Director, Officer or Stockholder (DOS) of the bank; 2. Partnership of which a director, officer, or stockholder of the bank or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, is a general partner; 3. Co-owner with the director, officer, stockholder or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, of the property or interest or right mortgaged, pledged or assigned to secure the loans or other credit accommodations, except when the mortgage, pledge or assignment covers only said co-owner's undivided interest; 4. Corporation, association or firm of which any or a group of directors, officers, stockholders of the BSFI and/or their spouses or relatives within the first degree of consanguinity or affinity, or relative by legal adoption, hold or own at least twenty percent (20%) of the subscribed capital of such corporation, or of the equity of such association or firm; 5. Corporation, association or firm wholly or majority-owned or controlled by any related entity or a group of related entities mentioned in items "(2)" and "(4)" above; 6. Corporation, association or firm which owns or controls directly or indirectly whether singly or as part of a group of related interest at least twenty percent (20%) of the subscribed capital of a substantial stockholder of the BSFI or which controls majority interest of the BSFI pursuant to Item "g" of Sec. 362 of the MORB (Definition of terms); 7. Corporation, association or firm which has an existing management contract or any similar arrangement with the parent of the BSFI; and 8. Non-governmental organizations (NGOs)/ foundations that are engaged in retail microfinance operations which are incorporated

	by any of the stockholders and/ or directors and/or officers or related BSFIs.
Subsidiary	Refers to a corporation or firm more than fifty percent (50%) of the outstanding voting stock of which is directly or indirectly owned, controlled or held with power to vote by its parent corporation.
Affiliate	Refers to an entity linked directly or indirectly to a bank by means of: 1. Ownership, control, or power to vote of at least twenty percent (20%) of the outstanding voting stock of the borrowing entity, or vice versa; 2. Interlocking directorship or officership, where the concerned director or officer owns, controls, or has the power to vote of at least twenty percent (20%) of the outstanding voting stock of the borrowing entity; 3. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the bank and at least twenty percent (20%) of the outstanding voting stock of the borrowing entity; 4. Management contract or any arrangement granting power to the bank to direct or cause the direction of management and policies of the borrowing entity; or 5. Permanent proxy or voting trusts in favor of the bank constituting at least twenty percent (20%) of the outstanding voting stock of the borrowing entity, or vice versa.
Other Related Parties	Refer to the following: 1. Entities with direct or indirect linkages to the Bank identified as follows: i. Ownership, control or power to vote, of ten percent (10%) to less than twenty percent (20%) of the outstanding voting stock of the borrowing entity, or vice versa; ii. Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations or directors holding nominal share in the borrowing corporation; iii. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the Bank and ten percent (10%) to less than twenty percent

	(20%) of the outstanding voting stock of the borrowing; iv. Permanent proxy or voting trusts in favor of the Bank constituting ten percent (10%) to less than twenty percent (20%) of the outstanding voting stock of the borrowing entity, or vice versa. 2. Second degree relatives (grandparent/grandchild/ siblings, biological, adopted or in-laws) of the DOS of the bank; 3. DOS of PVB's related companies 4. Spouse and relatives up to second degree of consanguinity or affinity, legitimate or common-law, of the DOS of PVB's related companies. 5. Borrower/counterparty not a related party based on the above definitions but has the ability to exercise significant influence in the outcome of a transaction. Note: This requires evaluation and approval by the MVC/RPTC)
Close Family Members	Persons related to the Bank's Directors, Officers and stockholders (DOS) within the second degree of consanguinity or affinity, legitimate or common-law. These shall include the spouse, parent, child, brother, sister, grandparent, grandchild, parent-in-law, son-/daughter-in-law, brother-/sister-in-law, grandparent-in-law, and grandchild-in-law.
Control of an Enterprise	Exists when there is: 1. power over more than one-half of the voting rights by virtue of an agreement with other stockholders; or 2. power to govern the financial and operating policies of the enterprise under a statute or an agreement; or 3. power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or 4. power to cast the majority votes at meetings of the board of directors or equivalent governing body; or 5. any other arrangement similar to any of the above.

	Control is presumed to exist if there is ownership or holding, whether direct or indirect, of 20 % or more of a class of voting shares of a company.
Corresponding persons in Affiliated Companies	DOS of the affiliated companies and their close family members.
Counterparty	Refers to the Bank's client, supplier, service provider, depositor, borrower, co-borrower, co-maker, mortgagor, co-mortgagor or their Attorney-In-Fact, and any individual or juridical entity who transacts with the Bank
Related companies/ Affiliated companies	Juridical or corporate Related Interests, Subsidiaries and Affiliates of PVB, or any party that PVB exerts direct/indirect control or vice versa.

5. POLICY STATEMENT

5.1. Philippine Veterans Bank (the "Bank"), through its Board of Directors (the "Board"), recognizes that transactions with related parties create financial, commercial, and economic benefits to the Bank, its shareholders, depositors, creditors, suppliers, vendors, and other stakeholders. In this regard, Related Party Transactions ("RPT") are generally allowed provided, that these are done on an arm's length basis, i.e., the condition or the fact that the parties to a transaction are independent and on equal footing.

5.2. The Bank exercises appropriate oversight and implements control systems for managing said exposures as these may potentially lead to abuses that are disadvantageous to the Bank and its stakeholders. The Bank shall ensure that transactions with related parties are reviewed for.

5.3. The Bank shall cause the monitoring and disclosure of RPTs, take appropriate steps to control or mitigate the risks, and write off exposures in accordance with standard policies and processes.

5.4. The Bank shall maintain a central Related Party Database to be used as reference by business units. The database shall be updated as changes or updates occur to capture organizational and structural changes in the Bank and its related parties. Review on the completeness and accuracy of the database shall be done on an annual basis.

5.5. **Related Party Transactions (RPTs)** shall refer to transactions or dealings with related parties of the Bank, including its trust department, regardless of whether or not a price is charged. These shall include, but not limited to the following:

- On- and off-balance sheet credit exposures, and claims and write-offs
- Borrowings, commitments, fund transfers and guarantees
- Construction arrangements/contracts
- Consulting, professional, agency and other service
- Donations to foundations

- Investments and/or subscriptions for debt/equity issuances **not** traded in active market
- Joint venture projects
- Lease agreements/arrangements/contracts
- Sale, purchase, or supply of any goods or materials
- Trading and Derivative transactions **not** traded in active market
- Purchases and sales of assets, including transfer of technology and intangible items (e.g, research and development, trademarks and license agreements)

RPTs shall be interpreted broadly to include not only transactions that are entered into with related parties but also outstanding transactions that were entered into with an unrelated party that subsequently becomes a related party.

6. Transactions Covered

6.1. Transactions of the Bank with a Related Party shall be allowed. However, business units shall ensure that such transactions are conducted on an arm's length basis, or in the ordinary course of business. This policy on RPTs shall cover transactions mentioned in Section 5.5.

6.2. Transactions excluded from the materiality threshold, approval & reporting requirements shall include, but not limited to the following:

a. Deposit transactions;
b. Regular trade transactions involving purchases and sales of debt securities traded in an active market;
c. Compensation including monetary and non-monetary benefits granted under BSP-approved fringe benefits program;
d. Any transaction where the Related Party's interest arises solely from the ownership of the Bank's common stock and all holders of the Bank's common stock received the same benefit on a pro-rata basis (e.g. dividends).

5.3. Transactions that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process required in this policy. However, any alteration to the terms and conditions, or increase in exposure level, related to these transactions after the non-related party becomes a related party shall subject the RPT to the requirements of this policy.

7. Guidelines in Ensuring Arm's Length Terms

6.1. RPTs for review / approval shall be evaluated based on the following factors:

a. Whether the terms of the transaction are fair or not more favorable than similar transactions with non-related parties; The terms and conditions shall include those relating to term, interest rates, collaterals, fees, contract/selling price and other relevant information that will allow a clear determination that no preferential treatment was given to a related party;
b. Whether the outcome of the transaction would pose any potential reputational risk issues;

c. Whether the transaction would present an improper conflict of interest for any director or officer of the Bank;

d. The availability of other sources of comparable products or services;

e. The material facts of the proposed transaction, including its aggregate value against the Bank's aggregate exposure limits.

f. Any other information (e.g., price discovery mechanism, etc.) deemed relevant to allow determination if terms are comparable to those given to unrelated parties or reasonable under the circumstances.

6.2. Any member of the MVC, RPTC and Board of Directors who has a potential interest in any proposed RPT shall abstain from the discussion or deliberation.

8. Review and Approval of Related Party Transactions (RPTs)[2]

8.1. Directors, Officers, Stockholders and Management shall disclose whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matter affecting the Bank. (Please see Exhibit 2- Conflict of Interest Form). Directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of such transactions or matters.

8.2. The following general approval matrix shall be observed to ensure the proper review and approval of transactions between the Bank and a Related Party:

CREDIT TRANSACTIONS		DISPOSITION			
		MVC APPROVAL	VETTING/ ENDORSEMENT	APPROVAL	CONFIRMATION
			RPTC	BOD	BOD/ STOCKHOLDERS
1. **All DOSRI transactions, including write-off,** regardless of amount;			√	√	Stockholders
2. **Material RPTs;** write-off of material exposure)	Subsidiary Affiliate ORP		√	√	Stockholders
3. **Non-material transactions** including write-off of exposure)	Subsidiary Affiliate ORP	√	For notation and endorsement to BOD for confirmation	√	BOD

[2] Existing DOSRI rules (such as but not limited to the following: BSP Circular No. 423 re Ceilings on Loans/Credit Accommodations to DOSRI; BSP Circular No. 560 re Ceilings on Loans/Credit Accommodations to Subsidiaries/Affiliates; BSP Circular No. 737 re Real Estate and Chattel Transactions with DOSRI/Employees; BSP Circular No. 749 re Guidelines on Corporate Governance) shall apply. Guarantees, sureties and other grant of security interest issued by a related party for the covered transactions shall likewise be subject to the requirements of the policy

NON- CREDIT TRANSACTIONS		DISPOSITION			
		MVC APPROVAL	VETTING/ ENDORSEMENT	APPROVAL	CONFIRMATION
			RPTC	BOD	BOD/ STOCKHOLDERS
4. All DOSRI transactions			√	√	Stockholders
5. Material RPTs	Subsidiary Affiliate ORP		√	√	Stockholders
6. Non-material transactions	Subsidiary Affiliate ORP	√	For notation and endorsement to BOD for confirmation		BOD

8.3. The above approval matrix shall also apply to updating of terms and conditions. Prior approval shall be required for updating of terms & conditions of RPTs previously approved by the MVC, RPTC & BOD, and those which will result in breach of materiality threshold based on the Bank's aggregated exposure to the borrower / counterparty.

Please refer to **Annex A** for the specific approval matrix.

9. Materiality Threshold

The Bank shall observe the following materiality threshold for each transaction:

Transaction	Materiality Threshold
Credit / Loan Transactions	P5.0M
Trust transactions	P5.0M
Equity Investments/Capital infusion to subsidiary	P4.0M
Project Management/Branch Renovation	P5.0M
Purchase of Goods and Materials	P2.0M
Leases	P5.0M
Asset Disposal/ Acquisition	P5.0M
Sale of Salary Loan/Receivables	P15.0M
Consulting/ Professional/ Agency/Other service Contracts	P5.0M
Donation/Financial Assistance	P250k/single donation; P1.0M for 1year cumulative transaction
Others	P5.0M

10. Limits for Individual and Aggregate Exposures. The internal limits for individual and aggregate exposures to a related party and for aggregate exposures to related parties is tied in with the Bank's internal definition of capital. **(Please refer to Annex B).** Breaches in limits shall be reported to the Board with the decision of the Board on steps that should be taken to address the breaches, as may be necessary, duly documented in minutes of meetings.

11. Duties and Responsibilities

The Board shall have the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of its shareholders, depositors, creditors, and other stakeholders. Toward this end, the Board shall carry out the following duties and responsibilities:

11.1. Board of Director (BOD)

11.1.1. Approve the following:

a. all transactions of DOSRI regardless of amount;
b. proposed material transactions including write-off;
c. proposed changes in terms and conditions of DOSRI transactions and all transactions within the materiality threshold.

11.1.2. Endorse approved transactions for confirmation by majority vote of the1

11.1.3. Confirm non-material RPTs approved by the MVC.

11.2. RPT Committee (RPTC)

11.2.1. Evaluate the following and endorse the same to the BOD for approval:

a. all transactions of DOSRI regardless of amount;
b. proposed material transactions including write-off;
c. proposed changes in terms and conditions of DOSRI transactions and all transactions within the materiality threshold.

11.2.2. Report to the BOD on a quarterly basis or as the need arises, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.

11.2.3. Evaluate on an ongoing basis, existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.

11.2.4. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting of RPTs, including the periodic review of RPT policies and procedures.

11.3. Management Vetting Committee (MVC)

11.3.1. Review and approve all non-material transactions of Subsidiaries, Affiliates and Other Related Parties.

11.3.2. Endorse approved transactions for review and confirmation by the BOD.

11.3.3. Identify the materiality threshold as stated herein

11.3.4. Determine the internal limits for individual and aggregate exposures to a related party and for aggregate exposures to all related parties;

11.3.5. Identify the rules to quantify materiality on various RPTs.

11.4. Control Units, Corporate Governance and Other Business Units

11.4.1. **Branch Transaction Processing Center Department**

a. Collate non-material RPTs mentioned in Section 11.3.1, of Branch Lending Center for routing to MVC for review and approval;

b. Return the approved memo to Branch Lending Center.

11.4.2. **Credit Group**

a. Collate non-material RPTs mentioned in Section 11.3.1, of CLD, IBG and CBG for routing to MVC for review and approval;

b. Return the approved memo to the originating unit.

11.4.3. The **Internal Audit Division** shall conduct a periodic formal review of the effectiveness of the Bank's system and internal controls governing RPTs to assess consistency with the Board-approved policies and procedures. The resulting audit reports, including exceptions or breaches in limits, shall be communicated directly to the BOD, RPTC or Audit Committee.

11.4.4. The **Compliance Division** shall ensure that the Bank complies with relevant rules and regulations and is informed of regulatory developments in areas affecting related parties. It shall aid in the review of the Bank's transactions and identify any potential RPT that would require review by the RPTC and CGCOC. It shall ensure that the RPT policy is kept updated and is properly implemented throughout the Bank.

11.4.5. The **Reporting Unit** shall be defined as the business unit who transacts or deals with a related party. The Reporting Unit, through its Head or Designated Officer who shall act as the Reporting Officer, shall:

a. Identify whether a client or counterparty is a related party or not.

b. Obtain data to show that terms and conditions granted to related party borrower/counterparty are not more favorable than similar transactions with non-related parties, or are comparable with similar transactions of the bank.

c. Accomplish and submit memo request (**See Annex C**) for approval of non-material transactions mentioned in Section 11.3.1 to the MVC. Submit memo request to BTPSU (for Branch loan transactions) or Credit Group (for CLD/Corporate Loans).

Reporting Unit/s shall directly request approval of MVC for their non-credit transactions, copy furnished the Corporate Governance-Compliance Division.

d. Submit memo request to Corporate Governance-Compliance Division for RPT Com review and endorsement to BOD of DOSRI and material transactions mentioned in Section 11.2.1 (see **Annex C** for the template).

e. Using the prescribed template **(See Annex D),** report all approved related party transactions to the Corporate Governance-Compliance Division for subsequent reporting RPT Com and BOD.

f. Monitors individual exposures of their client **(refer to Annex B for the Board approved limits).**

11.4.6. **Human Resources Division**

a. Upload the latest biographical data of officers in the RP Database

b. Update the RP Database to include new officers and to reflect the separation of officers within three (3) banking days from on-boarding or effectivity of separation.

c. Facilitate accomplishment of Conflict of Interest Form for Officers

11.4.7. The **Office of the Board Secretary** shall:

a. Update the RP database:

  i. Latest biographical data of the directors – within 3 banking days after their election/appointment

  ii. List of subsidiaries and affiliates of the bank together with the list of officers and their close family members.

  iii. Reflect the separation of a director

b. Maintain records of deliberation and approval of RPTs reviewed and approved by RPT Com and BOD and provide proof of approval to the Reporting Unit;

c. Ensure Stockholders' confirmation of RPTs approved by the BOD

11.4.8. The **Corporate Governance – Compliance Division** shall

a. Receive, consolidate, and present all material transactions for review of the RPT Com;

b. Present all transactions reviewed by RPT Com to the BOD for approval;

c. Consolidate all transactions approved by MVC for notation of the RPT Com and confirmation of the BOD;

d. Prepare and submit report on material RPTs to the BSP which will include material RPTs of NAGON;

e. Collate all transactions approved by the BOD and submit to OBS for confirmation of the Stockholders;

f. Monitor individual and aggregate exposures of related parties vs. Board-approved limits;

g. Monitor accuracy and completeness of the RP Database;

h. Prepare RPT training materials and Coordinate with HR-TODD for the inclusion and updating of the RPT module in the bank's training program for employees.

12. REPORTS

In addition to the required BSP reports on DOSRI and Subsidiaries, the following shall be prepared and submitted:

	External Reports	Unit Responsible	Regulator	Deadline of Submission
1	Quarterly Report on Material RPTs	CG-CD	BSP	10 banking days from end of reference quarter
2	Disclosure in Annual Report	OBS & MCD	SEC	As announced by SEC

	Internal Reports	Unit Responsible	Submitted to	Deadline
3	Monthly Report/ Certification on RPTs	All Business Units	CGO	5 banking days from end or reference month
4	Monthly Report on Outstanding Exposures to Related Parties **(Annexes E.1 & E.2)**	CG-CD	CGO/RPTC	At least 5 banking days before the date of RPTC meeting or as requested by the CCO
5	Monthly Report on non-material RPTs for BOD confirmation	CG-CD	CGO/RPTC/BOD	5 banking days before the BOD meeting
6	Monthly Report on Material RPTs for RPT Com and BOD Approval	CG-CD	CGO/RPTC/BOD	At least 5 banking days before the date of RPTC meeting or as

				requested by the CCO
7	Annual Report on material RPTs for confirmation of the Stockholders	CG-CD	OBS	30 days prior Annual Stockholders' Meeting

13. PROVISIONS

13.1. POLICY DEVIATION

Deviations from this policy shall conform to reporting requirements for Risk Assessment via Risk Assessment Form (RAF). Depending on the residual risk shown in the RAF, approvals of the deviations shall be as follows:

RAF Result	Approver	Notation
Low	BU Head endorsing deviation + BU Head Policy Owner	OPCOM
Medium	OPCOM	MANCOM
High	OPCOM and MANCOM	BOD

13.2. OPERATIONAL RISK MANAGEMENT

This policy shall conform to reporting requirements of the Internal Loss Data Collection (ILDC) Policy whereby loss events shall be reported by accomplishing the Loss Event Assessment Form (LEAF) and submitting it to ORMD within five (5) banking days upon discovery.

13.3. INFORMATION SECURITY & DATA PRIVACY

This policy shall conform to the minimum provision prescribed under the Information Security Policy and Data Privacy Policy.

13.4. REPEALING CLAUSE

Any memoranda or related issuance inconsistent with this Policy is hereby amended accordingly. Unaffected portions of the aforementioned memoranda, guideline or issuance will still remain in force.

14. PENALTIES OR SANCTIONS

14.1 Violations or failure to observe and /or properly perform any of the required standards or required acts in this policy shall be subject to penalty or sanction in accordance with the Bank's Code of Conduct.

14.3 Violations of the bank's policy may subject the offender to BSP reporting under the BSP's RCL (Reports on Crimes and Losses) regulations.

15. ANNEXES

Annex A – Approval Matrix

Annex B – Individual and Aggregate Limits

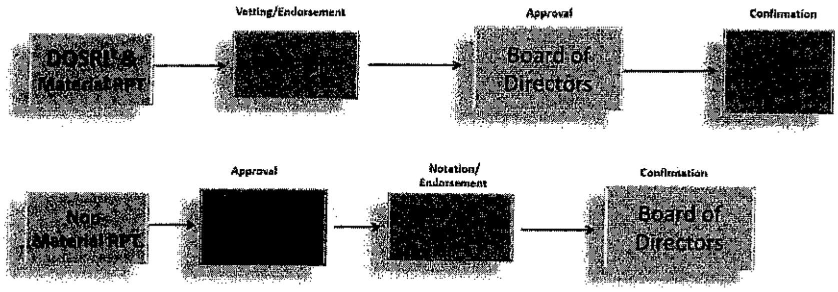
Annex C – Quarterly Report to BSP on Material RPT

Annex D - Monthly Report on non-material RPTs for BOD confirmation

Annex E - Monthly Report on Material RPTs for RPT Com and BOD Approval

ANNEX A – APPROVAL MATRIX

Vetting and Approval process for Credit Transactions



[1] Material & Non-Material DOSRI

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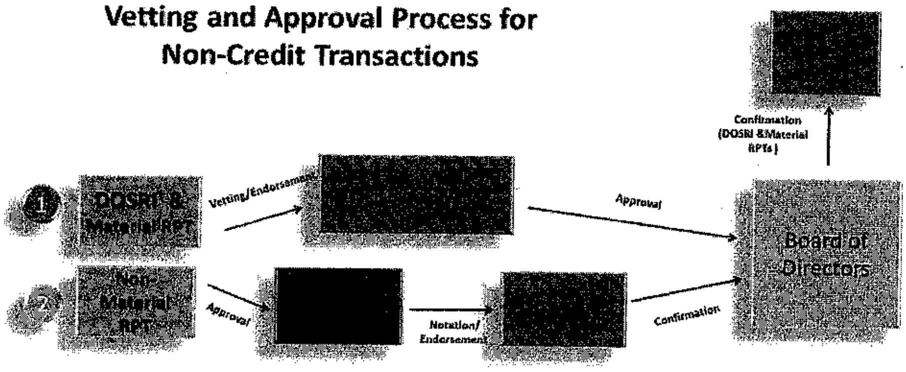
Vetting and Approval Process for Non-Credit Transactions



[1] Material & Non-Material DOSRI

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ANNEX B – INDIVIDUAL AND AGGREGATE LIMIT

Internal Limits for Individual and Aggregate Exposures

Credit Transactions

	Individual			Aggregate			Aggregate Ceiling for All RPs
Type of Related Party	DOSRI	Subsidiary/ Affiliate	Other Related Party	DOSRI	Subsidiaries/ Affiliates	Other Related Party	
Limit	**MORB Section 344** Limited to an amount equivalent to their respective unencumbered deposits and book value of their paid-in capital contribution in the bank	**MORB Section 342** Maximum of ten percent (10%) of the net worth of the lending bank but not to exceed SBL	**Internal** Not to exceed the Bank's SBL (25% of the Bank's Net worth)	**MORB Section 345** 15% of the total loan portfolio of the bank; OR 100% of net worth of the bank whichever is lower	**MORB Section 342** 20% of the net worth of the lending bank	**Internal** 30% of the Bank's net worth	**Internal** 50% of the Bank's net worth

Internal Limits for Individual and Aggregate Exposures

Illustration:

a. Net Worth/Capital as of October 31, 2023 (prudential w/relief) = P1.8B
b. Total Loan Portfolio as of October 31, 2023 – P22.3billion (Net of loans w/relief)

CREDIT TRANSACTIONS	Individual			Aggregate			
Type of Related Party	DOSRI	Subsidiary/ Affiliate	Other Related Party	DOSRI	Subsidiaries/ Affiliates	Other Related Party	Aggregate Ceiling for All RPs
Limit	Limited to deposit and book value of paid-in capital contribution	10% NW but not to exceed SBL	25%NW	15% TLP or 100%NW	20%NW	30%NW	50%NW
Amount		180.0M	397.0M	1.8B	360.0M	540.0M	900.0M

Internal Limits for Individual and Aggregate Exposures

Non-Credit Transactions

NON-CREDIT TRANSACTIONS	Individual Limit per RP			Aggregate Limit for each RP Group			Aggregate Ceiling for All RPs
	DOSRI	Subsidiary/ Affiliate	Other Related Party	DOSRI	Subsidiaries/ Affiliates	Other Related Party	
Trust	Internal 5% of the Bank's net worth per transaction/RP counterparty			Internal 20% of the Bank's net worth /RP group			Internal 50% of the Bank's net worth
Equity Investments/Capital infusion to subsidiary							
Project Management/Branch Renovation							
Purchase of Goods and Materials							
Leases							
Asset Disposal/ Acquisition							
Sale of salary loan/receivables							
Consulting/ Professional/ Agency/ Other service Contracts							
Donation/Financial Assistance							
Others							

Internal Limits for Individual and Aggregate Exposures

Illustration

a. Net Worth/Capital as of October 31, 2023 (prudential w/relief) = P1.8B
b. Total Loan Portfolio as of October 31, 2023 – P22.3billion (Net of loans w/relief)

CREDIT TRANSACTIONS	Individual			Aggregate			
Type of Related Party	DOSRI	Subsidiary/ Affiliate	Other Related Party	DOSRI	Subsidiaries/ Affiliates	Other Related Party	Aggregate Ceiling for All RPs
Limit	Limited to deposit and book value of paid-in capital contribution	10% NW but not to exceed SBL	25%NW	15% TLP or 100%NW	20%NW	30%NW	50%NW
Amount		180.0M	397.0M	1.8B	360.0M	540.0M	900.0M

ANNEX C - Quarterly Report to BSP on Material RPT

Annex A

Category: Category A-1

Deadline: 20 banking days after the reference quarter

Philippine Veterans Bank ______ 00360
Name of Bank Code

PVB Head Office Building, 101 V.A. Rufino corner Dela Rosa Streets Legaspi Village, Makati City
Address

Report on Material Related Party Transactions

As of ______ 31 March 2023 ______

REPUBLIC OF THE PHILIPPINES
________________________) S.S

I /We solemnly swear that all matters set forth in this report are true and correct, to the best of my/our knowledge and belief.

RENATO A. CLARAVALL
President & CEO

SUBSCRIBE AND SWORN to before me this __________ day of __________, affiants exhibiting to me his __________________.

Notary Public

Until December 31, 20 _____
PTR No. ______________
Place ______________

Doc. No. _______
Page No. _______
Book No. _______
Series of _______

19 April 2023

Bangko Sentral ng Pilipinas
A. Mabini St., Malate 1004 Manila

Attention : Ms. Mary Ann L. Cube
Director
Financial Supervision Department VII

Subject : Report on Material Related Party Transactions Q1 2023

Dear Atty. Prado::

In compliance with the Bangko Sentral ng Pilipinas' reportorial requirement, we are submitting herewith the Report on Material Related Party Transactions from 01 January to 31 March 2023.

We trust that you will find the foregoing in order.

Thank you.

Very truly yours,

Renato A. Claravall
President & CEO

Philippine Veterans Bank
Name of Bank

000360
Bank Code

As of
Date:

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price (gross of tax)	Terms	Rationale for Entering into the Transaction
		TOTAL:		0.00		

ANNEX D - Monthly Report on non-material RPTs for BOD confirmation

RELATED PARTY TRANSACTIONS POLICY

F.3. (FTM of November 2023)

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/ Contract Price (₱)	Terms	Rationale for Entering into the Transaction
Intervest Projects Inc.	Subsidiary	November 22, 2023	Project management fee	₱ 68,284.12	-	Project Management

Annex E - Monthly Report on Material RPTs for RPT Com and BOD Approval

F.3. (FTM of November 2023)

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/ Contract Price (₱)	Terms	Rationale for Entering into the Transaction
Intervest Insurance Agency	Subsidiary	November 1 – 30, 2023	Payment of CRI/ MRI premium of borrowers, fire, insurance for mortgage newly booked loans; motor car/vehicle insurance, CIT/CIV, MSPR, EEI, travel & bankers blanket bond insurance to IIAI	₱ 7,638,058.59[1]	Upon request	IIAI is PVB's insurance broker
BTVWWII	Related Interest	November 09 & 23, 2023	Donation	3,589,798.77	Monthly	Donation
			TOTAL:	P11,227, 857.36		

[1] P3,386,485.33 - PVAO PL/SL Newly Booked Loans
3,709,853.07 - PVAO Monthly Amortized CRI Payments on Booked Pension Loans
151,962.94 - Fire insurance/ MRI premium payments of borrowers
389,757.25 - Motor car /Insurance vehicle, CIT/CIV, MSPR insurance, electronic equipment insurance, travel insurance of Officer, bankers blanket bond

RECRUITMENT AND SELECTION POLICY

1. PURPOSE

1.1. To ensure a transparent and fair hiring policy that can assist Human Resources (HR) and the Business Units (BU).

1.2. To select the right candidate based on required skills, competency/ies, and relevance with the job.

2. SCOPE

2.1. This applies to Recruitment and Selection of PVB employees only but not limited to:

2.1.1. Regular Employee
2.1.2. Probationary Employee
2.1.3. Contractual/Temporary Employee
2.1.4. Project Hire
2.1.5. Fixed Term Employee

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
BOD	Board of Directors
BU	Business Unit
CEO	Chief Executive Officer
HRD	Human Resources Division
PRF	Personnel Requisition Form
SM	Senior Manager
TPRD	Talent Planning & Recruitment Department

Terms	Definition
Background Investigation	Is part of the selection process for those applying for a permanent "plantilla" position and shall be initiated at all times when hiring new employees.
Contractual/Temporary Employee	An employee who is hired for an occasional need on full-time basis covering a period not exceeding three (3) months, subject to renewal, but in no event exceeding a total of five and a half (5 ½) months.
Fixed Term Employee	An employee who is engage by the Bank after normal retirement to do specific job based on expressed interest in seeking re engagement.
Hiring Standards	Are the standard requirements used to determine acceptability of a candidate for hiring.
New Position / Additional Headcount	Requisition due to the need to add additional headcount / new position for business consideration. Justification should include but not limited to

RECRUITMENT AND SELECTION POLICY

	regulatory requirement, impact to business, earning, expansion, etc.
Project Hire Employee	An employee who is engage to do tasks for a specific project or undertaking. A project's completion / termination is predetermined at the time of engagement of a project hire.
Probationary Employee	An employee who is hired to fill in a regular position, but is required to undergo a probationary period of service in preparation to a possible placement as a regular employee.
Regular Employee	An employee holding a regular position in the Bank and entitled to receive guaranteed pay and other benefits in accordance to the schedule given based on rank.
Replacement	Requisition due to employee separation, transfer, and promotion. Justification should include, but not limited to, reasons on why workload cannot be distributed to existing employees of the unit.
Sourcing	The use of variety of methods and channels to find suitable candidates for job vacancies.

4. POLICY STATEMENT

4.1. GENERAL POLICY

4.1.1. It is the policy of the Bank to provide whenever possible and feasible employment to personnel with Veterans Status. However, in cases where there are no available personnel with Veteran Status qualified to fill in the need, equal employment opportunity will be opened to all qualified persons without regard to gender, religion and ethnic origin.

4.2. PERSONNEL REQUISITION

4.2.1. All personnel requisitions must be accurate and complete. It must be reviewed and approved based on the approval matrix.

4.2.2. Type of Requisition and Required Justification/s

a. Replacement

b. New Position / Additional Headcount

4.2.3. Approval of Personnel Requisition[1].

4.2.4. Cancellation of PRF: Cancellation of PRF is allowed provided that it is supported by a written advice of cancellation. Timing of the cancellation should be before any hiring commitment is made

[1] Please refer to Hiring Approval Matrix.

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RECRUITMENT AND SELECTION POLICY

4.3. SOURCING

4.3.1. Candidates can be sourced internally / within the bank (existing employees) or externally (new hires).

a. Sources of Candidates

i. Internal Candidates: Given the situation that the competencies of internal candidates are at par with external candidates, internal candidates are given the priority in filling up vacancies.[2]

ii. External Candidates: In cases wherein, no existing employee qualifies to fill an approved vacancy, a suitable candidate will be sourced accordingly.

b. Sourcing Channels

The existing methods and channels of sourcing external candidates are, but not limited to, following:

i.Online advertising on job and career sites (Jobstreet, Linked In, etc), social media (Facebook), Bank's website.

ii.Professional Networking (different associations for the veterans, participation in Bank initiated activities, road shows, etc).

iii.Job Fairs / Career Fairs

iv.Employee Referrals

v.Walk in

vi.Talent Mapping / Cold Calling

4.4. SELECTION

The following is the standard process of selection of external candidates for hiring:

4.4.1. **Resume screening:** The candidate's educational and work experience is assessed in relation to the job requirement. The candidate's academic records are checked against the criteria that have been set for the target job.

4.4.2. **Psychological Assessment:** Those who meet the minimum criteria are asked to take an online assessment to measure the candidate's ability perform different kinds of tasks. The online assessment covers the following:

a. Critical Thinking (for officer candidates)

i. Analytical and evaluative reasoning

ii. Logic

iii. Reading comprehension

2 Please refer to Policy on Internal Hiring.

RECRUITMENT AND SELECTION POLICY

b. Basic Mental Ability (for staff candidates)
   i. Verbal ability
   ii. Numerical ability
   iii. Abstract reasoning

c. Personality Test (for both officer and staff candidates)
d. Those who will fail the online assessment shall be given an opportunity to reapply six (6) months from the previous date the examination was taken. Re-take of the online assessment earlier than the prescribed period should be endorsed to HRD by the Requisitioning Head and should be approved by the HRD Head.

4.4.3. **HR interview:** Those who passed the psychological Assessment shall be subjected to an in-depth interview by HR to gather more information about the candidate's specific skills and competencies relative to the business unit's (BU's) requirement, as indicated in the approved PRF.

4.4.4. **Credit Checking**: A financial background check shall be conducted to ensure that candidate does not have a negative history in credit handling (e.g. unpaid credit cards, loans, etc.).

4.4.5. **Background Investigation:** This is done before or during the probationary period, depending on the time element and the sensitivity of the position being filled.

4.5. RECRUITMENT

Recruitment is the responsibility of the Human Resources Division (HRD) however, HRD may seek the assistance from the branches / business units in selection and recruitment of candidates to satisfy the manpower requirements of the business. An approved PRF is a prerequisite for recruitment processing.

4.5.1. **Hiring Package and Job Offer:** A job offer shall be made based on the defined and approved compensation for the identified position / job level. All hiring rates shall be within the approved pay structure, subject to the policies and controls established by Management.
4.5.2. **Pre-Employment Medical Examination:** Pre-Employment Medical Examination shall be conducted only to an accredited service provider. Employees who fails their Pre-Employment Medical Examination shall be escalated to the BU and HRD Head for the necessary disposition.
4.5.3. **Pre-Employment Requirements:** The candidate shall be required to submit all pre-employment requirements listed and in accordance to the Pre-Employment Requirements Agreement Document.

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RECRUITMENT AND SELECTION POLICY

4.5.4. **Hiring Approval:** Necessary approval/s to hire the candidate shall be secure to finalize the hiring date.

4.6. ONBOARDING

4.6.1. Hiring Standards[3]
4.6.2. Hiring Date: Start date employment will be determined by HRD in coordination with the candidate and the unit concerned.
4.6.3. Contract Signing: The new hire shall sign conformity to the written agreement between the Bank and the employee.
4.6.4. New Hire Orientation: The new employee shall attend the New Hire's Basic Orientation conducted by HR Training and OD Department.
4.6.5. Availability of workstation, equipment, office supplies, etc. based on the Pre-Onboarding Checklist provided by HR.
4.6.6. Compliance to **On Boarding Guidelines / Process** sent by HRD to the concerned unit / officer / immediate supervisor upon hiring of new employee.

4.7. CATEGORIES OF EMPLOYEES

4.7.1. **Regular Employee**

4.7.2. **Probationary Employee**

a. Probationary Period: The probationary period for a new employee is not to exceed six (6) months unless reduced or waived by management in special cases.
b. Disqualification: An employee on probationary status is not allowed to transfer or apply for another or higher position before his appointment as a regular employee.
c. Only employees with Senior Manager (SM) rank and below are required to undergo probationary period. Any deviation to existing policy has to be approved by the BOD.

4.7.3. **Fixed Term Employee**

a. The engagement of the services of retired employees is strictly a Management prerogative requiring the approval of the Board of Directors (BOD).
b. The Bank shall have the option to engage the services of the retired employee based on the following criteria:
i. Retired employee is hired for his / her expertise, experience, special skills or stature of the individual for a definite period of time or about a maximum term of one (1) year per instance.

[3] Please refer to Hiring Standards Matrix.

RECRUITMENT AND SELECTION POLICY

ii.Retired employee has above average track record and performance during his/her employment with the Bank

iii.Retired employee is physically/medically fit to continue employment.

c. Engagement contract is normally on a contractual or consultancy basis.

d. Engaged retired employees who will be hired by any of the above-manner shall have the following functions:

i.To carry out the tasks / functions beginning to end as written into the engagement contract with the Bank

ii.Shall report as agreed upon the contract

e. Engaged retired employee shall have no approving or signing authorities unless otherwise specifically expressed or directed pursuant to relevant Bank policies and as may be authorized by the BOD.

f. The remuneration package of the engaged retired employee shall be subject to the BOD's approval.

g. The engaged retired employee shall no longer continue to enjoy the same benefits and privileges from what they used to receive before separation/retirement from the bank except what is specified in the fixed engagement contract.

h. The re-engaged employee, during the term of his employment, is required to work in accordance with the agreed terms and conditions and shall diligently and effectively complete the work and services under the provisions of the employment contract.

i. The engaged retired employee shall be required to comply with the Bank's Policy on Confidentiality and Disclosure of Information.

j. The engaged retired employee shall observe the high standards of performance and integrity as mandated by the General Law and as detailed and prescribed by the Bank's Code of Ethics and Code of Conduct and as cited in the fixed engagement contract with the Bank.

k. The Bank or the Contractual may terminate the engagement contract subject to a prior 30-day written notice by either party to the other and subject further to a proper and complete settlement and turn-over of responsibilities/accountabilities by the Contractual to the Bank.

4.7.4. **Project Hire Employee**

a.Project Hire Employees are provided with the standard benefits in accordance to the Labor Law.

b.Project Hire Employees who may qualify for a regular position upon completion of the project, may be considered for probationary employment subject to compliance of all pre-employment requirements of the Bank.

c. Project Hire employment can be considered as part of the probationary period of the subject employee, however, it shall not be reckoned as the original date of hiring as a probationary/regular employee.

4.7.5. **Contractual/Temporary Employee**

a. Contractual / Temporary Employees does not qualify to enjoy company fringe benefits.
b. Contractual / Temporary Employees who may qualify for a regular position may be considered for probationary employment subject to compliance of all requirements (to include the getting of necessary clearances from the manning agency where he/she was hired from).
c. Contractual / Temporary employment ceases on the effective date of probationary employment.
d. Contractual / Temporary employment shall not be considered as part of the probationary period of the subject employee nor shall it be reckoned as the original date of hiring as a probationary/regular employee.

4.8. OTHER CONDITIONS ON HIRING

4.8.1. **Hiring of Former Employees**

As a general rule, the Bank does not favor rehiring of former employees who resigned. However, if in the exigency of the service, the knowledge and skills possessed by a resigned employee is still needed, the former employee may be rehired after a lapse of minimum of three (3) years from the date of resignation subject to necessary approval[4].

i. **Employment Status:** A former employee who resigned and is re-hired shall be treated as a new employee and must waive all rights accruing to prior service, unless written commitment to the contrary has been made. The basis of the employment status of the former employee upon re-hiring shall follow the Hiring Standards on Employment Status.
ii. **Dismissed Employee:** It is a Company policy not to re-hire those who were separated due to termination for just cause.
iii. Re-hiring shall apply to all positions.
iv. The re-hired employee should have a performance rating of above average for the last two (2) years of service in the Bank.
v. The rank to be given to the former employee shall be based on the evaluation and assessment of the Group Head/Hiring Manager but in no case lower than the rank of the returning employee's counterparts at the time that he/she left the Bank as the basis.

[4] Please refer to Annex A – Approval Matrix

vi. The compensation and benefits of the former employee shall be dependent on the new position and rank.

4.8.2. **Hiring of Relatives**

Hiring of applicants who have relatives employed with the Bank is allowed from second degree of consanguinity/affinity onwards under the following condition:

a. Hiring does not fall under any of the disqualifications indicated in the BSP MORB – Disqualification and Watch listing of Directors and Officer.
b. Hiring is not within the same group for Head Office and Branch units
c. The applicant must disclose that he/she has a relative in the Bank. Furthermore, he / she must pass the standard hiring criteria for the position and endorsed by the Group Head.
d. Relative shall not be assigned in any unit where he/she may fall under a direct line working relationship with his/her existing employee relative or where the condition of employment and opportunities for advancement may come under influence of the relative.
e. An exception to this policy may be allowed for children of retiring employees who shall report at least one (1) month after the retirement date of the employee, subject to the above conditions.
f. When two (2) employees under the same unit get married, the Management has the authority to move / transfer one of them.

5. DUTIES AND RESPONSIBILITIES

5.1. Unit Heads

5.1.1. Shall analyze the unit's personnel requirement.
5.1.2. Shall submit a complete and accurate PRF.

5.2. Recruitment Specialist/Officer

5.2.1. Shall process all needed and submitted documentation for recruitment and selection.
5.2.2. Shall screen and source applicant based on the unit's requirement vs. applicant's qualification.

5.3. TPRD Head

5.3.1. Shall review, recommend, and approved all documentation for recruitment and selection.

5.4. HRD Head

5.4.1. Shall manage all recruitment and selection requirements of the Bank

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RECRUITMENT AND SELECTION POLICY

6. **PROVISION**
   6.1. **POLICY DEVIATION**
      6.1.1. Deviations from this policy shall conform to reporting requirements for Risk Assessment via Risk Assessment Form (RAF). Depending on the residual risk shown in the RAF, approvals of the deviations shall be as follows:

RAF Result	Approver	Notation
Low	BU Head endorsing deviation + BU Head Policy Owner	OPCOM
Medium	OPCOM	MANCOM
High	OPCOM and MANCOM	BOD

   6.2. **OPERATIONAL RISK MANAGEMENT**
      6.2.1. This policy shall conform to reporting requirements of the Internal Loss Data Collection (ILDC) Policy whereby loss events shall be reported by accomplishing the Loss Event Assessment Form (LEAF) and submitting it to ORMD within five (5) banking days upon discovery.

   6.3. **INFORMATION SECURITY & DATA PRIVACY**
      6.3.1. This policy shall conform to the minimum provision prescribed under the Information Security Policy and Data Privacy Policy.

   6.4. **REPEALING CLAUSE**
      6.4.1. Any memoranda or related issuance inconsistent with this Policy is hereby amended accordingly. Unaffected portions of the aforementioned memoranda, guideline or issuance will still remain in force.

7. **PENALTIES OR SANCTIONS**
   7.1. Violations or failure to observe and /or properly perform any of the required standards or required acts in this policy shall be subject to penalty or sanction in accordance with the Bank's Code of Ethics and Discipline handbook.
   7.2. Violations of the bank's policy may subject the offender to BSP reporting under the BSP's RCL (Reports on Crimes and Losses) regulations.

8. **RELATED DOCUMENTS**

Document Type	Document Code	Document Name
Procedure		Recruitment and Selection Procedure Manual
Guidelines		PRF and Hiring Approval Matrix Hiring Standard

RECRUITMENT AND SELECTION POLICY

		Pre-Employment Requirements Agreement Document.
Forms		Personnel Requisition Form
Policy		Engagement of Services of Retired Employees

RECRUITMENT AND SELECTION POLICY

ANNEX

ANNEX A – Approval Matrix

TYPE	PERSONNEL REQUISITION					HIRING					
	Requesting Officer	Dept / Div Head	Group Head	HR Head	President / CEO	HR Head	President / CEO	AUDITCOM	HRCOM	BOARD	BSP
ˈLACEMENT / NEW / DITIONAL HEADCOUNT	√	√	√	√	√						
Staff						√					
⁴.1 With deviation to hiring standards						√	√				
Officer											
3.1 AM to SM						√					
3.2 AVP						√	√				
3.2 VP to FVP						√	√		√	√	
B.3 Head of Operating* Functions with the rank of SVP - EVP						√	√		√	√	√
B.4 Oversight Officers (Compliance, Risk, Audit) regardless of rank						√	√	Head of Internal Audit	√	√	√
B.5 Trust Officer (Head) Regardless of rank						√	√		√	√	√
B.6 SVP – EVP (Other positions not in B.3)						√	√		√	√	
B.7 President & CEO						√	√		√	√	√

RECRUITMENT AND SELECTION POLICY

:. With Deviation to hiring tandards						√	√				
'roject Hire / Contractual						√	√				

*Only SVPs (and above) who are:

1. Heads of:
   - Comptrollership/ Finance
   - Lending
   - Treasury
   - Branch Banking
   - IT
2. Who reports directly to the CEO/President

2.7.2

PERFORMANCE MANAGEMENT SYSTEM (PMS) POLICY

1. PURPOSE

The Bank shall implement the Performance Management System for all its employees and units. This system shall set, measure, and recognize the contribution of the unit or individual on the overall Bank's performance based on high standard.

2. SCOPE

This policy applies to regular, probationary and fixed-term employees of Philippine Veterans Bank.

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
HRD	Human Resources Division
TODD	Training and Organization Development Department

Terms	Definition
Ad Hoc Functions	Projects and programs assigned to the employee/ratee by management which are outside of the employee's core function. (i.e. Compliance Liaison, RCSA, BCP Coordinators, Data Privacy Act Coordinator, Safety and Pollution Control Officer, participation in Veteranism activities, and others).
Customer	Goals that are important to the Bank's internal and external customers, related to time, quality products or services and cost.
Financial Targets	Profitability, growth, savings, shareholder value, and other financial goals.
Individual Performance	Major deliverables of the employee/ratee of the Revenue Generating Centers, Support Centers and Oversight. Refers to the income target of the individual of the Revenue Generating Unit and major deliverables of the individual of the Support and Oversight Units.
Justifications	Specific accomplishments or demonstrable behaviors to prove the ratings
Key Performance Indicators (KPI)	It provides the metrics that help the Bank, Unit and employee meet the objectives.
Key Results Area (KRA)	Objective or outcome that is vital to the performance of the Bank, Unit and employee. It also impacts the Bank's bottom line.

PERFORMANCE MANAGEMENT SYSTEM (PMS) POLICY

People Measures	Participation to all forms of learning and training (ie. face to face training, webinars and eLearning). Also includes ratings for Core Values (I-C-A-R-E).
Performance Improvement Plan (PIP)	Performance management program to address marginal performance. It is designed to facilitate constructive discussion between an employee and his/her immediate supervisor with the goal of improving his/her work performance through a structured program that will aid employees to achieve the expected job performance, behavioral standards and competencies.
Performance Management System (PMS)	The performance management system of the Bank is driven by its mission, vision and values which is translated through the Bank's objectives and performance standards. Performance targets of units are established, standardized, monitored and evaluated. The results of these targets are used as bases for rewards and development planning of its employees.
Performance Rating (PR)	Score based on the provided KPI metrics
PIP Form	This form is used to document the standards set by the immediate superior and the employee, the assessment, evaluation and the decision. This form serves as the agreement between the rater and ratee.
PIP Going Out Letter	This letter is issued to employees who successfully meet the performance standards set in the PIP program.
PIP Redeployment Letter	This letter is issued to the employees under PIP whose assessment resulted to a transfer to another group or superior as recommended by the Head.
PVB Core Values	Refers to the Bank's unique characteristics that provide a competitive advantage in the marketplace, deliver value to customers, and contribute to continued organization growth. PVB employees should manifest these values on a regular and consistent basis. These behaviors are deemed to be the keys to successful performance and advancement in PVB. **Integrity -** ethically unyielding, honest and above board in all transactions; matches words with actions and takes responsibility for the decisions made **Collaboration –** shares responsibility and works together as a team to achieve one common goal and desired results

PERFORMANCE MANAGEMENT SYSTEM (PMS) POLICY

	Accountability - takes ownership of work and stands by the results; assumes full responsibility for all actions **Respect** – treats people with dignity; listens to the "voice" of employees, and other stakeholders; encourages open communication and creativity at work; practices "malasakit" in the workplace that includes company assets and properties; cares for the environment and the promotion and practice of sustainability **Excellence** – pursues the highest standards of performance in everything he/she does
Skip Rater	Immediate superior of the rater
Termination Notice	This notice is issued to the employees under PIP with two (2) consecutive Needs Improvement (NI) Rating in annual PMS.
Unit Processes	Non-financial major goals that will impact the Bank's financial standing. Also includes Audit, Compliance and Risk Ratings
Weight	Value of KRA in the employee's functions.
Weighted PR	Product of percentage weight and performance rating (PR)
Written Feedback and Assessment Reminder	This serves as a reminder of the consequences in case the employee will consistently not meet the expected and agreed outcome.
Written Warning	This form is given to the employees under PIP who is unable to pass all the set expected and agreed outcome.

4. POLICY STATEMENT

4.1. PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

The Performance Management System (PMS) of the Bank has four (4) phases.

4.1.1. Phase 1: Performance Goals Setting

All unit heads are required to create their team's objectives that are aligned with the Bank's targets and strategies.

The team's objectives are driven by Key Result Areas (KRA) and Key Performance Indicators (KPI). The employees' performance is measured based on his/her contribution to the Unit/Bank's Performance.

Covering the following perspectives in an employee's performance targets[1]:
a. Financial Target
b. Customer
c. Process
d. People Measure

Additional responsibilities of the function must be considered as Ad Hoc dimension, when applicable.

The rater and ratee must agree on the individual key deliverables for the year based on the approved KRA and KPI.

4.1.2. **Phase 2: Performance Monitoring, Feedback and Coaching**

Employees are expected to take a look at the Bank's objectives as well as the unit's targets and deliverables.

All raters may conduct Mid year performance evaluation in July using the Mid Year Performance Evaluation Form as reference for the year-end performance evaluation.

4.1.3. **Phase 3: Performance Evaluation and Discussion (Year-end Performance Evaluation; done and submitted to HRD-TODD within the first quarter of the succeeding year)**

At the end of the year, the rater shall evaluate the performance of the ratee. The evaluation must be truthful and accurate. A meaningful review is composed of self-assessment, review of rater/direct superior and skip rater, group calibration, agreed final rating, and potential and identification of ratee's strengths, areas of development and career aspiration. Every rater is required to write down comments.

Every rater is encouraged to write down what has been achieved so far, what are the tasks that need to be done and what are the needed support of the employee to achieve set targets.

As a requisite to renewing the engagement, the fixed term employee's performance will be evaluated with recommendation by the rater to renew the contract or end the services as the contract expires.

Rating Scale for Individual Performance and Ad Hoc

[1] Targets to be set should follow Balanced Scorecard principle

The Rating Scale for individual performance and Ad Hoc follow the 5-point rating scale, with 5 being the highest.

Employees transferred to another unit within the PMS period

Performance Goal Setting and Performance Evaluation are required for the following employees who have rendered at least three (3) months service (or more) in a unit:

a. Employees transferred to another unit
b. Regularized employees within the PMS Period

For performance evaluation, the ratings will be added based on the percentage per month.

Probationary Employees

Probationary employees undergo performance evaluation and assessment prior to regularization[2].

4.1.4. **Phase 4: Performance Rewarding and Development Planning**

The result of the ratee's PMS assessment will be the basis of any rater's reinforcement and improvement. This includes employees' development plan. The assessment may be used as basis for promotion, granting of merit increase, or assignment of new role[3].

The bank may use the curve distribution, as deemed necessary. Distribution may vary depending on the Bank's direction.

Raters are required to observe the timely submission of PMS.

4.2. PERFORMANCE IMPROVEMENT PLAN (PIP)

4.2.1. Any employee with Below Average and Needs Improvement (BANI) rating should be given Performance Improvement Plan (PIP).
4.2.2. It shall contains areas for improvement, actions to be taken, expected outcome, completion date and status.
4.2.3. The PIP Form shall be prepared and discussed by the employee's immediate superior. It also must be approved by the Skip Rater and Division/ Group Head, fully discussed by the Rater and signed by the employee.

[2] Please refer to Probationary Employment and Regularization Policy
[3] Please refer to Promotion Policy

4.2.4. In the event that the employee refuses to sign on the form, an HRD TODD Head (Junior Officer and Rank and File) / HRD Head (Senior Officer) shall be the arbiter of the activity.

A period of 6 months will be set.

a. If the employee successfully meets the performance standard of the PIP for 6 months, he or she shall be removed from the program via PIP Going Out Letter.

b. After the first 6 months and the employee consistently fail on the agreed standards set, recommendations shall be for the employee:

i. be extended for another 6 months of the program or

ii. be redeployed to another group or supervisor for Below Average Rating only

Any employee who has reached the maximum number of consecutive failures in the PIP shall be due for termination in accordance to Separation Policy.

RATING	NO. OF PIP
BELOW AVERAGE (BA)	3
NEEDS IMPROVEMENT (NI)	2

5. DUTIES AND RESPONSIBILITIES

5.1. HRD Head

5.1.1. Shall be the arbiter between the rater and the ratee (Senior Officer) in resolving the issue in relation to PIP.

5.2. HRD-TODD Head

5.2.1. Shall ensure the effective implementation of the system, including the management of the performance evaluation, performance reviews, performance improvement plan, coaching interventions, and other feedback mechanisms that go with the implementation.

5.2.2. Shall the arbiter between the rater and the ratee (Junior Officer and Rank and File) in resolving the issue in relation to PIP.

5.3. HRD-TODD Officer

5.3.1. Shall handle the administration of PMS.

5.3.2. Shall train the raters and ratees on the PMS.

5.3.3. Shall follow through with the raters on the timely submission of performance evaluation ratings and other relevant forms that need to be accomplished.

5.3.4. Shall document all submitted PMS.

5.3.5. Shall guide the immediate superior/rater in the accomplishment of the PIP form.

5.3.6. Shall closely monitor the progress and documentary requirements of the PIP.

5.3.7. Shall prepare and issue PIP related forms.

5.4. HRD-ERD Officer

5.4.1. Shall handle the administration of Warning Letter and termination letter based on the PIP Status.

5.5. Immediate Superior/Rater

5.5.1. Shall determine, prepare and discuss the goal setting to the employee.

5.5.2. Shall assess and rate the performance of the employee based on the agreed performance goals.

5.5.3. Shall discuss and confer the performance goals and performance appraisal with the skip rater.

5.5.4. Shall discuss with the employee the performance appraisal.

5.5.5. Shall determine, prepare and discuss the PIP based on the expected and agreed outcome.

5.5.6. Shall remind employees on the status of PIP thru Written feedback and Assessment Reminder Form.

5.5.7. Shall coordinate with TODD and ERD Officer on the implementation of PIP related activities.

5.6. Next Level Superior/Skip Rater

5.6.1. Shall review and approve the agreed goals, performance appraisal, and PIP related forms prepared by the rater.

5.7. Employee/Ratee

5.7.1. Shall discuss the goal setting with the immediate superior.

5.7.2. Shall participate in the performance discussion / PIP.

5.7.3. Shall document agreement / disagreement of the final performance rating and expected outcome of PIP.

5.7.4. Shall discuss PIP related concerns such as expected outcome and status.

6. PROVISIONS

6.1. POLICY DEVIATION

6.1.1. Deviations from this policy shall conform to reporting requirements via Risk Assessment Form (RAF). Depending on the residual risk shown in the RAF, approvals of the deviations shall be as follows:

RAF Result	Approver	Notation
Low	BU Head endorsing deviation + BU Head Policy Owner	OPCOM
Medium	OPCOM	MANCOM
High	OPCOM and MANCOM	BOD

6.2. OPERATIONAL RISK MANAGEMENT

6.2.1. This policy shall conform to reporting requirements of the Internal Loss Data Collection (ILDC) Policy whereby loss events shall be reported by accomplishing the Loss Event Assessment Form (LEAF) and submitting it to ORMD within five (5) banking days upon discovery and reports on crimes and/or losses.

6.3. INFORMATION SECURITY & DATA PRIVACY

6.3.1. This policy shall conform to the minimum provision prescribed under the Information Security Policy and Data Privacy Policy.

6.4. REPEALING CLAUSE

6.4.1. Any memoranda or related issuance inconsistent with this Policy is hereby amended accordingly. Unaffected portions of the aforementioned memoranda, guideline or issuance will still remain in force.

7. PENALTIES OR SANCTIONS

7.1. Violations or failure to observe and /or properly perform any of the required standards or required acts in this policy shall be subject to penalty or sanction in accordance with the Bank's Code of Conduct.

7.2. Violations of the bank's policy may subject the offender to BSP reporting under the BSP's RCL (Reports on Crimes and Losses) regulations.

8. RELATED DOCUMENTS

Document Type	Document Code	Document Name
Policy		Promotion Policy
Policy		Probationary Employment and Regularization Policy
Policy		Information Security Policy
Policy		Data Privacy Manual
Policy		ILDC Policy
Policy		Code of Conduct
Guideline		LEAF Guideline
Guideline		RAF Guideline
Guideline		RCL Guideline

4.12. CODE OF ETHICS

The Bank's Directors, the Senior Management and employees shall fulfill their commitment to customers that "We are the Bank with a Heart", guided by their core values. They shall champion the fair treatment and protection of the Bank's stakeholders, particularly its customers, resource providers, creditors and the community in which it operates. Fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders promote stable, long term relationship.

This Code of Ethics shall aim to instill a commitment and dedication to the virtues of honesty and integrity, together with a high sense of prudence, responsibility and efficiency in the conduct of duties. It is imperative that Directors, officers and employees live by the values that the Bank stands for and reflect these values in their behaviors.

The Bank shall establish a Board Administrative Investigation Committee (BAIC) to set the right tone from the top.

To enforce Bank-wide compliance, the Bank's Codes of Ethics and Discipline for Directors and employees shall be posted in the Bank's intranet and the Human Resources Management Division public folder for easy access of all directors, officers and employees of the bank.

4.13. CORPORATE GOVERNANCE ASSESSMENT AND MONITORING

Good corporate governance is the foundation of safe and sound banking operations. It is the reflection of the collective values and competence of the Board of Directors and Senior Management, as well as quality and effective implementation of the Bank's corporate governance standards and practices.

The evaluation of the quality of governance shall focus more on the effective implementation of the governance standards and principles by putting greater weight on the practices and performance of the Board of Directors, and Senior Management.

The Board shall establish an evaluation system to determine and measure its compliance with the corporate governance standards and principles. Any violation thereof shall subject the responsible director, advisor, officer or employee to the penalty provided.

There are two (2) sets of Evaluation Forms that will assess the Bank's corporate governance practices, using the five (5) point rating scale, with 5 being the highest rating:

a. Director's Performance Evaluation Form

The Directors' self-assessment on the Director's Individual Qualitative Performance; the Board and Board Committees shall reflect the collective values, performance and competence of the board of directors on corporate governance standards and principles.

The Chairman, individual members of the Board and Committees shall conduct an annual self-assessment in order to evaluate the performance for the previous year. The assessment is done annually. The performance of the President, on the other hand, shall be evaluated by the Board of Directors.

After the Directors' self-assessment, the results shall be discussed and noted by the CGCOC before submission to the Board for notation.

b. Scorecard of the Governance Self-Assessment Form

The Directors' self-assessment on the four (4) management component factors, such as: Governance Landscape; Fitness and propriety of the Board and Management; Risk Governance; Controls and Independent Oversight shall reflect the quality and effective implementation of the Bank's corporate governance practices.

The five (5) point rating scale/ scorecard is described as follows:

RATING	DESCRIPTION
5 – EXCELLENT (GWA- 4.6- 5)	DYNAMIC AND INNOVATIVE. With very competitive actions, systems and processes. It creates high impact solution to the organization.
4 – VERY SATISFACTORY)) (GWA- 3.6- 4.5)	EXEMPLARY – considered necessary given the size risk profile and complexity of operations of the bank. Deficiencies or weaknesses may exit but do not affect the overall quality of governance in a bank.
3 – SATISFACTORY (GWA- 2.6-3)	AVERAGE PERFORMER. Delivered what is needed or asked, however, timeliness, accuracy and efficiency of actions, decisions, or processes did not exceed expectations.
2 – NEEDS IMPROVEMENT/ DEFICIENT (GWA- 1.6-2)	DEFICIENT - Needs to exert better action/ decision to be able to perform based on timeliness, accuracy and efficiency.
1 – POOR (GWA- 1- 1.5)	CRITICALLY DEFICIENT - Not worth pursuing. Needs dramatic change and improvement in all aspect.

Apart from assigning a rating, it should come up with specific applicable action recommendations commensurate with the issues identified and the resulting assessment on the quality of governance.

4.14. REPORTORIAL REQUIREMENTS AND DISCLOSURE

The Board shall establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations

1. PURPOSE

The Bank shall implement the Performance Management System for all its employees and units. This system shall set, measure, and recognize the contribution of the unit or individual on the overall Bank's performance based on high standard.

2. SCOPE

This policy applies to regular, probationary and fixed-term employees of Philippine Veterans Bank.

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
HRD	Human Resources Division
TODD	Training and Organization Development Department

Terms	Definition
Ad Hoc Functions	Projects and programs assigned to the employee/ratee by management which are outside of the employee's core function. (i.e. Compliance Liaison, RCSA, BCP Coordinators, Data Privacy Act Coordinator, Safety and Pollution Control Officer, participation in Veteranism activities, and others).
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Key Results Area (KRA)	Objective or outcome that is vital to the performance of the Bank, Unit and employee. It also impacts the Bank's bottom line.

	Accountability - takes ownership of work and stands by the results; assumes full responsibility for all actions **Respect** – treats people with dignity; listens to the "voice" of employees, and other stakeholders; encourages open communication and creativity at work; practices "malasakit" in the workplace that includes company assets and properties; cares for the environment and the promotion and practice of sustainability **Excellence** – pursues the highest standards of performance in everything he/she does
Skip Rater	Immediate superior of the rater
Termination Notice	This notice is issued to the employees under PIP with two (2) consecutive Needs Improvement (NI) Rating in annual PMS.
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Weight	Value of KRA in the employee's functions.
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4. POLICY STATEMENT

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PERFORMANCE MANAGEMENT SYSTEM (PMS) POLICY

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Performance Rating (PR)	Score based on the provided KPI metrics
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d. People Measure

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The rater and ratee must agree on the individual key deliverables for the year based on the approved KRA and KPI.

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Employees are expected to take a look at the Bank's objectives as well as the unit's targets and deliverables.

All raters may conduct Mid year performance evaluation in July using the Mid Year Performance Evaluation Form as reference for the year-end performance evaluation.

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At the end of the year, the rater shall evaluate the performance of the ratee. The evaluation must be truthful and accurate. A meaningful review is composed of self-assessment, review of rater/direct superior and skip rater, group calibration, agreed final rating, and potential and identification of ratee's strengths, areas of development and career aspiration. Every rater is required to write down comments.

Every rater is encouraged to write down what has been achieved so far, what are the tasks that need to be done and what are the needed support of the employee to achieve set targets.

As a requisite to renewing the engagement, the fixed term employee's performance will be evaluated with recommendation by the rater to renew the contract or end the services as the contract expires.

<u>Rating Scale for Individual Performance and Ad Hoc</u>

The Rating Scale for individual performance and Ad Hoc follow the 5-point rating scale, with 5 being the highest.

Employees transferred to another unit within the PMS period

Performance Goal Setting and Performance Evaluation are required for the following employees who have rendered at least three (3) months service (or more) in a unit:

a. Employees transferred to another unit
b. Regularized employees within the PMS Period

For performance evaluation, the ratings will be added based on the percentage per month.

Probationary Employees

Probationary employees undergo performance evaluation and assessment prior to regularization[2].

4.1.4. **Phase 4: Performance Rewarding and Development Planning**

The result of the ratee's PMS assessment will be the basis of any rater's reinforcement and improvement. This includes employees' development plan. The assessment may be used as basis for promotion, granting of merit increase, or assignment of new role[3].

The bank may use the curve distribution, as deemed necessary. Distribution may vary depending on the Bank's direction.

Raters are required to observe the timely submission of PMS.

4.2. PERFORMANCE IMPROVEMENT PLAN (PIP)

4.2.1. Any employee with Below Average and Needs Improvement (BANI) rating should be given Performance Improvement Plan (PIP).
4.2.2. It shall contains areas for improvement, actions to be taken, expected outcome, completion date and status.
4.2.3. The PIP Form shall be prepared and discussed by the employee's immediate superior. It also must be approved by the Skip Rater and Division/ Group Head, fully discussed by the Rater and signed by the employee.

[2] Please refer to Probationary Employment and Regularization Policy
[3] Please refer to Promotion Policy

4.2.4. In the event that the employee refuses to sign on the form, an HRD TODD Head (Junior Officer and Rank and File) / HRD Head (Senior Officer) shall be the arbiter of the activity.

A period of 6 months will be set.

a. If the employee successfully meets the performance standard of the PIP for 6 months, he or she shall be removed from the program via PIP Going Out Letter.

b. After the first 6 months and the employee consistently fail on the agreed standards set, recommendations shall be for the employee:

i. be extended for another 6 months of the program or

ii. be redeployed to another group or supervisor for Below Average Rating only

Any employee who has reached the maximum number of consecutive failures in the PIP shall be due for termination in accordance to Separation Policy.

RATING	NO. OF PIP
BELOW AVERAGE (BA)	3
NEEDS IMPROVEMENT (NI)	2

5. DUTIES AND RESPONSIBILITIES

5.1. HRD Head

5.1.1. Shall be the arbiter between the rater and the ratee (Senior Officer) in resolving the issue in relation to PIP.

5.2. HRD-TODD Head

5.2.1. Shall ensure the effective implementation of the system, including the management of the performance evaluation, performance reviews, performance improvement plan, coaching interventions, and other feedback mechanisms that go with the implementation.

5.2.2. Shall the arbiter between the rater and the ratee (Junior Officer and Rank and File) in resolving the issue in relation to PIP.

5.3. HRD-TODD Officer

5.3.1. Shall handle the administration of PMS.

5.3.2. Shall train the raters and ratees on the PMS.

5.3.3. Shall follow through with the raters on the timely submission of performance evaluation ratings and other relevant forms that need to be accomplished.

5.3.4. Shall document all submitted PMS.

5.3.5. Shall guide the immediate superior/rater in the accomplishment of the PIP form.

5.3.6. Shall closely monitor the progress and documentary requirements of the PIP.

5.4. HRD-ERD Officer

5.4.1. Shall handle the administration of Warning Letter and termination letter based on the PIP Status.

5.5. Immediate Superior/Rater

5.5.1. Shall determine, prepare and discuss the goal setting to the employee.

5.5.2. Shall assess and rate the performance of the employee based on the agreed performance goals.

5.5.3. Shall discuss and confer the performance goals and performance appraisal with the skip rater.

5.5.4. Shall discuss with the employee the performance appraisal.

5.5.5. Shall determine, prepare and discuss the PIP based on the expected and agreed outcome.

5.5.6. Shall remind employees on the status of PIP thru Written feedback and Assessment Reminder Form.

5.5.7. Shall coordinate with TODD and ERD Officer on the implementation of PIP related activities.

5.6. Next Level Superior/Skip Rater

5.6.1. Shall review and approve the agreed goals, performance appraisal, and PIP related forms prepared by the rater.

5.7. Employee/Ratee

5.7.1. Shall discuss the goal setting with the immediate superior.

5.7.2. Shall participate in the performance discussion / PIP.

5.7.3. Shall document agreement / disagreement of the final performance rating and expected outcome of PIP.

5.7.4. Shall discuss PIP related concerns such as expected outcome and status.

6. PROVISIONS

6.1. POLICY DEVIATION

6.1.1. Deviations from this policy shall conform to reporting requirements via Risk Assessment Form (RAF). Depending on the residual risk shown in the RAF, approvals of the deviations shall be as follows:

RAF Result	Approver	Notation
Low	BU Head endorsing deviation + BU Head Policy Owner	OPCOM
Medium	OPCOM	MANCOM
High	OPCOM and MANCOM	BOD

2.8

6.2. OPERATIONAL RISK MANAGEMENT

6.2.1. This policy shall conform to reporting requirements of the Internal Loss Data Collection (ILDC) Policy whereby loss events shall be reported by accomplishing the Loss Event Assessment Form (LEAF) and submitting it to ORMD within five (5) banking days upon discovery and reports on crimes and/or losses.

6.3. INFORMATION SECURITY & DATA PRIVACY

6.3.1. This policy shall conform to the minimum provision prescribed under the Information Security Policy and Data Privacy Policy.

6.4. REPEALING CLAUSE

6.4.1. Any memoranda or related issuance inconsistent with this Policy is hereby amended accordingly. Unaffected portions of the aforementioned memoranda, guideline or issuance will still remain in force.

7. PENALTIES OR SANCTIONS

7.1. Violations or failure to observe and /or properly perform any of the required standards or required acts in this policy shall be subject to penalty or sanction in accordance with the Bank's Code of Conduct.

7.2. Violations of the bank's policy may subject the offender to BSP reporting under the BSP's RCL (Reports on Crimes and Losses) regulations.

8. RELATED DOCUMENTS

Document Type	Document Code	Document Name
Policy		Promotion Policy
Policy		Probationary Employment and Regularization Policy
Policy		Information Security Policy
Policy		Data Privacy Manual
Policy		ILDC Policy
Policy		Code of Conduct
Guideline		LEAF Guideline
Guideline		RAF Guideline
Guideline		RCL Guideline

The Executive Committee shall be composed of five (5) members, with the Chairman of the Board as Chair, three (3) Directors serving for one year by rotation among the members of the Board, and one (1) representative from Management, as members. The Executive Committee shall meet in between meetings of the Board to act on such matters as may be assigned by the latter with confirmation at the next Board meeting.

4.7.3. Assets Disposal Committee (ADC)

The Asset Disposal Committee shall review strategies for the disposal of the Bank's acquired assets in a manner most beneficial to the Bank, and shall evaluate and approve the disposal and lease of such assets of the Bank, subject for Board approval in the case of huge assets.

The ADC shall be composed of at least three (3) Directors appointed by the Board of Directors who shall not be officers of the Bank proper.

4.7.4. Audit Committee

The Audit Committee shall monitor and evaluate the adequacy and effectiveness of the Bank's internal controls.

It shall be responsible for the setting-up of the internal audit department and for the appointment of the internal auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system.

The Committee shall assist the Board in the appointment/selection, remuneration, evaluation and promotion / dismissal of the Chief Audit Executive (CAE). It shall also ensure that the internal audit office has adequate resources and effectively oversee the risk-taking activities of the Bank.

It shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, majority of whom shall be independent directors including the Chairperson. The Committee's members, including its Chair, shall have accounting, auditing or related financial management expertise or experience commensurate with the size, complexity of operations and risk profile of the Bank.

4.7.5. Corporate Governance and Compliance Oversight Committee (CGCOC)

The Corporate Governance and Oversight Committee shall serve as the primary resource for the Board to study, evaluate and make recommendations about the structure, charter, policies and practices of the Board and its committees and to address issues of corporate governance, including the relationship with the different shareholders and the consumer as well. It shall ensure the review and evaluation of

AUDIT COMMITTEE CHARTER

1. PURPOSE[1]

1.1. The Audit Committee (AC) of the Philippine Veterans Bank (the Bank) was created by the Board of Directors to assist in fulfilling its oversight responsibilities with regards to the following:

1.1.1. Integrity of the Bank's financial statements and financial reporting process.
1.1.2. Adequacy and effectiveness of the Internal Control system.
1.1.3. Performance of the Internal and External Audit functions.
1.1.4. Implementation of corrective actions.
1.1.5. Investigation of significant issues/concerns raised.
1.1.6. Establishing whistleblowing mechanism.

2. AUTHORITY

2.1. The AC shall have explicit authority to conduct or authorize investigation into any matters within its scope of responsibility. It is empowered to:

2.1.1. Full access to properties, records and information.
2.1.2. Full access to and cooperation by management.
2.1.3. Full discretion to invite any director, executive officer, employees or external parties/counsel to attend its meeting and seek any information it requires.
2.1.4. Access to independent experts to assist them in carrying out its responsibilities.

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
AC	Audit Committee
BOD	Board of Directors
OBS	Office of the Board Secretary

4. POLICY STATEMENT

4.1 Basic Function

The Audit Committee is the Board's oversight body that oversees the financial reporting process, practices and controls in the Bank. It ensures that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.

4.2 Membership

[1] Approved by the Board of Directors on October 05, 2015

4.2.1 The Audit Committee shall be composed of at least three (3) members of the board of directors, who shall all be non-executive directors, majority of whom shall be independent directors, including the Chairperson.

4.2.2 The Chairperson of the Audit Committee shall not be the Chairperson of the board of directors or of any other board-level committees.

4.2.3 The Audit Committee members shall have accounting, auditing, or related financial management expertise or experience.

4.3. MEETINGS

4.3.1. The Committee shall meet every month prior to the Board of Directors meeting.

4.3.2. Special meetings may be convened as considered necessary by the Committee.

4.3.3. The Committee may hold joint meetings with other oversight committees, if necessary.

4.3.4. All Committee members are expected to attend each meeting, in person, or via telephone or video conference.

4.3.5. A majority of the members shall constitute a quorum.

4.3.6. The Committee may invite members of the management team or any Bank officer or employee, internal and external auditors to attend the meetings and to provide pertinent information as it deem necessary.

4.3.7. The Committee shall hold private meetings and executive sessions with the auditors.

4.3.8. The Office of the Board Secretary (OBS) shall coordinate with the Internal Audit Division the preparation of the agenda. Copies of the meeting agenda, along with appropriate briefing materials, shall be provided to the Committee members at least three (3) days prior to the meeting schedule.

4.3.9. The minutes of the meeting shall be prepared by the Committee Secretary, who shall be appointed by OBS, and shall finalize and circulate the minutes within 10 days after the Committee meeting.

4.4. DUTIES AND RESPONSIBILITIES

4.4.1. Financial Reporting Framework.

- **a.** Oversee the financial reporting process, practices and controls.
- **b.** Ensure that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.
- **c.** Monitors and evaluates the adequacy and effectiveness of the internal control system.
- **d.** Oversee the implementation of internal control policies and activities.
- **e.** Ensure that periodic assessment of the internal control system is conducted to identify the weaknesses.
- **f.** Evaluate the internal control robustness considering the risk profile and strategic direction.

4.4.2. Oversee the centralized internal audit function of the PVB group.

a. Appointment/selection, remuneration, and dismissal of internal auditor.
b. Ensure that the appointment of the Head of Internal Audit is confirmed by the SES Committee of the BSP.
c. Review and approve the annual audit plan, scope and budget of the Internal Audit Division.
d. Ensure that the audit plan covers the review of the effectiveness of the internal controls, including financial, operational and compliance controls, and risk management system.
e. Functionally meet with the Head of Internal Audit and such meetings shall be duly minuted and adequately documented.
f. Review and approve the performance and compensation of the head of internal audit.
g. Ensure that the Internal Audit Division maintains an open communication with Senior Management, the Audit Committee, External Auditors, and the Supervisory Authority.
h. Review discoveries of fraud and violations of laws and regulations as raised by the Internal Audit Division.
i. Select and oversee the performance of the internal audit service provider in accordance with the requirements of the regulator.

4.4.3. Oversee the External Audit function.

a. Review and approve the appointment, fees and replacement of external auditor.
b. Review and approve the engagement contract.
c. Ensure that the scope of audit covers areas specifically prescribed by the Bangko Sentral and other regulators.

4.4.4. Oversee implementation of corrective actions.

a. Receive and review key audit reports.
b. Ensure that senior management is taking necessary corrective actions in a timely manner to address the weaknesses, non-compliance with policies, laws, and regulations and other issues identified by auditors and other control functions.

4.4.5. Investigate significant issues/concerns raised.

a. Investigate any matter within its terms of reference.

4.4.6. Establish whistleblowing mechanism.

a. Establish and maintain mechanisms by which officers and staff shall, in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing, or other issues to persons or entities.

b. Take corrective actions on reported improprieties or malpractices.

c. Ensure that arrangements are in place for the independent investigation, appropriate follow-up action, and subsequent resolution of complaints.

4.5. REPORTING

6.1.1. The Committee shall submit monthly, or whenever necessary, to the Board of Directors reports such as but not limited to the following:

a. Committee's activities, issues and related recommendations.

b. Review of other reports the Bank's issues that relate to Committee responsibilities.

c. Summary reports of activities during the year.

4.6. OTHER RESPONSIBILITIES

4.6.1. Perform other activities related to this charter as requested by the Board of Directors.

4.6.2. Recommend special investigation that may arise from normal audit activities as needed.

4.6.3. Review and assess the adequacy of the committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

4.6.4. Confirm annually that all responsibilities outlined in this charter have been carried out.

4.6.5. Evaluate the committee's and individual member's performance on a regular basis.

4.7. ANNUAL CALENDAR OF ACTIVITIES

4.7.1. At least sixty (60) days before the Annual Stockholders' Meeting, the AC shall prepare and submit to the Board of Directors for its approval, its proposed annual calendar of activities, detailing both the recurring and transactional projects and activities of the Committee.

4.8. CHARTER REVIEW

4.8.1. This Charter shall be reviewed annually as to process, to ensure that it is adequate, effective and consistent with best practices in corporate governance. Any amendments to the Charter shall be endorsed to the Board for approval.

4.8.2. The AC shall review its performance on an annual basis by way of self-assessment. The Board of Directors shall likewise review the effectiveness and composition of the AC on an annual basis.

The Committee shall be composed of at least three (3) members, all of whom shall be independent directors.

4.7.12. Risk Management Oversight Committee (RMOC)

The Risk Management Oversight Committee shall assist the Board in fulfilling its responsibilities in managing the Bank's risk-taking activities. It shall advise the Board of the state of the Bank's risk profile and provide insights and propose the formulation of enhancement of programs, policies, directions and courses of action needed to address and manage the Bank's risk exposures.

The Committee shall be composed of at least three (3) members of the Board of Directors, majority of whom are non-executive directors and one independent director.

4.7.13. Trust Committee

The Trust Committee shall assist the Board in fulfilling its responsibilities to oversee the proper management and administration of trust and other fiduciary business of the Bank.

The Committee shall be composed of at least five (5) members including the President, Trust Officer and Non-Executive Directors who are appointed by the Board on an annual basis, or those considered at "independent professionals".

4.8. BOARD GOVERNANCE: OVERSIGHT OFFICERS, DUTIES AND RESPONSIBILITIES

The Board shall appoint Oversight Officers whose critical functions are to ensure that all business units adhere to the provisions of the regulatory bodies as well as to the Board approved charters, policies and procedures. They coordinate and report directly to the Board and to the Board Committees.

The minimum level for the Oversight Head shall be Vice President (VP).

4.8.1. Chief Compliance Officer (CCO)

The CCO is the lead senior officer in administering the compliance program of the Bank and interacting with the BSP on compliance related issues. He is vested with sufficient stature, seniority, independence and authority within the Bank including the

The Bank allows proactive steps to ensure that meetings run well. The Members of the Board shall attend and actively participate in all its regular and special meetings in person or through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the Director who is taking part in said meetings can participate in the deliberations on matters taken up therein. Every member of the board of directors shall participate in at least fifty percent (50%) and shall physically attend at least twenty-five percent (25%) of all meetings of the board of directors every year. The twenty-five percent (25%) physical attendance requirement is lifted during periods of national emergencies. public health emergencies' and major disasters, among others, that affect mobility, activity, and access to BSFIs.

Directors who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing or other alternative modes of communication that allow them reasonable opportunities to participate. However, directors cannot attend or vote by proxy at board meetings.

A director who intends to participate in a meeting through remote communication, he shall notify in advance the Presiding Officer and the Board Secretary of his intention. The Board Secretary shall note such fact in the Minutes of the meeting.

The Board Secretary shall issue internal guidelines for the conduct of meetings of the Board and Board Committees consistent with existing BSP and SEC regulations.

4.7. BOARD GOVERNANCE- BOARD COMMITTEES: DUTIES AND RESPONSIBILLITIES AND COMPOSITION

4.7.1. Board Committees

To support the effective performance of the Board's function and fulfill the principles of good corporate governance, the Bank shall constitute Committees as may be applicable.

All Committees shall have their respective Charters stating their respective purposes, memberships, duties and responsibilities, conduct of meetings and other relevant guidelines.

4.7.2. Executive Committee (ExeCom)

The ExCom is created by the Board to decide and implement courses of actions relevant to the Board of Directors. It has the power to direct the business of the Bank within powers and authority lawfully delegated to it by the Board of Directors, including the power to review and approve proposals and transactions related to credit in amounts within the limits of its delegated authority.

The Executive Committee shall be composed of five (5) members, with the Chairman of the Board as Chair, three (3) Directors serving for one year by rotation among the members of the Board, and one (1) representative from Management, as members. The Executive Committee shall meet in between meetings of the Board to act on such matters as may be assigned by the latter with confirmation at the next Board meeting.

4.7.3. **Assets Disposal Committee (ADC)**

The Asset Disposal Committee shall review strategies for the disposal of the Bank's acquired assets in a manner most beneficial to the Bank, and shall evaluate and approve the disposal and lease of such assets of the Bank, subject for Board approval in the case of huge assets.

The ADC shall be composed of at least three (3) Directors appointed by the Board of Directors who shall not be officers of the Bank proper.

4.7.4. **Audit Committee**

The Audit Committee shall monitor and evaluate the adequacy and effectiveness of the Bank's internal controls.

It shall be responsible for the setting-up of the internal audit department and for the appointment of the internal auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system.
The Committee shall assist the Board in the appointment/selection, remuneration, evaluation and promotion / dismissal of the Chief Audit Executive (CAE). It shall also ensure that the internal audit office has adequate resources and effectively oversee the risk-taking activities of the Bank.

It shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, majority of whom shall be independent directors including the Chairperson. The Committee's members, including its Chair, shall have accounting, auditing or related financial management expertise or experience commensurate with the size, complexity of operations and risk profile of the Bank.

4.7.5. **Corporate Governance and Compliance Oversight Committee (CGCOC)**

The Corporate Governance and Oversight Committee shall serve as the primary resource for the Board to study, evaluate and make recommendations about the structure, charter, policies and practices of the Board and its committees and to address issues of corporate governance, including the relationship with the different the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board of Directors.

CGCOC shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors and majority of whom, including the Chair, shall be independent directors.

The Committee shall be responsible for assisting the Board in the appointment/selection, remuneration, evaluation and dismissal of the Chief Compliance Officer (CCO). It shall also ensure that the compliance function has adequate resources to effectively oversee the compliance activities of the Bank as well as its relationship with the shareholders.

The Chief Compliance Officer, the Governance Officer and the Board Secretary shall serve as Resource Persons to the Committee, with the Office of the Board Secretary as the Committee Secretariat. The Office of Veterans Affairs is also invited to the Committee for a regular report on work done to ensure the participation of the big number of stockholder veterans. Office of the Customer Experience and Protection is also invited to give a regular update on customer feedback and complaints data base.

4.7.6. **Credit Committee (CreCom)**

The Credit Committee shall review and approve loan and credit applications within the authority granted by the Board of Directors as reflected in the Table of Assigned Limits of Authority. It shall evaluate and endorse to the Board, for approval, all policies and new products, services, and activities that involve credit.

It shall be composed of at least three (3) Directors appointed by the Board of Directors who are not officers of the Bank proper. A non-executive or independent Director can be a member but as a non-voting member to establish a formal and transparent procedure for developing credit policy.

4.7.7. **Human Resources Committee (HRCom)**

The Human Resources Committee shall review, report on and, if required, make a recommendation to the Board or Management on matters relating to Human Resource, Compensation policy and to establishment a plan of continuity of, and development of Senior Management for the Bank.

The Committee shall be composed of at least three (3) member of the Board of Directors (BOD). A non-executive or independent Director can be a non-voting member to establish a formal and transparent procedure for developing a policy on remuneration of Directors and Officers to ensure that compensation is consistent with the Bank's culture, strategies, and business environment in which it operates.

4.7.8. IT Steering Committee

The ITSC provides governance and oversight in the management of the Bank's IT resources. Its principal function is to ensure that IT strategies are consistent with the overall business objectives. As an extension of the Board, it shall supervise the IT Risk Management Program of the Bank and the development of policies, controls and specific accountabilities consistent with the Bank's IT Risk Management Framework. It shall regularly provide adequate information to the Board regarding overall IT performance, status of major projects and other significant issues related to IT risks.

The ITSC shall be composed of at least three (3) Directors appointed by the Board of Directors; one of which is a non-executive Board Director who oversees the institution's IT functions.

4.7.9. Nomination Committee

The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board consistent with the qualification and disqualification requirements set by the BSP. The Committee may utilize the services of professional search firms or other external sources to search for qualified candidates to the Board.

The Committee shall be composed of at least three (3) members of the Board, two of whom shall be independent directors.

4.7.10. Related Party Transactions Committee (RPT)

The RPT Committee shall assist the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders and RPTs are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged.

The Committee shall be composed of at least three (3) members comprised of (2) Independent Directors., including the Chairperson.

4.7.11. Remuneration Committee

The Remuneration Committee shall assist the Board of Directors in setting up a program of compensation and benefits for the Board and Senior Management that would attract the best talents in the industry. By periodically benchmarking with practices/offers in the industry, the Remuneration Committee shall monitor adequacy,

The Committee shall be composed of at least three (3) members, all of whom shall be independent directors.

4.7.12. Risk Management Oversight Committee (RMOC)

The Risk Management Oversight Committee shall assist the Board in fulfilling its responsibilities in managing the Bank's risk-taking activities. It shall advise the Board of the state of the Bank's risk profile and provide insights and propose the formulation of enhancement of programs, policies, directions and courses of action needed to address and manage the Bank's risk exposures.

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4.8.1. Chief Compliance Officer (CCO)

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Details of Board and Management Committees as of **June 29, 2022 (date of Organizational Meeting)**, with the following information:

	Board	**ExCom**	**Assets Disposal Committee**	**Audit Committee**	**Corporate Governance Oversight Committee**	**Credit Committee**	**Human Resources Committee**	**IT Steering Committee**	**Related Party Transaction Committee**	**Risk Management Oversight Committee**	**Trust Committee**	**Remuneration Committee**	**Nomination Committee**
Number/Composition of Committee Members	11	7	4	4	4	5	5	7	4	5	6	4	4
Frequency of Meeting	monthly	No meeting since 2020	monthly	monthly	monthly	monthly	monthly	monthly	monthly	monthly	Quarterly or as needed	quarterly or as needed	once a year or as needed
Name of Member:													
1. Chairman Roberto F. De Ocampo	x	x											
2. Vice Chairman Guillermo L. Parayno, Jr.	x	x					x	x				x	x
3. President Renato A. Claravall	x	x				x	x				x		
4. Gerardo Manuel Luis B. Anonas	x	x	x			x	x			x			
5. Francisco S. Magsajo, Jr.	x	x	x			x		x		x	x		
6. Michael Democrito C. Mendoza	x		x			x	x						
7. Jose A. Nunez, Jr. (Ind. Dir.)	x	x		x	x	x			x	x		x	
8. Percianita G. Racho	x			x	x			x	x				x
9. Cesar A. Rubio (Ind. Director)	x	x		x	x			x	x	x		x	

10. Ma. Cecilia G. Soriano (Ind. Director)	x			x			x			x			x
11. Reynaldo V. Velasco (Ind. Director)	x		x		x				x		x	x	x
								Camille Maricelle M. Canullas Jose Noel L. Cadiena Edwin T. Amahan Oversight Officers: Advisors/Resource Persons (Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer and Corporate Governance Officer)			Roberto S. Vergara (Trust Officer) Ind. Trust Professionals: Regina Paz Goco-Morales Karen Liza M. Roa		

Independent Directors
1. Jose A. Nuñez, Jr. – *Lead Independent Director*
2. Cesar A. Rubio
3. Ma. Cecilia G. Soriano
4. Reynaldo V. Velasco

Audit Committee

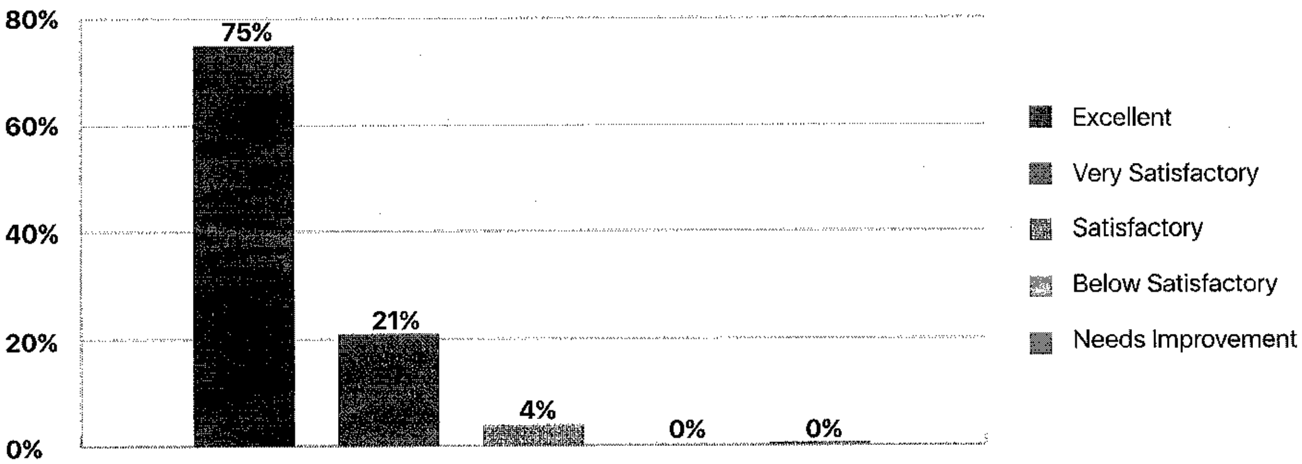
The Audit Committee (ACom) is the Board's oversight body that oversees the financial reporting process, practices, and controls in the Bank. It ensures that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Judith V. Lopez (Chair) 0 1	10	10	100%
Ma. Nieves R. Confesor 0 1	10	9	90%
Percianita G. Racho	17	16	94%
Cesar A. Rubio 0 (Chair) 2	17	17	100%
Jose A. Nunez, Jr. 0 2	7	5	71%
Ma. Cecilia G. Soriano 0 2	7	7	100%

0 Independent Director (ID)
1 Assumed until June 29, 2022
2 Assumed on June 29, 2022

Consumer Experience and Protection Dashboard

Customer Satisfaction (CSAT) Survey Report FY 2022



PVB's primary focus is customer satisfaction and delivering the best possible service. Over the past five years, since the survey's inception, we have consistently received outstanding evaluations from our customers. In 2022, PVB collected a total of 239 surveys, with an impressive 75% rating of excellence and 21% rating of very satisfactory. These results clearly demonstrate that customers have responded positively to the services we provide, despite a small percentage (4%) rating it as average. Rather than resting on these positive ratings, we remain committed to continuously improving our customer service efforts.

Dr. Roberto F. De Ocampo, OBE
Chairman
77, Filipino

Dr. Roberto F. De Ocampo, OBE, a son of a WWII veteran, was the former Secretary of Finance of the Philippines, and became the first Filipino to receive the most internationally prestigious award to Finance Ministers Worldwide, the "Global Finance Minister of the Year" award from Euromoney in 1995. In 1996, Euromoney named him "Asian Finance Minister of the Year." In 1997, he was again recognized as Asian Finance Minister of the Year, this time by Asiamoney Magazine.

He is known nationally and internationally for public and international finance, having been Chairman of the APEC and ASEAN Finance Ministers (at the onset of the Asian financial crisis) whose meetings he chaired and resulted in the landmark Manila Framework that prescribed the steps to exit the crisis. He was also a member of the Boards of Governors of the World Bank, the International Monetary Fund, and the Asian Development Bank.

He was Secretary of Finance (1994-1998) during the presidency of Fidel V. Ramos, and was widely recognized as the principal architect of the resurgence of the Philippine economy whose achievement was hailed by the international finance community.

He is the past president of the Asian Institute of Management having retired from that position in May 2006, and until recently was a member of the AIM Board of Trustees.

Prior to these posts, he also served as Chairman and CEO of the Development Bank of the Philippines (DBP) and led its rehabilitation. This earned DBP the recognition from the prestigious international The Banker magazine as one of the "world's soundest banks" during his tenure. As Secretary of Finance he was also concurrently Chairman of the Land Bank of the Philippines.

Dr. De Ocampo is a recipient of many international and national honors. In September 2001, he was named to the Ordre National de la Legion d' Honneur by the Republic of France with the rank of Chevalier for his successful efforts and initiatives to promote closer Philippine-France relations. On the occasion of the Queen's Diamond Jubilee, he was conferred by Her Majesty Queen Elizabeth II the Most Excellent Order of the British Empire (OBE) for his outstanding efforts in promoting Philippine-UK relations during his years in public service, and in his capacity as Chairman of the British Alumni Association. More recently, he was conferred by the Vatican as a knight of the Equestrian Order of the Holy Sepulchre of Jerusalem.

He has also been awarded the Philippine Legion of Honor, the highest honor conferred on Filipino civilians by the Republic of the Philippines in 1998 for his outstanding contributions to the country. He is one of the first ASEAN members of the Trilateral Commission, an international think-tank of distinguished global leaders and was also the first recipient of the Man of the Year Award from the Association of Development Finance Institutions of Asia Pacific (ADFIAP). He is a founding Partner of a Global Advisory Group (Centennial Group) based in Washington D.C. and is a Founding Director of the Global Economic Forum: The Emerging Markets Forum. He is the first Asian to be elected to the Board of the Global Reporting Initiative (GRI) which is the global authority on Sustainability Reporting based in Amsterdam.

Dr. De Ocampo was 1975 Ten Outstanding Young Men (TOYM) awardee in the field of National Economic Development for pioneering the Philippine rural electrification program. He had been cited as one of the 500 Great Asians in 2001 and a recipient of several Baron's Who's Who awards. In 2004, he was elected to the Board of Advisors of the Conference Board, one of the world's leading authorities in international business economics (based in New York). In 2006, he was conferred with the Asian Human Resources Development Award by the Asia HRD Congress.

At present, he Chairs the Board Advisers of the RFO Center for Public Finance & Regional Economic Cooperation, an ADB Regional Knowledge Hub. He is also the present Chairman of Intervest Projects, Inc. and Intervest Insurance Agency, Inc., wholly owned subsidiaries of Veterans Bank. In addition he chairs five other organizations and is a board member of several publicly listed and non-listed companies and institutions.

Guillermo L. Parayno Jr.
Vice Chairman
75, Filipino

- Current Director, Metro Retail Stores Group, Inc.
- Current Chairman: E-Konek Pilipinas; Bagong Silang Farms, Inc.; and Parayno Consultancy Services
- Commissioner, Bureau of Customs, 1992-1998
- Commissioner, Bureau of Internal Revenue, 2002-2005
- Co-Chairman, Lina Group of Companies, 1999-2002
- PMA Alumni Cavalier Awardee for outstanding accomplishments in Public Administration
- Outstanding Professional of the Year by the Professional Regulatory Commission of the Philippines
- Economic Warrior Award of the Department of Finance
- Bachelor of Science degree, Magna Cum Laude, Philippine Military Academy
- Masters in Psychology, University of the Philippines
- Computer Programming, National Computer Center
- Master of Business Management, Asian Institute of Management

Renato A. Claravall
President & Chief Operating Officer
71, Filipino

- Director, Philippine Veterans Bank (2015-2018)
- Senior Vice President and Chief Finance Officer (CFO), Benguet Corporation, 2010-2015 (retired)
- Director, various wholly owned companies of Benguet Corporation
- Senior Management positions in various financial institutions, 1997-2010
- Deputy General Manager, Bank of Boston Manila Offshore Branch, 1984-1997
- Senior Manager, Union Bank of the Philippines, 1979-1984
- Bachelor of Arts in Economics, Ateneo De Manila University

Percianita G. Racho
Non-Executive Director
65, Filipino

- Regional Chairman, Girl Scout of the Philippines (GSP) Eastern Mindanao Region, July 2021-2024
- President, GSP Agusan Council, 2018-June 2021
- Consultant, Office Cong. Angel Amante Matba Representative, 2nd District Agusan Del Norte
- Provincial Administrator, Agusan del Norte, 2009-2015
- Former Mayor, Municipality of Buenavista, Agusan del Norte, 2001-2004
- Assistant Legal Officer, Agusan del Norte, 1998-2001
- Former Vice Mayor, Municipality of Buenavista, Agusan del Norte, 1992-1995
- Former National President of the VFP - Sons & Daughters Association, Inc. (VFP-SDAI)
- Bachelor of Laws, University of Bohol, 1980 – 1984
- AB Political Science, University of Bohol, 1976 – 1980

Jose A. Nuñez, Jr.
Independent Director
70, Filipino

- Former Chairman, Development Bank of the Philippines
- Vice-Chairman, Unicapital Securities, Inc.
- Director, Unicapital, Inc.
- Director, Unicapital Finance, Inc.
- Director and Treasurer - Universal LRT Corp, Ltd.; Agus 3 Hydro Corp.; ULCOM Company; Bukidnon Hydro Electric Corp.; Lear Aero Ltd. Inc.; Tranzen Group, Inc.; La Costa Development Corporation, Inc.
- Former Vice-Chairman, Amanah Islamic Bank
- Former Director, Philippine Veterans Bank – 2000-2010
- Former Vice Chairman and CEO, Federal Savings Bank
- Former Chairman and President, Asian Express Money Services Corp.
- Former Chairman, SB Cards Corp.
- Former President, Security Diners International Corp.
- MBA Candidate, Ateneo De Manila University
- Bachelor of Arts major in Economics, Xavier University

Gerardo Manuel Luis B. Anonas
Director
65, Filipino

- Appointed Director of Veterans Bank in September 2017
- President, Optimum Development Bank, 2015-2017
- Executive Vice President, East West Banking Corp., 1998-2006
- Executive Vice President, Philippine Banking Corp., 1994-1998
- Senior Vice President, Urban Bank, 1991-1994
- Masters in International Business, Shiller International University Paris Study Center
- Bachelor of Science in Management, Ateneo de Manila University

Francisco S. Magsajo
Director
75, Filipino

- Elected Director of the Bank in April 2019
- Director, Philippine Savings Bank
- Director Metrobank Card Corporation
- Director, First Metro Investment Corp. (FMIC)
- Former President & COO, Rizal Commercial Banking Corporation
- Former President & CEO, RCBC Savings Bank
- Former President & CEO, Philippine Export-Import Credit Corporation
- Former Executive Vice President, Philippine National Bank
- Former Managing Director, PNB International Finance, Ltd, HK
- Former Director, PNB Remittance Corp, USA
- Former Banking Consultant, Allied Banking Corporation
- Advanced Bank Mgmt. Program, Wharton School of Econ, University of Pennsylvania
- Education: Bachelor of Science in Economics, Lyceum of the Philippines

Cesar A. Rubio
Independent Director
76, Filipino

- Former EVP-CFO, United Coconut Planters Bank
- Former Director - UCPB Savings Bank; UCPB Securities; UCPB Leasing and Finance; UCPB Foreign Exchange Corporation
- Former Chairman, UCPB Condominium Corp., Master Caterers, Inc.
- Former EVP, RCBC Corporate Planning Group
- Former AVP Metrobank
- Attended Citibank Executive Training Program prior to becoming Credit and Account Officer
- Past Director, Financial Executive Institute of the Philippines (FINEX)
- Past Treasurer and Member of the Board of Trustees, FINEX Foundation
- Past Director, Makati Sports Club, Inc.
- Masters in Business Management, Asian Institute of Management
- Pacific Rim Bankers Program, University of Washington
- Certified Public Accountant, Professional Regulatory Commission
- Bachelor of Science in Commerce major in Accounting, De La Salle University

Michael Democrito C. Mendoza
Director
61, Filipino

- Vice-Chairman, Multi-Sectoral Advisory Board - VISCOM AFP, 2017
- Vice-President, Trade Union Congress of the Philippines (TUCP), 2012
- National President, Associated Labor Unions (ALU)
- National President, Associated Philippine Seafarers Union (APSU)
- Former Commissioner, Cebu Port Authority
- Bachelor of Laws, Southwestern University
- AB Political Science, University of the Philippines Cebu

Ma. Cecilia G. Soriano, Ph.D.
Independent Director
66, Filipino

- Independent Consultant of DBM, DOF, NEDA, DILG, WB, ADB, JICA
- Member, Board of Trustees – Foundation for Economic Freedom (FEF)
- Founding Member, Steering Committee, AguaJaring (SEA Capacity Building Network for IWRM)
- Co-Founder and President, Philippine Capacity Building Network for IWRM (PhilCapNet)
- Former Member, Board of Trustees, Metropolitan Waterworks and Sewerage System (MWSS), 2011-2016
- Former Program Director for Professional Development Program, Department of Finance (DOF), 2011-2013
- Former Advisor to the Executive Director for Brazil, Columbia and the Philippines in World Bank (WB), Washington DC, 1992-1994
- Former Undersecretary of Finance – DOF, 1995-1998 ; 1991–1992
- Held various positions in the International Finance Group of the DOF, 1986-1991
- Ph.D in Economics, University of California at Berkeley
- Bachelor of Science in Management Engineering, Ateneo De Manila University, Magna cum Laude and Valedictorian

PLTGEN. Reynaldo V. Velasco Ph.D., (RET)
Independent Director
74, Filipino

- Former Administrator, Metropolitan Waterworks and Sewerage System (MWSS) 2017 - 2021
- Former Chairman, Board of Trustees, MWSS 2019 -2021
- Former Municipal Mayor, Sta. Barbara Pangasinan 2007 - 2010
- Former PNP Deputy Chief for Operations and Administration 2004 - 2005
- Former Executive Director, Philippine Center on Transnational Crime (PCTC)
- Former Regional Director, NCRPO
- Former Director, Philippine National Police Region Office (PNP NCRPO)
- Former Trustee, AFP Savings & Loans, Inc. 2001 -2003
- Former Board of Director, Public Safety Mutual Benefit Fund Inc. 2001 – 2002
- Former Board of Director, AFP Mutual Benefit Association Inc. 2004 - 2005
- Doctor of Philosophy, Bicol University 2003
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- Bachelor of Science, Philippine Military Academy 1967 - 1971
- Bachelor of Science in Chemical Engineering, Mapua Institute of Technology Manila 1965 - 1967

Atty. Jocelyn Grace N. Navato
Board Secretary and concurrent Acting Chief Governance Officer
51, Vice President

- Joined PVB on November 1, 2021
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- Former head of Credit Department, RCBC Leasing and Finance Corporation
- Former Assistant Corporate Secretary of Rizal Commercial Banking Corporation
- Former Corporate Secretary of Rizal Microbank, Inc., RCBC Leasing and Finance Corporation, and RCBC Rental Corporation
- Former Chief of Staff of Board Trustee Karina Constantino-David – Government Service Insurance System
- Former head of HR/General Services/Secretariat in Bank of Tokyo – Mitsubishi UFJ, Ltd. (now MUFG Bank)
- Former Bank Security Officer of Bank of Tokyo – Mitsubishi UFJ, Ltd. (concurrent)
- Former Commonwealth Business Area Head of Maynilad Water Services Inc.
- Bachelor of Laws - College of Law, University of the Philippines, Diliman
- Bachelor of Arts in Mass Communications (major in Communications Research) – College of Mass Communications, University of the Philippines, Diliman

Dr. Roberto F. De Ocampo, OBE
Chairman
77, Filipino

Dr. Roberto F. De Ocampo, OBE, a son of a WWII veteran, was the former Secretary of Finance of the Philippines, and became the first Filipino to receive the most internationally prestigious award to Finance Ministers Worldwide, the "Global Finance Minister of the Year" award from Euromoney in 1995. In 1996, Euromoney named him "Asian Finance Minister of the Year." In 1997, he was again recognized as Asian Finance Minister of the Year, this time by Asiamoney Magazine.

He is known nationally and internationally for public and international finance, having been Chairman of the APEC and ASEAN Finance Ministers (at the onset of the Asian financial crisis) whose meetings he chaired and resulted in the landmark Manila Framework that prescribed the steps to exit the crisis. He was also a member of the Boards of Governors of the World Bank, the International Monetary Fund, and the Asian Development Bank.

He was Secretary of Finance (1994-1998) during the presidency of Fidel V. Ramos, and was widely recognized as the principal architect of the resurgence of the Philippine economy whose achievement was hailed by the international finance community.

He is the past president of the Asian Institute of Management having retired from that position in May 2006, and until recently was a member of the AIM Board of Trustees.

Prior to these posts, he also served as Chairman and CEO of the Development Bank of the Philippines (DBP) and led its rehabilitation. This earned DBP the recognition from the prestigious international The Banker magazine as one of the "world's soundest banks" during his tenure. As Secretary of Finance he was also concurrently Chairman of the Land Bank of the Philippines.

Dr. De Ocampo is a recipient of many international and national honors. In September 2001, he was named to the Ordre National de la Legion d' Honneur by the Republic of France with the rank of Chevalier for his successful efforts and initiatives to promote closer Philippine-France relations. On the occasion of the Queen's Diamond Jubilee, he was conferred by Her Majesty Queen Elizabeth II the Most Excellent Order of the British Empire (OBE) for his outstanding efforts in promoting Philippine-UK relations during his years in public service, and in his capacity as Chairman of the British Alumni Association. More recently, he was conferred by the Vatican as a knight of the Equestrian Order of the Holy Sepulchre of Jerusalem.

He has also been awarded the Philippine Legion of Honor, the highest honor conferred on Filipino civilians by the Republic of the Philippines in 1998 for his outstanding contributions to the country. He is one of the first ASEAN members of the Trilateral Commission, an international think-tank of distinguished global leaders and was also the first recipient of the Man of the Year Award from the Association of Development Finance Institutions of Asia Pacific (ADFIAP). He is a founding Partner of a Global Advisory Group (Centennial Group) based in Washington D.C. and is a Founding Director of the Global Economic Forum: The Emerging Markets Forum. He is the first Asian to be elected to the Board of the Global Reporting Initiative (GRI) which is the global authority on Sustainability Reporting based in Amsterdam.

Dr. De Ocampo was 1975 Ten Outstanding Young Men (TOYM) awardee in the field of National Economic Development for pioneering the Philippine rural electrification program. He had been cited as one of the 500 Great Asians in 2001 and a recipient of several Baron's Who's Who awards. In 2004, he was elected to the Board of Advisors of the Conference Board, one of the world's leading authorities in international business economics (based in New York). In 2006, he was conferred with the Asian Human Resources Development Award by the Asia HRD Congress.

At present, he Chairs the Board Advisers of the RFO Center for Public Finance & Regional Economic Cooperation, an ADB Regional Knowledge Hub. He is also the present Chairman of Intervest Projects, Inc. and Intervest Insurance Agency, Inc., wholly owned subsidiaries of Veterans Bank. In addition he chairs five other organizations and is a board member of several publicly listed and non-listed companies and institutions.

Guillermo L. Parayno Jr.
Vice Chairman
75, Filipino

- Current Director, Metro Retail Stores Group, Inc.
- Current Chairman: E-Konek Pilipinas; Bagong Silang Farms, Inc.; and Parayno Consultancy Services
- Commissioner, Bureau of Customs, 1992-1998
- Commissioner, Bureau of Internal Revenue, 2002-2005
- Co-Chairman, Lina Group of Companies, 1999-2002
- PMA Alumni Cavalier Awardee for outstanding accomplishments in Public Administration
- Outstanding Professional of the Year by the Professional Regulatory Commission of the Philippines
- Economic Warrior Award of the Department of Finance
- Bachelor of Science degree, Magna Cum Laude, Philippine Military Academy
- Masters in Psychology, University of the Philippines
- Computer Programming, National Computer Center
- Master of Business Management, Asian Institute of Management

Renato A. Claravall
President & Chief Operating Officer
71, Filipino

- Director, Philippine Veterans Bank (2015-2018)
- Senior Vice President and Chief Finance Officer (CFO), Benguet Corporation, 2010-2015 (retired)
- Director, various wholly owned companies of Benguet Corporation
- Senior Management positions in various financial institutions, 1997-2010
- Deputy General Manager, Bank of Boston Manila Offshore Branch, 1984-1997
- Senior Manager, Union Bank of the Philippines, 1979-1984
- Bachelor of Arts in Economics, Ateneo De Manila University

Percianita G. Racho
Non-Executive Director
65, Filipino

- Regional Chairman, Girl Scout of the Philippines (GSP) Eastern Mindanao Region, July 2021-2024
- President, GSP Agusan Council, 2018-June 2021
- Consultant, Office Cong. Angel Amante Matba Representative, 2nd District Agusan Del Norte
- Provincial Administrator, Agusan del Norte, 2009-2015
- Former Mayor, Municipality of Buenavista, Agusan del Norte, 2001-2004
- Assistant Legal Officer, Agusan del Norte, 1998-2001
- Former Vice Mayor, Municipality of Buenavista, Agusan del Norte, 1992-1995
- Former National President of the VFP - Sons & Daughters Association, Inc. (VFP-SDAI)
- Bachelor of Laws, University of Bohol, 1980 – 1984
- AB Political Science, University of Bohol, 1976 – 1980

Jose A. Nuñez, Jr.
Independent Director
70, Filipino

- Former Chairman, Development Bank of the Philippines
- Vice-Chairman, Unicapital Securities, Inc.
- Director, Unicapital, Inc.
- Director, Unicapital Finance, Inc.
- Director and Treasurer - Universal LRT Corp, Ltd.; Agus 3 Hydro Corp.; ULCOM Company; Bukidnon Hydro Electric Corp.; Lear Aero Ltd. Inc.; Tranzen Group, Inc.; La Costa Development Corporation, Inc.
- Former Vice-Chairman, Amanah Islamic Bank
- Former Director, Philippine Veterans Bank – 2000-2010
- Former Vice Chairman and CEO, Federal Savings Bank
- Former Chairman and President, Asian Express Money Services Corp.
- Former Chairman, SB Cards Corp.
- Former President, Security Diners International Corp.
- MBA Candidate, Ateneo De Manila University
- Bachelor of Arts major in Economics, Xavier University

Gerardo Manuel Luis B. Anonas
Director
65, Filipino

- Appointed Director of Veterans Bank in September 2017
- President, Optimum Development Bank, 2015-2017
- Executive Vice President, East West Banking Corp., 1998-2006
- Executive Vice President, Philippine Banking Corp., 1994-1998
- Senior Vice President, Urban Bank, 1991-1994
- Masters in International Business, Shiller International University Paris Study Center
- Bachelor of Science in Management, Ateneo de Manila University

Francisco S. Magsajo
Director
75, Filipino

- Elected Director of the Bank in April 2019
- Director, Philippine Savings Bank
- Director Metrobank Card Corporation
- Director, First Metro Investment Corp. (FMIC)
- Former President & COO, Rizal Commercial Banking Corporation
- Former President & CEO, RCBC Savings Bank
- Former President & CEO, Philippine Export-Import Credit Corporation
- Former Executive Vice President, Philippine National Bank
- Former Managing Director, PNB International Finance, Ltd, HK
- Former Director, PNB Remittance Corp, USA
- Former Banking Consultant, Allied Banking Corporation
- Advanced Bank Mgmt. Program, Wharton School of Econ, University of Pennsylvania
- Education: Bachelor of Science in Economics, Lyceum of the Philippines

Cesar A. Rubio
Independent Director
76, Filipino

- Former EVP-CFO, United Coconut Planters Bank
- Former Director - UCPB Savings Bank; UCPB Securities; UCPB Leasing and Finance; UCPB Foreign Exchange Corporation
- Former Chairman, UCPB Condominium Corp., Master Caterers, Inc.
- Former EVP, RCBC Corporate Planning Group
- Former AVP Metrobank
- Attended Citibank Executive Training Program prior to becoming Credit and Account Officer
- Past Director, Financial Executive Institute of the Philippines (FINEX)
- Past Treasurer and Member of the Board of Trustees, FINEX Foundation
- Past Director, Makati Sports Club, Inc.
- Masters in Business Management, Asian Institute of Management
- Pacific Rim Bankers Program, University of Washington
- Certified Public Accountant, Professional Regulatory Commission
- Bachelor of Science in Commerce major in Accounting, De La Salle University

Michael Democrito C. Mendoza
Director
61, Filipino

- Vice-Chairman, Multi-Sectoral Advisory Board - VISCOM AFP, 2017
- Vice-President, Trade Union Congress of the Philippines (TUCP), 2012
- National President, Associated Labor Unions (ALU)
- National President, Associated Philippine Seafarers Union (APSU)
- Former Commissioner, Cebu Port Authority
- Bachelor of Laws, Southwestern University
- AB Political Science, University of the Philippines Cebu

Ma. Cecilia G. Soriano, Ph.D.
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- Former Chief of Staff of Board Trustee Karina Constantino-David – Government Service Insurance System
- Former head of HR/General Services/Secretariat in Bank of Tokyo – Mitsubishi UFJ, Ltd. (now MUFG Bank)
- Former Bank Security Officer of Bank of Tokyo – Mitsubishi UFJ, Ltd. (concurrent)
- Former Commonwealth Business Area Head of Maynilad Water Services Inc.
- Bachelor of Laws - College of Law, University of the Philippines, Diliman
- Bachelor of Arts in Mass Communications (major in Communications Research) – College of Mass

CHARTER OF THE CORPORATE GOVERNANCE AND COMPLIANCE OVERSIGHT COMMITTEE (CGCOC)

1. PURPOSE

The Corporate Governance and Compliance Oversight Committee (CGCOC) is mandated to assist the Board in fulfilling its corporate governance and compliance functions and in providing oversight in the effective implementation of the Bank's corporate governance and compliance systems/programs across the Bank organization. This Charter sets out the mandate, scope, and working procedures of the Committee that cuts across all sections or units of the Bank.

2. SCOPE

The Charter covers all sections or units of the Bank to ensure that policies, procedures, and actions are adequate, effective, and consistent with the best practices in corporate governance.

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
BOD	Board of Directors
CGCOC	Corporate Governance and Compliance Oversight Committee
CGO	Corporate Governance Officer
HCD	Head of Compliance Division
OBS	Office of the Board Secretary

4. POLICY STATEMENT

4.1. **Basic Functions**

4.1.1. Develops, reviews and oversees the effective implementation of the Bank's Corporate Governance and Compliance program, policies and procedures to ensure that the Bank's risk exposures relative to corporate governance and compliance are mitigated through proper identification, monitoring, reporting and resolution of the same.

4.1.2. Reports to the Board the state of the Bank's Corporate Governance and Compliance profile and provide insights and propose the formulation or enhancement of programs, policies, directions and courses of action needed to address and manage the Bank's risk exposures. The CGCOC shall be provided with sufficient authority, independence, resources/logistics and budget support to carry out its responsibilities.

4.1.3. Oversees the implementation of the risk governance framework and the systems of checks and balances.

4.2. Membership

4.2.1. **Committee Membership**

a. The Committee shall be composed of at least three (3) members of the Board of Directors (BOD), who shall all be Non-Executive Director (NED), majority of whom shall be Independent Director (ID) including the Chairperson.
b. The Board may appoint may appoint members outside of the Board but within the bank organization and without voting rights.

4.2.2. **Non-executive Director**

a. Non-executive directors shall refer to those who are not part of the day to day management of operations and shall include the independent directors. However, not all non-executive directors are considered independent directors.
b. Non-executive board members shall meet regularly, other than meetings of the audit, risk oversight, corporate governance, and related party transactions committees, in the absence of senior management, with the external auditor and heads of the internal audit, compliance and risk management functions.

4.2.3. **Lead Independent Director**

a. A Lead Independent Director shall be appointed in cases where the positions of Chairperson of the Board of Directors and CEO are allowed to be held by one (1) person as approved by the BSP Monetary Board.
b. The Lead Independent Director shall be appointed among the Independent Directors of the Bank.
c. The functions of the Lead Independent Director are:
   i. Supports the Chairman of the Board.
   ii. Serves as intermediary between the Chairman, the Board and the Board Stakeholders and in cases where Management has clear conflict of interest
   iii. Convenes and Chair meetings of Independent Directors and Non-Executive Directors.
   iv. Contributes to the Performance evaluation of the Chairman, as required.
   v. Leads the Independent Directors at the Board meetings in raising queries and pursuing matters.
   vi. Ensures the nomination and succession of the Chairman of the Board.
   vii. Ensures that the regular external board evaluation is undertaken.

4.2.4. **Corporate Governance Officer**

a. A Corporate Governance Officer shall be appointed by and be under the Corporate Governance and Compliance Oversight Committee. The Corporate Governance Officer shall report directly to the Committee and assist the Committee on corporate governance matters of the Bank.

b. The Corporate Governance Officer shall oversee, promote and ensure that accountability, fairness, and transparency in the Bank's relationship with its board, stockholders, customers, management, employees, regulators and the government are effectively implemented.

c. The Corporate Governance Officer shall assist the Committee in ensuring that the Board approves an organizational structure that clearly defines reporting lines and scope of accountability, reflects the independence of control function, indicates the actual operating framework and involves periodic update and review. He shall likewise ensure that the Bank maintains a constructive working relationship with regulatory/supervisory agencies by adopting a cooperative stance toward the said regulator/supervisor.

d. The Corporate Governance Officer, together with the Committee, shall advocate the establishment of an effective system wherein complaints/concerns are received and addressed by Management, and a database for the same is maintained. He shall likewise make sure that the Board is duly informed of critical cases involving the Bank.

e. The effective cascade of the Bank's overall objectives and strategies by Management to the employees shall be one of the main thrusts of the Corporate Governance Officer. This, in turn, would raise the employees' level of awareness of the impact of their specific function in achieving the overall goal of the Bank in one hand, and, on the other hand, make them aware of the specific risks arising from the processes they are involved in.

f. The Corporate Governance Officer shall be independent from the Compliance Department, as well as executive functions and business line responsibilities, operations, and revenue-generating functions. He/she shall have direct access to the Board of Directors, CGCOC and all the Bank Committees, President/Chief Operations Officer, the Chairman/Chief Executive Officer, and Senior Management to discuss and report any governance related issues. He/she shall be provided with necessary trainings and have ready access to information as he deems necessary to effectively carry out his/her responsibilities.

g. The Corporate Governance Officer shall be the lead facilitator of the Integrity Upholding Mechanism (Whistleblowing) of the Bank (with reference to the Integrity Upholding Policy). He/she shall be in close coordination with the Head of the Consumer Experience and Protection on the implementation and cascading of the mechanism.

4.2.5. Head of Compliance Division

a. The Head of Compliance Division (HCD), inclusive of the Compliance Division's personnel and staff under him/her, shall report directly to the Corporate Governance and Compliance Oversight Committee.

b. The HCD shall oversee and design the appropriate compliance system, promote its effective implementation and ensure that material breaches and major failures on the same are promptly addressed and reported to the CGCOC and/or the BOD such as, among others, failure that may attract significant risk of legal or regulatory sanctions or enforcement actions, whether monetary or non-monetary, material financial loss and risks to reputation that may damage the bank's market standing.

c. The HCD shall also be responsible for ensuring the integrity and accuracy of all documentary submissions to the BSP.

d. As the lead Senior Officer for purposes of administering the Bank's compliance program and interacting with BSP on compliance related issues, the HCD shall be vested with sufficient stature, seniority, independence and authority within the Bank including the ability to conduct investigations for breaches of the compliance policy and ensure that remedial or disciplinary action is taken in a timely manner.

e. The HCD shall be independent from executive functions and business line responsibilities, operations, and revenue-generating functions. He shall have direct access to the Board of Directors, CGCOC and all the Bank Committees, President & Chief Executive Officer and other Senior Management to discuss and report any business and compliance risk related issues. The HCD shall be provided with necessary training, adequate logistical support and resources and shall have ready access to information and personnel as he deems necessary to effectively carry out his responsibilities.

4.2.6. **Resource Persons**

a. The Corporate Governance Officer and the Head of Compliance Division, and the Office of the Board Secretary shall assist the Committee as its Chief Resource Persons together with the Chief Risk Officer and the Chief Internal Auditor (collectively the "Oversight Officers"), all of whom shall be independent from the business activities of the Bank. These Oversight Officers and their respective units shall have the authority to communicate, investigate and report to Senior Management, CGCOC and/or other Board committees and the Board any possible breach or material information relative to the discharge of their functions. Where appropriate, the CGCOC shall have access to external expert advice, particularly in relation to proposed strategic transaction/s, such as mergers and acquisitions.

b. The Office of the President, through the Customer Experience and Protection Division, shall assist the Committee by reporting the implementation of the Bank's consumer protection regulations and mechanism to ensure Bank's compliance.

4.3. **Duties and Responsibilities**

4.3.1. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy.

4.3.2. Reviews and approves the Bank's Corporate Governance and Compliance programs, policies and oversee their effective implementation.

4.3.3. Reviews and evaluates the effectiveness of the Bank's Corporate Governance and Compliance program particularly in identifying, measuring, monitoring, reporting and controlling the relative Corporate Governance and Compliance risk exposures.

4.3.4. Oversees compliance with relevant banking laws, regulations, circulars, policies and procedures including Anti-Money Laundering Laws, rules and regulations and the relative internal policies and ensure compliance risks/issues are resolved expeditiously.

4.3.5. Sets up the Compliance Division whose Division Head (inclusive of staff)shall report directly to the CGCOC and whose designation/hiring, remuneration and performance shall be evaluated and approved by this Committee in consultation with the President/COO acting as the Oversight Officers' Administrative Officer.

4.3.6. Appoints the Corporate Governance Officer who shall report directly to the CGCOC and whose designation/hiring, remuneration and performance shall be evaluated and approved by the CGCOC in consultation with the President/COO acting as the Corporate Governance Officer's Administrative Officer.

4.3.7. Adopts internal guidelines that address conflict of interest, DOSRI transactions and code of conduct and discipline of Bank Directors and employees and make recommendations to the Board of Directors.

4.3.8. Oversees transactions involving Directors and Officers which may present potential conflict of interest and compromise Board approved limits/policies and oversee Management's compliance with BSP Directives/ROE and implementation of the actions taken/to be taken to address the same.

4.3.9. Evaluates, assesses and acts on the reports of the Corporate Governance Officer, Head of Compliance Division and other management reports on current Governance and Compliance related issues/risks and, whenever necessary, render decisions and/or provide insights, courses of action or directives to concerned units/officers who shall immediately act to control or mitigate potential or actual risk exposures.

4.3.10. Monitors and reviews action taken by concerned officers on its directives and decisions to address the governance and compliance risk exposures and recommend the appropriate sanctions under the Bank's Code of Ethics and Discipline.

4.3.11. Promotes the effective implementation and continuous development of Corporate Governance and Compliance programs, infrastructure, and training of Bank Directors, Officers and Employees with the Bank's full logistical support to carry out their tasks.

4.3.12. Promotes and instills the good governance and compliance culture that requires and encourages the highest professional standards of conduct across the Bank organization.

4.3.13. Regularly reports to the Board of Directors the state of the Bank's overall corporate governance and compliance profile/functions and the actions taken/to be taken by the Bank to address and manage the relevant risk exposures. Promote and instill the good governance and compliance culture that requires and encourages the highest professional standards of conduct across the Bank organization.

4.3.14. Oversees the nomination process for members of the Board of Directors and for positions appointed by the Board of Directors[1].

a. Reviews and evaluates the qualifications of all persons nominated to the Board of Directors as wells as those nominated to other positions requiring appointment by the Board of Directors.

b. Recommends to the Board of Directors matters pertaining to the assignment to Board Committees, as well as succession plan for the members of the Board of Directors and Senior Management.

4.3.15. Responsible for ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines

4.3.16. Oversees the periodic performance evaluation of the members of the Board, the Board Committees and Executive Management, and shall conduct an annual self-evaluation of its performance. It shall also decide whether or not a Director is able to and has been adequately carrying out his/her duties as Director based on its own assessment, bearing in mind the Director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation). The Committee shall likewise adopt internal guidelines to address the competing time commitments that are encountered when Directors serve on multiple boards.

4.3.17. Oversees the continuing education program for the Board of Directors.

a. Ensures allocation of sufficient time, budget and other resources for the continuing education of directors, and draw on external expertise as needed.

b. Establishes and ensures effective implementation of policy for on-boarding/orientation program for the first time directors and annual continuing education for all directors. For this purpose the orientation program for first time directors shall be for at least eight (8) hours, while the annual continuing training shall be at least for four (4) hours. The training programs should cover topics relevant in carrying out their duties and responsibilities as directors.

4.3.18. Oversees the design and operation of the remuneration and other incentives policy.

a. Ensures that the remuneration and other incentives policy is aligned with the operating and risk culture as well as with the strategic and financial interest of the Bank;

b. Promotes good performance and conveys acceptable risk-taking behaviour defined under its Code of Ethics;

c. Complies with legal and regulatory requirements

d. Works closely with Risk Management Oversight Committee (RMOC) in evaluating the incentives created by the remuneration system. In particular, the RMOC shall examine whether incentives provided by the remuneration

[1] BSP Circular No. 969

system take into consideration risk, capital, and the likelihood and timing of earnings.

e. Monitors and reviews the remuneration and incentives policy including plans, processes and outcomes to ensure that it operates and achieves the objectives as intended.

4.3.19. Decides the manner by which the Board's performance shall be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board has enhanced long term Shareholder's value.

4.3.20. Decides the manner by which the Board's performance shall be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board has enhanced long term Shareholder's value.

4.3.21. Coordinates with the Audit Committee and Risk Management Oversight Committee relative to the Committee's plans and activities as well as in monitoring and addressing major governance and compliance risks.

4.3.22. Monitors and reviews the status of disciplinary actions taken on Bank Personnel with administrative cases and status of outstanding legal cases filed against the Bank which may expose the Bank to reputational risks.

4.3.23. Initiates and monitors special investigations into areas of Bank's risk and breakdowns of governance and compliance functions.

4.3.24. Evaluates and endorses to the Board for approval the annual budget of the Corporate Governance Office and Compliance Department to effectively carry out its responsibility. The approved budget shall be forwarded to the Office of Comptrollership for implementation.

4.3.25. The CGCOC may consider any other matters relating to Corporate Governance and Compliance functions that it considers valuable. In addition, the CGCOC shall evaluate and process any other matter referred to it by the Board.

4.4. **Meetings**

4.4.1 The Committee shall hold a regular meeting at least once a month as called for by the Committee Chair.

4.4.2 Special meetings may be held as called for by the Committee Chair or any two of the Members of the Committee.

4.4.3 The Committee may hold joint meetings with other Board Committees, when necessary.

4.4.4 A majority of the voting members (excluding resource persons) shall constitute a quorum. Despite lack of a quorum, a meeting may proceed if at least two members (voting or non-voting) are present, subject to:

a. Confirmation of action taken through email by an absent member; and

b. Confirmation of action taken by the Board.

4.5 Board Reporting

4.5.3 The Chairperson shall report to the Board following each CGCOC meeting. The report shall cover:

a. The primary responsibility and the recommendations set out in the Major Duties and Responsibilities section; and
b. Any material issues taken up in the CGCOC meeting and other matters relevant to the CGCOC's duties.

4.6 Secretariat

The Office of the Board Secretary shall act as the CGCOC's Committee Secretary and shall have the following responsibilities:

4.6.1 Coordinates with the Corporate Governance Officer on the preparation of the agenda for each meeting, in accordance with the instructions/requests of the CGCOC; the Committee's Annual Calendar; and requests/regular reports from Management, and send out the Notice of Meeting at least 10 banking days before the meeting date;

4.6.2 Prepares and circulate the minutes to all Committee members within 10 banking days after the Committee meeting and properly safe-keep the same;

4.6.3 Takes charge of presenting to the Board all issues agreed upon by the Committee to be taken up in the Board meeting, for approval or for information;

4.6.4 Takes charge of disseminating the memos/circulars, programs, and policies approved by the Committee and the Board to the concerned units; and

4.6.5 Follow-up the actions taken by Management, through the concerned officers/units relative to the Committee's action items.

4.7 Annual Calendar of Activities

4.7.1 At least sixty (60) days before the Annual Stockholders' Meeting, the CGCOC shall prepare and submit to the Board of Directors for its approval, its proposed annual calendar of activities, detailing both the recurring and transactional projects and activities of the Committee.

4.8 Charter Review

4.8.1 This charter shall be reviewed periodically as to process, to ensure that it is adequate, effective and consistent with best practices in corporate governance. Any amendments to the Charter shall be endorsed to the Board for approval.

4.8.2 The CGCOC shall review its performance on an annual basis by way of self-assessment. The Board of Directors shall likewise review the effectiveness and composition of the CGCOC on an annual basis.

5 RELATED DOCUMENTS

Document Type	Document Code	Document Name

3.7

Details of Board and Management Committees as of **June 29, 2022 (date of Organizational Meeting)**, with the following information:

	Board	**ExCom**	**Assets Disposal Committee**	**Audit Committee**	**Corporate Governance Oversight Committee**	**Credit Committee**	**Human Resources Committee**	**IT Steering Committee**	**Related Party Transaction Committee**	**Risk Management Oversight Committee**	**Trust Committee**	**Remuneration Committee**	**Nomination Committee**
Number/Composition of Committee Members	11	7	4	4	4	5	5	7	4	5	6	4	4
Frequency of Meeting	monthly	No meeting since 2020	monthly	monthly	monthly	monthly	monthly	monthly	monthly	monthly	Quarterly or as needed	quarterly or as needed	once a year or as needed
Name of Member:													
1. Chairman Roberto F. De Ocampo	x	x											
2. Vice Chairman Guillermo L. Parayno, Jr.	x	x					x	x				x	x
3. President Renato A. Claravall	x	x				x	x				x		
4. Gerardo Manuel Luis B. Anonas	x	x	x			x	x			x			
5. Francisco S. Magsajo, Jr.	x	x	x			x		x		x	x		
6. Michael Democrito C. Mendoza	x		x			x	x						
7. Jose A. Nunez, Jr. (Ind. Dir.)	x	x		x	x	x			x	x		x	
8. Percianita G. Racho	x			x	x			x	x				x
9. Cesar A. Rubio (Ind. Director)	x	x		x	x			x	x	x		x	

10. Ma. Cecilia G. Soriano (Ind. Director)	x			x			x			x			x
11. Reynaldo V. Velasco (Ind. Director)	x		x		x				x		x	x	x
								Camille Maricelle M. Canullas Jose Noel L. Cadiena Edwin T. Amahan Oversight Officers: Advisors/Resource Persons (Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer and Corporate Governance Officer)			Roberto S. Vergara (Trust Officer) Ind. Trust Professionals: Regina Paz Goco-Morales Karen Liza M. Roa		

Independent Directors
1. Jose A. Nuñez, Jr. – *Lead Independent Director*
2. Cesar A. Rubio
3. Ma. Cecilia G. Soriano
4. Reynaldo V. Velasco

CHARTER OF THE RISK MANAGEMENT OVERSIGHT COMMITTEE (RMOC)

1. PURPOSE

1.1. It is the objective of the Risk Management Oversight Committee (RMOC) to assist the Board to ensure the establishment and implementation of a sound and effective risk management system.

2. SCOPE

2.1. This Charter shall cover the Bank's risk management strategies and plans, including processes, programs, policies and procedures, and their implementation.

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
BOD	Board of Directors
BSP	Bangko Sentral ng Pilipinas
RMOC	Risk Management Oversight Committee

4. POLICY STATEMENT

4.1. Basic Functions

4.1.1. Reviews the Bank's risk management strategies and plans to include processes, programs, policies and procedures, and their implementation.

4.1.2. Advise the Board of the state of the Bank's risk profile and provide insights and propose the formulation or enhancement of programs, policies, directions and courses of action needed to address and manage the Bank's risk exposures. The RMOC shall be provided with sufficient resources, logistics and budget support to carry out its responsibilities.

4.2. Membership

4.2.1. The Members shall be composed of at least three (3) Directors including at least two (2) non-executive directors, one of whom is an independent director all appointed by the Board. The chairperson shall be a non-executive director.

4.2.2. The Members shall possess a range of expertise as well as adequate knowledge of the Bank's risk exposure to be able to develop appropriate strategies for preventing losses and minimizing the impact of losses when they occur.

4.2.3. The RMOC shall be assisted by the Chief Risk Officer (CRO) who shall be independent from the business units of the Bank. The CRO (inclusive of staff) shall report functionally to the RMOC and administratively to the President/COO. The Chief Risk Officer and his respective unit shall have the right to communicate, investigate and report to Senior Management, RMOC, other Board committees and/or the Board of Directors any possible breach or material information.

4.2.4. Officers of other units may also act as resource persons in the RMOC.

4.2.5. Where appropriate, the RMOC shall have access to external expert advice, particularly in relation to proposed strategic transactions.

4.3. **Duties and Responsibilities**

4.3.1. Risk Management Framework
   a. Oversees the enterprise risk management framework
   b. Ensures that there is period review of the effectiveness of the risk management system and recovery plans
   c. Ensures that corrective actions are promptly implemented to address the risk management concerns.

4.3.2. Adherence to risk appetite
   a. Ensures that the current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite.
   b. Assesses the overall status of adherence to risk appetite based on the quality of compliance with the limit structure, policies, and procedures relating to risk management and control, and performance management, among others.

4.3.3. Oversees the risk management function
   a. The Committee shall be responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO) in consultation with the President/COO.
   b. Ensures that the risk management function has adequate resources and effectively oversees the risk taking activities of the Bank.

4.3.4. Evaluates and endorses to the Board, for approval, all policies and new products, services and activities that involve credit, liquidity, market, operations (including human resources and legal), business, strategic and reputation risks.

4.3.5. Reviews and evaluates the risk management plan and oversees its implementation to ensure its continued relevance, comprehensiveness and effectiveness.

4.3.6. Oversees the system of limits including limits to discretionary authority that the Board delegates to management, ensures that the system remains effective, that the limits are observed and that immediate corrective actions are taken whenever limits are breached.

4.3.7. Evaluates, assesses and acts on the reports of the Chief Risk Officer and other management reports on current risk exposure. Renders decisions and/or provide insights, courses of action or directives to concerned officers who shall immediately act to control or mitigate perceived or actual risks.

4.3.8. Promotes the continuous development of risk management programs and training of personnel and that the Bank employs the necessary logistical support to fulfill these objectives.

4.3.9. Evaluates annual budget of the RMOC and Risk Management Division to effectively carry out their responsibilities and functions and endorses this to the Board for approval.

4.3.10. Promotes and instills risk awareness that requires and encourages the highest professional standards of conduct across the Bank.

4.3.11. Regularly updates the Board of Directors of the Bank's overall risk management, actions taken to reduce the risk and recommends further action or plans as necessary.

4.3.12. Reviews and endorses for approval to the Board of Directors the Bank's internal capital Adequacy Assessment Process (ICAAP), and oversee its implementation.

4.3.13. May initiate and monitor special investigations into areas of bank's risk and break-downs in internal risk control, with the assistance of such external advisers as the RMOC considers appropriate.

4.3.14. Reviews the nature and level of insurance or protection coverage against credit market, Liquidity, business, legal and operational risks.

4.3.15. Reports regularly to the BOD the Bank's overall risk exposure, action taken to reduce the risks and recommends further action or plan as necessary.

4.3.16. The RMOC may consider any other matters relating to risk management that it considered desirable. In addition, the RMOC shall examine any other matters referred to it by the Board.

4.4. **Meetings**

4.4.1 The Committee shall hold a regular meeting at least once a month as called for by the Committee Chair.

4.4.2 Special meetings may be held as called for by the Committee Chair or any two of the Members of the Committee.

4.4.3 The Committee may hold joint meetings with other Board Committees, when necessary.

4.4.4 A majority of the voting members (excluding resource persons) shall constitute a quorum. Despite lack of a quorum, a meeting may proceed if at least two members (voting or non-voting) are present, subject to:

a. Confirmation of action taken through email by an absent member; and
b. Confirmation of action taken by the Board.

4.4.4 The Committee may invite, in a regular or ad hoc basis, a resource person, who may be a member of the Board or any officer or employee of the Bank, to attend the regular or special meetings of the Committee.

4.4.5 The resource person shall lend his/her experience and expertise and contribute information, opinion and other matters during the meetings.

4.4.6 The resource person, however, shall only participate at the meetings in an advisory capacity. He or she will not be allowed to vote on matters submitted for the Committee's approval, decision, endorsement or consideration.

4.4.7 In case of a deadlock or when a majority cannot be reached or a quorum cannot be secured to approve, disapprove or otherwise act on a matter before the Committee, any member of the Committee or the Board Secretary is authorized to elevate the matter to the Board of Directors for its consideration.

4.4.8 The vote of at least a majority of the members of the Committee present (in person or through electronic means) at a meeting where there is quorum is required to approve or decide matters submitted for its approval, decision or consideration.

4.4.9 The venue of the regular or special meetings shall be at the Bank's Head Office unless otherwise decided by the Chair of the Committee or at least two Members of the Committee in his/her absence.

4.5 **Board Reporting**

4.5.1 The Chairperson shall report to the Board following each RMOC meeting. The report shall cover:
   a. The primary responsibility and the recommendations set out in the major duties and responsibilities section and
   b. Any other material matters relevant to the RMOC's duties.

4.6 **The Chief Risk Officer (CRO)**

4.6.1 The Head of Risk Management Department shall be officially the Chief Risk Officer (CRO).
4.6.2 The CRO shall be independent from executive functions and business line responsibilities, operations, and revenue – generating functions.
4.6.3 The CRO shall be given sufficient stature, authority and seniority within the Bank.
4.6.4 The CRO shall have direct access to the Board of Directors and the RMOC without any impediment.
4.6.5 The CRO shall be allowed to engage in discussion with the Board of Directors, any Board committee, the COO and senior management on key risk issues and access such information as he/she deems necessary to effectively perform his/her duties and functions.
4.6.6 The CRO shall supervise the risk management function's general responsibility of:
   a. Identifying the key risk exposures and assessing or measuring the extent of risk exposures of the Bank and its trust operations:
   b. Monitoring of risk exposures and determining the capital requirement in accordance with the Basel capital adequacy framework and the Bank's internal capital adequacy assessment;
   c. Monitoring and assessing decisions to accept particular risks whether these are consistent with the Board approved policies on risk appetite and tolerance;
   d. Identifying risk mitigation measures and assessing their effectiveness; and
   e. Reporting on a regular basis to the chief executive officer, to the RMOC and to the Board of Directors the results of assessment and monitoring.

4.7 **Secretariat**

4.7.1. The Office of the Board Secretary shall act as the RMOC's Committee Secretary and shall have the following responsibilities:
   a. Coordinates with the Chief Risk Officer on the preparation of the agenda for each meeting, in accordance with the instructions/requests of RMOC; the Committee's Annual Calendar; and requests/regular reports from

Management, and send out the Notice of Meeting at least 10 banking days before the meeting date;

b. Prepares and circulates the minutes to all Committee members within 10 banking days after the Committee meeting and properly safe-keep the same;

c. Coordinates with the Chief Risk Officer on the preparation and presentation to the Board of issues agreed upon by the Committee to be taken up in the Board meeting, for approval or for information;

d. Coordinates with the Chief Risk Officer on the dissemination of memos/circulars, programs, and policies approved by the Committee and the Board to the concerned units; and

e. Follows up the actions taken by Management, through the concerned officers/units relative to the Committee's action items.

4.8. Annual Calendar of Activities

4.8.1. At least sixty (60) days before the Annual Stockholders' Meeting, the RMOC shall prepare and submit to the Board of Directors for its approval, its proposed annual calendar of activities, detailing both the recurring and transactional projects and activities of the Committee.

4.9. Charter Review

4.9.1. This charter shall be reviewed annually as to process, to ensure that it is adequate, effective and consistent with best practices in corporate governance. Any amendments to the Charter shall be endorsed to the Board for approval.

4.9.2. RMOC shall review its performance on an annual basis by way of self-assessment. The Board of Directors shall likewise review the effectiveness and composition of the RMOC on an annual basis.

5. RELATED DOCUMENTS

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Name of Member:													
1. Chairman Roberto F. De Ocampo	x	x											
2. Vice Chairman Guillermo L. Parayno, Jr.	x	x					x	x				x	x
3. President Renato A. Claravall	x	x				x	x				x		
4. Gerardo Manuel Luis B. Anonas	x	x	x			x	x			x			
5. Francisco S. Magsajo, Jr.	x	x	x			x		x		x	x		
6. Michael Democrito C. Mendoza	x		x			x	x						
7. Jose A. Nunez, Jr. (Ind. Dir.)	x	x		x	x	x			x	x		x	
8. Percianita G. Racho	x			x	x			x	x				x
9. Cesar A. Rubio (Ind. Director)	x	x		x	x			x	x	x		x	

10. Ma. Cecilia G. Soriano (Ind. Director)	x			x			x			x			x
11. Reynaldo V. Velasco (Ind. Director)	x		x		x				x		x	x	x
								Camille Maricelle M. Canullas Jose Noel L. Cadiena Edwin T. Amahan Oversight Officers: Advisors/Resource Persons (Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer and Corporate Governance Officer)			Roberto S. Vergara (Trust Officer) Ind. Trust Professionals: Regina Paz Goco-Morales Karen Liza M. Roa		

Independent Directors
1. Jose A. Nuñez, Jr. – *Lead Independent Director*
2. Cesar A. Rubio
3. Ma. Cecilia G. Soriano
4. Reynaldo V. Velasco

3.4:3

Dr. Roberto F. De Ocampo, OBE
Chairman
77, Filipino

Dr. Roberto F. De Ocampo, OBE, a son of a WWII veteran, was the former Secretary of Finance of the Philippines, and became the first Filipino to receive the most internationally prestigious award to Finance Ministers Worldwide, the "Global Finance Minister of the Year" award from Euromoney in 1995. In 1996, Euromoney named him "Asian Finance Minister of the Year." In 1997, he was again recognized as Asian Finance Minister of the Year, this time by Asiamoney Magazine.

He is known nationally and internationally for public and international finance, having been Chairman of the APEC and ASEAN Finance Ministers (at the onset of the Asian financial crisis) whose meetings he chaired and resulted in the landmark Manila Framework that prescribed the steps to exit the crisis. He was also a member of the Boards of Governors of the World Bank, the International Monetary Fund, and the Asian Development Bank.

He was Secretary of Finance (1994-1998) during the presidency of Fidel V. Ramos, and was widely recognized as the principal architect of the resurgence of the Philippine economy whose achievement was hailed by the international finance community.

He is the past president of the Asian Institute of Management having retired from that position in May 2006, and until recently was a member of the AIM Board of Trustees.

Prior to these posts, he also served as Chairman and CEO of the Development Bank of the Philippines (DBP) and led its rehabilitation. This earned DBP the recognition from the prestigious international The Banker magazine as one of the "world's soundest banks" during his tenure. As Secretary of Finance he was also concurrently Chairman of the Land Bank of the Philippines.

Dr. De Ocampo is a recipient of many international and national honors. In September 2001, he was named to the Ordre National de la Legion d' Honneur by the Republic of France with the rank of Chevalier for his successful efforts and initiatives to promote closer Philippine-France relations. On the occasion of the Queen's Diamond Jubilee, he was conferred by Her Majesty Queen Elizabeth II the Most Excellent Order of the British Empire (OBE) for his outstanding efforts in promoting Philippine-UK relations during his years in public service, and in his capacity as Chairman of the British Alumni Association. More recently, he was conferred by the Vatican as a knight of the Equestrian Order of the Holy Sepulchre of Jerusalem.

He has also been awarded the Philippine Legion of Honor, the highest honor conferred on Filipino civilians by the Republic of the Philippines in 1998 for his outstanding contributions to the country. He is one of the first ASEAN members of the Trilateral Commission, an international think-tank of distinguished global leaders and was also the first recipient of the Man of the Year Award from the Association of Development Finance Institutions of Asia Pacific (ADFIAP). He is a founding Partner of a Global Advisory Group (Centennial Group) based in Washington D.C. and is a Founding Director of the Global Economic Forum: The Emerging Markets Forum. He is the first Asian to be elected to the Board of the Global Reporting Initiative (GRI) which is the global authority on Sustainability Reporting based in Amsterdam.

Dr. De Ocampo was 1975 Ten Outstanding Young Men (TOYM) awardee in the field of National Economic Development for pioneering the Philippine rural electrification program. He had been cited as one of the 500 Great Asians in 2001 and a recipient of several Baron's Who's Who awards. In 2004, he was elected to the Board of Advisors of the Conference Board, one of the world's leading authorities in international business economics (based in New York). In 2006, he was conferred with the Asian Human Resources Development Award by the Asia HRD Congress.

At present, he Chairs the Board Advisers of the RFO Center for Public Finance & Regional Economic Cooperation, an ADB Regional Knowledge Hub. He is also the present Chairman of Intervest Projects, Inc. and Intervest Insurance Agency, Inc., wholly owned subsidiaries of Veterans Bank. In addition he chairs five other organizations and is a board member of several publicly listed and non-listed companies and institutions.

Guillermo L. Parayno Jr.
Vice Chairman
75, Filipino

- Current Director, Metro Retail Stores Group, Inc.
- Current Chairman: E-Konek Pilipinas; Bagong Silang Farms, Inc.; and Parayno Consultancy Services
- Commissioner, Bureau of Customs, 1992-1998
- Commissioner, Bureau of Internal Revenue, 2002-2005
- Co-Chairman, Lina Group of Companies, 1999-2002
- PMA Alumni Cavalier Awardee for outstanding accomplishments in Public Administration
- Outstanding Professional of the Year by the Professional Regulatory Commission of the Philippines
- Economic Warrior Award of the Department of Finance
- Bachelor of Science degree, Magna Cum Laude, Philippine Military Academy
- Masters in Psychology, University of the Philippines
- Computer Programming, National Computer Center
- Master of Business Management, Asian Institute of Management

Renato A. Claravall
President & Chief Operating Officer
71, Filipino

- Director, Philippine Veterans Bank (2015-2018)
- Senior Vice President and Chief Finance Officer (CFO), Benguet Corporation, 2010-2015 (retired)
- Director, various wholly owned companies of Benguet Corporation
- Senior Management positions in various financial institutions, 1997-2010
- Deputy General Manager, Bank of Boston Manila Offshore Branch, 1984-1997
- Senior Manager, Union Bank of the Philippines, 1979-1984
- Bachelor of Arts in Economics, Ateneo De Manila University

Percianita G. Racho
Non-Executive Director
65, Filipino

- Regional Chairman, Girl Scout of the Philippines (GSP) Eastern Mindanao Region, July 2021-2024
- President, GSP Agusan Council, 2018-June 2021
- Consultant, Office Cong. Angel Amante Matba Representative, 2nd District Agusan Del Norte
- Provincial Administrator, Agusan del Norte, 2009-2015
- Former Mayor, Municipality of Buenavista, Agusan del Norte, 2001-2004
- Assistant Legal Officer, Agusan del Norte, 1998-2001
- Former Vice Mayor, Municipality of Buenavista, Agusan del Norte, 1992-1995
- Former National President of the VFP - Sons & Daughters Association, Inc. (VFP-SDAI)
- Bachelor of Laws, University of Bohol, 1980 – 1984
- AB Political Science, University of Bohol, 1976 – 1980

Jose A. Nuñez, Jr.
Independent Director
70, Filipino
- Former Chairman, Development Bank of the Philippines
- Vice-Chairman, Unicapital Securities, Inc.
- Director, Unicapital, Inc.
- Director, Unicapital Finance, Inc.
- Director and Treasurer - Universal LRT Corp, Ltd.; Agus 3 Hydro Corp.; ULCOM Company; Bukidnon Hydro Electric Corp.; Lear Aero Ltd. Inc.; Tranzen Group, Inc.; La Costa Development Corporation, Inc.
- Former Vice-Chairman, Amanah Islamic Bank
- Former Director, Philippine Veterans Bank – 2000-2010
- Former Vice Chairman and CEO, Federal Savings Bank
- Former Chairman and President, Asian Express Money Services Corp.
- Former Chairman, SB Cards Corp.
- Former President, Security Diners International Corp.
- MBA Candidate, Ateneo De Manila University
- Bachelor of Arts major in Economics, Xavier University

Gerardo Manuel Luis B. Anonas
Director
65, Filipino

- Appointed Director of Veterans Bank in September 2017
- President, Optimum Development Bank, 2015-2017
- Executive Vice President, East West Banking Corp., 1998-2006
- Executive Vice President, Philippine Banking Corp., 1994-1998
- Senior Vice President, Urban Bank, 1991-1994
- Masters in International Business, Shiller International University Paris Study Center
- Bachelor of Science in Management, Ateneo de Manila University

Francisco S. Magsajo
Director
75, Filipino

- Elected Director of the Bank in April 2019
- Director, Philippine Savings Bank
- Director Metrobank Card Corporation
- Director, First Metro Investment Corp. (FMIC)
- Former President & COO, Rizal Commercial Banking Corporation
- Former President & CEO, RCBC Savings Bank
- Former President & CEO, Philippine Export-Import Credit Corporation
- Former Executive Vice President, Philippine National Bank
- Former Managing Director, PNB International Finance, Ltd, HK
- Former Director, PNB Remittance Corp, USA
- Former Banking Consultant, Allied Banking Corporation
- Advanced Bank Mgmt. Program, Wharton School of Econ, University of Pennsylvania
- Education: Bachelor of Science in Economics, Lyceum of the Philippines

Cesar A. Rubio
Independent Director
76, Filipino

- Former EVP-CFO, United Coconut Planters Bank
- Former Director - UCPB Savings Bank; UCPB Securities; UCPB Leasing and Finance; UCPB Foreign Exchange Corporation
- Former Chairman, UCPB Condominium Corp., Master Caterers, Inc.
- Former EVP, RCBC Corporate Planning Group
- Former AVP Metrobank
- Attended Citibank Executive Training Program prior to becoming Credit and Account Officer
- Past Director, Financial Executive Institute of the Philippines (FINEX)
- Past Treasurer and Member of the Board of Trustees, FINEX Foundation
- Past Director, Makati Sports Club, Inc.
- Masters in Business Management, Asian Institute of Management
- Pacific Rim Bankers Program, University of Washington
- Certified Public Accountant, Professional Regulatory Commission
- Bachelor of Science in Commerce major In Accounting, De La Salle University

Michael Democrito C. Mendoza
Director
61, Filipino

- Vice-Chairman, Multi-Sectoral Advisory Board - VISCOM AFP, 2017
- Vice-President, Trade Union Congress of the Philippines (TUCP), 2012
- National President, Associated Labor Unions (ALU)
- National President, Associated Philippine Seafarers Union (APSU)
- Former Commissioner, Cebu Port Authority
- Bachelor of Laws, Southwestern University
- AB Political Science, University of the Philippines Cebu

Ma. Cecilia G. Soriano, Ph.D.
Independent Director
66, Filipino

- Independent Consultant of DBM, DOF, NEDA, DILG, WB, ADB, JICA
- Member, Board of Trustees – Foundation for Economic Freedom (FEF)
- Founding Member, Steering Committee, AguaJaring (SEA Capacity Building Network for IWRM)
- Co-Founder and President, Philippine Capacity Building Network for IWRM (PhilCapNet)
- Former Member, Board of Trustees, Metropolitan Waterworks and Sewerage System (MWSS), 2011-2016
- Former Program Director for Professional Development Program, Department of Finance (DOF), 2011-2013
- Former Advisor to the Executive Director for Brazil, Columbia and the Philippines in World Bank (WB), Washington DC, 1992-1994
- Former Undersecretary of Finance – DOF, 1995-1998 ; 1991–1992
- Held various positions in the International Finance Group of the DOF, 1986-1991
- Ph.D in Economics, University of California at Berkeley
- Bachelor of Science in Management Engineering, Ateneo De Manila University, Magna cum Laude and Valedictorian

PLTGEN. Reynaldo V. Velasco Ph.D., (RET)
Independent Director
74, Filipino

- Former Administrator, Metropolitan Waterworks and Sewerage System (MWSS) 2017 - 2021
- Former Chairman, Board of Trustees, MWSS 2019 -2021
- Former Municipal Mayor, Sta. Barbara Pangasinan 2007 - 2010
- Former PNP Deputy Chief for Operations and Administration 2004 - 2005
- Former Executive Director, Philippine Center on Transnational Crime (PCTC)
- Former Regional Director, NCRPO
- Former Director, Philippine National Police Region Office (PNP NCRPO)
- Former Trustee, AFP Savings & Loans, Inc. 2001 -2003
- Former Board of Director, Public Safety Mutual Benefit Fund Inc. 2001 – 2002
- Former Board of Director, AFP Mutual Benefit Association Inc. 2004 - 2005
- Doctor of Philosophy, Bicol University 2003
- Master in Business Administration, University of St. La Salle, Bacolod 1992 - 1996
- Bachelor of Science, Philippine Military Academy 1967 - 1971
- Bachelor of Science in Chemical Engineering, Mapua Institute of Technology Manila 1965 - 1967

Atty. Jocelyn Grace N. Navato
Board Secretary and concurrent Acting Chief Governance Officer
51, Vice President

- Joined PVB on November 1, 2021
- Former Chief Compliance Officer of RCBC Leasing and Finance Corporation
- Former head of Credit Department, RCBC Leasing and Finance Corporation
- Former Assistant Corporate Secretary of Rizal Commercial Banking Corporation
- Former Corporate Secretary of Rizal Microbank, Inc., RCBC Leasing and Finance Corporation, and RCBC Rental Corporation
- Former Chief of Staff of Board Trustee Karina Constantino-David – Government Service Insurance System
- Former head of HR/General Services/Secretariat in Bank of Tokyo – Mitsubishi UFJ, Ltd. (now MUFG Bank)
- Former Bank Security Officer of Bank of Tokyo – Mitsubishi UFJ, Ltd. (concurrent)
- Former Commonwealth Business Area Head of Maynilad Water Services Inc.
- Bachelor of Laws - College of Law, University of the Philippines, Diliman
- Bachelor of Arts in Mass Communications (major in Communications Research) – College of Mass Communications, University of the Philippines, Diliman

The Bank allows proactive steps to ensure that meetings run well. The Members of the Board shall attend and actively participate in all its regular and special meetings in person or through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the Director who is taking part in said meetings can participate in the deliberations on matters taken up therein. Every member of the board of directors shall participate in at least fifty percent (50%) and shall physically attend at least twenty-five percent (25%) of all meetings of the board of directors every year. The twenty-five percent (25%) physical attendance requirement is lifted during periods of national emergencies. public health emergencies' and major disasters, among others, that affect mobility, activity, and access to BSFIs.

Directors who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing or other alternative modes of communication that allow them reasonable opportunities to participate. However, directors cannot attend or vote by proxy at board meetings.

A director who intends to participate in a meeting through remote communication, he shall notify in advance the Presiding Officer and the Board Secretary of his intention. The Board Secretary shall note such fact in the Minutes of the meeting.

The Board Secretary shall issue internal guidelines for the conduct of meetings of the Board and Board Committees consistent with existing BSP and SEC regulations.

4.7. BOARD GOVERNANCE- BOARD COMMITTEES: DUTIES AND RESPONSIBILLITIES AND COMPOSITION

4.7.1. Board Committees

To support the effective performance of the Board's function and fulfill the principles of good corporate governance, the Bank shall constitute Committees as may be applicable.

All Committees shall have their respective Charters stating their respective purposes, memberships, duties and responsibilities, conduct of meetings and other relevant guidelines.

4.7.2. Executive Committee (ExeCom)

The ExCom is created by the Board to decide and implement courses of actions relevant to the Board of Directors. It has the power to direct the business of the Bank within powers and authority lawfully delegated to it by the Board of Directors, including the power to review and approve proposals and transactions related to credit in amounts within the limits of its delegated authority.

The Executive Committee shall be composed of five (5) members, with the Chairman of the Board as Chair, three (3) Directors serving for one year by rotation among the members of the Board, and one (1) representative from Management, as members. The Executive Committee shall meet in between meetings of the Board to act on such matters as may be assigned by the latter with confirmation at the next Board meeting.

4.7.3. **Assets Disposal Committee (ADC)**

The Asset Disposal Committee shall review strategies for the disposal of the Bank's acquired assets in a manner most beneficial to the Bank, and shall evaluate and approve the disposal and lease of such assets of the Bank, subject for Board approval in the case of huge assets.

The ADC shall be composed of at least three (3) Directors appointed by the Board of Directors who shall not be officers of the Bank proper.

4.7.4. **Audit Committee**

The Audit Committee shall monitor and evaluate the adequacy and effectiveness of the Bank's internal controls.

It shall be responsible for the setting-up of the internal audit department and for the appointment of the internal auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system.
The Committee shall assist the Board in the appointment/selection, remuneration, evaluation and promotion / dismissal of the Chief Audit Executive (CAE). It shall also ensure that the internal audit office has adequate resources and effectively oversee the risk-taking activities of the Bank.

It shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, majority of whom shall be independent directors including the Chairperson. The Committee's members, including its Chair, shall have accounting, auditing or related financial management expertise or experience commensurate with the size, complexity of operations and risk profile of the Bank.

4.7.5. **Corporate Governance and Compliance Oversight Committee (CGCOC)**

The Corporate Governance and Oversight Committee shall serve as the primary resource for the Board to study, evaluate and make recommendations about the structure, charter, policies and practices of the Board and its committees and to address issues of corporate governance, including the relationship with the different shareholders and the consumer as well. It shall ensure the review and evaluation of the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board of Directors.

CGCOC shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors and majority of whom, including the Chair, shall be independent directors.

The Committee shall be responsible for assisting the Board in the appointment/selection, remuneration, evaluation and dismissal of the Chief Compliance Officer (CCO). It shall also ensure that the compliance function has adequate resources to effectively oversee the compliance activities of the Bank as well as its relationship with the shareholders.

The Chief Compliance Officer, the Governance Officer and the Board Secretary shall serve as Resource Persons to the Committee, with the Office of the Board Secretary as the Committee Secretariat. The Office of Veterans Affairs is also invited to the Committee for a regular report on work done to ensure the participation of the big number of stockholder veterans. Office of the Customer Experience and Protection is also invited to give a regular update on customer feedback and complaints data base.

4.7.6. **Credit Committee (CreCom)**

The Credit Committee shall review and approve loan and credit applications within the authority granted by the Board of Directors as reflected in the Table of Assigned Limits of Authority. It shall evaluate and endorse to the Board, for approval, all policies and new products, services, and activities that involve credit.

It shall be composed of at least three (3) Directors appointed by the Board of Directors who are not officers of the Bank proper. A non-executive or independent Director can be a member but as a non-voting member to establish a formal and transparent procedure for developing credit policy.

4.7.7. **Human Resources Committee (HRCom)**

The Human Resources Committee shall review, report on and, if required, make a recommendation to the Board or Management on matters relating to Human Resource, Compensation policy and to establishment a plan of continuity of, and development of Senior Management for the Bank.

The Committee shall be composed of at least three (3) member of the Board of Directors (BOD). A non-executive or independent Director can be a non-voting member to establish a formal and transparent procedure for developing a policy on remuneration of Directors and Officers to ensure that compensation is consistent with the Bank's culture, strategies, and business environment in which it operates.

4.7.8. **IT Steering Committee**

The ITSC provides governance and oversight in the management of the Bank's IT resources. Its principal function is to ensure that IT strategies are consistent with the overall business objectives. As an extension of the Board, it shall supervise the IT Risk Management Program of the Bank and the development of policies, controls and specific accountabilities consistent with the Bank's IT Risk Management Framework. It shall regularly provide adequate information to the Board regarding overall IT performance, status of major projects and other significant issues related to IT risks.

The ITSC shall be composed of at least three (3) Directors appointed by the Board of Directors; one of which is a non-executive Board Director who oversees the institution's IT functions.

4.7.9. **Nomination Committee**

The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board consistent with the qualification and disqualification requirements set by the BSP. The Committee may utilize the services of professional search firms or other external sources to search for qualified candidates to the Board.

The Committee shall be composed of at least three (3) members of the Board, two of whom shall be independent directors.

4.7.10. **Related Party Transactions Committee (RPT)**

The RPT Committee shall assist the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders and RPTs are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged.

The Committee shall be composed of at least three (3) members comprised of (2) Independent Directors., including the Chairperson.

4.7.11. **Remuneration Committee**

The Remuneration Committee shall assist the Board of Directors in setting up a program of compensation and benefits for the Board and Senior Management that would attract the best talents in the industry. By periodically benchmarking with practices/offers in the industry, the Remuneration Committee shall monitor adequacy, effectiveness and consistency of a compensation program vis-à-vis corporate philosophy and strategy.

The Committee shall be composed of at least three (3) members, all of whom shall be independent directors.

4.7.12. **Risk Management Oversight Committee (RMOC)**

The Risk Management Oversight Committee shall assist the Board in fulfilling its responsibilities in managing the Bank's risk-taking activities. It shall advise the Board of the state of the Bank's risk profile and provide insights and propose the formulation of enhancement of programs, policies, directions and courses of action needed to address and manage the Bank's risk exposures.

The Committee shall be composed of at least three (3) members of the Board of Directors, majority of whom are non-executive directors and one independent director.

4.7.13. **Trust Committee**

The Trust Committee shall assist the Board in fulfilling its responsibilities to oversee the proper management and administration of trust and other fiduciary business of the Bank.

The Committee shall be composed of at least five (5) members including the President, Trust Officer and Non-Executive Directors who are appointed by the Board on an annual basis, or those considered at "independent professionals".

4.8. BOARD GOVERNANCE: OVERSIGHT OFFICERS, DUTIES AND RESPONSIBILITIES

The Board shall appoint Oversight Officers whose critical functions are to ensure that all business units adhere to the provisions of the regulatory bodies as well as to the Board approved charters, policies and procedures. They coordinate and report directly to the Board and to the Board Committees.

The minimum level for the Oversight Head shall be Vice President (VP).

4.8.1. **Chief Compliance Officer (CCO)**

The CCO is the lead senior officer in administering the compliance program of the Bank and interacting with the BSP on compliance related issues. He is vested with sufficient stature, seniority, independence and authority within the Bank including the

CORPORATE GOVERNANCE MANUAL

4.12. CODE OF ETHICS

The Bank's Directors, the Senior Management and employees shall fulfill their commitment to customers that "We are the Bank with a Heart", guided by their core values. They shall champion the fair treatment and protection of the Bank's stakeholders, particularly its customers, resource providers, creditors and the community in which it operates. Fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders promote stable, long term relationship.

This Code of Ethics shall aim to instill a commitment and dedication to the virtues of honesty and integrity, together with a high sense of prudence, responsibility and efficiency in the conduct of duties. It is imperative that Directors, officers and employees live by the values that the Bank stands for and reflect these values in their behaviors.

The Bank shall establish a Board Administrative Investigation Committee (BAIC) to set the right tone from the top.

To enforce Bank-wide compliance, the Bank's Codes of Ethics and Discipline for Directors and employees shall be posted in the Bank's intranet and the Human Resources Management Division public folder for easy access of all directors, officers and employees of the bank.

4.13. CORPORATE GOVERNANCE ASSESSMENT AND MONITORING

Good corporate governance is the foundation of safe and sound banking operations. It is the reflection of the collective values and competence of the Board of Directors and Senior Management, as well as quality and effective implementation of the Bank's corporate governance standards and practices.

The evaluation of the quality of governance shall focus more on the effective implementation of the governance standards and principles by putting greater weight on the practices and performance of the Board of Directors, and Senior Management.

The Board shall establish an evaluation system to determine and measure its compliance with the corporate governance standards and principles. Any violation thereof shall subject the responsible director, advisor, officer or employee to the penalty provided.

There are two (2) sets of Evaluation Forms that will assess the Bank's corporate governance practices, using the five (5) point rating scale, with 5 being the highest rating:

a. Director's Performance Evaluation Form

The Directors' self-assessment on the Director's Individual Qualitative Performance; the Board and Board Committees shall reflect the collective values, performance and competence of the board of directors on corporate governance standards and principles.

The Chairman, individual members of the Board and Committees shall conduct an annual self-assessment in order to evaluate the performance for the previous year. The assessment is done annually. The performance of the President, on the other hand, shall be evaluated by the Board of Directors.

After the Directors' self-assessment, the results shall be discussed and noted by the CGCOC before submission to the Board for notation.

b. Scorecard of the Governance Self-Assessment Form

The Directors' self-assessment on the four (4) management component factors, such as: Governance Landscape; Fitness and propriety of the Board and Management; Risk Governance; Controls and Independent Oversight shall reflect the quality and effective implementation of the Bank's corporate governance practices.

The five (5) point rating scale/ scorecard is described as follows:

RATING	DESCRIPTION
5 – EXCELLENT (GWA- 4.6- 5)	DYNAMIC AND INNOVATIVE. With very competitive actions, systems and processes. It creates high impact solution to the organization.
4 – VERY SATISFACTORY)) (GWA- 3.6- 4.5)	EXEMPLARY – considered necessary given the size risk profile and complexity of operations of the bank. Deficiencies or weaknesses may exit but do not affect the overall quality of governance in a bank.
3 – SATISFACTORY (GWA- 2.6-3)	AVERAGE PERFORMER. Delivered what is needed or asked, however, timeliness, accuracy and efficiency of actions, decisions, or processes did not exceed expectations.
2 – NEEDS IMPROVEMENT/ DEFICIENT (GWA- 1.6-2)	DEFICIENT - Needs to exert better action/ decision to be able to perform based on timeliness, accuracy and efficiency.
1 – POOR (GWA- 1- 1.5)	CRITICALLY DEFICIENT - Not worth pursuing. Needs dramatic change and improvement in all aspect.

Apart from assigning a rating, it should come up with specific applicable action recommendations commensurate with the issues identified and the resulting assessment on the quality of governance.

4.14. REPORTORIAL REQUIREMENTS AND DISCLOSURE

The Board shall establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations

BOARD OF DIRECTORS - The Board and its various Board Committees hold regular monthly meetings, with special meetings called as needed.

For the period January 2022 to December 2022, the Board had 13 meetings, including the organizational meeting. The incumbent directors attended/participated in more than 50% of all the meetings, as follows:

Name of Director	No. of Board Meetings Attended	No. of Board Meetings Not Attended	Percentage of Attendance to Board Meetings
Chairman Roberto F. De Ocampo	13	0	100%
Vice Chairman Guillermo L. Parayno, Jr.	13	0	100%
President Renato A. Claravall	12	1	92%
Gerardo Manuel Luis B. Anonas	13	0	100%
Ma. Nieves R. Confesor 0 1	6	0	100%
Judith V. Lopez 0 1	6	0	100%
Francisco S. Magsajo, Jr.	13	0	100%
Michael Democrito C. Mendoza	8	5	62%
Jose A. Nunez, Jr. 0	13	0	100%
Perclanita G. Racho	13	0	100%
Cesar A. Rubio 0	13	0	100%
Ma. Cecilia G. Soriano 0 2	6	0	100%
Reynaldo V. Velasco 0 2	6	0	100%

0 Independent Director (ID)
1 Finished ID term on 17 June 2022
2 Elected on 17 June 2022

The Executive Committee (ExeCom), which decides and implements courses of actions relevant to the Board of Directors. It has the power to direct the business of the Bank within powers and authority lawfully delegated to it by the Board of Directors, including the power to review and approve proposals and transactions related to credit in amounts within the limits of its delegated authority.
No meetings since 2020 up to 2022.

Corporate Governance & Compliance Oversight Committee

The Corporate Governance and Compliance Oversight Committee (CGCOC) serves as the primary resource for the Board to study, evaluate and make recommendations about the structure, charter, policies and practices of the Board and its committees and to address issues of corporate governance, including the relationship with its shareholders and other stakeholders.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Ma. Nieves R. Confesor [0] (Chair) [1]	7	7	100%
Judith V. Lopez [0]	7	7	100%
Percianita G. Racho	13	13	100%
Cesar A. Rubio [0]	13	13	100%
Jose A. Nunez, Jr. [0] (Chair) [2]	6	5	83%
Reynaldo V. Velasco [0,2]	6	6	100%

0 Independent Director (ID)
1 Assumed until June 29, 2022
2 Assumed on June 29, 2022

Credit Committee

The Credit Committee (CreCom) reviews and approves loan and credit applications within its assigned limits of authority granted by the Board of Directors. It evaluates and endorses to the Board, for approval, all policies and new products, services, and activities that involve credit.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Gerardo Manuel Luis B. Anonas (Chair)	18	18	100%
Francisco S. Magsajo, Jr.	18	18	100%
Michael Democrito C. Mendoza	18	8	44%
Cesar A. Rubio 0 1	9	9	100%
Jose A. Nunez, Jr. 0 2	8	6	75%
Renato A. Claravall (Non-Voting) 2	18	17	94%

0 Independent Director (ID)
1 Assumed until June 29, 2022
2 Assumed on June 29, 2022

Human Resources Committee

The Human Resources Committee (HRDCom) assists the Board and Management in the development of human resources strategies and policies. This includes other areas of human resources like talent planning and recruitment, training, organizational development, employee relations, and compensation & benefits.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Guillermo L. Parayno, Jr. (Chair)	11	11	100%
Gerardo Manuel Luis B. Anonas	11	11	100%
Renato A. Claravall	11	9	82%
Michael Democrito C. Mendoza	11	5	45%
Ma. Nieves R. Confesor 0 (Non-Voting) 1	5	4	80%
Ma. Cecilia G. Soriano 0 (Non-Voting) 2	6	5	83%

0 Independent Director (ID)
1 Assumed until June 17, 2022
2 Assumed on June 29, 2022

IT Steering Committee

The IT Steering Committee (ITSC) provides guidance and oversight in the management of the Bank's IT resources. Its principal function is to ensure that IT strategies are consistent with the Bank's overall business objectives. As an extension of the Board, it supervises the IT Risk Management Program of the Bank and the development of policies, controls and specific accountabilities consistent with the Bank's IT Risk Management Framework. It regularly provides adequate information to the Board regarding overall IT performance, status of major projects and other significant issues related to IT risks.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Cesar A. Rubio 0 (Chair) [1] (Non-Voting) [2]	12	12	100%
Guillermo L. Parayno, Jr. (Chair) [2]	12	11	92%
Francisco S. Magsajo, Jr.	12	11	92%
Percianita G. Racho (Non-Voting) [1]	12	12	92%

0 Independent Director (ID)
1 Assumed until June 29, 2022
2 Assumed on June 29, 2022

Nomination Committee

The Nomination Committee (NomCom) reviews and evaluates the qualifications of all persons nominated to the Board and ensures that the qualification and disqualification requirements set by the BSP are followed.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Guillermo L. Parayno, Jr. (Chair)	1	1	100%
Ma. Nieves R. Confesor [0,1]	1	1	100%
Judith V. Lopez [0,1]	1	1	100%
Percianita G. Racho	1	1	100%
Ma. Cecilia G. Soriano [0,2]	0	0	
Reynaldo V. Velasco [0,2]	0	0	

0 Independent Director (ID)
1 Assumed until June 17, 2022
2 Assumed on June 29, 2022

Related Party Transaction Committee

The Related Party Transactions Committee (RPTCom) assists the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, in compliance with applicable laws and regulations. This ensures that the interest of depositors, creditors and other stakeholders are conducted on an arm's length basis, and that no stakeholder is unduly disadvantaged.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Percianita G. Racho (Chair) [2]	12	12	100%
Ma. Nieves R. Confesor [0,1]	6	6	100%
Judith V. Lopez [0,1]	6	6	100%
Cesar A. Rubio [0]	12	12	100%
Jose A. Nunez, Jr. [0,3]	6	5	83%
Reynaldo V. Velasco [0] (Chair) [3]	6	6	100%

0 Independent Director (ID)
1 Assumed until June 17, 2022
2 Assumed until June 29, 2022
3 Assumed on June 29, 2022

Remuneration Committee

The Remuneration Committee assists the Board of Directors in setting up a program of compensation and benefits for the Board and Senior Management that would attract the best talents in the industry. By periodically benchmarking with practices/offers in the industry, the Remuneration Committee ensures the adequacy, effectiveness and consistency of the Bank's compensation program vis-à-vis corporate philosophy and strategy.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Ma. Nieves R. Confesor [0] (Chair) [1]	1	1	100%
Judith V. Lopez [0,1]	1	1	100%
Guillermo L. Parayno, Jr.	2	2	100%
Cesar A. Rubio [0]	2	2	100%
Jose A. Nuñez, Jr. [0,2] (Chair) [2]	1	1	100%
Reynaldo V. Velasco [0,2]	1	1	100%

0 Independent Director (ID)
1 Assumed until June 17, 2022
2 Assumed on June 29, 2022

Risk Management Oversight Committee

The Risk Management Oversight Committee (RMOC) assists the Board in fulfilling its responsibilities in managing the Bank's risk-taking activities. It monitors the state of the Bank's risk profile and advises the Board by providing insights and proposing the formulation and enhancement of programs, policies, directions, and courses of action needed to address and manage the Bank's risk exposures.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Jose A. Nunez, Jr. [0] (Chair) [1]	13	11	85%
Renato A. Claravall [1]	7	7	100%
Ma. Nieves R. Confesor [0,1]	7	5	71%
Judith V. Lopez [0,1]	7	7	100%
Francisco S. Magsajo, Jr.	13	13	100%
Ma. Cecilia G. Soriano [0,2]	6	6	100%
Gerardo Manuel Luis B. Anonas [2]	6	6	100%

0 Independent Director (ID)
1 Assumed until June 29, 2022
2 Assumed on June 29, 2022

Trust Committee

The Trust Committee (TrustCom) assists the Board in fulfilling its responsibilities to oversee the proper management and administration of trust and other fiduciary business of the Bank.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Ms. Regina Paz Goco-Morales [1] (Chair)	6	5	83%
Ms. Karen Liza M. Roa	6	6	100%
Renato A. Claravall	6	6	100%
Francisco S. Magsajo	6	3	50%
Jose A. Nunez, Jr. [0,2]	3	3	100%
Reynaldo V. Velasco [0,3]	3	3	100%

0 Independent Director (ID)
1 Independent Trust Professional
2 Assumed until June 29, 2022
3 Assumed on June 29, 2022

Assets Disposal Committee

All matters relating to the disposal and lease of all acquired assets of the Bank are handled by the Assets Disposal Committee (ADC).

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Francisco S. Magsajo (Chair)	5	4	80%
Gerardo Manuel Luis B. Anonas	5	5	100%
Michael Democrito C. Mendoza	5	1	20%
Jose A. Nunez, Jr. [0,1]	3	2	67%
Reynaldo V. Velasco [0,2]	2	2	100%

0 Independent Director (ID)
1 Assumed until June 29, 2022
2 Assumed on June 29, 2022

Audit Committee

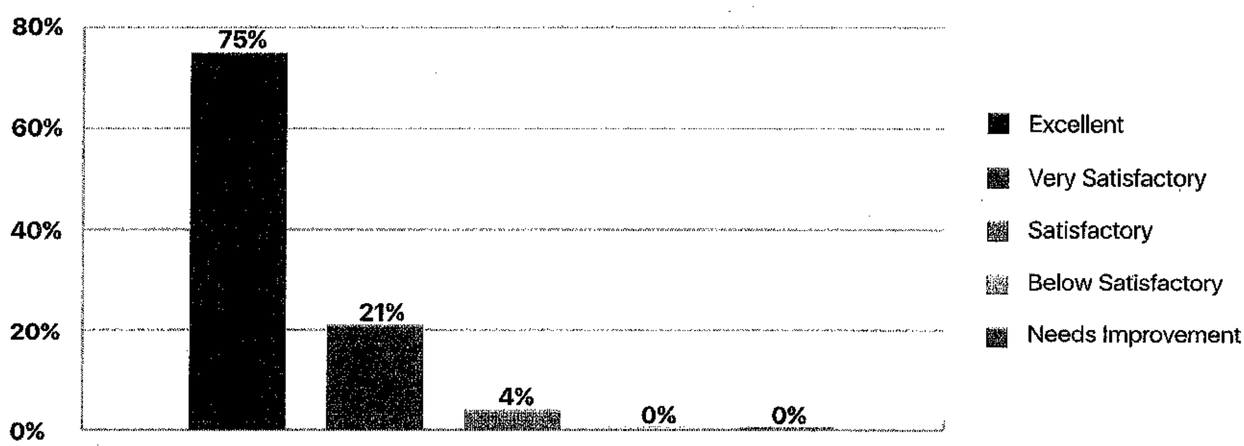
The Audit Committee (ACom) is the Board's oversight body that oversees the financial reporting process, practices, and controls in the Bank. It ensures that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.

Name of Director	No. of Meetings Held	No. of Meetings Attended	Percentage of Attendance to Board Meetings
Judith V. Lopez (Chair) 0 1	10	10	100%
Ma. Nieves R. Confesor 0 1	10	9	90%
Percianita G. Racho	17	16	94%
Cesar A. Rubio 0 (Chair) 2	17	17	100%
Jose A. Nunez, Jr. 0 2	7	5	71%
Ma. Cecilia G. Soriano 0 2	7	7	100%

0 Independent Director (ID)
1 Assumed until June 29, 2022
2 Assumed on June 29, 2022

Consumer Experience and Protection Dashboard

Customer Satisfaction (CSAT) Survey Report
FY 2022



PVB's primary focus is customer satisfaction and delivering the best possible service. Over the past five years, since the survey's inception, we have consistently received outstanding evaluations from our customers. In 2022, PVB collected a total of 239 surveys, with an impressive 75% rating of excellence and 21% rating of very satisfactory. These results clearly demonstrate that customers have responded positively to the services we provide, despite a small percentage (4%) rating it as average. Rather than resting on these positive ratings, we remain committed to continuously improving our customer service efforts.

The Bank allows proactive steps to ensure that meetings run well. The Members of the Board shall attend and actively participate in all its regular and special meetings in person or through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the Director who is taking part in said meetings can participate in the deliberations on matters taken up therein. Every member of the board of directors shall participate in at least fifty percent (50%) and shall physically attend at least twenty-five percent (25%) of all meetings of the board of directors every year. The twenty-five percent (25%) physical attendance requirement is lifted during periods of national emergencies. public health emergencies' and major disasters, among others, that affect mobility, activity, and access to BSFIs.

Directors who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing or other alternative modes of communication that allow them reasonable opportunities to participate. However, directors cannot attend or vote by proxy at board meetings.

A director who intends to participate in a meeting through remote communication, he shall notify in advance the Presiding Officer and the Board Secretary of his intention. The Board Secretary shall note such fact in the Minutes of the meeting.

The Board Secretary shall issue internal guidelines for the conduct of meetings of the Board and Board Committees consistent with existing BSP and SEC regulations.

4.7. BOARD GOVERNANCE- BOARD COMMITTEES: DUTIES AND RESPONSIBILLITIES AND COMPOSITION

4.7.1. Board Committees

To support the effective performance of the Board's function and fulfill the principles of good corporate governance, the Bank shall constitute Committees as may be applicable.

All Committees shall have their respective Charters stating their respective purposes, memberships, duties and responsibilities, conduct of meetings and other relevant guidelines.

4.7.2. Executive Committee (ExeCom)

The ExCom is created by the Board to decide and implement courses of actions relevant to the Board of Directors. It has the power to direct the business of the Bank within powers and authority lawfully delegated to it by the Board of Directors, including the power to review and approve proposals and transactions related to credit in amounts within the limits of its delegated authority.

PHILIPPINE VETERANS BANK

Minutes of the Regular Meeting of the Board of Directors
On September 23, 2022 at 9:30 A.M
6/F Boardroom, PVB Building
101 Rufino cor. Dela Rosa Streets, Makati City

PRESENT:

ROBERTO F. DE OCAMPO (RFO)	- Chairman & CEO
GUILLERMO L. PARAYNO JR. (GLP)*	- Vice Chairman
RENATO A. CLARAVALL (RAC)	- President & COO
GERARDO MANUEL LUIS B. ANONAS (GBA)*	- Director
FRANCISCO S. MAGSAJO JR. (FSM)	- Director
MICHAEL DEMOCRITO C. MENDOZA (MCM)*	- Director
JOSE A. NUÑEZ JR. (JAN)*	- Director
PERCIANITA G. RACHO (PGR)*	- Director
CESAR A. RUBIO (CAR)	- Director
MA. CECILIA G. SORIANO (MCGS)*	- Director
REYNALDO V. VELASCO (RVV)	- Director

ALSO IN ATTENDANCE:

CAMILLE MARICELLE M. CANULLAS (CMMC)	- Head, IT Group
JOSE NOEL L. CADIENA (JLC)	- Head, Central Operations Group
EDWIN T AMAHAN (ETA)	- Head, Branch Banking Group
MARIA ANTONIA N. BACABAC (MANB)	- Head, Risk Management Division
CHARINA D. BALANQUIT (CDB)	- Chief Digital Marketing Officer
LEAH MABEL M. FAUSTINO (LMF)	- Head, Human Resources Division
MA. FLOR B. MANAOIS (MFBM)	- Chief Audit Executive
ROBERTO S. VERGARA (RSV)	- Head, Trust and Investment Division
MIGUEL ANGELO C. VILLA-REAL (MCV)	- Head, Marketing Communications Division
MA. THERESA L. ESCOBAR (MTLE)	- Chief Compliance Officer
ARMAND D. EUGENIO (ADE)	- Head, Assets Recovery & Remedial Management Division

*via Zoom videoconference

	DEC-21 A	MAR-22 A	JUNE-22 A
Interest Income	138	799	1,023
Interest Expense	27	79	82
Net Interest Income	111	720	941
Fees & Other Income	15	38	49
TOTAL INCOME	126	758	990
OPEX	395	945	1,004
NET INCOME(Loss)	-269	-185	-14

9. CAR asked what the long-term vision is for NAGON. RFO replied that the purpose is to course micro-lending through NAGON.

10. CAR inquired if NAGON can use PVB's Fiserv license once its operations expand in the future. RAC replied that NAGON will have to pay an additional fee to Fiserv if it wants to use the system.

11. RFO informed the Board that NAGON is located right across the municipal hall. TLC added that it is in the center of the LGU, near the market, school, etc. However, the building needs to be renovated after it suffered damage due to the Taal Volcano eruption. RVV stated that if it is structurally unsound, it will have to be demolished. RAC said that after it was inspected, the building was declared structurally sound and only required renovation.

Action:

The Board took note of the Financial Report of NAGON as of June 2022.

VI. THE PRESIDENT'S REPORT

a. August 2022 Financials

12. RAC presented the August 2022 Financials of the Bank (attached as **Annex "C")**, which had previously been presented to the Audit Committee, and highlighted the following (June versus previous month):

- Total Assets decreased by ₱2.5 billion to ₱60.98 billion, although these exceeded the ₱60 billion orig. budget for the month
- Loans increased by ₱921.0 million to ₱23.1 billion, but still fell below the ₱28.6 billion original budget for the month. However, this was higher than the ₱22.6 billion catch-up plan for the month

VIII. ADJOURNMENT

67. There being no further business to discuss, the meeting was adjourned at 1:15 PM.

ATTEST:

[redacted]

ROBERTO F. DE OCAMPO, OBE
Chairman

[redacted]

GUILLERMO L. PARAYNO, JR.
Vice Chairman

[redacted]

RENATO A. CLARAVALL
Director/President & COO

[redacted]

GERARDO MANUEL LUIS B. ANONAS
Director

[redacted]

FRANCISCO S. MAGSAJO, JR.
Director

[redacted]

MICHAEL DEMOCRITO C. MENDOZA
Director

[redacted]

JOSE A. NUÑEZ, JR.
Lead Independent Director

[redacted]

PERCIANITA G. RACHO
Director

[redacted]

CESAR A. RUBIO
Director

[redacted]

MA. CECILIA G. SORIANO
Director

[redacted]

REYNALDO V. VELASCO
Director

[redacted]

JOCELYN GRACE N. NAVATO
Board Secretary

a.3. Interlocking directorship between a Bank and Investment House (IH), is allowed subject to the requirements of interlocking and applicable laws and regulations.

a.4 **Approval.** The Board Secretary/Corporate Secretary shall determine the occurrence of an interlocking. The Board of Directors, thru the Corporate Governance & Oversight Committee (CGCOC), shall approve the interlocking positions held by directors. In this regard, the supporting documents on the approval shall reflect the assessment done on the said interlocking.

a.5. **Limit on Interlocking Directorship.** A Non-Executive Director (NED) which may include an Independent Director, shall be allowed to concurrently serve as director to a maximum limit of five (5) publicly-listed companies (PLC).

Executive Directors, they can serve up to maximum of two (2) boards of the PLCs only.

Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.

a.6. **Documenting Interlocking Directorship.** Any director who will be accepting new interlocking directorship position/appointment, shall notify the Bank's Board or the CGCOC through the Board Secretary prior accepting such position/appointment.

b. Interlocking Directorship and Officership

Interlocking directorship and officership are allowed provided that the positions do not pose conflict of interests.

c. Interlocking Officership

A concurrent officership in different financial institutions may present more serious problems of self-dealing and conflict of interest. Multiple positions may result in poor governance or unfair competitive advantage. Considering the full-time nature of officer positions, the difficulties of serving two (2) offices at the same time, and the need for effective and efficient management, the following rules shall be observed:

i. Interlocking officerships shall not be allowed except the following:

a) Held in the same capacity within a banking group as
(i) Corporate Secretary
(ii) Security Officer
(iii) Chief Risk Officer. Chief Compliance Officer, Head of Internal Audit or
(iv) Other positions performing similar functions as those in (i) to (iii)

GA

Dr. Roberto F. De Ocampo, OBE
Chairman
77, Filipino

Dr. Roberto F. De Ocampo, OBE, a son of a WWII veteran, was the former Secretary of Finance of the Philippines, and became the first Filipino to receive the most internationally prestigious award to Finance Ministers Worldwide, the "Global Finance Minister of the Year" award from Euromoney in 1995. In 1996, Euromoney named him "Asian Finance Minister of the Year." In 1997, he was again recognized as Asian Finance Minister of the Year, this time by Asiamoney Magazine.

He is known nationally and internationally for public and international finance, having been Chairman of the APEC and ASEAN Finance Ministers (at the onset of the Asian financial crisis) whose meetings he chaired and resulted in the landmark Manila Framework that prescribed the steps to exit the crisis. He was also a member of the Boards of Governors of the World Bank, the International Monetary Fund, and the Asian Development Bank.

He was Secretary of Finance (1994-1998) during the presidency of Fidel V. Ramos, and was widely recognized as the principal architect of the resurgence of the Philippine economy whose achievement was hailed by the international finance community.

He is the past president of the Asian Institute of Management having retired from that position in May 2006, and until recently was a member of the AIM Board of Trustees.

Prior to these posts, he also served as Chairman and CEO of the Development Bank of the Philippines (DBP) and led its rehabilitation. This earned DBP the recognition from the prestigious international The Banker magazine as one of the "world's soundest banks" during his tenure. As Secretary of Finance he was also concurrently Chairman of the Land Bank of the Philippines.

Dr. De Ocampo is a recipient of many international and national honors. In September 2001, he was named to the Ordre National de la Legion d' Honneur by the Republic of France with the rank of Chevalier for his successful efforts and initiatives to promote closer Philippine-France relations. On the occasion of the Queen's Diamond Jubilee, he was conferred by Her Majesty Queen Elizabeth II the Most Excellent Order of the British Empire (OBE) for his outstanding efforts in promoting Philippine-UK relations during his years in public service, and in his capacity as Chairman of the British Alumni Association. More recently, he was conferred by the Vatican as a knight of the Equestrian Order of the Holy Sepulchre of Jerusalem.

He has also been awarded the Philippine Legion of Honor, the highest honor conferred on Filipino civilians by the Republic of the Philippines in 1998 for his outstanding contributions to the country. He is one of the first ASEAN members of the Trilateral Commission, an international think-tank of distinguished global leaders and was also the first recipient of the Man of the Year Award from the Association of Development Finance Institutions of Asia Pacific (ADFIAP). He is a founding Partner of a Global Advisory Group (Centennial Group) based in Washington D.C. and is a Founding Director of the Global Economic Forum: The Emerging Markets Forum. He is the first Asian to be elected to the Board of the Global Reporting Initiative (GRI) which is the global authority on Sustainability Reporting based in Amsterdam.

Dr. De Ocampo was 1975 Ten Outstanding Young Men (TOYM) awardee in the field of National Economic Development for pioneering the Philippine rural electrification program. He had been cited as one of the 500 Great Asians in 2001 and a recipient of several Baron's Who's Who awards. In 2004, he was elected to the Board of Advisors of the Conference Board, one of the world's leading authorities in international business economics (based in New York). In 2006, he was conferred with the Asian Human Resources Development Award by the Asia HRD Congress.

At present, he Chairs the Board Advisers of the RFO Center for Public Finance & Regional Economic Cooperation, an ADB Regional Knowledge Hub. He is also the present Chairman of Intervest Projects, Inc. and Intervest Insurance Agency, Inc., wholly owned subsidiaries of Veterans Bank. In addition he chairs five other organizations and is a board member of several publicly listed and non-listed companies and institutions.

Guillermo L. Parayno Jr.
Vice Chairman
75, Filipino

- Current Director, Metro Retail Stores Group, Inc.
- Current Chairman: E-Konek Pilipinas; Bagong Silang Farms, Inc.; and Parayno Consultancy Services
- Commissioner, Bureau of Customs, 1992-1998
- Commissioner, Bureau of Internal Revenue, 2002-2005
- Co-Chairman, Lina Group of Companies, 1999-2002
- PMA Alumni Cavalier Awardee for outstanding accomplishments in Public Administration
- Outstanding Professional of the Year by the Professional Regulatory Commission of the Philippines
- Economic Warrior Award of the Department of Finance
- Bachelor of Science degree, Magna Cum Laude, Philippine Military Academy
- Masters in Psychology, University of the Philippines
- Computer Programming, National Computer Center
- Master of Business Management, Asian Institute of Management

Renato A. Claravall
President & Chief Operating Officer
71, Filipino

- Director, Philippine Veterans Bank (2015-2018)
- Senior Vice President and Chief Finance Officer (CFO), Benguet Corporation, 2010-2015 (retired)
- Director, various wholly owned companies of Benguet Corporation
- Senior Management positions in various financial institutions, 1997-2010
- Deputy General Manager, Bank of Boston Manila Offshore Branch, 1984-1997
- Senior Manager, Union Bank of the Philippines, 1979-1984
- Bachelor of Arts in Economics, Ateneo De Manila University

Percianita G. Racho
Non-Executive Director
65, Filipino

- Regional Chairman, Girl Scout of the Philippines (GSP) Eastern Mindanao Region, July 2021-2024
- President, GSP Agusan Council, 2018-June 2021
- Consultant, Office Cong. Angel Amante Matba Representative, 2nd District Agusan Del Norte
- Provincial Administrator, Agusan del Norte, 2009-2015
- Former Mayor, Municipality of Buenavista, Agusan del Norte, 2001-2004
- Assistant Legal Officer, Agusan del Norte, 1998-2001
- Former Vice Mayor, Municipality of Buenavista, Agusan del Norte, 1992-1995
- Former National President of the VFP - Sons & Daughters Association, Inc. (VFP-SDAI)
- Bachelor of Laws, University of Bohol, 1980 – 1984
- AB Political Science, University of Bohol, 1976 – 1980

Jose A. Nuñez, Jr.
Independent Director
70, Filipino

- Former Chairman, Development Bank of the Philippines
- Vice-Chairman, Unicapital Securities, Inc.
- Director, Unicapital, Inc.
- Director, Unicapital Finance, Inc.
- Director and Treasurer - Universal LRT Corp, Ltd.; Agus 3 Hydro Corp.; ULCOM Company; Bukidnon Hydro Electric Corp.; Lear Aero Ltd. Inc.; Tranzen Group, Inc.; La Costa Development Corporation, Inc.
- Former Vice-Chairman, Amanah Islamic Bank
- Former Director, Philippine Veterans Bank – 2000-2010
- Former Vice Chairman and CEO, Federal Savings Bank
- Former Chairman and President, Asian Express Money Services Corp.
- Former Chairman, SB Cards Corp.
- Former President, Security Diners International Corp.
- MBA Candidate, Ateneo De Manila University
- Bachelor of Arts major in Economics, Xavier University

Gerardo Manuel Luis B. Anonas
Director
65, Filipino

- Appointed Director of Veterans Bank in September 2017
- President, Optimum Development Bank, 2015-2017
- Executive Vice President, East West Banking Corp., 1998-2006
- Executive Vice President, Philippine Banking Corp., 1994-1998
- Senior Vice President, Urban Bank, 1991-1994
- Masters in International Business, Shiller International University Paris Study Center
- Bachelor of Science in Management, Ateneo de Manila University

Francisco S. Magsajo
Director
75, Filipino

- Elected Director of the Bank in April 2019
- Director, Philippine Savings Bank
- Director Metrobank Card Corporation
- Director, First Metro Investment Corp. (FMIC)
- Former President & COO, Rizal Commercial Banking Corporation
- Former President & CEO, RCBC Savings Bank
- Former President & CEO, Philippine Export-Import Credit Corporation
- Former Executive Vice President, Philippine National Bank
- Former Managing Director, PNB International Finance, Ltd, HK
- Former Director, PNB Remittance Corp, USA
- Former Banking Consultant, Allied Banking Corporation
- Advanced Bank Mgmt. Program, Wharton School of Econ, University of Pennsylvania
- Education: Bachelor of Science in Economics, Lyceum of the Philippines

Cesar A. Rubio
Independent Director
76, Filipino

- Former EVP-CFO, United Coconut Planters Bank
- Former Director - UCPB Savings Bank; UCPB Securities; UCPB Leasing and Finance; UCPB Foreign Exchange Corporation
- Former Chairman, UCPB Condominium Corp., Master Caterers, Inc.
- Former EVP, RCBC Corporate Planning Group
- Former AVP Metrobank
- Attended Citibank Executive Training Program prior to becoming Credit and Account Officer
- Past Director, Financial Executive Institute of the Philippines (FINEX)
- Past Treasurer and Member of the Board of Trustees, FINEX Foundation
- Past Director, Makati Sports Club, Inc.
- Masters in Business Management, Asian Institute of Management
- Pacific Rim Bankers Program, University of Washington
- Certified Public Accountant, Professional Regulatory Commission
- Bachelor of Science in Commerce major in Accounting, De La Salle University

Michael Democrito C. Mendoza
Director
61, Filipino

- Vice-Chairman, Multi-Sectoral Advisory Board - VISCOM AFP, 2017
- Vice-President, Trade Union Congress of the Philippines (TUCP), 2012
- National President, Associated Labor Unions (ALU)
- National President, Associated Philippine Seafarers Union (APSU)
- Former Commissioner, Cebu Port Authority
- Bachelor of Laws, Southwestern University
- AB Political Science, University of the Philippines Cebu

Ma. Cecilia G. Soriano, Ph.D.
Independent Director
66, Filipino

- Independent Consultant of DBM, DOF, NEDA, DILG, WB, ADB, JICA
- Member, Board of Trustees – Foundation for Economic Freedom (FEF)
- Founding Member, Steering Committee, AguaJaring (SEA Capacity Building Network for IWRM)
- Co-Founder and President, Philippine Capacity Building Network for IWRM (PhilCapNet)
- Former Member, Board of Trustees, Metropolitan Waterworks and Sewerage System (MWSS), 2011-2016
- Former Program Director for Professional Development Program, Department of Finance (DOF), 2011-2013
- Former Advisor to the Executive Director for Brazil, Columbia and the Philippines in World Bank (WB), Washington DC, 1992-1994
- Former Undersecretary of Finance – DOF, 1995-1998 ; 1991–1992
- Held various positions in the International Finance Group of the DOF, 1986-1991
- Ph.D in Economics, University of California at Berkeley
- Bachelor of Science in Management Engineering, Ateneo De Manila University, Magna cum Laude and Valedictorian

PLTGEN. Reynaldo V. Velasco Ph.D., (RET)
Independent Director
74, Filipino

- Former Administrator, Metropolitan Waterworks and Sewerage System (MWSS) 2017 - 2021
- Former Chairman, Board of Trustees, MWSS 2019 -2021
- Former Municipal Mayor, Sta. Barbara Pangasinan 2007 - 2010
- Former PNP Deputy Chief for Operations and Administration 2004 - 2005
- Former Executive Director, Philippine Center on Transnational Crime (PCTC)
- Former Regional Director, NCRPO
- Former Director, Philippine National Police Region Office (PNP NCRPO)
- Former Trustee, AFP Savings & Loans, Inc. 2001 -2003
- Former Board of Director, Public Safety Mutual Benefit Fund Inc. 2001 – 2002
- Former Board of Director, AFP Mutual Benefit Association Inc. 2004 - 2005
- Doctor of Philosophy, Bicol University 2003
- Master in Business Administration, University of St. La Salle, Bacolod 1992 - 1996
- Bachelor of Science, Philippine Military Academy 1967 - 1971
- Bachelor of Science in Chemical Engineering, Mapua Institute of Technology Manila 1965 - 1967

Atty. Jocelyn Grace N. Navato
Board Secretary and concurrent Acting Chief Governance Officer
51, Vice President

- Joined PVB on November 1, 2021
- Former Chief Compliance Officer of RCBC Leasing and Finance Corporation
- Former head of Credit Department, RCBC Leasing and Finance Corporation
- Former Assistant Corporate Secretary of Rizal Commercial Banking Corporation
- Former Corporate Secretary of Rizal Microbank, Inc., RCBC Leasing and Finance Corporation, and RCBC Rental Corporation
- Former Chief of Staff of Board Trustee Karina Constantino-David – Government Service Insurance System
- Former head of HR/General Services/Secretariat in Bank of Tokyo – Mitsubishi UFJ, Ltd. (now MUFG Bank)
- Former Bank Security Officer of Bank of Tokyo – Mitsubishi UFJ, Ltd. (concurrent)
- Former Commonwealth Business Area Head of Maynilad Water Services Inc.
- Bachelor of Laws - College of Law, University of the Philippines, Diliman
- Bachelor of Arts in Mass Communications (major in Communications Research) – College of Mass Communications, University of the Philippines, Diliman

S.2

SECRETARY'S CERTIFICATE

I, **JOCELYN GRACE N. NAVATO**, Filipino, of legal age, with business address at Philippine Veterans Bank, PVB Building, 101 V. A. Rufino corner Dela Rosa Street, Legaspi Village, Makati City, being the incumbent and duly-appointed Board Secretary of the **PHILIPPINE VETERANS BANK** (the "Bank"), a corporation duly organized and existing under the laws of the Philippines, with head office at the PVB Building, 101 V.A. Rufino corner Dela Rosa Street, Legaspi Village, Makati City, after having been sworn according to law, depose and state that during the Organizational Meeting of the Board of Directors of the Bank held on 29 June 2022, the following resolution was unanimously passed:

> "**RESOLVED**, as it is hereby resolved, that the Board of Directors approves, and the same is hereby approved, the appointment of the following as Independent Directors, namely:
>
> Mr. Jose A. Nuñez, Jr. – Lead Independent Director
> Mr. Cesar A. Rubio
> Ms. Ma. Cecilia G. Soriano; and
> Mr. Reynaldo V. Velasco."

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Bank on this _____ day of ***June 2022*** at ***Makati*** City.
3 0 JUN 2022

[redacted]
Atty. JOCELYN GRACE N. NAVATO
Board Secretary

3 0 JUN 2022
SUBSCRIBED AND SWORN to before me this _____ day of June 2022, affiant exhibiting to me her Philippine Passport No. P36237918 issued by the DFA Manila and valid until 23 October 2029.

[redacted]
ATTY. [illegible] DELOS SANTOS
[illegible]
MCLE extended until April 14, 2023
Per Bar Matter No. 850

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b. Disqualification and Procedure

Without prejudice to specific provisions of law prescribing disqualifications and disqualification procedures for directors/ officers; disqualified to become directors/ officers are those defined under BSP Circular No. 1076.

c. Tenure:

Upon election, a Director serves for a term of one (1) year subject to re-election the following year. The Nominations Committee shall evaluate each Director's qualifications for term renewal annually.

4.3.2. **Independent Directors:**

a. Qualifications

- **i.** Is not or was not a director, officer or employee of the Bank, its subsidiaries, affiliates or related interests during the past three (3) years counted from the date of his election/appointment.
- **ii.** Is not or was not a director, officer, or employee of the Bank's substantial stockholders and their related companies during the past three (3) years counted from the date of his election/appointment.
- **iii.** Is not an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the Board of Directors of the institution, or in any of its related companies or of its majority corporate shareholders.
- **iv.** Is not a close family member of any director, officer or stockholder holding shares of stock sufficient to elect one (1) seat in the Board of Directors of the Bank or any of its related companies or of any of its substantial stockholders.
- **v.** Is not acting as a nominee or representative of any director or substantial shareholder of the Bank, any of its related companies or any of its substantial shareholders.
- **vi.** Is not or was not retained as professional adviser, consultant, agent or counsel of the Bank, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) years counted from the date of his election.
- **vii.** Is independent of management and free from any business or other relationship, has not engaged within the last two (2) years and does not engage in any transaction with the Bank or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment.
- **viii.** Was not appointed in the Bank, its subsidiaries, affiliates or related interests as Chairman "Emeritus", "Ex-Officio", Directors/Officers or Members of any

Advisory Board, or otherwise appointed in a capacity to assist the Board of Directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his appointment;

ix. Is not affiliated with any non-profit organization that receives significant funding from the Bank or any of its related companies or substantial shareholders.

x. Is not employed as an executive officer of another company where any of the Bank's executives serve as directors.

b. Tenure

An independent director (ID) may only serve as such for a maximum cumulative term of nine (9) years. The nine (9) year maximum cumulative term for ID shall be reckoned from 2012, after which the ID shall be perpetually barred from serving as ID in the same bank, but may continue to serve as regular director.

4.3.3. Lead Independent Director

The Lead Independent Director is designated by the Board among the independent directors, if the positions of the Chairperson of the Board and the Chief Executive Officer are held by one person.

The Lead Independent Director shall be designated in the Organizational Meeting of the Board of Directors following the Annual Stockholders Meeting. The Lead Independent Director shall act as the preferred point of contact for other Independent Directors on the Board. Whenever necessary and at least once a year, he organizes a meeting exclusively for Independent Directors to discuss issues not included in the regular Board agenda.

a. **Specific Duties and Responsibilities of the Lead Independent Director:**

i. Supports the Chairman of the Board;
ii. Serves as intermediary between the Chairman, the Board and the Board
iii. Stakeholders in cases where Management has clear conflict of interest
iv. Convenes and Chairs meetings of Independent Directors and Non-Executive Directors;
v. Contributes to the Performance evaluation of the Chairman, as required;
vi. Leads the Independent Directors at the Board meetings in raising queries and pursuing matters;
vii. Ensures the nomination and succession of the Chairman of the Board.

4.3.4. Board Officers

a. Chairman of the Board

The Chairman of the Board of Directors shall provide leadership in the Board of Directors. He shall ensure effective functioning of the Board of Directors, including maintaining a relationship of trust with members of the Board of Directors.

J.3

CERTIFICATION

I, **REYNALDO V. VELASCO,** of legal age, with postal address at #17 Watson Street Ayala Hillside Estates, Old Balara, Quezon City, after having been sworn to in accordance with law hereby depose and state that:

- I possess all the qualifications and none of the disqualifications to become a director;
- I have attended the seminar on corporate governance in accordance with the Bangko Sentral prescribed syllabus on the same, as applicable;
- I received copies of the duties and responsibilities of the board of directors and of a director and I truly understand and accepts the same;
- I am an independent director as defined under the 2020 BSP Manual of Regulations for Banks (MORB) Section 131.

This Certification is executed to comply with the BSP confirmation requirements under the 2020 BSP MORB Section 137, Appendix 101, BSP Circular No. 1136 series 2022, and for all legal intents and purposes it may serve.

IN WITNESS WHEREOF, I have hereunto affixed my hand this AUG 03 2022 day of ________ at PASIG CITY.

[redacted]

REYNALDO V. VELASCO

SUBSCRIBED AND SWORN to before me this AUG 03 2022 day of ________, 2022, at PASIG CITY, affiant exhibiting to me his Senior Citizen ID. 06700000286312.

[redacted]

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Advisory Board, or otherwise appointed in a capacity to assist the Board of Directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his appointment;

ix. Is not affiliated with any non-profit organization that receives significant funding from the Bank or any of its related companies or substantial shareholders.

x. Is not employed as an executive officer of another company where any of the Bank's executives serve as directors.

b. Tenure

An independent director (ID) may only serve as such for a maximum cumulative term of nine (9) years. The nine (9) year maximum cumulative term for ID shall be reckoned from 2012, after which the ID shall be perpetually barred from serving as ID in the same bank, but may continue to serve as regular director.

4.3.3. Lead Independent Director

The Lead Independent Director is designated by the Board among the independent directors, if the positions of the Chairperson of the Board and the Chief Executive Officer are held by one person.

The Lead Independent Director shall be designated in the Organizational Meeting of the Board of Directors following the Annual Stockholders Meeting. The Lead Independent Director shall act as the preferred point of contact for other Independent Directors on the Board. Whenever necessary and at least once a year, he organizes a meeting exclusively for Independent Directors to discuss issues not included in the regular Board agenda.

a. **Specific Duties and Responsibilities of the Lead Independent Director**:

i. Supports the Chairman of the Board;

ii. Serves as intermediary between the Chairman, the Board and the Board

iii. Stakeholders in cases where Management has clear conflict of interest

iv. Convenes and Chairs meetings of Independent Directors and Non-Executive Directors;

v. Contributes to the Performance evaluation of the Chairman, as required;

vi. Leads the Independent Directors at the Board meetings in raising queries and pursuing matters;

vii. Ensures the nomination and succession of the Chairman of the Board.

4.3.4. Board Officers

a. Chairman of the Board

The Chairman of the Board of Directors shall provide leadership in the Board of Directors. He shall ensure effective functioning of the Board of Directors, including maintaining a relationship of trust with members of the Board of Directors.

i. **Specific Duties and Responsibilities of the Chairman of the Board**

1) Ensures that the meeting agenda focuses on strategic matters including discussions on risk appetites, and key governance concerns;
2) Ensures a sound decision making process;
3) Encourages and promotes critical discussion;
4) Ensures that dissenting views can be expressed and discussed within the decision-making process;
5) Ensures that members of the board of directors receives accurate, timely, and relevant information;
6) Ensures the conduct of proper orientation for first time directors and provide training opportunities for all directors; and
7) Ensures conduct of performance evaluation of the Board of Directors at least once a year.

ii. **Qualifications of the Chairman of the Board**

To promote checks and balances, the Chairperson of the Board of Directors shall be a non-executive or independent director, and must not have served as CEO of the Bank within the past three (3) years prior to his/her election as Chairman of the Board.

The positions of the Chairman and CEO shall not be held by one person. In case where the position of Chairman of the Board of Directors and CEO is held by one (1) person, with approval of the BSP Monetary Board, a Lead Independent Director shall be appointed.

b. **Vice Chairman of the Board**

The Vice Chairman shall assist the Chairman of the Board in performing the latter's duties and responsibilities. In particular, the Vice Chairman shall take the important role in monitoring the implementation of the Company's strategies. During the period when the Chairman is absent and the normal functions of the Chairman cannot be carried out, the Vice Chairman will assume the role as the acting Chairman until the Chairman resumes carrying out his normal duties and/or a new Chairman has been elected and appointed by the Board.

c. **Chief Executive Officer (CEO)**

The CEO shall be the overall-in-charge for the management of the business and affairs of the Bank governed by the strategic direction and risk appetite approved by the Board of Directors. He shall be primarily accountable to the Board of Directors in championing the desired conduct and behavior, implementing strategies, and in promoting the long-term interest of the Bank. He gives guidance and direction in maintaining the uptrend in the Bank's financial performance.

i. Specific Duties and Responsibilities of the CEO

1) Determines the Bank's strategic direction and formulate & implement its strategic plan on the direction of the business;
2) Communicates and implements the Bank's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same;
3) Maintains a good working knowledge of the banking industry and market and keeps up-to-date with its core business purpose;
4) Manages the Bank's resources prudently and ensure a proper balance of the same;
5) Provides the Board with timely information and interface between the Board and the employees;
6) Builds the corporate culture and motivates the employees of the Bank;
7) Serves as the link between internal operations and external stakeholders;
8) Exercises the power of supervision and control over decisions or actions of subordinate officers and all other powers that may be granted by the Board;

4.3.5. President and Chief Operation Officer

The President and Chief Operating Officer (COO) takes a leadership role in building, implementing and overseeing the Bank's financial goals, systems, processes, workflows and procedures. The position also plays a critical role in helping to shape and guide the future growth and development of the Bank. He is responsible for the over-all direction and control of the Bank's entire operations. He oversees capital formulation, authorization of capital expenditures, acquisition or disposition of assets, and declaration of dividends.

a. Duties and Responsibilities:

i. Directs and manages internal operations to achieve budgeted results and other financial criteria and to preserve the capital funds invested of the organization;
ii. Establishes processes and system to manage all resources required for business including technology and people;
iii. Establishes a strategic plan that is aligned to the business objective of the CEO to ensure business profitability;
iv. Leads the development and installation of procedures and controls, to promote communication and adequate information flow to solidify management control and direction of the Bank;
v. Develops and establishes operating policies consistent with the CEO's broad policies and objectives and ensures their adequate execution;
vi. Appraises, evaluates and reports the results of overall operations regularly and systematically to the CEO to ensure that all activities and operations are performed in compliance with the policies and regulations and laws governing business operations;
vii. Develops and maintains a sound plan of organization and establishes policies to ensure adequate management development and to provide for capable

PHILIPPINE VETERANS BANK

Minutes of the Regular Meeting of the Board of Directors On April 20, 2022 at 9:00 A.M via Zoom Video Conferencing

PRESENT:

ROBERTO F. DE OCAMPO (RFO)	- Chairman & CEO
GUILLERMO L. PARAYNO JR. (GLP)	- Vice Chairman
RENATO A. CLARAVALL (RAC)	- President & COO
GERARDO MANUEL LUIS B. ANONAS (GAB)	- Director
MA. NIEVES R. CONFESOR (NRC)	- Director
JUDITH V. LOPEZ (JVL)	- Director
FRANCISCO S. MAGSAJO JR. (FSM)	- Director
JOSE A. NUÑEZ JR. (JAN)	- Director
PERCIANITA G. RACHO (PGR)	- Director
CESAR A. RUBIO (CAR)	- Director

NOT PRESENT:
MICHAEL DEMOCRITO C. MENDOZA (MCM) - Director

ALSO IN ATTENDANCE:

CLODOVEO P. ATIENZA (CPA)	- Head, Credit Group
CAMILLE MARICELLE M. CANULLAS(CMC)	- Head, IT Group
ANNABELLE Y. YONG (AYY)	- Head, Consumer Lending Division
MARIA ANTONIA N. BACABAC (MNB)	- Head, Risk Management Division
JOSE NOEL L. CADIENA (JLC)	- Head, Central Operations Group
LEAH MABEL M. FAUSTINO (LMF)	- Head, Human Resources Division
PATRICK JEROLD T. JUAN (PTJ)	- Head, Institutional Banking Group
MA. FLOR B. MANAOIS (MBM)	- Chief Audit Executive
ROBERTO S. VERGARA (RSV)	- Head, Trust and Assets Management Group
MIGUEL ANGELO C. VILLA-REAL(MCV)	- Head, Marketing Communications Division
FLORENCE T. PALACIO (FTP)	- Head, Finance & Admin Group
MA. THERESA L. ESCOBAR (MLE)	- Chief Compliance Officer
ANDRES B. SARACHO (ABS)	- Head, Veterans Affairs Office
JOCELYN GRACE N. NAVATO	- Board Secretary

I. CALL TO ORDER

1. Chairman RFO called the meeting to order at 9:00 a.m.

Tranche 2 of Capital-Raising and Engagement of Financial Advisor

53. RAC submitted to the Board for approval the proposal to Offer Remaining Unsubscribed Common Shares Under RA 11597 for Subscription to Post-World War II Veterans, AFP Retirees, and Non-Veterans (**Annex "JJ"**).

54. RAC likewise requested Board approval to engage the services of a financial advisor, specifically that of Unicapital, Inc., for the capital-raising activity.

55. JAN abstained from the discussion and voting due to his position as a Director of the Unicapital, Inc.

On motion duly made and seconded, the Board of Directors approved the request and issued the following resolution:

RESOLUTION NO. 2022-129(B)

"**RESOLVED,** as it is hereby resolved, that as proposed by the President & Chief Operating Officer in the Memorandum dated 19 April 2022, the Board of Directors approves, and the same is hereby approved, that the Bank offer the 51,681,775 common shares that remained unsubscribed after the Stock Rights Offering held from March 7, 2022 to April 18, 2022, to post-World War II veterans, Armed Forces of the Philippines (AFP) retirees, and non-veterans, under the following terms and conditions, to wit:

Type of Shares	51,681,775 shares
Subscription Period	To be set later, after engagement of a financial advisor
Target Subscribers	Post-World War II veterans; AFP retirees; non-veterans
Minimum Subscription	One (1) share
Type of Subscription	New Shares; Unissued Shares; Treasury Shares
Subscription	Any number of shares the subscriber opts to subscribe on a "first come, first served" basis, subject to the condition below
Proviso	PVB shall have the right to cancel the subscription and return any payments received if the number of common shares subscribed by non-veterans exceeds the majority of common shares held by veterans

6f/

BOARD/INDIVIDUAL PERFORMANCE

	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12	
I was given a copy of the Bank's Articles of Incorporation and By-Laws and has read and understood the same	5	4	5	5	4	4	4	5	5	4	4	5	4.50
I am up-to-date and observe Bangko Sentral ng Pilipinas circulars and other issuances	5	3	5	5	4	4	4	3	5	4	4	5	4.25
I am up-to-date on bank industry development and trends	5	3	5	5	4	4	4	3	5	4	4	4	4.17
I have attended the required Corporate Governance seminar for Bank Directors	5	4	5	5	4	5	4	2	5	4	4	5	4.33
I keep myself updated on the latest best practices in corporate governance and ensure I abide by them	5	2	4	5	4	4	4	3	5	4	4	5	4.08
I have a good record of Board and Committee meeting attendance	5	5	5	5	4	5	4	3	5	5	5	5	4.67
I am committed to accomplish all duties and responsibilities of a Director and member of my Committee/s and will perform in the best interest of the Company	5	5	5	5	4	5	4	4	5	5	5	5	4.75
	5	3.71	4.86	5	4	4.43	4	3.29	5	4.29	4.29	4.86	4.39
	BFO	GLP	RAC	GBA	NRC	JVL	FSM	MDCM	JAN	PGR	CAR	FAM (ul August 2021)	

		D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12	
1	Devote time and devotion to properly discharge duties and responsibilities	5	4	5	5	4	5	4	3	5	5	4	5	4.50
2	Come to Board/Committee meetings on time, prepared and knowledgeable about the topics to be discussed	5	4	4	5	4	4	4	3	5	5	4	5	4.33
3	Devote sufficient time to familiarize with the Bank's business	5	5	5	5	4	4	4	3	5	5	4	5	4.50
4	Actively participate in the Board and committee meetings; request and review meeting materials, ask questions and request explanation	5	3	4	5	4	5	4	4	5	5	5	4	4.42
5	Act judiciously by thoroughly evaluating the issues, asking questions and seeking clarification when necessary.	5	3	5	5	4	5	4	3	5	5	4	5	4.42
6	Exercise independent judgment by viewing each problem/situation objectively. In case of disagreement, own position is clearly stated even though it may be unpopular	5	4	5	5	4	5	4	4	5	4	4	5	4.50
		5	3.83	4.67	5	4	4.67	4	3.33	5	4.83	4.17	4.83	4.44

		D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	FEM (up to Sept 2021)	
1	Understand and faithfully uphold the vision, mission, values and strategies of	5	5	5	5	4	5	4	5	4	5	4	5	4.67
2	Act fairly and ensure that personal interest does not bias Board decisions	5	5	5	5	4	5	4	5	5	5	5	5	4.83
3	Avoid conflict of interest. Or if it cannot be avoided, the transaction is done in the regular course of business and upon terms not less favorable to the Bank than those offered to others	5	5	3	5	4	5	4	4	5	5	5	5	4.58
4	Fully aware that I should act with honesty and in good faith, with loyalty and in the best interest of the Bank and other stakeholders	5	5	5	5	4	5	4	5	5	5	5	5	4.83
5	Observe confidentiality with respect to non-public information acquired by reason of your position as director, which should not be disclosed without authority of the Board	5	5	5	5	4	5	4	5	5	5	5	5	4.83
		5	5	4.60	5	4	5	4	4.80	4.80	5	4.8	5	4.75

S/N	Enablers	D1	D2	D3	D4	D5	AVERAGE
1	The Committee size and composition is appropriate	4	5	5	4	4	4.4
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	4	5	5	5	4	4.6
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	5	5	5	4	4.6
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	3	4	5	4	4	4
5	The agenda for the Committee is sufficiently strategic and	4	4	4	4	4	4
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	4	4	5	5	4	4.4
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	5	5	4	4	4.4
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	3	5	5	5	4	4.4
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	5	5	4	4	4.4
10	The Committee chair and staff/resource persons responsible were well-prepared.	4	5	5	5	5	4.8
11	The Committee has access to reliable information at any time.	4	4	4	4	4	4
12	The communication line between Board, Board Committee and Management are open and clear.	4	4	5	4	4	4.2
13	Review and recommends changes on approved assets recovery, management, and disposal policies and procedures	4	4	5	4	4	4.2
14	Provides insights, information and update to the BOD on long – range, short –term, specific emergency planning and implementation on asset recovery, management and disposal.	3	5	4	4	4	4
15	Initiates and reviews investigative studies in order to improve asset recovery, management and disposal	3	5	4	4	4	4
16	Reviews and oversees the overall performance of the Assets Recovery and Management Division in the performance of its functions and delivery of set income and disposal targets	3	5	4	4	4	4
	GRAND AVERAGE per Board Committee	3.69	4.63	4.69	4.31	4.06	4.28

Legend:

1 - Poor
2- Needs Improvement
3- Satisfactory
4 -Very Satisfactory
5- Excellent

ADC | Comments

S/N	Enablers	D1	D2	D3	D4	AVERAGE
1	The Committee size and composition is appropriate	4	5	5	4	4.5
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	4	4	5	3	4
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	5	5	4	4.5
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	5	4	4	4.25
5	The agenda for the Committee is sufficiently strategic and	4	3	5	3	3.75
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	4	4	4	3	3.75
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	4	4	3	3.75
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	4	4	4	4	4
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	4	5	4	4.25
10	The Committee chair and staff/resource persons responsible were well-prepared.	4	4	5	4	4.25
11	The Committee has access to reliable information at any time.	4	4	4	3	3.75
12	The communication line between Board, Board Committee and Management are open and clear.	4	4	4	4	4.00
13	Monitor and evaluate internal control system for adequacy and effectiveness	4	4	4	3	3.75
14	action in a timely manner to address weaknesses/non-compliance	4	3	4	4	3.75
15	Report to the Board results of assessment on review of group structure, controls and activities to assess consistency of board approved policies, practices and strategies	4	4	4	3	3.75
16	they are complete, consistent with information known to committee members, and reflect appropriate accounting principles	4	5	4	4	4.25
	GRAND AVERAGE per Board Committee	4.00	4.13	4.38	3.56	4.02

Legend:

1 - Poor
2 - Needs Improvement
3 - Satisfactory
4 - Very Satisfactory
5 - Excellent

AUDIT | Comments

S/N	Enablers	D1	D2	D3	D4	AVERAGE
1	The Committee size and composition is appropriate	4	5	4	5	4.5
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	4	4	2	5	3.75
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	4	3	4	3.75
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	4	2	4	3.5
5	The agenda for the Committee is sufficiently strategic and focused	4	5	3	4	4
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	3	2	3	4	3
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	3	4	5	4
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	4	4	3	5	4
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	5	3	5	4.25
10	The Committee chair and staff/resource persons responsible were well-prepared.	4	3	3	4	3.5
11	The Committee has access to reliable information at any time.	4	3	2	4	3.25
12	The communication line between Board, Board Committee and Management are open and clear.	4	4	3	4	3.75
13	Oversee the nomination process for members of the Board of Directors and for positions apointed by the Board of Directors	0	3	2	5	2.5
14	Oversee periodic evaluation/assessment of Board, Board Members and Board Committee	4	4	3	4	3.75
15	Oversee compliance with relevant banking laws, regulations, circulars, policies and procedures including Anti-Money Laundering Laws, RPT rules and regulations and the relative internal policies and ensure compliance risks/issues are resolved expeditiously.	4	4	3	4	3.75
16	Monitor and review the status of disciplinary actions taken on Bank Personnel with administrative cases and status of outstanding legal cases filed against the Bank which may expose the Bank to reputational risksincome and disposal targets	4	4	2	4	3.5
	GRAND AVERAGE per Board Committee	3.69	3.81	2.81	4.38	3.67

Legend:

1 - Poor
2 - Needs Improvement
3 - Satisfactory
4 - Very Satisfactory
5 - Excellent

CGCOC | Comments

S/N	Enablers	D1	D2	D3	D4	D5	AVERAGE
1	The Committee size and composition is appropriate	4	4	5	5	4	4.40
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	4	2	5	4	4	3.80
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	3	5	4	4	4.00
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	5	5	4	4	4.40
5	The agenda for the Committee is sufficiently strategic and	4	3	5	3	4	3.80
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	4	3	4	4	4	3.80
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	3	5	4	4	4.00
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	4	3	5	4	4	4.00
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	4	5	4	4	4.20
10	The Committee chair and staff/resource persons responsible were well-prepared.	4	3	5	4	5	4.20
11	The Committee has access to reliable information at any time.	4	2	4	3	4	3.40
12	The communication line between Board, Board Committee and Management are open and clear.	4	4	5	4	4	4.20
13	and the Monetary Board's regulations on loans and credit line availment	4	4	5	5	5	4.60
14	Regularly reviews cash position of the Philippine Veterans Bank to establish expendable amounts for loan purposes	3	3	4	4	5	3.80
15	Provides insights, information and update to the Board of Directors in long-range, short-term, specific emergency planning and implementation on loan and credit line policies and procedures of the Philippine Veterans Bank's business	4	2	5	3	4	3.60
16	Initiates investigative studies in any area of the loan and credit line processing and availment and reviews results	4	3	5	3	4	3.80
	GRAND AVERAGE per Board Committee	3.94	3.19	4.81	3.88	4.19	**4.00**

Legend:

1 - Poor
2- Needs Improvement
3- Satisfactory
4-Very Satisfactory
5- Excellent

CRECOM | Comments

S/N	Enablers	D1	D2	D3	D4	D5	D6	AVERAGE
1	The Committee size and composition is appropriate	4	4	4	5	5	4	4.33
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	4	4	3	5	5	5	4.33
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	3	4	5	5	4	4.17
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	3	4	3	4	5	3.83
5	The agenda for the Committee is sufficiently strategic and	4	2	4	3	3	4	3.33
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	4	3	4	3	4	4	3.67
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	3	4	3	4	3	3.50
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	4	3	4	3	4	4	3.67
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	3	4	3	5	4	3.83
10	The Committee chair and staff/resource persons responsible were well-prepared.	5	3	3	3	5	3	3.67
11	The Committee has access to reliable information at any time.	4	3	3	3	4	3	3.33
12	The communication line between Board, Board Committee and Management are open and clear.	4	3	4	5	5	3	4.00
13	Monitors executive management's performance assessment, succession planning and compensation	4	3	3	4	5	3	3.67
14	Ensures that appropriate mechanisms are in place regarding succession planning for the position of CEO/COO.	4	2	3	5	4	4	3.67
15	Recommends the appointment of executive/senior management and approves the terms and conditions of appointment/termination or retirement	5	3	3	5	4	3	3.83
16	Reviews and recommends to the Board for approval, the development of new or revised organization structure, revised or new salary structures and incentive plans in order that the Bank may achieve its goals and outcomes.	4	3	4	5	5	3	4.00
	GRAND AVERAGE per Board Committee	4.13	3.00	3.63	3.94	4.44	3.69	3.80

Legend:

1 - Poor
2 - Needs Improvement
3 - Satisfactory
4 - Very Satisfactory
5 - Excellent

HRCOM | Comments

S/N	Enablers	A	B	C	D	E	F	G	AVERAGE
1	The Committee size and composition is appropriate	4	4	4	5	3	4	5	4.14
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	3	4	3	5	2	3	4	3.43
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	4	4	5	3	5	5	4.29
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	4	5	4	4	5	5	4.43
5	The agenda for the Committee is sufficiently strategic and	4	4	5	4	3	5	5	4.29
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	4	4	4	4	3	3	4	3.71
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	4	4	5	4	5	5	4.43
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	4	4	4	5	4	5	5	4.43
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	4	5	5	4	5	5	4.57
10	The Committee chair and staff/resource persons responsible were well-prepared.	5	4	4	5	4	4	5	4.43
11	The Committee has access to reliable information at any time.	4	4	4	4	3	3	5	3.86
12	The communication line between Board, Board Committee and Management are open and clear.	4	4	4	4	3	5	5	4.14
13	Monitors IT performance and institute appropriate actions to ensure achievement of desired results	4	4	4	4	3	4	5	4.00
14	The Committee provides direction on long – term strategies in support of the company's mandates and business vision and should ensure that the company's Information Technology needs and objectives are being adequately addressed	3	4	4	4	3	5	5	4.00
15	The Committee ensures that strategies to address potential threats to the project's success have been identified, estimated and approved, and that the threats are regularly re –	3	4	4	4	3	4	5	3.86
16	There is an update of standards and policies as emergent issues force changes to be considered, ensuring alignment with the Committee Charter as well as the objectives of the	3	4	4	4	3	5	5	4.00
	GRAND AVERAGE per Board Committee	3.81	4.00	4.13	4.44	3.25	4.38	4.88	4.13

Legend:

1 - Poor
2 - Needs Improvement
3 - Satisfactory
4 - Very Satisfactory
5 - Excellent

ITSC | Comments

S/N	Enablers	D1	D2	D3	D4	AVERAGE
1	The Committee size and composition is appropriate	5	3	4	4	4.00
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	5	3	3	3	3.50
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	4	3	3	3.50
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	4	3	2	3.25
5	The agenda for the Committee is sufficiently strategic and focused	4	5	3	3	3.75
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	4	5	3	3	3.75
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	5	3	3	3.75
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	4	2	4	2	3.00
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	3	4	3	3.50
10	The Committee chair and staff/resource persons responsible were well-prepared.	4	4	3	3	3.50
11	The Committee has access to reliable information at any time.	4	4	3	2	3.25
12	The communication line between Board, Board Committee and Management are open and clear.	4	4	3	3	3.50
13	The Committee reviews and evaluates the qualifications of, and recommends to the Board of Directors, the nominees for the election of members of the Board	4	4	3	3	3.50
14	The Committee nominates the members of the Committee on Elections, which shall: (a) oversee the election proceedings at the stockholders' meeting and (b) certify the results of the election	4	2	3	4	3.25
15	Reviews and makes recommendations on the processes and procedures in the election or replacement of members of the Board	4	2	3	3	3.00
16	Assists the Corporate Governance and Compliance Oversight Committee in the formulation, review and implementation of the Board's succession plan	4	2	3	2	2.75
	GRAND AVERAGE per Board Committee	4.13	3.50	3.19	2.88	3.42

Legend:

1 - Poor
2 - Needs Improvement
3 - Satisfactory
4 - Very Satisfactory
5 - Excellent

NOMCOM | Comments

S/N	Enablers	D1	D2	D3	D4	AVERAGE
1	The Committee size and composition is appropriate	3	3	4	3	3.25
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	2	4	3	3	3.00
3	The Committee is functioning in accordance to the committee charter/terms of reference	2	3	3	4	3.00
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	3	3	2	4	3.00
5	The agenda for the Committee is sufficiently strategic and	2	3	3	3	2.75
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	2	4	3	3	3.00
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	4	3	3	3.50
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	2	4	3	2	2.75
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	2	3	2	3	2.50
10	The Committee chair and staff/resource persons responsible were well-prepared.	2	3	3	4	3.00
11	The Committee has access to reliable information at any time.	2	3	2	4	2.75
12	The communication line between Board, Board Committee and Management are open and clear.	4	3	3	4	3.50
13	Oversee implementation of the program of salaries and benefits for Directors and Senior Management and shall monitor adequacy, effectiveness and consistency of compensation program vis-à-vis corporate philosophy and strategy.	2	3	2	3	2.50
14	Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Bank successfully	3	4	2	2	2.75
15	policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.	2	3	2	2	2.25
16	Disallow any director to decide his or her own remuneration	4	5	4	4	4.25
	GRAND AVERAGE per Board Committee	2.56	3.44	2.75	3.19	2.98

Legend:
1 - Poor
2- Needs Improvement
3- Satisfactory
4-Very Satisfactory
5- Excellent

REMCOM | Comments

S/N	Enablers	D1	D2	D3	D4	D5	D5	AVERAGE
1	The Committee size and composition is appropriate	5	4	4	5	4	5	4.50
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	4	4	4	3	4	5	4.00
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	4	4	4	4	5	4.17
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	4	3	4	4	5	4.00
5	The agenda for the Committee is sufficiently strategic and	5	3	3	3	3	4	3.50
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	4	4	4	2	4	4	3.67
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	4	4	4	4	4	4.00
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	5	4	4	4	4	4	4.17
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	5	4	4	4	4	4	4.17
10	The Committee chair and staff/resource persons responsible were well-prepared.	5	4	4	4	4	4	4.17
11	The Committee has access to reliable information at any time.	4	3	3	3	3	4	3.33
12	The communication line between Board, Board Committee and Management are open and clear.	5	4	4	4	4	4	4.17
13	and controlling major risks to reduce the chance of harm controlling major risks to reduce the chance of harm	4	4	3	3	3	4	3.50
14	discussions on current risk exposures from regular management reports	4	4	4	2	3	4	3.50
15	Regularly report to the Board the entity's over-all risk exposure, actions taken to reduce the risks and recommend further action or plans as necessary	5	4	3	2	3	4	3.50
16	Approve the policies and implementing guidelines as may be recommended for risk management purposes	5	4	3	3	4	4	3.83
	GRAND AVERAGE per Board Committee	4.50	3.88	3.63	3.38	3.69	4.25	3.89

Legend:

1 - Poor
2- Needs Improvement
3- Satisfactory
4-Very Satisfactory
5- Excellent

RMOC | Comments

SN	Enablers	D1	D2	D3	D4	AVERAGE
1	The Committee size and composition is appropriate	5	5	3	4	4.25
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	3	5	2	4	3.50
3	The Committee is functioning in accordance to the committee charter/terms of reference	4	5	3	4	4.00
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	4	4	2	4	3.50
5	The agenda for the Committee is sufficiently strategic and	5	4	3	4	4.00
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	3	4	3	4	3.50
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	4	3	4	3.75
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	4	4	3	4	3.75
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	4	4	4	4	4.00
10	The Committee chair and staff/resource persons responsible were well-prepared.	3	4	3	4	3.50
11	The Committee has access to reliable information at any time.	3	4	2	4	3.25
12	The communication line between Board, Board Committee and Management are open and clear.	4	4	4	4	4.00
13	All material RPTs are evaluated to ensure that the terms are no less favorable than the terms generally available to an unrelated third party under the same circumstances, and that no corporate or business resources of the Bank are misappropriated or misapplied; and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions	3	4	3	3	3.25
14	The Committee reports to the Board, on a quarterly basis or as the need arises, on the status and aggregate exposures to each related party as well as the total amount of exposures to all related	3	4	3	4	3.50
15	The Committee oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and	3	4	3	3	3.25
16	The Committee assists the Board in establishing a system to identify and monitor RPTs, continuously review existing relationships between business/counterparties, and identify/measure and control risks arising from RPTs.	3	4	3	4	3.50
	GRAND AVERAGE per Board Committee	3.63	4.19	2.94	3.88	**3.66**

Legend:

1 - Poor
2 - Needs Improvement
3 - Satisfactory
4 - Very Satisfactory
5 - Excellent

RPT | Comments

S/N	Enablers	D1	D2	D3	SO1	SO2	SO3	VERAGE
1	The Committee size and composition is appropriate	5	5	4	5			4.75
2	The Committee has effective processes for identifying, cultivating, and integrating new members.	5	5	4	4			4.5
3	The Committee is functioning in accordance to the committee charter/terms of reference	5	5	3	5			4.5
4	The Committee meeting calendars, advance materials and agendas support the Board as needed.	5	5	3	4			4.25
5	The agenda for the Committee is sufficiently strategic and	5	4	4	5			4.5
6	The minutes of the meeting contribute to effective discussions and appropriate recommendations to the Board	5	4	3	4			4
7	The Committee meetings runs well, e.g. give members a chance to engage in issues, ensure all voices are heard and Committee's work is efficiently conducted.	4	5	4	5			4.5
8	The Committee regularly provides a report to the full Board and sufficiently updates the Board on recent developments or such other matters that may require the Board action.	3	5	4	5			4.25
9	The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	3	5	4	4			4
10	The Committee chair and staff/resource persons responsible were well-prepared.	3	4	4	5			4
11	The Committee has access to reliable information at any time.	3	4	3	5			3.75
12	The communication line between Board, Board Committee and Management are open and clear.	3	5	4	4			4
13	To ensure that Trust Investments approved by the body complies with all Bangko Sentral ng Pilipinas and the Monetary Board's regulations on trust management	5	5	4	4			4.5
14	Regularly reviews performance of the Trust and Investment Head in the management of trust accounts and placements	5	4	4	4			4.25
15	Provides insights, information and updates to the Board of Directors in long - range, short term, specific emergency planning and implementation of Trust management policies and procedures of the Philippine Veterans Bank's business.	5	5	3	5			4.5
16	Initiates investigative studies in any area of trust management	3	5	3	4			3.75
	GRAND AVERAGE per Board Committee	4.19	4.69	3.63	4.50			4.25

Legend:

1 - Poor
2- Needs Improvement
3- Satisfactory
4-Very Satisfactory
5- Excellent

TRUST | Comments

There are two (2) sets of Evaluation Forms that will assess the Bank's corporate governance practices, using the five (5) point rating scale, with 5 being the highest rating:

a. Director's Performance Evaluation Form

The Directors' self-assessment on the Director's Individual Qualitative Performance; the Board and Board Committees shall reflect the collective values, performance and competence of the board of directors on corporate governance standards and principles.

The Chairman, individual members of the Board and Committees shall conduct an annual self-assessment in order to evaluate the performance for the previous year. The assessment is done annually. The performance of the President, on the other hand, shall be evaluated by the Board of Directors.

After the Directors' self-assessment, the results shall be discussed and noted by the CGCOC before submission to the Board for notation.

b. Scorecard of the Governance Self-Assessment Form

The Directors' self-assessment on the four (4) management component factors, such as: Governance Landscape; Fitness and propriety of the Board and Management; Risk Governance; Controls and Independent Oversight shall reflect the quality and effective implementation of the Bank's corporate governance practices.

The five (5) point rating scale/ scorecard is described as follows:

RATING	DESCRIPTION
5 – EXCELLENT (GWA- 4.6- 5)	DYNAMIC AND INNOVATIVE. With very competitive actions, systems and processes. It creates high impact solution to the organization.
4 – VERY SATISFACTORY)) (GWA- 3.6- 4.5)	EXEMPLARY – considered necessary given the size risk profile and complexity of operations of the bank. Deficiencies or weaknesses may exit but do not affect the overall quality of governance in a bank.
3 – SATISFACTORY (GWA- 2.6-3)	AVERAGE PERFORMER. Delivered what is needed or asked, however, timeliness, accuracy and efficiency of actions, decisions, or processes did not exceed expectations.
2 – NEEDS IMPROVEMENT/ DEFICIENT (GWA- 1.6-2)	DEFICIENT - Needs to exert better action/ decision to be able to perform based on timeliness, accuracy and efficiency.
1 – POOR (GWA- 1- 1.5)	CRITICALLY DEFICIENT - Not worth pursuing. Needs dramatic change and improvement in all aspect.

Apart from assigning a rating, it should come up with specific applicable action recommendations commensurate with the issues identified and the resulting assessment on the quality of governance.

4.14. REPORTORIAL REQUIREMENTS AND DISCLOSURE

The Board shall establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations

4.14.1. The reports or disclosures required under this Manual shall be prepared and submitted to the SEC by the Office of the Board Secretary or responsible officer designated by the Bank.

4.14.2. The Bank shall disclose in the Annual Report the nature of non-audit related services performed by external auditors.

4.14.3. All material information about the Bank that could potentially affect share price, its viability or the interest of its stockholders and other stakeholders, shall be publicly and timely disclosed. Such information shall include corporate strategy, earnings results, material acquisition or disposal of assets, off balance sheet transactions, Board changes, material related party transactions, shareholdings of directors, changes to ownership and direct and indirect remuneration of members of the Board and Senior Management.

4.14.4. The Board is primarily accountable to the stockholders. The Board shall ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders to give a fair and complete picture of the Bank's financial condition, results and business operations. The Board shall commit at all times to fully disclose material information dealings for the interest of the stakeholders. It shall cause the filing of all required information through submission to the Commission for the interest of the Bank's stockholders and other stakeholders.

4.14.5. The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications and assess any potential conflicts that might affect their judgment.

4.14.6. The company's corporate governance policies, programs and procedures should be contained in its Manual on Corporate Governance, which should be submitted to the regulators and posted on the company's website.

4.15. COMMUNICATION PROCESSES AND TRAINING

This Manual shall be available for inspection by any stockholder of the Bank at reasonable hours on business days. This Manual shall likewise be posted in the Bank's website.

4.15.1. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

4.15.2. The copy of this Manual will be posted and be made available in the Bank's intranet, and shall be known by all its employees and stakeholders.

4.15.3. If necessary, funds shall be allocated by the Chief Financial Officer (CFO) or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.

4.15.4. A Director shall, before assuming as such, be required to attend training and seminar related to corporate governance.

a. Internal Training and Education

As early as the selection process of the Board and during the fit and proper review of the CGCOC, the credibility and work experience of the shortlisted candidates are considered and aligned with the requirements of the Bank. Members of the Committee provide an overview of the directorship function and an orientation of the banking operation.

The Bank, through the Office of the Board Secretary shall furnish all Directors with a copy of the duties and responsibilities of the Board of Directors. Each Director is required to acknowledge receipt of the copies of such and certify that they fully understand the same.

First time directors shall undergo an orientation program for at least eight (8) hours. The orientation program ensures that new members are appropriately apprised of their duties and responsibilities, before beginning their directorships, and throughout their tenure. It covers topics on corporate governance, membership to Board-level committees, introduction to the company's business, Articles of Incorporation and other topics relevant in carrying out his/her duties and responsibilities as director.

The Board Secretary shall orient first-time directors.

b. External Training and Education

All directors must have attended a seminar on corporate governance for board of directors. First time directors shall submit to the BSP a certification of their compliance/attendance on corporate governance training. However, first time directors are exempted from complying with this requirement if he/she is any of the following:

(a) Filipino citizens with recognized stature, influence and reputation in the banking community and whose business practices stand as testimonies to good corporate governance;
(b) Distinguished Filipino and foreign nationals who served as senior officials in central banks and/or financial regulatory agencies, including former Monetary Board members;
(c) Former Chief Justices and Associate Justices of the Philippine Supreme Court.

The Bank believes that consumers are the driver of its business and it cannot survive without the patronage of its clients. The Bank therefore shall ensure fair and responsible dealing with them and continuous protection of the welfare of its financial consumers/clients.

The Bank shall adhere to the principles of disclosure and transparency, protection of client information, fair treatment, effective recourse, and financial education as minimum standards of consumer protection as specified in BSP Circular No. 1048.

4.12. CODE OF ETHICS

The Bank's Directors, the Senior Management and employees shall fulfill their commitment to customers that "We are the Bank with a Heart", guided by their core values. They shall champion the fair treatment and protection of the Bank's stakeholders, particularly its customers, resource providers, creditors and the community in which it operates. Fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders promote stable, long term relationship.

This Code of Ethics shall aim to instill a commitment and dedication to the virtues of honesty and integrity, together with a high sense of prudence, responsibility and efficiency in the conduct of duties. It is imperative that Directors, officers and employees live by the values that the Bank stands for and reflect these values in their behaviors.

The Bank shall establish a Board Administrative Investigation Committee (BAIC) to set the right tone from the top.

To enforce Bank-wide compliance, the Bank's Codes of Ethics and Discipline for Directors and employees shall be posted in the Bank's intranet and the Human Resources Management Division public folder for easy access of all directors, officers and employees of the bank.

4.13. CORPORATE GOVERNANCE ASSESSMENT AND MONITORING

Good corporate governance is the foundation of safe and sound banking operations. It is the reflection of the collective values and competence of the Board of Directors and Senior Management, as well as quality and effective implementation of the Bank's corporate governance standards and practices.

The evaluation of the quality of governance shall focus more on the effective implementation of the governance standards and principles by putting greater weight on the practices and performance of the Board of Directors, and Senior Management.

The Board shall establish an evaluation system to determine and measure its compliance with the corporate governance standards and principles. Any violation thereof shall subject the responsible director, advisor, officer or employee to the penalty provided.

Apart from assigning a rating, it should come up with specific applicable action recommendations commensurate with the issues identified and the resulting assessment on the quality of governance.

4.14. REPORTORIAL REQUIREMENTS AND DISCLOSURE

The Board shall establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations

4.14.1. The reports or disclosures required under this Manual shall be prepared and submitted to the SEC by the Office of the Board Secretary or responsible officer designated by the Bank.

4.14.2. The Bank shall disclose in the Annual Report the nature of non-audit related services performed by external auditors.

4.14.3. All material information about the Bank that could potentially affect share price, its viability or the interest of its stockholders and other stakeholders, shall be publicly and timely disclosed. Such information shall include corporate strategy, earnings results, material acquisition or disposal of assets, off balance sheet transactions, Board changes, material related party transactions, shareholdings of directors, changes to ownership and direct and indirect remuneration of members of the Board and Senior Management.

4.14.4. The Board is primarily accountable to the stockholders. The Board shall ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders to give a fair and complete picture of the Bank's financial condition, results and business operations. The Board shall commit at all times to fully disclose material information dealings for the interest of the stakeholders. It shall cause the filing of all required information through submission to the Commission for the interest of the Bank's stockholders and other stakeholders.

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4.15.2. The copy of this Manual will be posted and be made available in the Bank's intranet, and shall be known by all its employees and stakeholders.

AUDIT COMMITTEE CHARTER

1. PURPOSE[1]

1.1. The Audit Committee (AC) of the Philippine Veterans Bank (the Bank) was created by the Board of Directors to assist in fulfilling its oversight responsibilities with regards to the following:

- 1.1.1. Integrity of the Bank's financial statements and financial reporting process.
- 1.1.2. Adequacy and effectiveness of the Internal Control system.
- 1.1.3. Performance of the Internal and External Audit functions.
- 1.1.4. Implementation of corrective actions.
- 1.1.5. Investigation of significant issues/concerns raised.
- 1.1.6. Establishing whistleblowing mechanism.

2. AUTHORITY

2.1. The AC shall have explicit authority to conduct or authorize investigation into any matters within its scope of responsibility. It is empowered to:

- 2.1.1. Full access to properties, records and information.
- 2.1.2. Full access to and cooperation by management.
- 2.1.3. Full discretion to invite any director, executive officer, employees or external parties/counsel to attend its meeting and seek any information it requires.
- 2.1.4. Access to independent experts to assist them in carrying out its responsibilities.

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
AC	Audit Committee
BOD	Board of Directors
OBS	Office of the Board Secretary

4. POLICY STATEMENT

4.1 Basic Function

The Audit Committee is the Board's oversight body that oversees the financial reporting process, practices and controls in the Bank. It ensures that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.

4.2 Membership

[1] Approved by the Board of Directors on October 05, 2015

4.2.1 The Audit Committee shall be composed of at least three (3) members of the board of directors, who shall all be non-executive directors, majority of whom shall be independent directors, including the Chairperson.

4.2.2 The Chairperson of the Audit Committee shall not be the Chairperson of the board of directors or of any other board-level committees.

4.2.3 The Audit Committee members shall have accounting, auditing, or related financial management expertise or experience.

4.3. MEETINGS

4.3.1. The Committee shall meet every month prior to the Board of Directors meeting.

4.3.2. Special meetings may be convened as considered necessary by the Committee.

4.3.3. The Committee may hold joint meetings with other oversight committees, if necessary.

4.3.4. All Committee members are expected to attend each meeting, in person, or via telephone or video conference.

4.3.5. A majority of the members shall constitute a quorum.

4.3.6. The Committee may invite members of the management team or any Bank officer or employee, internal and external auditors to attend the meetings and to provide pertinent information as it deem necessary.

4.3.7. The Committee shall hold private meetings and executive sessions with the auditors.

4.3.8. The Office of the Board Secretary (OBS) shall coordinate with the Internal Audit Division the preparation of the agenda. Copies of the meeting agenda, along with appropriate briefing materials, shall be provided to the Committee members at least three (3) days prior to the meeting schedule.

4.3.9. The minutes of the meeting shall be prepared by the Committee Secretary, who shall be appointed by OBS, and shall finalize and circulate the minutes within 10 days after the Committee meeting.

4.4. DUTIES AND RESPONSIBILITIES

4.4.1. Financial Reporting Framework.

- **a.** Oversee the financial reporting process, practices and controls.
- **b.** Ensure that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.
- **c.** Monitors and evaluates the adequacy and effectiveness of the internal control system.
- **d.** Oversee the implementation of internal control policies and activities.
- **e.** Ensure that periodic assessment of the internal control system is conducted to identify the weaknesses.
- **f.** Evaluate the internal control robustness considering the risk profile and strategic direction.

4.4.2. Oversee the centralized internal audit function of the PVB group.

a. Appointment/selection, remuneration, and dismissal of internal auditor.
b. Ensure that the appointment of the Head of Internal Audit is confirmed by the SES Committee of the BSP.
c. Review and approve the annual audit plan, scope and budget of the Internal Audit Division.
d. Ensure that the audit plan covers the review of the effectiveness of the internal controls, including financial, operational and compliance controls, and risk management system.
e. Functionally meet with the Head of Internal Audit and such meetings shall be duly minuted and adequately documented.
f. Review and approve the performance and compensation of the head of internal audit.
g. Ensure that the Internal Audit Division maintains an open communication with Senior Management, the Audit Committee, External Auditors, and the Supervisory Authority.
h. Review discoveries of fraud and violations of laws and regulations as raised by the Internal Audit Division.
i. Select and oversee the performance of the internal audit service provider in accordance with the requirements of the regulator.

4.4.3. Oversee the External Audit function.

a. Review and approve the appointment, fees and replacement of external auditor.
b. Review and approve the engagement contract.
c. Ensure that the scope of audit covers areas specifically prescribed by the Bangko Sentral and other regulators.

4.4.4. Oversee implementation of corrective actions.

a. Receive and review key audit reports.
b. Ensure that senior management is taking necessary corrective actions in a timely manner to address the weaknesses, non-compliance with policies, laws, and regulations and other issues identified by auditors and other control functions.

4.4.5. Investigate significant issues/concerns raised.

a. Investigate any matter within its terms of reference.

4.4.6. Establish whistleblowing mechanism.

a. Establish and maintain mechanisms by which officers and staff shall, in confidence, raise concerns about possible improprieties or malpractices

in matters of financial reporting, internal control, auditing, or other issues to persons or entities.
b. Take corrective actions on reported improprieties or malpractices.
c. Ensure that arrangements are in place for the independent investigation, appropriate follow-up action, and subsequent resolution of complaints.

4.5. REPORTING

6.1.1. The Committee shall submit monthly, or whenever necessary, to the Board of Directors reports such as but not limited to the following:

a. Committee's activities, issues and related recommendations.
b. Review of other reports the Bank's issues that relate to Committee responsibilities.
c. Summary reports of activities during the year.

4.6. OTHER RESPONSIBILITIES

4.6.1. Perform other activities related to this charter as requested by the Board of Directors.
4.6.2. Recommend special investigation that may arise from normal audit activities as needed.
4.6.3. Review and assess the adequacy of the committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
4.6.4. Confirm annually that all responsibilities outlined in this charter have been carried out.
4.6.5. Evaluate the committee's and individual member's performance on a regular basis.

4.7. ANNUAL CALENDAR OF ACTIVITIES

4.7.1. At least sixty (60) days before the Annual Stockholders' Meeting, the AC shall prepare and submit to the Board of Directors for its approval, its proposed annual calendar of activities, detailing both the recurring and transactional projects and activities of the Committee.

4.8. CHARTER REVIEW

4.8.1. This Charter shall be reviewed annually as to process, to ensure that it is adequate, effective and consistent with best practices in corporate governance. Any amendments to the Charter shall be endorsed to the Board for approval.
4.8.2. The AC shall review its performance on an annual basis by way of self-assessment. The Board of Directors shall likewise review the effectiveness and composition of the AC on an annual basis.

c. **Persons Prohibited from Becoming Officers**

i. The spouses or relatives within the second degree of consanguinity or affinity holding officership positions across the following functional categories within a bank:
   1) Decision making and senior management function, e.g., President
   2) Treasury function, e.g., Treasurer or Treasury head;
   3) Recordkeeping and financial reporting functions, e.g., Controller or Chief Accountant
   4) Safekeeping of assets, e.g., chief cashier;
   5) Risk management function, e.g., Chief Risk Officer;
   6) Compliance function, e.g.., Chief Compliance Officer; and
   7) Internal audit function, e.g., Chief Audit Executive.

ii. The spouse or a relative within the second degree of consanguinity or affinity of any person holding the position of manager, cashier, or accountant of a branch or branch-lite unit of a bank or their respective equivalent positions is prohibited from holding or being appointed to any of said positions in the same branch or branch-lite unit.

iii. Any appointive or elective official, whether full time or part time, except in cases where such service is incidental to the financial assistance provided by the government or government-owned or controlled corporations (GOCCs) or in cases allowed under existing laws.

4.10. SHAREHOLDERS RIGHTS AND PROTECTION

The Bank recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its shareholders. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as the governance covenant between the Bank and all its shareholders.

The Board shall be committed to respect the following rights of the stockholders:

a. Voting Rights
b. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Bank Code.
c. Cumulative voting shall be used in the election of directors.

4.10.1. Pre-emptive Right

No stockholder of the Bank shall, because of his ownership of stock, have preemptive right or right to purchase, subscribe for, or take any stock or any part of the notes, debentures, bonds or other securities convertible into a carrying option or warrant to purchase stock of the Bank issued, optioned or sold by it after its incorporation. Any part of the capital stock and any part of the notes, debentures, bonds or other securities convertible into carrying option or warrant to purchase stock of the Bank may be issued, optioned for sale and sold or dispose of by the Bank pursuant to the resolution of its Board of Directors for such person and upon terms as may to such Board seems proper without first offering such stock or securities or any part thereof to existing stockholders.

4.10.2. **Power of Inspection**

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

4.10.3. **Right to Information**

a. Shareholders shall be provided with, upon request, periodic reports which disclose personal and professional information about the Directors and Officers, as may be determined by the Board as relevant in the exercise of functions as such directors and officers, and certain other matters such as their holdings of the Bank's shares dealings, dealings with the Bank, relationships among directors and key officers, and the aggregate compensation of directors and officers.

b. Shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

c. Result of the votes taken during the most recent Annual or Special Shareholder's Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting shall be available to the company website within five business days from the end of the meeting.

4.10.4. **Rights to Dividends**

b. Shareholders shall have the right to receive dividends subject to the discretion of the Board and the approval of BSP.

c. The Bank shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except:

d. When justified by definite corporate expansion projects or programs approved by the Board or

e. When the Bank is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or

f. When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Bank, such as when there is a need for special reserve for probable contingencies.

4.10.5. **Appraisal Rights**

Shareholders shall have appraisal rights or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code of the Philippines.
c. In case of merger or consolidation.

Any stockholder who votes against a proposed corporate action may avail himself of the right of appraisal by making a written demand on the Bank within thirty (30) days after the meeting for the payment of the fair value of his shares. In order to perfect such right, the stockholder shall follow the procedures as described under Sections 81 to 86 of The Corporation Code.

It shall be the duty of the Board to promote shareholder rights, remove impediments to the exercise of shareholders' right and allow possibilities to seek redress for violation of their rights. It shall encourage the exercise of shareholder's voting rights and the solution of collective action problems through appropriate mechanisms. It shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The Board shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

4.10.6. **Customer Experience and Protection**

The Bank shall provide a sound and proactive feedback mechanism with its various stakeholders through its Customer Experience and Protection (CXP) unit. CXP shall ensure timely resolution of concerns and complaints from the stakeholders. The Bank shall use various platforms such as the PVB website, mobile phones, landlines, social media, and its branches to guarantee fair and delightful experience among its stakeholders.

4.10.7. **Veteran Affairs**

The Bank shall ensure that its primary stakeholders, the World War II veterans or their heirs, are actively engaged in the programs and activities of the Bank and, in the process, maximize the benefits they receive from the Bank.

The Bank shall establish the Veterans Affairs Office to promote a strong relationship with the veteran-stockholders. With the VAO, the Bank hopes to more actively engage the community of WWII veterans, including the various organizations and associations formed by or composed of veterans and/or their heirs.

To achieve this objective, the Bank, through the VAO, shall establish a Stockholders Database that contains complete and updated information about the veterans and their heirs/families. With the VAO, the Bank also hopes to determine the whereabouts of inactive stockholders, whose shares of stock remain undelivered.

4.11. KEY GOVERNANCE POLICIES AND INITIATIVES

4.11.1. **Related Party Transactions (RPT)**

The Bank, through its Board of Directors, recognizes that transactions between and among related parties create financial, commercial, and economic benefits to the Bank, its shareholders, depositors, creditors, suppliers, vendors, and other stakeholders. In this regard, RPTs are generally allowed provided, that these are done using Arm's Length Principle (ALP), i.e., the condition or the fact that the parties to a transaction are independent and on equal footing.

The Bank exercises appropriate oversight and implements control systems for managing said exposures as these may potentially lead to abuses that are disadvantageous to the Bank and its stakeholders. The Bank shall ensure that transactions with related parties are reviewed for.

The Bank shall cause the monitoring and disclosure of RPTs, take appropriate steps to control or mitigate the risks, and write off exposures in accordance with standard policies and processes.

4.11.2. **Conflict of Interest Policy**

Directors shall not allow themselves to be placed in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the Bank. They must avoid any situation or activity that compromises, or may compromise, their judgment or ability to act in the best interest of the Bank. If an actual or potential conflict of interest arises on the part of a director, officer or employee, he is mandated to fully and immediately disclose the same and should

Veteransbank

PVB Building, 101 V.A. Rufino cor. Dela Rosa Sts. Legaspi Village, Makati City

NOTICE OF THE 2022 ANNUAL MEETING OF STOCKHOLDERS

TO ALL STOCKHOLDERS:

Notice is hereby given that the Annual Meeting of the Stockholders of the Philippine Veterans Bank (PVB) will be held on Friday, **June 17, 2022, at 2:00 p.m.** at the **SMX Convention Center, Sea Shell Lane, Mall of Asia Complex, Pasay City.**

The AGENDA for the meeting is as follows:

1. Call to order
2. Proof of due notice of meeting
3. Determination and announcement of presence of a quorum
4. Reading and approval of the minutes of the Annual Stockholders' Meeting held on September 10, 2021
5. Annual Report of the President
6. Ratification of all Acts and Proceedings of the Board of Directors, Management and Corporate Officers acting within the scope of their designated authority since the 2021 Annual Stockholders' Meeting up to the date of this meeting including all the Material Related Party Transactions
7. Amendment of the Amended Articles of Incorporation and Amended By-Laws to conform to the provisions of the new PVB Charter, R.A. 11597
8. Appointment of External Auditor
9. Election of Directors*
10. Adjournment

Minutes of the 2021 Annual Stockholders' Meeting will be available for examination during office hours at the Office of the Board Secretary at PVB Bldg., 101 V.A. Rufino cor. Dela Rosa Sts., Legaspi Village, Makati City or at PVB website, www,veteransbank.com.ph.

Only stockholders of record as of end of business day of **May 17, 2022** will be entitled to attend and vote at the meeting. For this purpose, the Stock and Transfer Books of the Corporation will be closed from end of business day of **May 17, 2022** to end of business day of **June 17, 2022.**

Stockholders who cannot attend the meeting may execute a **proxy** in favor of **another stockholder** (Article III, Section 1 (b) and (c) of the Amended By-Laws) which must be received by the Office of the Board Secretary at PVB Building 101 V.A. Rufino cor. Dela Rosa Sts., Legaspi Village, Makati City, and/or by email to **stockcertificate@veteransbank.com.ph**., not later than **June 07, 2022.**

[redacted]

ATTY. JOCELYN GRACE N. NAVATO
Board Secretary

*Nominations for directors must be submitted to and received by the Office of the Board Secretary not later than **5:00pm, May 17, 2022.** Stockholders desiring to attend may pre-register up to **June 07, 2022** at the Office of the Board Secretary, PVB Bldg., 101 V.A. Rufino cor. Dela Rosa Sts., Legaspi Village, Makati City. When registering, please bring this notice and an **acceptable ID with photograph.**
*Voting/Election of Directors starts at 8:00 a.m. and ends at 3:00 p.m., **June 17, 2022** (no extension).

STOCKHOLDER'S PROXY

KNOW ALL MEN BY THESE PRESENTS:

I, a stockholder of the PHILIPPINE VETERANS BANK, do hereby appoint ______________________ as my attorney and proxy to represent me and vote all shares in my name in the books of said corporation at any and all regular and special meetings of the stockholders of said corporation and any adjournment thereof, as fully to all intents and purposes as I might or could do if present and acting in person, hereby ratifying and confirming any and all matters which may properly come before any meeting or any adjournment thereof.

In case of non-attendance or disqualification of my said attorney and proxy above named at any particular meeting or any other cause resulting in the inability of the above named attorney or proxy to act as such at any particular meeting, I authorize and empower the Chairman and/or Secretary of the meeting to fully exercise all rights as my attorney and proxy at such meeting. This proxy shall continue until such time as the same is withdrawn by me through notice in writing delivered to the Secretary but in no case shall its validity exceed five (5) years from date hereof. If I shall be present at such meeting, this proxy shall stand suspended during said meeting but shall again be effective and in full force after the adjournment of said meeting.

______________________ Usual Signature	______________________ Address
______________________ Printed Name Here	______________________ Date

(OBS/ASM (2022)

The Board and the Senior Management shall ensure that the Bank discloses material and reportable non-financial and sustainability issues. It shall be disclosed to all shareholders/members and other stakeholders the Bank's strategic (long-term goals) and operational objectives (short-term goals) as well as impact of a wide range of sustainability issues, with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.

4.11.5. **Employee Participation**

The Board and the Senior Management shall ensure the establishment of policies, programs and procedures that encourage employees to actively participate in the Bank's projects and activities towards the realization of the Bank's goals and objectives.

4.11.6. **Alternative Dispute Resolution**

The Bank shall continue to build harmonious relationship with its stockholders and other parties with whom it may have obligations or contract with. It shall continue to promote mutual respect among the parties, including regulatory bodies, to avoid any conflict or controversy with them.

For amicable settlement of disputes, controversies and/or legal issues between the Bank and its stockholders and/or the Bank and third parties, the Bank may resort to alternative modes of dispute resolution as may be agreed upon with the adverse party, such as but not limited to the following:

a. External Audit

The Board shall engage the services of an external auditor included in the BSP List of Selected External Auditors, belonging to the same category or from categories higher than the category of the Bank. The appointed external auditor shall likewise audit the Bank's Trust Department as well as its subsidiaries and affiliates engaged in allied activities.

The Bank's Audit Committee shall ensure that the scope of external audit work appropriately covers areas relevant to the Bank's operations and risk exposures. The External auditor is expected to conduct the audit of financial statements in accordance with the provisions of the Philippine Standards on Auditing.

b. Consumer Protection

c. **Persons Prohibited from Becoming Officers**

i. The spouses or relatives within the second degree of consanguinity or affinity holding officership positions across the following functional categories within a bank:

1) Decision making and senior management function, e.g., President
2) Treasury function, e.g., Treasurer or Treasury head;
3) Recordkeeping and financial reporting functions, e.g., Controller or Chief Accountant
4) Safekeeping of assets, e.g., chief cashier;
5) Risk management function, e.g., Chief Risk Officer;
6) Compliance function, e.g.., Chief Compliance Officer; and
7) Internal audit function, e.g., Chief Audit Executive.

ii. The spouse or a relative within the second degree of consanguinity or affinity of any person holding the position of manager, cashier, or accountant of a branch or branch-lite unit of a bank or their respective equivalent positions is prohibited from holding or being appointed to any of said positions in the same branch or branch-lite unit.

iii. Any appointive or elective official, whether full time or part time, except in cases where such service is incidental to the financial assistance provided by the government or government-owned or controlled corporations (GOCCs) or in cases allowed under existing laws.

4.10. SHAREHOLDERS RIGHTS AND PROTECTION

The Bank recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its shareholders. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as the governance covenant between the Bank and all its shareholders.

The Board shall be committed to respect the following rights of the stockholders:

a. Voting Rights
b. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Bank Code.
c. Cumulative voting shall be used in the election of directors.

4.10.1. Pre-emptive Right

No stockholder of the Bank shall, because of his ownership of stock, have preemptive right or right to purchase, subscribe for, or take any stock or any part of the notes, debentures, bonds or other securities convertible into a carrying option or warrant to purchase stock of the Bank issued, optioned or sold by it after its incorporation. Any part of the capital stock and any part of the notes, debentures, bonds or other securities convertible into carrying option or warrant to purchase stock of the Bank may be issued, optioned for sale and sold or dispose of by the Bank pursuant to the resolution of its Board of Directors for such person and upon terms as may to such Board seems proper without first offering such stock or securities or any part thereof to existing stockholders.

4.10.2. **Power of Inspection**

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

4.10.3. **Right to Information**

a. Shareholders shall be provided with, upon request, periodic reports which disclose personal and professional information about the Directors and Officers, as may be determined by the Board as relevant in the exercise of functions as such directors and officers, and certain other matters such as their holdings of the Bank's shares dealings, dealings with the Bank, relationships among directors and key officers, and the aggregate compensation of directors and officers.

b. Shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

c. Result of the votes taken during the most recent Annual or Special Shareholder's Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting shall be available to the company website within five business days from the end of the meeting.

4.10.4. **Rights to Dividends**

b. Shareholders shall have the right to receive dividends subject to the discretion of the Board and the approval of BSP.

c. The Bank shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except:

d. When justified by definite corporate expansion projects or programs approved by the Board or

e. When the Bank is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or

f. When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Bank, such as when there is a need for special reserve for probable contingencies.

4.10.5. **Appraisal Rights**

Shareholders shall have appraisal rights or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code of the Philippines.
c. In case of merger or consolidation.

Any stockholder who votes against a proposed corporate action may avail himself of the right of appraisal by making a written demand on the Bank within thirty (30) days after the meeting for the payment of the fair value of his shares. In order to perfect such right, the stockholder shall follow the procedures as described under Sections 81 to 86 of The Corporation Code.

It shall be the duty of the Board to promote shareholder rights, remove impediments to the exercise of shareholders' right and allow possibilities to seek redress for violation of their rights. It shall encourage the exercise of shareholder's voting rights and the solution of collective action problems through appropriate mechanisms. It shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The Board shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

4.10.6. **Customer Experience and Protection**

The Bank shall provide a sound and proactive feedback mechanism with its various stakeholders through its Customer Experience and Protection (CXP) unit. CXP shall ensure timely resolution of concerns and complaints from the stakeholders. The Bank shall use various platforms such as the PVB website, mobile phones, landlines, social media, and its branches to guarantee fair and delightful experience among its stakeholders.

4.10.7. Veteran Affairs

The Bank shall ensure that its primary stakeholders, the World War II veterans or their heirs, are actively engaged in the programs and activities of the Bank and, in the process, maximize the benefits they receive from the Bank.

The Bank shall establish the Veterans Affairs Office to promote a strong relationship with the veteran-stockholders. With the VAO, the Bank hopes to more actively engage the community of WWII veterans, including the various organizations and associations formed by or composed of veterans and/or their heirs.

To achieve this objective, the Bank, through the VAO, shall establish a Stockholders Database that contains complete and updated information about the veterans and their heirs/families. With the VAO, the Bank also hopes to determine the whereabouts of inactive stockholders, whose shares of stock remain undelivered.

4.11. KEY GOVERNANCE POLICIES AND INITIATIVES

4.11.1. Related Party Transactions (RPT)

The Bank, through its Board of Directors, recognizes that transactions between and among related parties create financial, commercial, and economic benefits to the Bank, its shareholders, depositors, creditors, suppliers, vendors, and other stakeholders. In this regard, RPTs are generally allowed provided, that these are done using Arm's Length Principle (ALP), i.e., the condition or the fact that the parties to a transaction are independent and on equal footing.

The Bank exercises appropriate oversight and implements control systems for managing said exposures as these may potentially lead to abuses that are disadvantageous to the Bank and its stakeholders. The Bank shall ensure that transactions with related parties are reviewed for.

The Bank shall cause the monitoring and disclosure of RPTs, take appropriate steps to control or mitigate the risks, and write off exposures in accordance with standard policies and processes.

4.11.2. Conflict of Interest Policy

Directors shall not allow themselves to be placed in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the Bank. They must avoid any situation or activity that compromises, or may compromise, their judgment or ability to act in the best interest of the Bank. If an actual or potential conflict of interest arises on the part of a director, officer or employee, he is mandated to fully and immediately disclose the same and should not participate in the decision-making process relating to the transaction. Conflict of interest occurs or arises when:

a. An individual's private or related interests interfere in any way, or are perceived to intervene, with the interests of the Bank as a whole;
b. A director takes actions or has interests that may make it difficult for him to preserve his objectivity and carry out his tasks effectively;
c. A director, or a member of his family, receives improper personal benefits as a result of his position in the Bank;

PVB employees, pursuant to Bank's Code of Ethics, shall declare annually that they have not been involved in any circumstance constituting a conflict of interest. If an employee is unsure if a circumstance that he finds himself involved in a conflict of interest, he shall disclose this to his supervisor, who may consult the appropriate Management unit to assist in resolution. All employees have a duty to ensure that no personal transaction will conflict with their corporate and customer responsibilities. Accordingly, PVB employees shall not buy or sell a security based on knowledge:

a. Of a probable change in investment attitude and consequent action by the Bank with respect to that security;
b. That the Bank is effecting or proposes to effect transactions in the security or other transactions which may affect the price of the security to a material degree; or
c. That the Bank is contemplating a transaction of any kind that would have a material effect on a particular company or security.

All Directors shall accomplish the Conflict of Interest Related Party Disclosure Form (CI-RPDF), on an-annual basis and shall report to CGCOC through the Board Secretary, copy furnished to the Chief Compliance Officer (CCO), for disposition and reporting to the Board of Directors the occurrence of banking transactions or situations that would give rise to possible conflicts of interest, whether direct or indirect, up to the third (3rd) degree of affinity and consanguinity, as soon as practicable.

4.11.3. Integrity Upholding Policy (Whistleblowing Mechanism)

The Bank shall set a policy on whistleblowing for Directors, officers, and concerned individuals to "blow the whistle" on any potential or perceived wrongdoings, misconduct, or corrupt practices of Directors, employees, customers, suppliers, contractors, vendors, consultants, or other third parties, that come to their attention. The policy includes protection from reprisal for employees to communicate legitimate concerns about illegal, unethical, or questionable RPTs. The policy shall likewise provide guidance on how such concerns should be reported, investigated and addressed.

Employees, directors, stakeholders, clients, service providers and other third parties are encouraged to report internally, in good faith, any suspected or actual commission of theft/fraud, corrupt practices such as, but not limited to, bribery, fraud, extortion, collusion, conflict of interest and money laundering, violation of ethical standard, law, rule or regulation and/or any misconduct by its directors, officers or staff consistent with the board approved corporate values and codes of conduct and in accordance with the existing board approved Integrity Upholding Policy.

The reporting party or otherwise referred to as the "whistleblower" has choice of communication channels to report any knowledge of misconduct or irregularity. The report may be through the normal channel of reporting bank concerns which is through the direct supervisor/manager of the personnel or officer involved in the reportable behaviour. However, if the reported misconduct or irregularity is not acted upon by the direct supervisor or in the judgment of the whistleblower, the direct supervisor is not in a position to address his report, the whistleblower may email his/her report to Corporate Governance Officer or to Complaints Desk Office. If the issue to be reported is serious and sensitive, the whistleblower may directly approach the President or the CEO/ Chairman of the Board of Directors. A member of the Board of Directors reporting an activity under this policy may raise his concerns to the Chairman of the Audit Committee, Chairman of the Corporate Governance and Compliance Committee or the Chairman of the Board of Directors.

The whistleblower may disclose his/her identity or opt to remain anonymous. However, sufficient information must be provided to aid in the investigation of the reported misconduct, irregularity or improper activity. The whistleblower should refrain from obtaining evidence for which he/she does not have right of access but his/her cooperation in the investigation, if needed, is expected.

Ample protection is accorded to a whistleblower which includes, among others:

a. Confidentiality of identity and of the information reported
b. Non-retaliation against the whistleblower
c. Protection and security of his/her person and his/her family
d. Transfer to another unit
e. Reinstatement to the same or comparable position and back benefits and pay, if warranted by the circumstances.

On the other hand, any person implicated in the reported act is accorded the right to be informed of the act he/she is alleged to have committed, its penalties or consequences, the right to counsel of his own choice, the right to be heard and present evidence on his/her defense, and the right to be informed of the resolution of the investigation or action taken.

4.11.4. Focus on Financial Stability

The Board and the Senior Management shall ensure that the Bank discloses material and reportable non-financial and sustainability issues. It shall be disclosed to all shareholders/members and other stakeholders the Bank's strategic (long-term goals) and operational objectives (short-term goals) as well as impact of a wide range of sustainability issues, with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.

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