





17 August 2022

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

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

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

Attention: Ms. Alexandra D. Tom Wong  
*Officer-in-Charge, Disclosure Department*

**Philippine Dealing & Exchange Corp.**  
Philippine Dealing System Holdings Corp. & Subsidiaries  
29th Floor, BDO Equitable Tower  
8751 Paseo de Roxas, Makati City

Attention: Atty. Marie Rose M. Magallen-Lirio  
*Head – Issuer Compliance and Disclosure Department*

Re: Resubmission of the 2020 Integrated Annual Corporate Governance Report (I-ACGR)

Gentlemen:

In compliance with SEC Memorandum Circular 20, Series of 2016, and the conditions of the Corporate Governance and Finance Department of the SEC on the suspension of notarization requirement as stated in its letter dated 27 May 2021, we resubmit, herewith, the 2020 Integrated Annual Corporate Governance Report (I-ACGR) of the Bank of the Philippine Islands.

Respectfully submitted.

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

DON CESAR TEODORO L. SEVILLA II  
Corporate Governance Officer

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

NORAVIR A. GEALOGO  
Chief Compliance Officer

Cc:

**Securities and Exchange Commission**

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

Miracle Anne D. Rodriguez  
*Assistant Director, Corporate Governance Division*  
*Corporate Governance and Finance Department*



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **DECEMBER 31, 2020**
  2. SEC Identification Number **PW-121**
  3. BIR Tax Identification No. **TIN: 000-438-366-000**
  4. Exact name of issuer as specified in its charter **BANK OF THE PHILIPPINE ISLANDS**
  5. Province, Country or other jurisdiction of incorporation or organization
  6.  (SEC Use Only)  
Industry Classification Code:
- BANK OF THE PHILIPPINE ISLANDS**  
**Ayala North Exchange Tower 1,**  
**Ayala Ave. Corner Salcedo St., Legaspi Village,**  
**Makati City**
7. Address of principal office **ZIP CODE 1229**  
Postal Code
  8. **(632) 246-5902**  
Issuer's telephone number, including area code
  9. **NOT APPLICABLE**  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	<b>COMPLIANT/ NON- COMPLIANT</b>	<b>ADDITIONAL INFORMATION</b>	<b>EXPLANATION</b>
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	As required by the SEC, all of the Bank's annual reports contain comprehensive profiles of the Board of Directors which disclose the age, qualifications, date of appointment, relevant experience and directorships both in the BPI group as well as in other companies, listed or otherwise. In compliance with SEC Memo. Cir. No. 11, s2014, the Bank also posts biographical details of the Board of Directors and Senior Management on the company website. Directors comply with all fit and proper qualifications and requirements of the BSP, SEC and PSE and remain qualified throughout the term. This includes required working knowledge, experience or expertise and competence relevant to the Banking Industry.  In addition, apart from the President and CEO, BPI had four former bank CEOs on its Board, prior to the resignation of Independent Director Xavier P. Loinaz in October 2020. Collectively, they provide a wealth of technical, banking, and risk management experience. More importantly, they also embody prudent judgment and integrity characterized by sound decision- making and professionalism. As bank CEOs, they are also hardwired to understand what matters in the business and driven to build strategies to win that trust.	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		

		<p>Two-fifths of the Board are directors of publicly-listed companies that include business leaders at the helm of the country's top companies and conglomerates. Unchallenged in their depth of understanding and appreciation of what the Bank needs to do to continue its almost 170-year legacy as the principal architect of the country's financial inclusion landscape, they also safeguard its listed status, protect shareholder rights, and strengthen investor relations.</p> <p>Thirteen percent of the Board are astute professionals who can best assess and evaluate the risk and control policies, processes, and systems of the Bank. Including the four bank CEOs and directors with regulator experience, about 70% of the Board are equipped with specialist and generalist experience, training, and education to guide the most critical functions in the Bank.</p> <p>Last but not least, a healthy respect and cautious, heedful, and constructive regulatory perspective is also brought onboard by 20% of the directors.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Skills &amp; Experience, Age Diversity, Gender Diversity, ESG Involvement (pp. 97-98); Leaders' Biography (pp. 184-195) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Composition, Qualification, Diversity and Independence</li> </ul>	
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		<a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence">https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence</a>	
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**Recommendation 1.2**

<p>1. Board is composed of a majority of non-executive directors.</p>	<p>COMPLIANT</p>	<p>For the 2020 to 2021 Board term, six out of the 15-member board elected or 40% of the Board are classified as Independent, or having no interest or relationship with BPI at the time of election, appointment, or re-election. In the last quarter of the year, Independent Director Xavier P. Loinaz tendered resignation from the Board due to health reasons. However, at the Board meeting on January 20, 2021, Mr. Cesar V. Purisima was elected as a new Independent Director, subject to the confirmation/ approval of the Monetary Board of the BSP, for the remainder of the 2020 to 2021 board term. Fourteen or 93% of the Board are Non-Executive Directors, who are not involved in the day-to-day management of banking operations.</p> <p>The only Executive Director is the Bank's President and CEO.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Leaders' Biography (pp. 184-195); Board Composition (pp. 94-94); Independence (page 100) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Diversity and Independence (page 51) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
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**Recommendation 1.3**

<p>1. Company provides in its Board Charter and Corporate Governance Manual a policy on training of directors.</p>	<p>COMPLIANT</p>	<p>Along with the demand for greater disclosure and transparency, corporate boards continue to face more and more complex oversight challenges. As stated in the Board Charter and Manual of Corporate Governance, it is therefore incumbent on our directors to conduct the business and operations of the bank consistent with the highest professional and regulatory standards and to guide bank policy and direction with a superior degree of wisdom, prudence, good business judgment and competence. The Bank therefore ensures that our directors receive relevant and continuing training to enable our directors to have a robust understanding of the business of banking, to keep abreast with current issues and regulatory changes in the sector and to strengthen their ability to meet these governance responsibilities.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Board Charter, Sec. II.A.12.a, (pp. 32-33); Orientation and Continuing Education, Sec. II.A.12.c, (pp. 34-35) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>Board Charter</b> <a href="https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/board-charter">https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/board-charter</a></li> </ul>	
<p>2. Company has an orientation program for first time directors.</p>	<p>COMPLIANT</p>	<p>The Board policy, as stated in the Manual on Corporate Governance, is to ensure that directors acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws,</p>	

<p>3. Company has relevant annual continuing training for all directors.</p>	<p>COMPLIANT</p>	<p>regulations, and changing commercial risks through in-house training and external courses.</p> <p>The Office of the Corporate Secretary, together with the Bank's Corporate Governance Department, Compliance Division, ensures that the Board of Directors, in their own capacity or as sponsored by the Company, are able to attend the requisite programs, seminars and roundtables with accredited service providers during the year.</p> <p>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, on topics relevant in carrying out their duties and responsibilities as directors.</p> <p>The new directors are also briefed on the relevant polices and rules governing their roles as directors and given an overview of the industry, regulatory environment, business of banking and annual and medium-term strategic plans of the Bank, as needed as well as any current issues affecting the Bank or the industry. New directors are also apprised of the Bank's governance framework, board operations, i.e., schedules, procedures and processes, and the availability of information and support from the Corporate Secretary and Senior Management.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Orientation and Continuing Education, (pp. 34-35) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
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<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	COMPLIANT	<p>The Bank's Board Diversity Policy, adopted in 2015, underscores diversity at the Board level as an essential element of sound corporate governance, risk management, sustainable and balanced development, and effective business strategy.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Composition, Qualification, Diversity and Independence <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence">https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence</a></li> <li>• <b>2020 Integrated Annual Report</b> Skills &amp; Experience, Age Diversity, Gender Diversity, ESG Involvement (pp. 97-98); Leaders' Biography (pp. 184-195) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	COMPLIANT	Measurable Diversity Objectives or Targets. Best practice under the SEC Code of Corporate Governance for Publicly-Listed Companies recommends the establishment of measurable	

		<p>objectives or targets for achieving board diversity. In this respect, the following are the Board's diversity goals, considered as rolling targets over a 5-year period, that, together with the Board Skills and Expertise Matrix, are reviewed annually and updated as needed:</p> <ol style="list-style-type: none"> <li>1. Number of Female Directors on the Board: At least 2.</li> <li>2. Target Number of Independent Directors on the Board: At least 5.</li> <li>3. At least 1 director with knowledge of IT systems and technology governance in the financial services industry.</li> <li>4. At least 1 director with marketing and customer management expertise.</li> </ol> <p>Progress towards the diversity goals are also made through one or more of the following activities:</p> <ul style="list-style-type: none"> <li>• Increasing the number of female candidates to be considered for the shortlist of nominees for the election of the board of directors at the annual stockholders' meeting.</li> <li>• Conduct of a regular review of list of retired bank employees for consideration of directorship positions within parent, subsidiaries and affiliates.</li> <li>• Close coordination within Ayala Group of Companies for information on and shortlisting of independent candidates.</li> <li>• Liaison and relationship development with regulators for information on possible candidates for directorship.</li> <li>• Use of professional search firms/industry databases and associations to shortlist candidates.</li> </ul> <p>Reference documents/links:</p>	
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		<ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Measurable Diversity Objectives or Targets (page 98); Leaders' Biography (pp. 184-195) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Composition, Qualification, Diversity and Independence <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence">https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence</a></li> </ul>	
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**Recommendation 1.5**

1. Board is assisted by a Corporate Secretary.	COMPLIANT	<p>The Board is assisted by a Corporate Secretary, Atty. Angela Pilar B. Maramag, who is not the Compliance Officer and is not a member of the Board of Directors.</p> <p>The Corporate Secretary has the following functions:</p> <ul style="list-style-type: none"> <li>- Serve as an adviser to the directors on their responsibilities and obligations;</li> <li>- Keep the minutes of meetings of the stockholders, the Board of Directors, the Executive Committee, and all other committees in a book or books kept for that purpose, and shall furnish copies thereof to the Chairman, the President and other members of the Board as appropriate;</li> <li>- Keep in safe custody the seal of BPI and affix it to any instrument requiring the same;</li> <li>- Have charge of the stock certificate book and such other books and papers as the Board may direct;</li> <li>- Attend to the giving and serving of notices of Board and shareholder meetings;</li> <li>- Be fully informed and be part of the scheduling process of other activities of the Board;</li> </ul>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		

		<ul style="list-style-type: none"> <li>- Prepare an annual schedule of board meetings and the regular agendas of meetings, and put the Board on notice of such agenda at every meeting;</li> <li>- Oversee the adequate flow of information to the Board prior to meetings. Materials for approval or for information shall be given to the members of the Board in advance prior to date of meeting to give them the chance to study and ask questions if necessary, even before the meeting itself; and</li> <li>- Ensure the fulfilment of disclosure requirements to the Securities and Exchange Commission and the Philippine Stock Exchange.</li> </ul> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Role of the Corporate Secretary, (pp. 110-111); Profile of the Corporate Secretary, (page 195) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Corporate Secretary, (pp. 51-52) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>Corporate Governance Manual</b> Duties and Responsibilities of Officers, Corporate Secretary; Sec. II. D., (pp. 66-67) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Induction and Continuing Education</li> </ul>	

<https://www.bpi.com.ph/governance/board-and-governance/board-matters/induction-continuing-education>

**Optional: Recommendation 1.5**

<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p>COMPLIANT</p>	<p>Includes in the function of the Corporate Secretary:</p> <ul style="list-style-type: none"> <li>- Oversee the adequate flow of information to the Board prior to meetings. Materials for approval or for information shall be given to the members of the Board in advance prior to date of meeting to give them the chance to study and ask questions if necessary, even before the meeting itself;</li> </ul> <p><u>Board reference materials are made available to the directors at least five days before the scheduled meeting.</u> As an innovation to board governance, all materials for Board and Board committee meetings are uploaded through a secure system onto individual tablet devices specifically provided to the Board members to ensure immediate receipt and quick access.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Meetings and Attendance, (pp. 108-109) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Duties and Responsibilities of Officers, Corporate Secretary, Sec. II. D., (pp. 66-67); Access to Information, Sec. II.12.d, (page 35) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Board Governance, Meetings, Quorum and Attendance</li> </ul>	
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<https://www.bpi.com.ph/governance/board-and-governance/board-matters/meetings-and-attendance>

**Recommendation 1.6**

1. Board is assisted by a Compliance Officer.	COMPLIANT	<p>At the management level, the compliance function is carried out by the Compliance Office, led by the Chief Compliance Officer (CCO). Designated by the Chairman of the Board, the CCO is not a member of the Board and has the rank of at least a Vice President. The CCO's qualifications are subject to the applicable provisions of the Manual of Regulations for Banks, particularly considering Fit and Proper criteria such as integrity or probity, competence, education, diligence, and experience and training. The CCO annually attends training on corporate governance.</p> <p>The Bank's Chief Compliance Officer as of December 31, 2020 is Atty. Noravir A. Gealogo (Vice President).</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Chief Compliance Officer, (pp. 137-138); Profile of the Chief Compliance Officer, (pg. 203) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Chief Compliance Officer, Section 2.h, (pp.71-72) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT		<p>The Bank's Chief Compliance Officer as of December 31, 2020 is Atty. Noravir A. Gealogo (Vice President). She attended relevant Corporate Governance training in 2020.</p>

		<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Induction and Continuing Education <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/induction-continuing-education">https://www.bpi.com.ph/governance/board-and-governance/board-matters/induction-continuing-education</a></li> <li>• <b>2020 Integrated Annual Report</b> Chief Compliance Officer, (pp. 137) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
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**Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

**Recommendation 2.1**

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	<p>Directors must act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company as mandated by the Bank's corporate governance policy and the Board Charter. The corporate governance policy dictates that the Board of Directors act in alignment with bank's Credo wherein independent business judgment and core values of fairness, accountability and transparency are primary in every interaction and transaction with all of our stakeholders, including shareholders, customers, employees, regulators and the broader community.</p> <p>The Charter of BPI's Board of Directors articulates and sets forth with specificity the governance and oversight responsibilities exercised by the directors and their roles and functions in the company together with provisions on board composition, board committees and board governance subject to provisions of the corporation's articles of incorporation, by-laws and applicable laws.</p>	
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		<p>The Bank's corporate governance policy and the Board Charter are both disclosed on the company website and are incorporated in the Manual of Corporate Governance which is also posted online. The Manual of Corporate Governance details the Bank's governance policies and practices as well as the types of decisions made by the Board.</p> <p>The Board has a Director's Code of Conduct which also dictates that directors act in good faith, with due diligence and care, and in the best interest of the company and affirm this annually.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Corporate Governance Philosophy, Sec. I., (pg. 5); General Responsibility of the Board of Directors, (pg. 23); Duties and Responsibilities of Directors, (pp. 37-39); Code of Business Conduct &amp; Ethics, Director's Code of Conduct, Sec. III. B., (pp. 75-77) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	As stated in the charter, the Board's key areas of focus include:	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<ul style="list-style-type: none"> <li>• Governance – ensuring that corporate responsibility and ethical standards underpin the conduct of BPI's business; developing succession plans for the Board and CEO; and establishing the general framework of corporate governance for the Bank;</li> <li>• Strategy - reviewing BPI's strategic and business plans; growing the business sensibly; and building resilience into the franchise.</li> </ul>	



		<ul style="list-style-type: none"> <li>• Risk management – ensuring that effective risk management, compliance, and assurance processes undergird our business;</li> <li>• Financial performance – monitoring management performance and achievement of goals and targets;</li> <li>• Sustainability – considering environmental, social, and governance (ESG) issues and including these as part of the Bank's strategy.</li> </ul> <p>In the Board strategy session last November 9, 2020, the Board and the Senior Management committee reviewed and approved the Bank's mission and vision and strategic plans for the coming years.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Board Charter, (page 94) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> General Responsibility of the Board of Directors, (page 23) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> About BPI, Review of the Corporate Strategy, Review of Mission and Vision Statement) <a href="https://www.bpi.com.ph/whoweare">https://www.bpi.com.ph/whoweare</a></li> </ul>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Our Vision, Our Mission, page 1 <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	

		<ul style="list-style-type: none"> <li>• <b>BPI website</b> Mission, Vision, Core Values <a href="https://www.bpi.com.ph/howeare">https://www.bpi.com.ph/howeare</a></li> </ul>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	<b>Same link as provided above Recommendation 2.2</b>	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>Under the Manual of Regulations for Banks, the election/appointment of directors/officers, which includes the Chairperson, of banks such as BPI, must be confirmed by the Monetary Board of the Bangko Sentral ng Pilipinas.</p> <p>Elected/appointed directors/officers must submit required certifications and other documentary proof of qualifications for the confirmation of their election/appointment. The Bangko Sentral requires that the director's/chairperson's integrity/probity, education/training, and possession of competencies relevant to the function such as knowledge and experience, skills and diligence be assessed to determine that the person is fit and proper for the position.</p> <p><u><a href="#">BPI Chairman of the Board is Jaime Augusto Zobel de Ayala. See complete profile of the Chairman in the Integrated Annual Report.</a></u></p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Selection Criteria, Election of Directors, (pp. 102-103); Leaders' Biographies, page 184)</li> </ul>	

		<a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> (Part IV, Item 13.II.g page 52) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	The BSP in its Manual of Regulations of Banks requires banks such as BPI to have succession planning programs in place, particularly directors as well as critical officers and senior management of the Bank.	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	<p><b>Board Succession</b> The Nomination Committee and the Corporate Governance Committee work within a general board succession plan framework to ensure that:</p> <ol style="list-style-type: none"> <li>1) appropriate governance processes are in place and ongoing, for identifying, assessing and monitoring future needs of the Board;</li> <li>2) there is continuity and transfer of knowledge in the Board so that it may effectively fulfill its role and responsibilities to BPI, as that may evolve over time, and;</li> <li>3) the Board is taking a prudent and structured approach to managing succession risk.</li> </ol> <p><b>Senior Management Succession</b> The Board, through its PerCom, manages the talent pipeline and assembles the required personnel capable of navigating such changes. In consultation with the President and CEO, the PerCom reviews the Bank's talent development process for proper management. Senior Management provides a report to this Committee on the results of its talent and performance review process for key management</p>	

		<p>positions and other high-potential individuals. Aside from ensuring that there is a sufficient pool of qualified internal candidates to fill senior leadership positions, this review process identifies opportunities, performance gaps, and proactive measures in the Bank's executive succession planning.</p> <p><b>Retirement Policy</b></p> <p>The best interests of BPI are served by retention of directors that make meaningful contributions to the Board and the organization, regardless of age. It is the Bank's strong view that with age often comes unmatched wisdom and experience, expert business judgment, invaluable industry and community relations and authority, and deeply ingrained appreciation of the principles of corporate governance. The Bank believes that imposing uniform and fixed limits on director tenure is counter-productive as it may force the arbitrary retirement of valuable directors.</p> <p>Nevertheless, the Bank, in adherence to Recommendation 2.4 of the SEC CG Code for PLCs, has set a retirement age for Directors at 80 years old. The requisite succession planning for key officers as well as employees is done in accordance with the Bank's policies and implementing guidelines of its retirement plan for all employees, the Bank's Amended By-Laws, Labor Code, and the Corporation Code of the Philippines. Currently, the retirement age for employees of the Bank is set at 60 years of age.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b></li> </ul>	
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<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	<p><b>Alignment with Long-term Shareholder Interests.</b>  <u>The Board, through the PerCom, also established long-term incentive programs, which are aligned with shareholder interests. The Executive Stock Option Plan (ESOP) and Executive Stock Purchase Plan (ESPP) give officers the opportunity to buy shares of stock in BPI at a discounted price.</u></p>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	<p><u>The Board, through the PerCom, also established long-term incentive programs, which are aligned with shareholder interests. The Executive Stock Option Plan (ESOP) and Executive Stock Purchase Plan (ESPP) give officers the opportunity to buy shares of stock in BPI at a discounted price.</u></p>	

<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>COMPLIANT</p>	<p><b>Remuneration Principles.</b> In proposing <u>the remuneration policy</u>, the Personnel and Compensation Committee (PerCom) ensures that the mix of fixed and variable pay, in cash and other elements:</p> <ul style="list-style-type: none"> <li>• <u>Meets the Bank's needs and strategic objectives based on targets that are stretching, verifiable, and relevant;</u></li> <li>• <u>Accurately reflects recorded performance measures and promotes a pay-for-performance culture;</u></li> <li>• <u>Governs vesting of long-term incentives that are monitored and tied in to risk-assessments to align remuneration with the Bank's long-term strategy and shareholder interests and encourage the long-term commitment of employees. (Recommendation 2.5 of SEC CG Code for PLCs).;</u></li> <li>• Reflects market rates and the challenge of attracting, retaining and competitively rewarding key staff with the ability, experience, skills, values, and behaviors to deliver bank goals.</li> </ul> <p><b>Director Remuneration.</b> Our Personnel and Compensation Committee recommends to the Board the fees and other compensation for Directors, ensuring that compensation fairly remunerates Directors for work required in a company of BPI's size and scope.</p> <ul style="list-style-type: none"> <li>• As provided by the Amended By-Laws and pursuant to a Board resolution, each director is entitled to receive fees and other compensation for his services as director. The Board has the sole authority to determine the amount, form, and structure of the fees and other compensation of the directors.</li> </ul>	
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		<ul style="list-style-type: none"> <li>• In no case shall the total yearly compensation of the Board exceed 1% of the Bank's net income before income tax during the preceding year</li> </ul> <p><b>Remuneration Structure</b></p> <ul style="list-style-type: none"> <li>• <u>No Director participates in discussions of the remuneration scheme for himself or herself.</u></li> <li>• Historically, total compensation paid annually to all directors has been significantly less than the cap stipulated by the Bank's Amended By-Laws.</li> <li>• <u>Apart from the key performance indicators discussed in the foregoing section on Total Compensation Elements, the Percom ensures that Senior Management remuneration and incentives reflect prudent risk-taking and effective control.</u></li> <li>• Salary reviews (covering fixed and variable compensation) are done annually to ensure market competitiveness of the senior officers' total remuneration. The Bank also participates in Executive and Total Remuneration Surveys to benchmark on its market positioning</li> </ul> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Director Remuneration, Remuneration Structure, President &amp; CEO and Senior Management Remuneration, (pp.105-107) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Remuneration Policy for Directors and Officers, Sec. II.B., 5., (pp. 42-44); Personnel and Compensation Committee Charter, Duties and Responsibilities, Sec. II.C., 3., (pp. 46-47)</li> </ul>	
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		<a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	COMPLIANT	<p><b>President &amp; CEO and Senior Management Remuneration.</b> The Board, through the PerCom, annually approves the remuneration payable to the President &amp; CEO and Senior Management, which includes Executive Vice Presidents and Senior Vice Presidents who have the authority and responsibility for the Bank's overall direction and strategy execution. The PerCom monitors and assesses how the remuneration was implemented each year and ensures that it corresponds to the remuneration policy.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Personnel and Compensation Committee Charter, (pp.46-47) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>2020 Integrated Annual Report</b> Remuneration, President &amp; CEO and Senior Management Remuneration. pp.106-107) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Personnel and Compensation Committee Charter, Duties and Responsibilities, (page 3) <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/personnel-compensation">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/personnel-compensation</a></li> </ul>	
2. Company has measurable standards to align the performance-based	COMPLIANT	As explained in the Personnel and Compensation Committee charter, remuneration decisions for	



<p>remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>		<p>Officers, including the only Executive Director – the President &amp; CEO, must reflect the proper risk incentives, and must be aligned and support the achievement of sustainable, long-term value creation. Apart from ensuring that management pay appropriately reflects industry conditions and is linked to financial performance delivered, management remuneration must reflect the interests of the shareholders and the Bank, and must be structured to encourage the long-term commitment of the employee as well as long-term outlook and plans of the Bank. Factors to consider include revenues, volume, earnings, EPS, ROE, ROA, capital strength, risk containment, corporate governance, customer satisfaction, adherence to corporate values, contributions both to operating unit and company-wide achievement.</p> <p><b>Alignment with Long-term Shareholder Interests.</b> The Board, through the PerCom, also established long-term incentive programs, which are aligned with shareholder interests. The Executive Stock Option Plan (ESOP) and Executive Stock Purchase Plan (ESPP) give officers the opportunity to buy shares of stock in BPI at a discounted price.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Remuneration, President &amp; CEO and Senior Management Remuneration. pp.105-107) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Personnel and Compensation Committee, Sec. II.C.3, (pp. 46-49);</li> </ul>	
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		<p>Remuneration Policy for Directors and Officers, Sec. II. B.5., (pp. 42-44)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b>  Board Matters – Remuneration  <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/remuneration">https://www.bpi.com.ph/governance/board-and-governance/board-matters/remuneration</a>  Personnel and Compensation Committee Charter, Duties and Responsibilities, (page 3)  <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/personnel-compensation">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/personnel-compensation</a></li> </ul>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p><b>Transparent Nomination Process.</b> Shareholders, including minority shareholders, may recommend candidates for board membership for consideration by the Nominations Committee. Such recommendations are sent to the Committee through the Office of the Corporate Secretary. Candidates recommended by shareholders are evaluated in the same manner as Director candidates identified by any other means. The Committee itself may identify and recommend qualified individuals for nomination and election to the Board.</p> <p><u>For this purpose, the Committee utilizes information from or external director databases when possible and maximizes all available information resources to search for qualified candidates. Members of the Committee recuse themselves in case of deliberations on their renomination.</u></p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in	COMPLIANT		

<p>the nomination, election or replacement of a director.</p>		<p>Nomination and election processes, including the director qualifications and shortlisting process, and stockholder engagement for the said nomination and election processes are disclosed in the documents linked below, which includes the Manual on Corporate Governance, Annual Report as well as are disclosed and posted on the company website. <u>This includes the right of minority shareholders to nominate candidates to the board.</u></p>	
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>COMPLIANT</p>	<p>The Bank not only considers internal standards, including those which are stated in the Amended By-Laws, Manual of Corporate Governance and Director's Code of Conduct with respect to candidates' director qualifications but also the stringent qualifications required by the Bangko Sentral ng Pilipinas and laws on banking, in addition to requirements of the SEC and the PSE. <u>In addition, the Nomination Committee considers the long-term strategic goals and directions as well as requirements of the Bank and other companies in the BPI Group, moving forward.</u></p> <p><u>The nomination and election processes and their effectiveness, are reviewed annually by the Nomination Committee during its review of the committee charter and its self-assessment, by its members, of committee performance.</u> Proof that the committee conducted such a review or annual self-assessment is disclosed on the company website and is also part of its duties and responsibilities stated in the committee charter.</p> <p><b>Selection Criteria.</b> The Board, through the Nomination Committee, ensures the Fit and Proper requirements</p>	

		<p>for the position of a director of a bank and assesses candidates in terms of integrity or probity, competence, education, diligence and experience or training. These are dictated by Banking Laws, BPI's Amended By-Laws, MCG, Board Diversity Policy, Board and Committee Charters, the rules and regulations of the BSP, SEC, and PSE as well as the Corporation Code. <u>A Skills and Expertise matrix prepared by the Corporate Governance Committee also provides recommendations for the desired competency profile of the Board, which includes the alignment of qualifications with the strategic direction of the Bank. The Board also reviews candidate directors with respect to their skills, engagement and past or present work or board experience that considers ESG factors.</u></p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Transparent Nomination Process, Nomination and Selection, Evaluation Process, Selection and Criteria, Election of Directors, Voting Process pp. 101-103) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Performance Evaluation, (page 54) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>Corporate Governance Manual</b> Definition and Composition, Nomination of Directors, Election of Directors, See II.A.2, (pp. 6-7), (pp. 9-22); Stockholder's Right and Protection of Minority Stockholder Interests, Shareholders' Rights, Duty to</li> </ul>	
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		<p>Promote Stockholders' Rights, Section. VII. A., B., (pp. 90-93); Board Governance, Performance Evaluation, Sec. II.A.12, (pp. 36-37) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Nomination and Election <a href="https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/nomination-and-election">https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/nomination-and-election</a></li> </ul> <p>Composition, Qualification, Diversity and Independence <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence">https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence</a></p> <p>Board Diversity Policy <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence">https://www.bpi.com.ph/governance/board-and-governance/board-matters/composition-qualification-diversity-independence</a></p> <p>Director's Code of Conduct Governance, Board and Governance, Board Matters, Director's Code of Conduct <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/directors-code-of-conduct">https://www.bpi.com.ph/governance/board-and-governance/board-matters/directors-code-of-conduct</a></p>	
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<b>Optional: Recommendation to 2.6</b>			
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1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	Candidates recommended by shareholders are evaluated in the same manner as Director candidates identified by any other means. The Committee itself may identify and recommend qualified individuals for nomination and election to	
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		<p>the Board. For this purpose, the Committee utilizes information from or external director databases when possible and maximizes all available information resources to search for qualified candidates. Members of the Committee recuse themselves in case of deliberations on their renomination.</p> <p>The Ayala Group, which includes BPI, has employees and/or directors who are also Fellows of the Institute of Corporate Directors and has access to the ICD database/members.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Transparent Nomination Process (page 101) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Nomination of Directors, Process of Nomination, (pp. 9-10) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Nomination and Election <a href="https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/nomination-and-election">https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/nomination-and-election</a></li> </ul>	
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**Recommendation 2.7**

<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>COMPLIANT</p>	<p>The BSP requires the establishment of an overarching, group-wide Related Party Transactions Policy and system, which BPI has complied with. BPI established a Board-level Related Party Transactions (RPT) Committee to assist the Board in assessing material</p>	
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<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>COMPLIANT</p>	<p>agreements of any kind with a related party and determine whether to approve, ratify, disapprove or reject a transaction. Currently composed of independent and non-executive directors, this</p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>Committee meets regularly to vet credit and non-credit related party transactions of significant amounts above the material threshold of Php 50 million. The Bank's CAE and CCO also sit as nonvoting members of the RPT Committee. Internal Audit, under the CAE, performs post-reviews to ensure proper implementation of related party transactions approved by the RPT Committee.</p> <p>Our Related Party Transactions Policy imposes stringent guidelines and measures to maintain arm's length integrity in all of the Bank's related party business transactions, operations, and activities. BPI vigilantly guards against improper pricing policies, questionable manners of settlement, and ambiguous or disputable terms of transactions in any related party transactions.</p> <p>In 2019, the RPTC Secretariat, with assistance from the Corporate Governance Department, complied with SEC Memorandum Circular 10 on Rules of Material RPTs for publicly listed companies by submitting to the SEC a Material RPT Policy and posting the same on the company website within five (5) days from the submission to the Commission. To comply, the Bank created additional guidelines to address the major difference in the SEC's policy requirement on material threshold, defined as related party transaction/s, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the company's total assets based on its</p>	

		<p>latest audited financial statement. If the reporting PLC is a parent company (e.g., BPI), the total assets shall pertain to its total consolidated assets. The Material RPT Policy was approved by the RPTC on October 18, 2019, and by the Executive Committee on October 23, 2019. The Policy was also filed with the SEC and posted on PSE Edge on October 28, 2019. It was also posted on the BPI website on October 31, 2019.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Related Party Transactions, (pp.136, 144-146) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Code of Business Conduct and Ethics, Conflict of Interest Policy, Related Party Transactions Policy, Material Related Party Transactions, Sec. III. A.,B., C.,1., 2., (pp. 77-78) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Fair Dealing – Related party Transactions Policy, Related Party Transactions Committee; Material Related Party Transactions (RPTs) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/fair-dealing">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/fair-dealing</a> RPT Committee Charter <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/related-party-transaction">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/related-party-transaction</a></li> </ul>	
<b>Supplement to Recommendations 2.7</b>			



<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>COMPLIANT</p>	<p>RPTs that are classified as Material Transaction shall be approved by the Board and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting. RPTs involving amounts below the materiality threshold must be approved by the proper authority and submitted for confirmation by the Board, or the subsidiary as the case may be. RPTs involving Directors, Officers, Shareholders, and Related Interests (DOSRI), subsidiaries, and affiliates, must at all times be submitted to the appropriate Board for approval.</p> <table border="0" data-bbox="1025 678 1691 1364"> <thead> <tr> <th data-bbox="1079 678 1299 703">Transaction Type</th> <th data-bbox="1420 678 1691 703">Materiality Threshold</th> </tr> </thead> <tbody> <tr> <td data-bbox="1025 710 1317 794">a. On/off-balance sheet credit exposures and claims</td> <td data-bbox="1379 738 1691 823">Any proposed transaction with amount higher than approving limit of CreCom</td> </tr> <tr> <td data-bbox="1025 801 1323 852">b. Borrowings/Committed Credit Lines</td> <td></td> </tr> <tr> <td data-bbox="1025 858 1200 884">c. Guarantees</td> <td></td> </tr> <tr> <td data-bbox="1025 890 1301 941">d. Stand-alone Loan vs. Deposits</td> <td data-bbox="1379 887 1624 941">P540M per transaction/contract</td> </tr> <tr> <td data-bbox="1025 976 1294 1027">e. Credit exposure with Bank's DOSRI</td> <td></td> </tr> <tr> <td data-bbox="1025 1034 1312 1085">f. Trading and Derivative transactions</td> <td></td> </tr> <tr> <td data-bbox="1025 1091 1196 1117">g. Investments</td> <td></td> </tr> <tr> <td data-bbox="1025 1123 1301 1174">h. Outward and Inward Fund Transfers</td> <td></td> </tr> <tr> <td data-bbox="1025 1181 1285 1232">i. Financial/Operating Lease</td> <td data-bbox="1379 1181 1624 1235">P270M per transaction/contract</td> </tr> <tr> <td data-bbox="1025 1238 1263 1289">j. Write-offs of Credit Exposures</td> <td data-bbox="1379 1238 1624 1292">P50M per transaction/contract</td> </tr> <tr> <td data-bbox="1025 1295 1256 1321">k. Credit Card Lines</td> <td data-bbox="1379 1295 1568 1321">P1M and above</td> </tr> <tr> <td></td> <td data-bbox="1379 1327 1478 1353">P5.001M</td> </tr> </tbody> </table>	Transaction Type	Materiality Threshold	a. On/off-balance sheet credit exposures and claims	Any proposed transaction with amount higher than approving limit of CreCom	b. Borrowings/Committed Credit Lines		c. Guarantees		d. Stand-alone Loan vs. Deposits	P540M per transaction/contract	e. Credit exposure with Bank's DOSRI		f. Trading and Derivative transactions		g. Investments		h. Outward and Inward Fund Transfers		i. Financial/Operating Lease	P270M per transaction/contract	j. Write-offs of Credit Exposures	P50M per transaction/contract	k. Credit Card Lines	P1M and above		P5.001M	
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2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	<p>Ratification by the stockholders is sought for all the acts and the resolutions of the Board of Directors, Executive Committee, and other Board committees and all the acts of Management of the Bank taken or adopted since the prior year's annual stockholders' meeting until the current one. The acts and resolutions of the Board and its committees include approval of contracts and transactions entered into by the Bank, credit/loan transactions <b>including to related parties</b>, projects and investments, treasury matters, manpower related decisions/approvals, corporate governance-related actions, and acts and resolutions covered by disclosures to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). The acts of Management were those taken to implement the resolutions of the Board or its committees or taken in the general conduct of business.</p> <p>Approval by the stockholders will need the affirmative vote of at least a majority of the issued and outstanding stock entitled to vote and represented at the meeting. Each outstanding share of stock entitles the registered holder to one vote. All votes received shall be tabulated by the Office of the Corporate Secretary and the results will be validated by the Bank's external auditor.</p>	
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the	COMPLIANT	As stated in the Bank's Amended By-Laws and Manual on Corporate Governance, the Personnel and Compensation Committee reviews and	

<p>heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>		<p>evaluates the qualifications of all persons nominated to positions in the Bank which require appointment by the Board. In addition, other Board-level committees are also mandated under specific BSP Circulars to appoint certain heads of control functions such as the Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer. In this regard, the BPI Board of Directors, at its meeting held on December 16, 2020, approved a succession plan for its President and CEO, as recommended by its Nomination Committee and Personnel and Compensation Committee. Jose Teodoro K. Limcaoco was nominated to succeed Cezar P. Consing as President and CEO of BPI at the next organizational meeting of the Board immediately following the Bank's Annual Stockholder's Meeting scheduled on April 22, 2021.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>Amended By-Laws</b> Article VI, VII-A, (pp. 7-9, 12) <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1</a></li> <li>• <b>Corporate Governance Manual</b> Specific Duties and Responsibilities of the Board, Sec. II.A., 10., a. i.-iii., c. xii., (pp. 23-24, 28); Operating Management, Sec. II.D., (pp. 63-64, 69-72) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul> <p>Personnel and Compensation Committee Charter, Sec. II.C., 3., (pp. 46-49)</p>	
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<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>As stated in the Bank's Amended By-Laws and Manual on Corporate Governance, the Personnel and Compensation Committee oversees the performance evaluation process within the Bank which includes annual review and approval of the corporate goals and objectives relevant to CEO, senior management and other key officers of the Bank. Senior management provides the PerCom an annual report regarding the performance review for key officers. Related to executive succession planning, this also includes talent reviews for other high potential individuals to ensure that there is a sufficient pool of qualified internal candidates to fill senior and leadership positions and to identify opportunities, performance gaps and next steps as part of the Bank's executive succession planning and development process, all of which shall be reviewed with the PerCom.</p>	

		<p>In addition, other Board-level committees are also mandated under the BSP Manual of Regulation for Banks and specific BSP Circulars to review the performance of certain heads of control functions, i.e., Chief Risk Officer, Chief Audit Executive, etc. Assessment of performance is done annually. More information can be found in the following documents:</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Amended By-Laws</b> Article VI, VII-A, (pp. 7-9, 12) <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1</a></li> <li>• <b>Corporate Governance Manual</b> Specific Duties and Responsibilities of the Board, Sec. II.A., 10., a. i.-iii., c. xii., (pp. 23-24, 28); Operating Management, Sec. II.D., (pp. 63-64, 69-72) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a> Personnel and Compensation Committee Charter, Sec. II.C., 3., (pp. 46-49) <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/personnel-compensation">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/personnel-compensation</a></li> </ul> <p>Risk Management Committee Charter, Sec. II.C., 3., (pp. 56-57) <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/risk-management">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/risk-management</a></p>	
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<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	<p>The Personnel and Compensation Committee directs and ensures the development and implementation of long-term strategies and plans for the Bank's human resources, in alignment with the Board's vision for the organization. Performance is generally measured on the performance of the employee, the business unit, or the Bank as a whole, or using a combination of all as the executive's responsibilities may dictate. Factors include revenues, volume, earnings, earnings per share, return on equity, return on assets, capital strength, risk containment, corporate governance, customer satisfaction, adherence to corporate values, contributions both to operating unit and company-wide achievement, and long-term direction of the Bank.</p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	<p>The performance management framework considers the following components:</p> <ul style="list-style-type: none"> <li>A. Goals – actual results of a given period's business objectives</li> <li>B. Core competencies – behavior, technical competencies and soft skills exhibited by the employee during the period under review</li> <li>C. Fitness and propriety – employee's continuous efforts to the skills and requirements needed</li> </ul>	

		<p>Performance management cycle: 2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p> <ol style="list-style-type: none"> <li>1. Goal Setting – KRAs, KPIs, KPOs, Performance rating standards and Weights</li> <li>2. Performance monitoring</li> <li>3. Performance appraisal</li> <li>4. Performance reinforcement</li> <li>5. Performance improvement</li> </ol> <p>More comprehensive details on the Bank's performance management framework can be found in the Bank's Management Operating Manual database which, however, is only for internal use and contains confidential, proprietary information.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> CEO and Senior Management, page 113); Employee Welfare, Health, and Safety (page 151) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Employee Welfare, Health and Safety, pp. 57-58) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	The Board of Directors is responsible for fostering the Bank's internal control culture that promotes integrity, morality and competence throughout the organization. The Board has the primary responsibility to review and approve systems and processes proposed by Management to identify, monitor, and	
2. The internal control system includes a mechanism for monitoring and managing	COMPLIANT		

<p>potential conflict of interest of the Management, members and shareholders.</p>		<p>control major operating risks impacting the business. Two board-level committees form part of this internal control system: the Risk Management Committee and the Audit Committee.</p> <p>The Bank also has an Employee Code of Business Ethics and Conduct. Through the Code, the Bank desires to: (1) build a culture of integrity, accountability, and ethical behavior that encourages employees to abide by the Code and strive to protect the Bank's reputation; (2) establish a system for detection and reporting of known or suspected ethical wrongdoing or violations of the Code, and; (3) emphasize BPI's commitment to compliance with regulatory guidelines, rules, and laws. The Code is applicable to and mandatory for all employees at all levels of the BPI group. Annually, all BPI employees are required to read, understand, comply and affirm in writing their adherence with the Code of Business Conduct and Ethics. (Recommendations 7.1 and 7.2., SEC CG Code for PLCs)</p> <p>The Board also adopted a Director's Code which sets forth policies in several basic areas that commonly require directors to exercise sound and informed judgment, recognize and deal with ethical issues, report possible unethical conduct, and foster a culture of openness, fair dealing, diligence, and accountability. These basic areas include: (1) leadership and stewardship; (2) diligence, care, and skill; (3) upholding the law; (4) conflict of interest; (5) competition and fair dealing; (6) confidentiality; and (7) corporate disclosure. The Director's Code also discusses directors' time commitments, training and development, personal investments and insider</p>	
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		<p>trading, political activity and involvement, gifts policy, anti-bribery and anti-corruption, related party transactions, competition and fair-dealing, and public communication. These are all part of the key ESG issues for the banking sector, i.e., Resilience, Business Ethics, Responsible Finance, Financial Product Governance and Human Capital.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Internal Audit and Control, (pp.124-125); Employee Code of Business Conduct and Ethics, (page 140) Director's Code of Conduct, (page 142) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Compliance system and Internal Control, Internal Audit and Control, Sec. IV.B., (page 84) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
3. Board approves the Internal Audit Charter.	COMPLIANT	<p>The Audit Committee is empowered by the Board to approve and periodically review the Internal and Audit Charter.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Internal Audit Charter <a href="https://www.bpi.com.ph/governance/audit">https://www.bpi.com.ph/governance/audit</a></li> <li>• <b>2020 Integrated Annual Report</b> Internal Audit Charter, (page 125) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b></li> </ul>	

		Duties and Responsibilities of the Audit Committee, 2.b.i., (page 51) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a>	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	BPI pursues best practices in enterprise risk management across its businesses and processes. It espouses a comprehensive risk management and capital management framework, which integrates the identification, measurement, monitoring, and controlling of our risk exposures. It works to ensure that it has adequate liquidity and capital at all times in order to mitigate risks, as well as robust business continuity and crisis resiliency plans that are regularly tested. BPI's framework conforms not only with its own rigorous standards, but also with BSP directives promoting an effective internal capital adequacy assessment and other risk management processes.	
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	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Risk Management, Comprehensive Framework, (page 127) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Risk Management, (pp. 11-12) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>Corporate Governance Manual</b> Risk Management Function and Risk Management Committee, Sec. II.C.5. &amp; Sec. V., (pp. 55, 85-86); Compliance System and Internal Control, Sec. IV., A.-C., (pp. 83-85)</li> </ul>	

<https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance>

**Recommendation 2.12**

<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>COMPLIANT</p>	<p>The charter of the Board of Directors articulates with specificity the governance and oversight responsibilities exercised by the directors and their roles and functions in the Bank. It includes provisions on board composition, Board Committees, and board governance, subject to the Bank's Articles of Incorporation, Amended By-Laws, and applicable laws. The charter does not limit, enlarge, or change in any way the responsibilities of the Board.</p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>COMPLIANT</p>	<p>The Board Charter of the bank is incorporated within the provisions of its Manual on Corporate Governance. The Manual on Corporate Governance is reviewed annually</p>	
<p>3. Board Charter is publicly available and posted on the company's website.</p>	<p>COMPLIANT</p>	<p>The Board Charter of the bank is incorporated within the provisions of its Manual on Corporate Governance. The Manual on Corporate Governance is reviewed annually</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Board Charter, (pp 93-94) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> <a href="https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/board-charter">https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/board-charter</a></li> <li>• <b>Corporate Governance Manual</b> Board Charter <a href="https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/board-charter">https://www.bpi.com.ph/bpi/aboutbpi/governance/overview/board-and-governance/board-matters/board-charter</a></li> </ul>	

**Additional Recommendation to Principle 2**

<p>1. Board has a clear insider trading policy.</p>	<p>COMPLIANT</p>	<p>The Bank has an Insider Trading Policy which prohibits its covered persons or directors, employees, and</p>	
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		<p>other parties who are considered to have knowledge of material facts that have not been disclosed to the public, including any information that will likely affect the market price of BPI's securities, from buying or selling these securities for their own personal account.</p> <p>Covered persons are strictly prohibited from trading during periods of structured and non-structured disclosure (trading blackout). This prohibition includes passing on material and non-public information relating to BPI or its clients to anybody who may buy or sell securities.</p> <p>A trading blackout prohibits trading once the covered person receives material information before a structured or unstructured disclosure. Trading can only be done after said disclosure.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Insider Trading, (pp. 143-144) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> ABC Policy, Anti-Money laundering and Financial Crime Policies, page 57) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Insider Ownership - Insider Trading Policy <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/insider-ownership">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/insider-ownership</a></li> <li>• <b>Corporate Governance Manual</b> Insider Trading Policy, (pp.79-80)</li> </ul>	
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		<a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	BPI's Related Party Transactions Policy guards against internal conflicts of interest between the company and/or its group and their directors, officers and significant shareholders and ensures that transactions such as loans and advances, deposit arrangements, trading of government securities and commercial papers, sale of assets, lease of bank premises, investment advisory/management, service arrangements and advances for operating expenses are made in the normal course of banking activities with terms and conditions that are generally comparable to those offered to non-related parties or to similar transactions in the market.	
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	RPTs that are classified as Material Transaction shall be approved by the Board and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting. RPTs involving amounts below the Materiality Threshold shall be approved by the appropriate approving authority and submitted for confirmation by the Board of Directors of BPI or the subsidiary as the case may be. Provided, RPTs involving DOSRI, subsidiaries and affiliates, shall at all times be submitted to the appropriate Board of Directors for approval.	
<b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
<b>Recommendation 3.1</b>			

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>The Board has established Committees to heighten the efficiency of Board operations and assist in exercising its authority for oversight of internal control, risk management, and performance monitoring of the Bank. The committees provide organized and focused means for the directors to achieve specific goals and address issues, including those related to governance. In particular, the committees enhance the objectivity and independence of the Board's judgment, insulating it from undue influence of management and major shareholders.</p> <p>In 2020, the Bank had eight Board-level committees. The chairmen and members of the different committees were elected by the Board during the Organizational Meeting on April 23, 2020, after the ASM. Any subsequent changes in membership of the respective committees are made upon approval by the Board.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Board Committees, (pp.116) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Board Committees, C.1-8; (pp.44-63) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Board Committees <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees</a></li> </ul>	
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**Recommendation 3.2**

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>COMPLIANT</p>	<p><b>Audit Committee.</b> The Board appoints from its members an Audit Committee composed of at least three (3) NEDs, majority of whom are Independent Directors including the Chairman. Members of the committee must have accounting, auditing or related financial management expertise, or experience commensurate with the size, complexity of operations, and risk profile of the Bank. The Chairperson of the Audit Committee shall not be the Chairperson of the Board or of any other board-level committees.</p> <p><b>Independent External Auditor.</b> The Audit Committee recommends to the Board the appointment of a BSP-accredited external auditor for the purpose of preparing or issuing an audit report or other related work. The appointment, reappointment, and removal of the Bank's external auditor is subject to the approval and endorsement of the Audit Committee, for subsequent confirmation and approval by the Board and, finally, the stockholders.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Audit Committee, (page 118); Independent External Auditor, (page 126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Audit Committee, (pp.49-55) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Audit Committee Charter</li> </ul>	
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		<a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p><b>Audit Committee.</b> The Board appoints from its members an Audit Committee composed of at least three (3) NEDs, majority of whom are Independent Directors including the Chairman. Members of the committee must have accounting, auditing or related financial management expertise, or experience commensurate with the size, complexity of operations, and risk profile of the Bank. The Chairperson of the Audit Committee shall not be the Chairperson of the Board or of any other board-level committees.</p> <p>With the resignation of Audit Committee Chairman Independent Director Xavier P. Loinaz in the last quarter of 2020, the Board approved the appointment of committee member Independent Director Maria Dolores B. Yuvienco as the new chairperson and Non-Executive Director Romeo L. Bernardo as a new member of the Audit Committee for the remainder of the 2020 to 2021 board term. In this regard, Independent Director Maria Dolores B. Yuvienco also relinquished her chairmanship of the Corporate Governance Committee. As a result of the foregoing changes, membership of the Audit Committee remained in compliance with its charter.</p> <p><u>Members of the Audit Committee</u>  Chairman – Xavier P. Loinaz (ID) <i>resigned Oct. 2020</i>  Member – Octavio Victor R. Espiritu (ID)  Member – Maria Dolores B. Yuvienco (ID) <i>appointed as new Chairman of the AC</i>  Member – Romeo L. Bernardo (NED) <i>new member Oct. 2020</i></p>	



		<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Audit Committee, (pp. 118), Committee Appointments, (page 121) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Item 9., A-1.,1, (pp. 27-42) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Audit Committee, Audit Committee Charter <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> </ul>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>The Audit Committee shall be composed of at least three (3) Directors who are non-executive Board members, majority of whom shall be independent directors including the chairman, preferably with accounting, auditing or related financial management expertise or experience. Independent directors Loinaz and Espiritu are former bank CEOs while Independent Director Yuvienco was formerly with the BSP and also a CPA. Director Bernardo is the former undersecretary of the Department of Finance and founded his consultancy practice, Lazaro Bernardo Tiu &amp; Associates in 1997.</p> <p><u>Members of the Audit Committee</u>  Chairman – Xavier P. Loinaz (ID) <i>resigned Oct. 2020</i>  Member – Octavio Victor R. Espiritu (ID)  Member – Maria Dolores B. Yuvienco (ID) – Certified Public Accountant (<i>appointed as new Chairman of the AC</i>)  Member – Romeo L. Bernardo (NED) <i>new member Oct. 2020</i></p>	

		<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Leaders' biographies, (pp. 184-195) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Item 9., A-1.,1, (pp. 27-42) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Audit Committee Charter, Committee membership <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> </ul>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>With the resignation of Audit Committee Chairman Independent Director Xavier P. Loinaz in the last quarter of 2020, the Board approved the appointment of committee member Independent Director Dolores B. Yuvienco as the new chairperson and Non-Executive Director Romeo L. Bernardo as a new member of the Audit Committee for the remainder of the 2020 to 2021 board term. In this regard, Independent Director Dolores B. Yuvienco also relinquished her chairmanship of the Corporate Governance Committee. As a result of the foregoing changes, membership of the Audit Committee remained in compliance with its charter.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Audit Committee, (page 118); Leaders' biographies, (pp. 184-195) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	

		<ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Item 9., A-1.,1, (pp. 27-42) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Audit Committee Charter, Committee membership <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> <li>• <b>Corporate Governance Manual</b> c.4 Audit Committee, (page 49) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Supplement to Recommendation 3.2</b>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>COMPLIANT</p>	<p>The Audit Committee charter, as also stated in the Bank's Manual on Corporate Governance, provides that the Audit Committee is empowered by the Board to approve all audit and non-audit services, including its fees, to be provided by the external auditor to the Bank and its subsidiaries, and to review the external audit fees and recommend it for approval by the Board.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Audit and Audit-Related Fees, (page 126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Audit and Audit-Related Fees, (pp. 26-27) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b></li> </ul>	

		<p>Audit Committee Charter, Section 2 – Committee Membership, (page 1)  <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b>  c.4 Audit Committee, (page 49)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	<p>The Audit Committee holds executive or private meetings with the external auditors without the presence of Management.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Independent External Auditor, (page 126)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI Website</b>  Internal Audit and Control, Report of the Audit Committee  <a href="https://www.bpi.com.ph/governance/audit">https://www.bpi.com.ph/governance/audit</a></li> </ul>	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	COMPLIANT	<p>In 2020, the Audit Committee had a total of 16 meetings.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Committee Appointments, Attendance and Years of Service, (page 121)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b>  Audit Committee Meetings  <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees</a></li> </ul>	

<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	<p>COMPLIANT</p>	<p>Audit Committee approval of the appointment of the Chief Audit Executive or Internal Auditor is found in the Audit Committee Charter under Duties and Responsibilities. The Audit Committee also evaluates the performance of the CAE following guidelines set by the Bank for performance evaluation of officers. There has been no instance in recent years and in 2020 when the Audit Committee had to approve the removal of the CAE or internal auditor.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> b.ii Internal Audit, (page 51) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Audit Committee Charter <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> </ul>	
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**Recommendation 3.3**

<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	<p>COMPLIANT</p>	<p><b>Corporate Governance Committee.</b> The Board appoints from its members a Corporate Governance Committee composed of at least three (3) members of the Board, who shall all be NEDs, majority of whom are Independent Directors including the Chairman. (Recommendation 3.3 of the SEC CG Code for PLCs). With the resignation of Audit Committee Chairman Independent Director Xavier P. Loinaz in the last quarter of 2020, the Board appointed Independent Director Dolores B. Yuvienco as the new chairperson for the Audit Committee for the remainder of the 2020 to 2021 board term. The Board also appointed Independent Director Ignacio R. Bunye as the new Corporate Governance Committee chairman. Committee membership</p>	
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		<p>remained in compliance with its charter. The Corporate Governance Committee charter was amended in November 2020 to include a provision on group oversight in the duties and responsibilities in alignment with BSP Circular 969.</p> <p>In 2020, the Corporate Governance Committee carried out its regular mandate as set in its charter, to offer recommendations for the Bank's corporate governance framework and to address, in particular, BPI's conformance to BSP Circular 969, BSP Circular 900, SEC Memorandum Circular 19, Series of 2016, as well as best practices espoused by the ASEAN Corporate Governance Scorecard (ACGS). This included the amendment of the Bank's By-Laws, policy development, oversight of the corporate governance framework and practices as well as compliance testing of Bank subsidiaries. The Committee also provided guidance with respect to regulatory matters concerning the BSP and SEC.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Corporate Governance Committee, (page 118) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Corporate Governance Committee Charter <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/corporate-governance">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/corporate-governance</a></li> <li>• <b>Corporate Governance Manual</b> Corporate Governance Committee, (pp. 57-59) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
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<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>COMPLIANT</p>	<p><b>Corporate Governance Committee.</b> The Board appoints from its members a Corporate Governance Committee composed of at least three (3) members of the Board, who shall all be NEDs, majority of whom are Independent Directors including the Chairman. With the resignation of Audit Committee Chairman Independent Director Xavier P. Loinaz in the last quarter of 2020, the Board appointed Independent Director Dolores B. Yuvienco as the new chairperson for the Audit Committee for the remainder of the 2020 to 2021 board term. The Board also appointed Independent Director Ignacio R. Bunye as the new Corporate Governance Committee chairman. Committee membership remained in compliance with its charter.</p> <p>Members of the Corporate Governance Committee:  Chairman – Ignacio R. Bunye (ID) <i>appointed as new Chairman of the CG Com on Oct. 2020</i>  Member – Mercedita S. Nollado (NED)  Member – Maria Dolores B. Yuvienco (ID) <i>appointed as member of the CG Com on Oct. 2020.</i></p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Corporate Governance Committee, (page 118);  Committee Appointments, Attendance and Years of Service, page 121)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b>  Corporate Governance Committee Charter  <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/corporate-governance">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/corporate-governance</a></li> <li>• <b>Corporate Governance Manual</b></li> </ul>	
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		<p>Corporate Governance Committee, (pp. 57-59)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></p>	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>COMPLIANT</p>	<p><b>Corporate Governance Committee.</b> The Board appoints from its members a Corporate Governance Committee composed of at least three (3) members of the Board, who shall all be NEDs, majority of whom are Independent Directors including the Chairman. With the resignation of Audit Committee Chairman Independent Director Xavier P. Loinaz in the last quarter of 2020, the Board appointed Independent Director Dolores B. Yuvienco as the new chairperson for the Audit Committee for the remainder of the 2020 to 2021 board term. The Board also appointed Independent Director Ignacio R. Bunye as the new Corporate Governance Committee chairman. Committee membership remained in compliance with its charter.</p> <p>Members of the Corporate Governance Committee:  <i>Chairman – Ignacio R. Bunye (ID) appointed as new Chairman of the CG Com on Oct. 2020</i>  Member – Mercedita S. Nollado (NED)  Member – Maria Dolores B. Yuvienco (ID) appointed as member of the CG Com on Oct. 2020.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>● <b>2020 Integrated Annual Report</b>  Corporate Governance Committee, (page 118);  Committee Appointments, Attendance and Years of Service, page 121)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>● <b>BPI website</b>  Corporate Governance Committee Charter</li> </ul>	



		<a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/corporate-governance">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/corporate-governance</a> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Corporate Governance Committee, (pp. 57-59) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	<p>In 2020, the Corporate Governance Committee had four (4) meetings.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Corporate Governance Committee, (page 118); Committee Appointments, (page 121) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Corporate Governance Committee Meetings <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees</a></li> </ul>	
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	<p>The Risk Management Committee is tasked with nurturing a culture of risk management across the enterprise. It supports the Board by overseeing and managing the Bank's exposures to financial and non-financial risks, assesses new and emerging risk issues across the Bank, regularly reviews the Bank's risk management appetite, policies, methodologies, structures and metrics, and monitors overall liquidity and capital adequacy.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Risk Management Committee, (page 119);</li> </ul>	

		<p>Risk Management (pp. 127-136)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b>  Risk Management Committee Charter  <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/risk-management">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/risk-management</a></li> </ul> <p>Enterprise Risk Management  <a href="https://www.bpi.com.ph/governance/riskmanagement">https://www.bpi.com.ph/governance/riskmanagement</a></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b>  Risk Management Committee, (pp. 55-57)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p><b>Risk Management Committee.</b> The Board appoints from its members a <u>Risk Management Committee (RMC)</u> composed of at least three (3) members of the Board, majority of whom shall be Independent Directors, including the Chairperson. Committee members should possess a range of knowledge and expertise on risk management issues and best practices. The Chairperson shall not be the Chairperson of the Board or of any other board-level committee.</p> <p>Members of the Risk Management Committee  <b><u>Chairman - Octavio Victor R. Espiritu (ID)</u></b>  <b><u>Member – Eli M. Remolona, Jr. (ID)</u></b>  Member – Aurelio R. Montinola III (NED)</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b></li> </ul>	

		<p>Risk Management Committee Charter, (page 119);  Risk Management Committee membership, (page 121)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b>  Item 9., A-1., 1, pp. 27-42)  <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b>  Risk Management Committee Charter  <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/risk-management">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/risk-management</a></li> <li>• <b>Corporate Governance Manual</b>  Risk Management Committee, (pp. 55-57)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p><b>Risk Management Committee.</b> The Board appoints from its members a Risk Management Committee (RMC) composed of at least three (3) members of the Board, majority of whom shall be Independent Directors, including the Chairperson. Committee members should possess a range of knowledge and expertise on risk management issues and best practices. <u>The Chairperson shall not be the Chairperson of the Board or of any other board-level committee.</u></p> <p>Members of the Risk Management Committee  <b><u>Chairman - Octavio Victor R. Espiritu (ID)</u></b>  Member – Eli M. Remolona, Jr. (ID)  Member – Aurelio R. Montinola III (NED)</p>	

		<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Risk Management Committee Charter, (page 119); Risk Management Committee membership, (page 121) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Item 9., A-1., 1, pp. 27-42) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Risk Management Committee Charter <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/risk-management">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/risk-management</a></li> <li>• <b>Corporate Governance Manual</b> Risk Management Committee, (pp. 55-57) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<p>4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p><b>Risk Management Committee.</b> The Board appoints from its members a Risk Management Committee (RMC) composed of at least three (3) members of the Board, majority of whom shall be Independent Directors, including the Chairperson. <u>Committee members should possess a range of knowledge and expertise on risk management issues and best practices.</u> The Chairperson shall not be the Chairperson of the Board or of any other board-level committee.</p>	

		<p><u>Independent Chairman Espiritu is a former bank CEO, with thorough knowledge and experience of risk management for banking.</u> Being a former Treasurer and President of FEBTC, makes him an exemplary Chair for the BPI Risk Management Committee (RMC}. More importantly, his expertise in markets, credit as well as banking operations particularly during the past 1997 Asian financial crisis and 2008 global financial crisis, makes him the ideal director to guide BPI's Risk Management Committee and Audit Committee thru the challenges under the 2020 COVID-19 pandemic. During his term as Chair of the RMC, BPI risk management has thrice been recognized by international bodies as Risk House of the Year for the Philippines in 2014, 2018 and 2020 and as Bank Risk Manager in 2020 by Asia Risk and as Asean Risk Champion at the Asean Risk Awards in 2019. Independent Director Eli M. Remolona, Jr. previously worked for 14 years at the Federal Reserve Bank of New York and 19 years at the Bank for International Settlements (BIS). He served as the Chief Representative for Asia and the Pacific of the BIS. He also served as Secretary of the Asian Consultative Council, which consists of the governors of the 12 leading central banks in the region. Non-Executive Director Aurelio R. Montinola III served as President and Chief Executive Officer of BPI for eight years from 2005 to 2013, and BPI Family Savings Bank, Inc. for twelve years from 1992 to 2004.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Risk Management Committee Charter, (page 119); Risk Management Committee membership, (page 121)</li> </ul>	
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<b>Recommendation 3.5</b>			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>As part of the Bank's efforts to ensure that transactions with related parties are normal banking activities and are done at arm's length (particularly, on terms and conditions comparable to those offered to non-related parties or to similar transactions in the market), vetting is done either by the Board-level Related Party Transaction Committee (RPTC) or the Management Vetting Committee (MVC), depending on materiality, prior to implementation. Related parties whose individual and group exposures, existing or potential, are considered material have been vetted by the RPTC.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Related Party Transactions, Related Party Transactions Committee, pp. 144-145)</li> </ul>	

		<p><a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Related Party Transactions Committee Charter, Responsibilities, (page 1) <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/related-party-transaction">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/related-party-transaction</a></li> <li>• <b>Corporate Governance Manual</b> Related Party Transactions Committee, (pp. 60-61) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p><b>Related Party Transaction Committee.</b> The Board appoints from its members a <u>Related Party Transaction Committee (RPTC)</u> composed of at least <u>three (3) Non-Executive Directors, majority of whom are Independent Directors including the Chairperson.</u> At the Organizational Board Meeting on April 23, 2020 after the ASM, the existing committee membership, which included two (2) Independent Directors, was retained. Membership of the Committee remained in compliance with the RPTC Charter.</p> <p><u>Members of the RPTC</u> Chairman - Ignacio R. Bunye (ID) Member – Maria Dolores B. Yuvienco (ID) Member – Rebecca G. Fernando (NED)</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Related Party Transactions Committee, Committee Appointments, Attendance and years of service (pp.120-121)</li> </ul>	

		<a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Item 9., A-1., 1, (pp. 27-42) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Related Party Transactions Committee Charter, Membership, (page 3) <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/related-party-transaction">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/related-party-transaction</a></li> <li>• <b>Corporate Governance Manual</b> Related Party Transactions, (pp.60-61) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
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**Recommendation 3.6**

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Reference documents/links: <ul style="list-style-type: none"> <li>• <b>BPI website</b> Individual Board Committee Charters <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees</a></li> <li>• <b>Corporate Governance Manual</b> Board Committee Charters, (pp. 44-63) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	<ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Board Committee Charters, (pp. 44-63) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<b>Same link as provided above Recommendation 3.6</b>	

**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**



<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>COMPLIANT</p>	<p>The meetings of the board of directors may be conducted through modern technologies such as, but not limited to, teleconferencing and videoconferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein: Provided, That 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 board meetings every year: <i>Provided, further, That the absence of a director in more than fifty percent (50%) of all regular and special meetings of the Board of Directors during his/her incumbency is a ground for disqualification in the succeeding election.</i></p> <p><b>Meetings Held Remotely.</b> In 2020, the COVID-19 pandemic saw the Bank's quick adoption of virtual meeting platforms and investment in the necessary equipment, video and web conferencing software, including provision of training for Directors and establishment of virtual meeting protocols for both the Board and Management. These alternative means of communication for Board and board committee meetings followed BSP and SEC guidance on the conduct of meetings held remotely by electronic means. Likewise, rules and procedures relating to presence of a quorum, notices, agenda setting, voting, conflicts of interest, when meetings can be called and held, etc., continued to follow rules and procedures for meetings held in person. All directors in attendance at the meetings held remotely by electronic means are able to hear, participate and communicate 'live' in the discussions and decisions made at the meetings.</p> <p><u>Reference documents/links:</u></p>	
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		<ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Board Meetings, Attendance and Quorum requirements, 12.b., (page 33); Access to information, 12.d, (page 35) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>2020 Integrated Annual Report</b> Meetings and Attendance, (pp.108-109) Time Commitments, (page 104) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Board reference materials are made available to the directors at least five days before the scheduled meeting. As an innovation to board governance, all materials for Board and Board committee meetings are uploaded through a secure system onto individual tablet devices specifically provided to the Board members to ensure immediate receipt and quick access.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Meetings and attendance, Meeting materials, (pp.108-109) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Board Governance, Access to Information, 12.d.ii., (page 35) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Governance, Meetings, Quorum and Attendance</li> </ul>	

		<a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/meetings-and-attendance">https://www.bpi.com.ph/governance/board-and-governance/board-matters/meetings-and-attendance</a>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Items placed on the board agenda are those that have the most fundamental importance and broad policy implications for the bank. Directors are free to suggest items for inclusion in the agenda, and are free to raise at any board meeting subjects that are not on the agenda for that meeting. At the chairman's discretion, any agenda items may also be referred for discussion in the respective committees.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Minutes of Meeting <a href="https://www.bpi.com.ph/about/disclosures/minutes-of-asm">https://www.bpi.com.ph/about/disclosures/minutes-of-asm</a></li> <li>• <b>Corporate Governance Manual</b> Governance Structure, Directors, Duties and Responsibilities of Directors, Section II., B., 1.e., (pp. 37-38) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Recommendation 4.2</b>			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>COMPLIANT</p>	<p>Yes, the Bank has a Policy on Directorships. The Bank has adopted a policy limiting directorships of non-executive directors and independent directors in publicly-listed companies to a maximum of five (5), with the express provision that said limit cannot apply if this will violate stockholders' rights, i.e., ownership. In case any director also already had publicly-listed company directorships in excess of the limit prior to the adoption of the policy or issuance of regulation, the proper exemptive relief was obtained.</p>	

		<p>Information on directorships of the members of the Board in listed and non-listed companies can also be found in the following:</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Policy on Directorships, (page 103) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Governance Structure, Directors, Policies on Directorships, Sec. II.B.2., pp. 38-40; Duties and Responsibilities of Directors, (pp. 37-38) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Recommendation 4.3</b>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>COMPLIANT</p>	<p>With a rigorous nomination process, close monitoring and reporting of board and committee meeting attendance, an annual performance evaluation which includes affirmative determination of time commitments and an annual review of board committee chairmanships and memberships, adequate safeguards against over boarding or over commitment are in place. <u>Directors must notify the Board of their intention to accept a directorship in another company. In this respect, the Board policy on directorships currently sets twenty-five (25) directorships as an acceptable upper limit for board service.</u></p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Policy on Directorships, (page 103) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	

		<ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Governance Structure, Directors, Policies on Directorships, Sec. II.B.2., (pp. 38-40) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT	<p>The only Executive Director, Cezar P. Consing, is an Independent Director of Jollibee Corporation.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Item 9., A-1.3 – Cezar P. Consing bio, (pp. 30-31) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>2020 Integrated Annual Report</b> Leaders' Biographies, (pp. 186-187) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	<p>The Board and the board committees conduct business through meetings for the effective discharge of obligations. Regular board meetings are convened monthly, scheduled at the beginning of the year to cover the full term of the newly elected or re-elected Directors, reckoned from the date of the current year's ASM to that of the following year. Special meetings may be called as needed.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Meetings and Attendance, (page 108) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b></li> </ul>	

		Board Governance, Meetings, Quorum and Attendance, Meetings <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/meetings-and-attendance">https://www.bpi.com.ph/governance/board-and-governance/board-matters/meetings-and-attendance</a>	
3. Board of directors meet at least six times during the year.	COMPLIANT	The Board of Directors had total of 15 meetings in 2020.  Reference documents/links: <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Meetings and Attendance, (page 108) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Meetings and Attendance, (page 53) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Board Governance, Meetings, Quorum and Attendance, Meetings <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/meetings-and-attendance">https://www.bpi.com.ph/governance/board-and-governance/board-matters/meetings-and-attendance</a></li> </ul>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	COMPLIANT	<b>Two-thirds (2/3) Quorum.</b> The minimum quorum requirement for board decisions is set at two-thirds (2/3) of the Board as provided by the Bank's Amended By-Laws. In November 2019, the Board approved the amendment of the company ByLaws to, among others, raise the minimum quorum at any meeting for the transaction of corporate business from a majority to two-thirds (2/3) of the Board. Any meeting for the transaction of corporate business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate	

		<p>act, unless otherwise provided in the Amended By-Laws.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Two-thirds (2/3) Quorum, (page 109) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Board Governance, 12.b.iv., (page 33-34) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<p><b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs</p>			
<p><b>Recommendation 5.1</b></p>			
<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>COMPLIANT</p>	<p>For the 2020 to 2021 Board term, six out of the 15-member board elected or 40% of the Board are classified as Independent, or having no interest or relationship with BPI at the time of election, appointment, or re-election. In the last quarter of the year, Independent Director Xavier P. Loinaz tendered resignation from the Board due to health reasons. However, at the Board meeting on January 20, 2021, Mr. Cesar V. Purisima was elected as a new Independent Director, subject to the confirmation/approval of the Monetary Board of the BSP, for the remainder of the 2020 to 2021 board term. Fourteen or 93% of the Board are Non-Executive Directors, who are not involved in the day-to-day management of banking operations.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Independence, (page 100)</li> </ul>	

		<p><a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Board Governance, (pp. 50-51) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>Corporate Governance Manual</b> Independence, Section II.a.5, (pp. 8-9) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	<p>BPI complies with the BSP, SEC and PSE Fit and Proper criteria and requirements for the position of a director and independent directors. The General Banking Law of 2000 (R.A. No. 8791) provides the BSP with powers to prescribe, pass upon, and review the qualifications and disqualifications of individuals elected or appointed as bank directors or officers and the power to disqualify those found unfit for positions of bank directors and officers. In this regard, the Bank submits the required certifications of its Independent Directors annually to the BSP for confirmation of the election or appointment.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Independence, (page 100) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Independence, Section II.a.5, (pp. 8-9); Qualifications for Independent Directors, page 19)</li> </ul>	



		<a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	There are no such agreement or constraints.  Reference documents/links: <ul style="list-style-type: none"> <li>• <b>BPI website</b> Amended By-Laws, Article V, (page 7) <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1</a></li> </ul>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	<b>Term limits of Independent Directors.</b> The MORB and SEC Mem.Cir.No. 9, Series of 2011 and No. 4, Series of 2017. Set a maximum cumulative term of nine (9) years.  Reference documents/links: <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Term limit of Independent Director, (page 100) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Term limits of Independent Directors, (pp. 40-41) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	<b>Same link as provided above Recommendation 5.3</b>	
3. In the instance that the company retains an independent director in the same	COMPLIANT	<b>Same link as provided above Recommendation 5.3</b>	

<p>capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>			
<b>Recommendation 5.4</b>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>COMPLIANT</p>	<p>The Chairman and Vice-Chairman are both Non-Executive Directors. The Board does not encourage CEO duality. The Chairman, who has not served as CEO of the Bank within the past three years, is separately appointed from the President and CEO. The Chairman and the President and CEO positions are currently held by two individuals who are not related to each other and have defined roles and responsibilities that are separate and distinct, as set in our Amended By-Laws and Manual on Corporate Governance.</p> <p><u>Chairman of the Board – Jaime Augusto Zobel de Ayala (NED)</u>  <u>President and CEO – Cezar P. Consing (ED)</u></p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Role and Independence of the Chairman, Chief Executive Officer, page 93)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b>  Leadership, Chairman of the Board, Qualifications, 11.a.i, (page 31)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b></li> </ul>	

		<p>Role and Independence of the Chairman, Chief Executive Officer, (page 93)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>Amended By-Laws</b>  Chairman of the Board of Directors – Powers and Duties, Article VIII, (pp.12-13);  The President – Powers and Duties, Article IX, (pp. 14-16)  <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1</a></li> <li>• <b>Corporate Governance Manual</b>  Duties and Responsibilities, (pp.64-66)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
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**Recommendation 5.5**

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>COMPLIANT</p>	<p>Although current regulations of the BSP require the appointment of a Lead Independent Director only when the positions of Chairman of the Board of Directors and CEO are, with prior approval of the Monetary Board, held by one person, the Board appointed a Lead Independent Director in pursuit of best practice governance standards.</p> <p>At the Organizational Meeting of the Board, following the 2020 ASM, Independent Director Octavio Victor R. Espiritu was appointed as Lead Independent Director.</p> <p>BPI's Manual on Corporate Governance states the duties and responsibilities for such a role and position in the Bank, if and when one is appointed – the Lead</p>	
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		<p>Independent Director shall act as the preferred point of contact for other Independent Directors on the Board.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Lead Independent Director, (page 93) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Lead Independent Director, (page 51) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>Corporate Governance Manual</b> Governance Structure, Board of Directors, Leadership, Lead Independent Director, Sec. II.A.11., (page 32) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Recommendation 5.6</b>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>COMPLIANT</p>	<p>If an actual or potential conflict of interest should arise on the part of directors, it should be fully disclosed and the concerned director should not participate in the decision-making. A director who has a continuing conflict of interest of a material nature should either resign or, if the Board deems appropriate, be removed from the Board.</p> <p>The Corporate Secretary also confirms that directors with material interest in such transactions affecting the Bank, have, in such instances, abstained from the discussions and decision making accordingly.</p> <p>Reference documents/links:</p>	

		<ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Related Party Transactions, (pp.144-145) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Conflict of Interest Standards, (pp. 75-77) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Recommendation 5.7</b>			
<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.</p>	COMPLIANT	<p><b>Non-Executive Directors (NED) Meeting.</b> Independent and Non-Executive Directors of the Bank also meet at least once a year without the presence of the executive director or management. The NED meeting held on December 15, 2020 facilitated an open discussion of ongoing initiatives and semestral performance of the Bank. The meeting was chaired by the Lead Independent Director and was also attended by the control heads – Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer as well as the external auditor.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Non-Executive Directors (NED) Meeting, (page 109) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Meetings and Attendance, (page 53) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>Corporate Governance Manual</b> Specific Duties and Responsibilities of the Board, Section 10., vi.,1, (pp. 23-24)</li> </ul>	

		<a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>COMPLIANT</p>	<p><b>Non-Executive Directors (NED) Meeting.</b> Independent and Non-Executive Directors of the Bank also meet at least once a year without the presence of the executive director or management. The NED meeting held on December 15, 2020 facilitated an open discussion of ongoing initiatives and semestral performance of the Bank. The meeting was chaired by the Lead Independent Director Octavio Victor R. Espiritu (Independent Director) and was also attended by the control heads – Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer as well as the external auditor.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Non-Executive Directors (NED) Meeting, (pp. 93, 109)</li> </ul>	

		<a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Meetings and Attendance, (page 53) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>Corporate Governance Manual</b> Specific Duties and Responsibilities of the Board, Section 10., vi.,1, (pp. 23-24) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	<p>The current President and CEO - Cezar P. Consing he has been the Bank's President and CEO since 2013.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Leaders' Biographies, pp. 186-187) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Principle 6:</b> 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.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	<p>There are four (4) major levels to the evaluation:</p> <p>i. <u>Board-level Assessment of the body as a whole</u></p> <p>The Board of Directors needs to assess its own achievement of goals and working style, i.e., actual operations and work of the Board with respect to the Bank's business model and strategy. Directors will also review board</p>	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		

<p>4. Each committee conducts a self-assessment of its performance.</p>	<p>COMPLIANT</p>	<p>effectiveness with respect to current and future development challenges of the Bank, the continuous evolving expectations of its stakeholders and, if need be, existing communication on corporate governance matters.</p> <p>ii. <u>Committee-level Assessment of respective Board Committees</u></p> <p>All board-level committees are to evaluate annually the performance of the committee as a body and report the results to the Board or to such committee that may be appointed by the Board for review.</p> <p>iii. <u>Individual Director Self-Assessment</u>  iv. <u>Board assessment of President and CEO</u></p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b>  Performance Evaluation, (pp. 36-37)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>2020 Integrated Annual Report</b>  Performance Evaluation and Self-Assessment, (page 111)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b>  Performance Evaluation  <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/performance-evaluation">https://www.bpi.com.ph/governance/board-and-governance/board-matters/performance-evaluation</a></li> </ul>	
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<p>5. Every three years, the assessments are supported by an external facilitator.</p>	<p>COMPLIANT</p>	<p><b>Third-Party External Performance Evaluation.</b> In pursuit of best practices, the Bank engaged in 2020 a third-party external facilitator, Aon Hewitt Singapore Pte. Ltd., to conduct a separate Board Assessment covering the 2019 to 2020 board term.</p> <p>BSP Circular 969 states that the annual self-assessment of the Board may be facilitated by the corporate governance committee or external facilitators. The SEC Code of Corporate Governance for Publicly-Listed Companies, similarly states in Recommendation 6.1, that the conduct of the annual self-assessment of the Board is to be supported by an external facilitator every three years to improve objectivity of the assessment process. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization.</p> <p>The results of the external assessment (the "Aon Report"), which forms part of BPI's compliance with BSP Cir. 969 and SEC Memorandum Circular 19, Series of 2016, were presented to the Corporate Governance Committee at its meeting on August 27, 2020, which endorsed the same to the Board. Subsequently, the Board noted the results and recommendations in the Aon Report in its meeting on September 16, 2020.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Third Party External Performance Evaluation, (page 111) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b></li> </ul>	
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		Specific Duties and Responsibilities of the Board, Sec. II.A.10., (page 59) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a>	
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Yes. Board Performance Evaluation and Self-Assessment Process and Criteria is disclosed in the company website and in the company's Annual Report.	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	A summary statement on the results of the annual Board of Directors self-assessments is disclosed on the company website for any concerns or feedback from shareholders, who may communicate through the Office of the Corporate Secretary.  Reference documents/links: <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Performance Evaluation, (pp. 36-37) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>2020 Integrated Annual Report</b> Performance Evaluation and Self-Assessment, (page 111) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Performance Evaluation <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/performance-evaluation">https://www.bpi.com.ph/governance/board-and-governance/board-matters/performance-evaluation</a></li> </ul>	
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			

**Recommendation 7.1**

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p>COMPLIANT</p>	<p>BPI has Codes of Business Conduct and Ethics for its directors, officers, and employees that provide the key practices and behaviors. The codes serve as guidance so that the right decisions are made in the performance of their respective roles and responsibilities across various functions in the Bank.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Code of Business Conduct and Ethics, (page 140) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Code of Business Conduct and Ethics <a href="https://www.bpi.com.ph/governance/board-and-governance/business-conduct-ethics">https://www.bpi.com.ph/governance/board-and-governance/business-conduct-ethics</a></li> </ul> <p>Director's Code of Conduct <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/directors-code-of-conduct">https://www.bpi.com.ph/governance/board-and-governance/board-matters/directors-code-of-conduct</a></p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>COMPLIANT</p>	<p><b><u>Dissemination of the Codes</u></b></p> <p><u>Employee's Code of Conduct:</u> This Code of Business Conduct and Ethics can be accessed by employees and senior management from the Management and Operating Manual in the Bank's intranet electronic database. This Code is also posted on the company website.</p> <p><u>Director's Code of Conduct:</u> Directors have been provided with copies of the Code, through the Corporate Governance Committee. The Director's Code is also posted on the company website.</p>	

		<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Code of Business Conduct and Ethics, (page 140) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Code of Business Conduct and Ethics <a href="https://www.bpi.com.ph/governance/board-and-governance/business-conduct-ethics">https://www.bpi.com.ph/governance/board-and-governance/business-conduct-ethics</a></li> </ul> <p>Director's Code of Conduct <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/directors-code-of-conduct">https://www.bpi.com.ph/governance/board-and-governance/board-matters/directors-code-of-conduct</a></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Dissemination of the Code, (pp. 82-83) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Employee Code of Business Conduct and Ethics <a href="https://www.bpi.com.ph/governance/board-and-governance/business-conduct-ethics">https://www.bpi.com.ph/governance/board-and-governance/business-conduct-ethics</a></li> </ul> <p>Director's Code of Conduct <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/directors-code-of-conduct">https://www.bpi.com.ph/governance/board-and-governance/board-matters/directors-code-of-conduct</a></p>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	<p>The Board has adopted an Anti-Bribery and Anti-Corruption (ABC) Policy.</p> <p>The Bank puts the highest premium on sound, responsible, and effective corporate governance.</p>	

		<p>The Bank advocates that directors and employees do not tolerate corruption or any form of bribery nor provide or accept improper inducements in the course of any business dealing.</p> <p>Aligned with the Bank's commitment to act fairly and with integrity in all business dealings and relationships, the ABC Policy complements the Bank's financial crime policies and programs such as the Money Laundering and Terrorism Financing Prevention Program (MTPP) and Whistleblower Policy. Guidance on the Bank's ABC Policy is supplemented by the Standards on Conflict of Interest under Request or Acceptance of Fees, Commissions, Gifts. Monitoring of and compliance with the Code of Conduct and related policies are undertaken by the Human Resources Management Group and Corporate Governance Department of the Compliance Division.</p> <p>The ABC Policy is disclosed in the Manual on Corporate Governance and on the company website at <a href="http://www.bpi.com.ph">www.bpi.com.ph</a>.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Anti-Bribery and Anti-Corruption, (page 143) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Anti-Bribery and Anti-Corruption Policy, (page 82) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Anti-bribery and Anti-Corruption Policy</li> </ul>	
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		<a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/anti-bribery-anti-corruption-policy">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/anti-bribery-anti-corruption-policy</a>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Written affirmation of compliance by directors, employees and officers with the respective Codes of Conduct forms part of the Bank's compliance with BSP Cir. 969 on "Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions" and BSP Cir. 900 on "Guidelines on Operational Risk Management. Affirmation of the Board is implemented and monitored through the Office of the Corporate Secretary and the Corporate Governance unit of the Bank while the Human Resources Management Group implements and monitors affirmation and compliance of all employees.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<p><b><u>All directors, officers and employees are required to comply with the respective Codes and provide written affirmation of this annually.</u></b></p> <p>In 2020, the Code of Business Conduct and Ethics (COBC) course was also integrated with the Annual Employee Affirmation exercise and both made accessible on Granite, an online platform accessible on mobile and desktop. Employees must first take and pass the mandatory COBC course before being able to accomplish the annual affirmation. The Corporate Governance Dept., working with the HR Training team, also ensured that notices on the Employee Affirmation and COBC Course were broadcasted group and bank-wide to remind employees of their need to comply with the mandatory training and affirmation. Currently, there are no cases of non-compliance among the Board of Directors. Any instances of non-compliance or code violations among officers and</p>	

		<p>employees are monitored or reported to and dealt with by the Human Resources Management Group.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Dissemination of the Codes, Training on the Codes of Conduct, Annual Affirmation to the Codes, (pp. 142-143) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Dissemination of the Code, Compliance with the Code, (page 83) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
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**Disclosure and Transparency**

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

**Recommendation 8.1**

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>COMPLIANT</p>	<p>The Board has policies on continuous disclosure and transparency. The Company, through the Board and management, commits at all times to fully disclose all material information about the company for the benefit of the stockholder and other stakeholders. It likewise causes the filing of all required information through the, appropriate Exchange mechanisms for listed companies and submissions to the SEC for the interest of its stockholders and other stakeholders. Quarterly interim and annual reports are likewise posted on the PSE EDGE and on the company website to ensure the widest cost-efficient accessibility for all stakeholders.</p>	
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		<p>As a publicly-listed company, BPI files quarterly, annual and other regular disclosures and reports with the SEC and on the electronic facilities provided by the PSE's Electronic Disclosure Generation Technology or PSE EDGE, as required, in carrying out its structured and unstructured disclosures.</p> <p>The Company also has its Investor Relations unit to handle media, analysts and institutional investors briefings and press conferences, among others, as well as a Corporate Communications unit to handle brand equity, public relations and internal stakeholder engagement.</p> <p>The Company also utilizes its official company website to communicate with all stakeholders and established social media-based company sites as well. The official company website is compliant with and follows the prescribed format and template of the SEC (Memorandum Cir. No. 11, Series 2014).</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Investor Relations, Annual and Quarterly Reports, pp. 58-S59) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Investor Relations <a href="https://www.bpi.com.ph/aboutbpi/investor-relations">https://www.bpi.com.ph/aboutbpi/investor-relations</a></li> </ul> <p>Board and Governance <a href="https://www.bpi.com.ph/governance/board-and-governance">https://www.bpi.com.ph/governance/board-and-governance</a></p>	
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		<p>Regulatory disclosures  <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b>  Communication and Information, Section 6  <a href="https://www.bpi.com.ph/governance/manual-corporate-governance">https://www.bpi.com.ph/governance/manual-corporate-governance</a></li> </ul>	
<b>Supplement to Recommendations 8.1</b>			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>COMPLIANT</p>	<p>BPI values opportunities to communicate its initiatives, policies, operations, financial performance, and goals to all of its stakeholders. The Bank believes that dialogue with stakeholders is essential in ensuring their active engagement with the Bank. This provides them with timely, balanced, and understandable information, which is also integral in fulfilling the Bank's role and responsibilities as a global financial institution.</p> <p>BPI also practices regular disclosure of financial results. Quarterly financial results are presented to the Audit Committee and the Board of Directors before disclosure and are immediately disclosed after the approval by the Board to the SEC and PSE. Press releases relative to the financial performance are pre-cleared with the CFO and the President. Quarterly and year-end financial statements and detailed management's discussion and analysis are filed within the mandated 45 and 105 calendar days respectively from the end of financial period, if not earlier. The company's financial reporting disclosures are in compliance with BSP, PSE and SEC requisites. These reports are made available to investors and analysts after disclosure and are posted as well on the PSE EDGE and on the company's website.</p> <p><u>Reference documents/links:</u></p>	

		<ul style="list-style-type: none"> <li>• <b>PSE Edge</b> <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpr_id=234">http://edge.pse.com.ph/companyDisclosures/form.do?cmpr_id=234</a></li> <li>• <b>BPI website</b> SEC Filings <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	COMPLIANT	<p>The Bank discloses share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership (holding 5% or more) and direct and indirect holdings of major shareholders and directors. It also has a policy of communication and transparency. Voting power is proportionate to the percentage of ownership in the Company. Such information is regularly posted on the PSE EDGE company disclosure site and is also disclosed in the regulatory annual reports submitted by the Bank as well as posted on the company website.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Beneficial Owners Holding 5% or More of BPI, (page 164) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Beneficial Owners of more than 5% as of December 31, 2020, (pp. 47-48) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the	COMPLIANT	With respect to direct and indirect shareholdings of directors and senior management, all directors and	

<p>company any dealings in the company's shares within three business days.</p>		<p>senior management (c-suite officers, i.e., Chief Executive Officer, Chief Finance Officer, Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer), Treasurer, Corporate Secretary and Assistant Corporate Secretary, are required to report to the Office of the Compliance Office within ten (10) days from the end of each quarter their trades with BPI securities during such quarter. In compliance with the SEC's directive, the Bank also requires all directors and senior management to file within three (3) business days the required SEC Form 23A and B to the SEC. Said Forms SEC 23A and 23B are also disclosed online on PSE EDGE and on the company website. The Company also regularly discloses the above information on its company website and in its annual reports or, previously, the Annual Corporate Governance Report.</p>	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>COMPLIANT</p>	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> SEC Form 23-A/B (Statement of Beneficial Ownership) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>2020 Integrated Annual Report</b> Security Ownership of Directors and Officers, (page 99); Beneficial Ownership Reporting Compliance, (page 163); Insider Trading, (pp 143-144) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Security Ownership of Directors and Management as of December 31, 2020, pp. 48-49)</li> </ul>	

		<p><a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Special Duties and Responsibilities of the Board, Dealing in Corporation's Shares, Section 10, d., iv, (page 29)</li> </ul> <p><a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></p>	
<b>Supplement to Recommendation 8.2</b>			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>COMPLIANT</p>	<p>The Bank also discloses the relationship of the company to other companies in the group through its conglomerate map, which details ownership information on parent/holding company, subsidiaries, associates, joint ventures, etc., and is posted on the company website and in the Bank's annual reports.</p> <p>The Company discloses information on share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership and has a policy of communication and transparency as disclosed in the reports below, together with other relevant information. Shareholdings of directors, management and top 100 shareholders are regularly disclosed on PSE EDGE through the Statements of Beneficial Ownership of Securities, Statements of Changes in Beneficial Ownership of Securities, Public Ownership Report, and List of Top 100 Stockholders.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> SEC Form 23-A/B (Statement of Beneficial Ownership)</li> </ul> <p><a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></p>	

		<ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>            Conglomerate Map, (page 122);            Security Ownership of Directors and Officers, (page 99);            Beneficial Ownership Reporting Compliance, page 163; Insider Trading, (pp. 143-144)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b>            Security Ownership of Directors and Management as of December 31, 2020, pp. 48-49)  <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>Corporate Governance Manual</b>            Special Duties and Responsibilities of the Board, Dealing in Corporation's Shares, Section 10, d., iv, (page 29)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b>            Conglomerate Map  <a href="https://www.bpiexpressonline.com/p/1/757/conglomerate-map">https://www.bpiexpressonline.com/p/1/757/conglomerate-map</a></li> </ul>	
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<b>Recommendation 8.3</b>			
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<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<p>As required by the SEC, all of the Bank's annual reports contain comprehensive profiles of the Board of Directors and Key Officers which disclose, among other information, the age, qualifications, date of appointment, relevant experience and directorships both in the BPI group as well as in other companies, listed or otherwise. In compliance with SEC Memo. Cir. No. 11, s2014, the Bank also posts biographical details of the Board of Directors and Senior Management on the company website.</p>	
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		<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Leaders' Biographies, Director Qualifications, Directorship in other listed companies and relevant experience, (pp. 184-195); Security ownership of Directors and Officers, (page 99); Director Education and Training, (page 104-105) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Induction and Continuing Education <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/induction-continuing-education">https://www.bpi.com.ph/governance/board-and-governance/board-matters/induction-continuing-education</a></li> </ul>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<b>Same reply as in #1 under Recommendation 8.3 above.</b>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	<p>The remuneration framework is reviewed annually to ensure that it remains competitive and consistent with the Bank's high performance culture, objectives, and long-term risk assessment and strategies.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Remuneration, (page 105-107) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Personnel and Compensation Committee Charter</li> </ul>	

		<a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/personnel-compensation">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/personnel-compensation</a> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Remuneration Policy for Directors and Officers, (pp. 42-43)</li> </ul> <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	<b>Same reply as in #1 under Recommendation 8.4 above.</b>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	There are no retirement packages or benefits for directors.	Director's remuneration is disclosed in the annual reports in aggregate to the extent allowable without raising commercial, privacy and security issues as well as business efficiency and competitiveness concerns for the Bank.
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	BPI discloses its Related Party Transactions Policy in its Manual on Corporate Governance, including annual reports, which are posted on the company website. The RPT Policy guards against internal conflicts of interest between the company and/or its group and their directors, officers and significant shareholders and ensures that transactions such as loans and advances, deposit arrangements, trading of government securities and commercial papers, sale of assets, lease of bank premises, investment advisory/ management, service arrangements and	

		<p>advances for operating expenses are made in the normal course of banking activities with terms and conditions that are generally comparable to those offered to non-related parties or to similar transactions in the market. RPTs are reviewed, approved and disclosed in accordance with appropriate and defined thresholds as set out in the Company' Guidelines on the Proper Handling of Related Party Transactions.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Related party Transactions, Material Related Party Transactions (pp. 77-78) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul> <p>Apart from the RPT Policy, the Bank also has a Director's Code of Conduct which mandates that a director must exclude himself/herself in any decision-making process of the Related Party Transactions Committee for approval of such transactions where they may have a conflict of interest. All Directors, officer and employees are also required to disclose conflicts and potential conflicts, as well as relationships with clients, prospects, suppliers and other interests. The Corporate Secretary confirms that in instances when a director has a conflict of interest in contemplated identified transactions of the Bank, the director abstains from discussion and decision-making on said item.</p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>COMPLIANT</p>	<p>The Bank is committed to ensure strict compliance with laws, regulations and reporting requirements relating to DOSRI and related party transactions, by</p>	



		<p>instituting rigorous vetting processes, establishing adequate controls and oversight mechanisms, and pursuing improvements such as its related party database to facilitate the timely and accurate related party classification of clients and counterparties.</p> <p>All transactions involving DOSRI are reported to the BSP and the BPI Group is in full compliance with the General Banking Law and BSP regulations concerning DOSRI loans. Related Party Transactions (name, relationship and value) are also properly disclosed in the Bank's annual report in the audited financial statements, and other applicable filings in accordance with the relevant rules and issuances of the Securities and Exchange Commission and other regulatory bodies.</p> <p>RPTs for 2019 were reviewed, approved and disclosed in accordance with appropriate and defined thresholds as set out in the Company's Guidelines on the Proper Handling of Related Party Transactions and in compliance with BSP regulations</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Note 25 – Related Party Transactions (pp. 259-263); Related Party Transactions Committee, pp. 145-146) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Supplement to Recommendation 8.5</b>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>COMPLIANT</p>	<p>The Bank's Manual of Corporate Governance and respective Codes of Conduct for employees, officers and directors require written affirmation of directors, employees and officers that they are in compliance with the Manual and adhere to the respective Codes of Conduct. The Statement of Affirmation, which is</p>	

		<p>done annually, forms part of the Bank's compliance with BSP Cir. 969 on "Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions" and BSP Cir. 900 on "Guidelines on Operational Risk Management.</p> <p>All directors, officers and employees are required to comply with the respective Codes. Any conflicts of interest from among the Board of Directors, officers or employees must be disclosed prior to accomplishment of the Statement of Affirmation. Such conflicts of interests are disclosed by directors to the Board through the Corporate Secretary or directly to the Related Party Transactions Committee.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Compliance with the Code, (page 83) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Optional : Recommendation 8.5</b>			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>COMPLIANT</p>	<p>Our Related Party Transactions Policy imposes stringent guidelines and measures to maintain arm's length integrity in all of the Bank's related party business transactions, operations, and activities. BPI vigilantly guards against improper with valuation issues, if needed, to also ensure that the interests pricing policies, questionable manners of settlement, and ambiguous or disputable terms of transactions in any related party transactions.</p> <p>Basis for evaluation of a Related Party Transaction: Term of the transaction; - The related party's interest in the transaction; - Purpose and timing of the transaction;</p>	

		<ul style="list-style-type: none"> <li>- Whether the Bank is a party to the transaction and,</li> <li>- if not, the nature of the Bank's participation in the transaction;</li> <li>- If the transaction involves the sale of an asset, a description of the asset including date acquired and costs basis;</li> <li>- Information concerning potential counterparties in the transactions;</li> <li>- Approximated value of the transaction and the approximated value of the related party's interest in the transaction;</li> <li>- Description of provisions or limitations imposed as a result of entering into proposed transaction;</li> <li>- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;</li> <li>- Purpose of transaction; and</li> <li>- Potential benefits to the Bank.</li> </ul> <p>The Committee may also call on independent experts to help of the Bank and stakeholders are protected.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Related Party Transactions, (pp. 144-145) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Fair Dealing – Related Party Transactions Policy <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/fair-dealing">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/fair-dealing</a></li> <li>• <b>Corporate Governance Manual</b> Related Party Transactions Policy, (pp. 77-78)</li> </ul>	
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<b>Recommendation 8.6</b>			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>COMPLIANT</p>	<p>The Board and senior management exercise appropriate due diligence and good faith in the review and consideration of all material issues with respect to strategy, opportunities and risks, pricing or valuation, compliance and legal obligations, including diligence on the parties involved before entering into extraordinary transactions, such as mergers, acquisitions, and takeovers. The Bank engages the service of independent and qualified third-party firms and consultants to evaluate the fairness of the transaction price and terms and conditions.</p> <p>All material information that could potentially affect share price shall be publicly disclosed. Such information shall include but not be limited to: earnings results, materially significant acquisition or disposal of assets, board changes, related party transactions which are not in the ordinary course of business, shareholding of directors and major changes to ownership. This may also include material and reportable non-financial and sustainability information. All such disclosures shall be submitted to Philippine Stock Exchange and Securities and Exchange Commission following their respective guidelines or properly disclosed in such report(s) as may be required by regulators, for the interest of all stockholders and other stakeholders.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b></li> </ul>	

		<p>Mergers, Acquisitions, and/or Takeovers (page 146)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b>  External Advice/Other Independence Mechanisms, II.A.12, (page 36);  Reports and Disclosures, (pp. 89-90)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>COMPLIANT</p>	<p>"The Bank engages the service of independent and qualified third-party firms and consultants to evaluate the fairness of the transaction price and terms and conditions."  "The Related Party Transactions Committee may also call on independent experts to help with valuation issues, if needed, to also ensure that the interests of the Bank and stakeholders are protected."</p> <p>For any such transactions, the Bank has its Internal Audit Division as well as external independent auditor, Isla Lipana &amp; Co.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Mergers, Acquisitions, and/or Takeovers, (page 135)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b>  Related Party Transactions Policy, (pp. 78-79)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	

**Supplement to Recommendation 8.6**

<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	<p>COMPLIANT</p>	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Beneficial Owners Holding 5% or More of BPI, (page 164) Voting Trust Holders of 5% or More, (page 165); Mergers, Acquisitions, and/or Takeovers, (page 146) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Related Party Transactions Policy, (pp. 77-78) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Fair Dealing – Related Party Transactions Policy <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/fair-dealing">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/fair-dealing</a></li> </ul>	
<b>Recommendation 8.7</b>			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>COMPLIANT</p>	<p>BPI has a Manual on Corporate Governance which supplements and complements BPI's Articles of Incorporation and Amended By-Laws. It sets forth the underlying principles of good and transparent governance through a framework of policies, rules, systems, and processes for the Board and Management's performance of their respective duties and responsibilities to stakeholders. The manual also discusses the Bank's Sustainability Strategy Framework which encapsulates the value created from BPI's business model while innovating for operational efficiency, empowering people and society, using resources more efficiently, and strengthening stakeholder trust. The Manual is submitted to the SEC and PSE and is, likewise, posted on the company website.</p>	
<p>2. Company's MCG is submitted to the SEC and PSE.</p>	<p>COMPLIANT</p>		
<p>3. Company's MCG is posted on its company website.</p>	<p>COMPLIANT</p>		

		<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Manual on Corporate Governance, (page 140) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Corporate Governance Manual <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	<p>Corporate Governance Manual posted on website has stamp of receipt from SEC. It is also submitted to the PSE on EDGE.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Corporate Governance Manual <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>PSE Edge</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=241735a483a96ab3efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=241735a483a96ab3efdfc15ec263a54d</a></li> </ul>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	<p>The Bank regularly provides a comprehensive Management Discussion and Analysis and Results of Operations in its annual reports. This includes details on the business of the company, its history and recent business milestone; principal subsidiaries and nature of business as well as ownership history; principal products and services; distribution network; intellectual property (patents, trademarks, etc.); related parties; employees; operating risks; competition; government regulation; operational</p>	
a. Corporate Objectives	COMPLIANT		
b. Financial performance indicators	COMPLIANT		
c. Non-financial performance indicators	COMPLIANT		
d. Dividend Policy	COMPLIANT		

		and financial information as well as non-financial indicators; key performance indicators; material event/s and uncertainties; and future prospects, targets and strategies. This is supplemented by the Audited Financial Statements and Notes to the Financial Statements which provide much more detail on the company's operations.	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT		
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	The Bank's annual reports are easily accessed on the company website while SEC annual report disclosures are likewise posted on PSE EDGE. Copies of annual reports are likewise distributed and made available to stockholders during the Annual Stockholders Meeting.	
g. Total remuneration of each member of the board of directors	NON-COMPLIANT	<p>The Bank also complies with the Bangko Sentral ng Pilipinas Annual Report Assessment Checklist (ARAC), issued under BSP Memorandum No. M-2014-007, which likewise requires posting of the annual report on the company website and contain disclosures that include:</p> <ol style="list-style-type: none"> <li>1. Financial performance</li> <li>2. Qualitative and quantitative information on risk</li> <li>3. Basic business management and corporate governance information including remuneration policies and related party transactions</li> <li>4. Capital structure and capital adequacy</li> <li>5. Risk exposures and assessments</li> <li>6. Specific info on credit, market, operational risks; interest rates BPI's dividend policy, as the only major Philippine bank that pays dividends on a regular basis, is to consistently pay cash dividends and has paid P0.90 per share semi-annually in the past years; however, the Bank evaluates its dividend payments from time to time in</li> </ol>	Director's remuneration is disclosed in the annual reports in aggregate to the extent allowable without raising commercial, privacy and security issues as well as business efficiency and competitiveness concerns for the Bank.



		<p>accordance with business and regulatory requirements, and cannot make explicit warranties about the quantum of future dividend payments. Relevant information on the Bank's dividend policy is posted on its website and found in the annual report and other documents below.</p> <p>The Bank also discloses biographical details of its Board of Directors and Key Officers. Attendance details of directors for Board and Committee meetings are disclosed as well in the Annual Reports. Remuneration is disclosed on an aggregate basis.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>2020 Integrated Annual Report</b> <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p>	<p>COMPLIANT</p>	<p>A certification on the Bank's full compliance with the BPI Corporate Governance Manual, containing relevant provisions of the SEC Code of Corporate Governance for PLCs, signed and issued by the CCO, is posted on the company website.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Certificate of Full Compliance with the Corporate Governance Manual <a href="https://www.bpiexpressonline.com/media/uploads/5e67346621fef_2019_Certification_of_Compliance_with_the_Manual_on_Corporate_Governance.pdf">https://www.bpiexpressonline.com/media/uploads/5e67346621fef_2019_Certification_of_Compliance_with_the_Manual_on_Corporate_Governance.pdf</a></li> </ul>	

		<ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Compliance with the SEC Code of Corporate Governance for PLCs, (page, 140) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT	<p>In 2020, the Board of Directors, through its various Board-level Committees, reviewed the Bank's overall control, risk management and compliance systems covering operational and financial areas and determined these to be adequate and operating effectively.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Contact our Board, (page 115); Control, Risk Management and Compliance, page 124) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT	<p>In 2020, the Board of Directors, through its various Board-level Committees, reviewed the Bank's overall control, risk management and compliance systems covering operational and financial areas and determined these to be adequate and operating effectively. Assurance activities performed by the Bank's Internal Audit also affirmed this, as stated in the Report of the Audit Committee to the Board of Directors.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Report of the Audit Committee to the Board of Directors, (pp. 206-207); Control, Risk Management and Compliance, page 124)</li> </ul>	

		<a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	<p>COMPLIANT</p>	<p>The discussion of key risks is found in the Management's Discussion and Analysis, the sections on Risk Management and Governance as well as in the Notes to the Audited Financial Statements which are part of the Annual Report.</p> <p><u>The Bank fully discusses all material risks that the company is exposed to in the Annual Report. BPI tracks risks according to three major classifications: credit, market and liquidity, and operational and IT.</u></p> <p>BPI has established robust and effective risk management processes and controls that allow it to manage risks closer to its source, either preventing them from happening or mitigating their impact. Financial risk management is carried out by a dedicated team of competent risk managers and senior officers who have extensive operational experience working for the Bank. We continuously promote a culture of proactive and prudent risk management with the goal of becoming a risk-intelligent organization, with the CRO and the RMO continuously engaging the RMC, management, and business units, communicating the risk awareness culture to the rest of the Bank through various internal channels, facilitating learning programs and awareness campaigns on risk management, and promoting best practices enterprise-wide</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Risk Management, (pp. 127-135) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b></li> </ul>	

		Risk Management, (pp. 11-13) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a>	
<b>Principle 9:</b> 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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	<p>The Audit Committee ensures suitability and effectiveness of the external auditor through the following:</p> <ul style="list-style-type: none"> <li>• No external auditor can be engaged by the Bank if he has any direct or material indirect financial interest in the Bank, or if his independence is considered impaired under circumstances specified in the Code of Professional Ethics for Certified Public Accountants. In the case of partnership, this limitation shall apply to the partners, associates, and the auditor-in-charge of the engagement.</li> <li>• The external auditor and the members of the audit team shall not have outstanding loans or any credit accommodation (except credit card obligations) with the Bank throughout the engagement.</li> <li>• The external auditor and the members of the audit team adhere to the highest standards of professional conduct, integrity, and objectivity.</li> </ul> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Independent External Auditor, (page 126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b></li> </ul>	

		Audit Committee Charter, External Audit, Section 5.3, a-c) <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	<p>The Audit Committee recommends to the Board the appointment of a BSP-accredited external auditor for the purpose of preparing or issuing an audit report or other related work. The appointment, re-appointment, and removal of the Bank's external auditor is subject to the approval and endorsement by the Audit Committee, for subsequent confirmation and approval by the Board and, finally, the stockholders.</p> <p>The Audit Committee charter, as stated in the Bank's Corporate Governance Manual, provides that the Audit Committee is empowered by the Board to approve all audit and non-audit services, including fees, to be provided by the external auditor to the Bank and its subsidiaries. It is also tasked to review the external audit fees and recommend for approval by the Board.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Independent External Auditor, Audit and Audit-related Fees, page 126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Audit Committee Charter, External Audit, Section 5.3, a-c <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> </ul>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public	COMPLIANT	There has been no removal or change of the external auditor within the last three (3) years (2018-2020).	

through the company website and required disclosures.			
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	<p><u>The Audit Committee also assesses the external auditor's effectiveness, independence, and objectivity, ensuring that key partners or the handling partner is rotated at appropriate intervals or changed every five years or earlier.</u> The Committee also reviews the external auditor's annual plan, scope of work, and, in consultation with management, approves the external auditor's term of engagement and audit fees. They also oversee the resolution of disagreements between management and the external auditors in the event that these arise.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Independent External Auditor, (page 126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Audit Committee Charter, External Audit, Section 5.3, a-c <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> </ul>	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> </ul>	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Audit Committee Charter, External Audit, Section 5.3, a-c <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> </ul>	

<p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>	<p><b>Audit Committee.</b> Assess the external auditor's effectiveness, integrity, independence and objectivity, ensuring that key partners are rotated at appropriate intervals; and remove the external auditors if circumstances warrant. The Committee shall oversee the resolution of disagreements between management and the external auditors in the event that they arise.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Audit Committee Charter, External Audit, Section 5.3., a, page 3 <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> </ul>	
<p><b>Supplement to Recommendations 9.2</b></p>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p>COMPLIANT</p>	<p>The Audit Committee reviews and discusses with management and the external auditor significant financial reporting issues and judgments made in connection with the preparation of the BPI's financial statements, including any significant changes in the BPI's selection or application of accounting principles, any major issues as to the adequacy of the BPI's internal controls, unusual or complex transactions including all related party transactions, and any special steps adopted in light of material control deficiencies.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b></li> </ul>	

		Audit Committee Charter, Financial Statements and Disclosure Matters, Section 5.4., b, (page 4) <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Audit Committee Charter, (pp. 50-55) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Audit Committee Charter <a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a></li> </ul>	
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	<p>The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to its independence. The non-audit work, if allowed, shall be disclosed in the Bank's annual report and Annual Corporate Governance Report.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Audit and Audit-Related Fees, (page 126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Audit Committee Charter, (page 52) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>BPI website</b> Audit Committee Charter, Financial Statements and Disclosure Matters, Section 5.4., b, (page 3)</li> </ul>	



		<a href="https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit">https://www.bpi.com.ph/governance/board-and-governance/board-matters/committees/audit</a>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	In recent years, there have been no non-audit services. Audit Committee guidance on audit and non-audit services can also be verified in the latest annual reports.  Reference documents/links: <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Audit and Audit-Related Fees, (page 126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Reference documents/links: <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Audit and Audit-Related Fees, (page 126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<b>Name of the audit engagement:</b>  <b>Parter-in-charge</b> John-John Patrick V. Lim <b>Accreditation number:</b> 1775-A, Category A <b>Date Accredited:</b> September 5, 2019 <b>Expiry date of accreditation:</b> September 4, 2022 <b>Name, address, contact number of the audit firm:</b> Isla Lipana & Co. 29/F Philamlife Tower, Paseo de Roxas, 1226 Makati City, Philippines +63 (2) 8845 2728	

		<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Corporate Information, (page 344) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	For the year 2020, PwC Philippines was not subjected to SOAR and has not yet received any advice from the SEC for the said inspection. According to SEC Memo Circular 9 on the Rules & Regulation on the implementation of the SEC Oversight Assurance Review Inspection Program dated Aug 18, 2017, the selection of accredited firms and engagement partners for SOAR review is risk-based, so it's dependent on SEC.	
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	<p>In reporting material, non-financial issues, the Bank has adopted a globally recognized standard and framework, International Integrated Reporting Council's (IIRC) Integrated Reporting Framework, as well as references the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB), Standards for commercial banks.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> ESG Reporting, (page 148) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Sustainability, Stakeholder Engagement and ESG Reporting, (page 59)</li> </ul>	

		<a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	<p>For 2020 and earlier, the Bank has adopted and prepared its annual reports in accordance with the International Integrated Reporting Council's (IIRC) Integrated Reporting &lt;IR&gt; Framework<sup>2</sup>, and Bangko Sentral ng Pilipinas (BSP), and Philippine Securities and Exchange Commission (SEC) guidelines on the submission of annual and sustainability reports, respectively. The Bank also references the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (GRI Standards) and Sustainability Accounting Standards Board (SASB) standards to bring out BPI's sustainability performance.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Scope and Coverage (page 4) ESG Reporting (page 148) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	<p>BPI believes that transparent and accurate reporting of operating and financial results, major business decisions, and developments gives shareholders and investors the relevant inputs to their investment decisions. In addition, such reporting provides the basis for the sound and robust market valuation of its shares and a proper view to all stakeholders of possible future losses or gains.</p> <p>Our Investor Relations Office, which is part of the Corporate Strategy, Investor Relations and</p>	
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		<p>Sustainability Division, is tasked with a program of proactive, uniform, appropriate, and timely communication and reporting. Full disclosure is done in compliance with the BSP, Securities Regulation Code (SRC), SEC, PSE, PDEX, SGX, and SIX rules, regulations, and disclosure guidelines in light of our capital market issuances. (Recommendation 13.5 SEC CG Code for PLCs). We also directly engage with our European investors who are covered by the Markets in Financial Instruments Directive II (MiFID II) regulations. Apart from structured disclosures, we also disclose information not required under the disclosure rules if, in our estimation, such matters have an impact on investment decisions by interested parties. Such matters are disclosed as promptly and comprehensively as possible by appropriate methods. Outside of the stockholders' meetings, BPI engaged and kept our investors, shareholders and stakeholders informed, through various disclosures and activities led by our Investor Relations Office.</p> <p>Before enhanced community quarantine was imposed on the National Capital Region, we still conducted six one-on-one meetings, joined five conference calls, and attended one investor conference. However, the rest of the investor activities for the year were conducted virtually via video conferencing platforms such as Cisco's Webex, Zoom, and Microsoft Teams. We had 47 meetings and 17 investor conferences, with over 500 companies participating in these events. We also submitted over 110 structured and unstructured disclosures which were posted on various Exchanges throughout the year. The Investor Relations Office also provides quarterly investor presentations and works with the Corporate Affairs and</p>	
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		<p>Communications Office for media briefings and press releases. Such information about us is shared regularly with the investing public, analysts, and members of the media. Statements in these presentations describing BPI's objectives, projections, estimates, and expectations may be forward-looking.</p> <p>Other company website and official social media sites include:  <a href="https://m.facebook.com/bpi">https://m.facebook.com/bpi</a>  <a href="https://mobile.twitter.com/TalktoBPI">https://mobile.twitter.com/TalktoBPI</a>  <a href="https://www.linkedin.com/company/bank-of-the-philippine-islands">https://www.linkedin.com/company/bank-of-the-philippine-islands</a>  <a href="https://m.youtube.com/user/BPIvideochannel">https://m.youtube.com/user/BPIvideochannel</a></p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• 2020 Integrated Annual Report Investor Relations, (page 158)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• BPI website Presentations, Analyst and Media Briefings  <a href="https://www.bpi.com.ph/aboutbpi/investor-relations/presentations">https://www.bpi.com.ph/aboutbpi/investor-relations/presentations</a></li> </ul>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Financial Statements</b>  <a href="https://www.bpi.com.ph/aboutbpi/investor-relations/financial-statements">https://www.bpi.com.ph/aboutbpi/investor-relations/financial-statements</a></li> <li>• <b>Analyst and Media Briefing Materials</b>  <a href="https://www.bpi.com.ph/aboutbpi/investor-relations/presentations">https://www.bpi.com.ph/aboutbpi/investor-relations/presentations</a></li> <li>• <b>Annual Report</b>  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
a. Financial statements/reports (latest quarterly)	COMPLIANT		
b. Materials provided in briefings to analysts and media	COMPLIANT		
c. Downloadable annual report	COMPLIANT		

		<ul style="list-style-type: none"> <li>• <b>Notice of ASM</b> <a href="https://www.bpi.com.ph/about/disclosures/notice-of-asm">https://www.bpi.com.ph/about/disclosures/notice-of-asm</a></li> <li>• <b>Minutes of ASM</b> <a href="https://www.bpi.com.ph/about/disclosures/minutes-of-asm">https://www.bpi.com.ph/about/disclosures/minutes-of-asm</a></li> <li>• <b>Articles of Incorporation</b> <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_bpiaoi2015.pdf?id=04a5d4bc-4468-438f-921b-fbf7e8ee5360">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_bpiaoi2015.pdf?id=04a5d4bc-4468-438f-921b-fbf7e8ee5360</a></li> <li>• <b>By-Laws</b> <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1</a></li> </ul>	
d. Notice of ASM and/or SSM	COMPLIANT		
e. Minutes of ASM and/or SSM	COMPLIANT		
f. Company's Articles of Incorporation and By-Laws	COMPLIANT		
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> <a href="https://www.bpi.com.ph/">https://www.bpi.com.ph/</a></li> <li>• <b>2020 Integrated Annual Report</b> Company Website, Social Media, and Mobile Banking Platforms, (page 156) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	The Bank has quality service programs for the internal audit functions. Review of the internal control system is conducted at least annually.	

		<p>The assessment of controls, systems and processes of the Bank is covered by the annual audit work plan, which is developed using the Audit Risk Assessment/scoring model. The annual work plan is reviewed and approved by the Audit Committee. The audit risk scoring model is also reviewed annually and approved also by the Audit Committee. The COSO internal control framework comprising of its components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities, and the Control Objectives for Information and Related Technology (COBIT) are the frameworks being used/considered in the assessing the effectiveness of the internal control system.</p> <p>The Internal Audit Unit has an established quality assurance and improvement program to ensure that audit activities conform to the International Standards for the Professional Practice of Internal Auditing. The program includes periodic internal and external quality assessment as well as ongoing monitoring of the performance of the internal audit activity. Periodic internal assessments are conducted annually, while external quality assessments are conducted at least once every five years by a qualified independent validator. This unit maintains its "generally conforms" ratings on both internal and external assessments, which indicate that its activities have continuously conformed to professional standards, code of ethics, and other internal standards.</p> <p>In 2020, the Board of Directors, through its various Board-level Committees, reviewed the Bank's overall control, risk management and compliance systems covering operational and financial areas and</p>	
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		<p>determined these to be adequate and operating effectively.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Internal Audit and Control <a href="https://www.bpi.com.ph/governance/audit">https://www.bpi.com.ph/governance/audit</a></li> <li>• <b>2020 Integrated Annual Report</b> Internal Audit and Control, (pp. 124-126) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>BPI pursues best practices in Enterprise Risk Management (ERM) across its businesses and processes. It has an established ERM and capital management framework that enables the Bank to identify, measure, control, and monitor its significant financial and non-financial risk exposures, ensure adequate liquidity, and set aside sufficient amounts of capital to cover and mitigate such risks. The framework reflects the Bank's internal standards as guided by the regulatory directives issued by the BSP in promoting effective risk management governance, implementing robust business continuity and operational resiliency standards that are regularly tested, and performing the internal capital adequacy assessment and other risk management processes.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Enterprise Risk Management <a href="https://www.bpi.com.ph/governance/riskmanagement">https://www.bpi.com.ph/governance/riskmanagement</a></li> <li>• <b>2020 Integrated Annual Report</b> Risk Management, (pp.127-135)</li> </ul>	



		<a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Risk Management, (pp. 11-13) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	COMPLIANT	<p>Yes. Review and frequency of the compliance program is based on the risk assessment conducted at the respective business units, and at the minimum, is done annually.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Compliance, Anti-Money Laundering and FATCA) <a href="https://www.bpi.com.ph/governance/compliance">https://www.bpi.com.ph/governance/compliance</a></li> <li>• <b>2020 Integrated Annual Report</b> Compliance, (pp.137-147) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>2020 Annual Report (SEC Form 17-A)</b> Compliance, (page 13) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
<b>Optional: Recommendation 12.1</b>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	COMPLIANT	<p>The Bank manages its operational and IT risks by ensuring such risks are thoroughly identified, assessed, monitored, reported, and mitigated. It has defined clear responsibilities related to the performance of the risk management function, as well as the accountabilities, methods, and tools employed to identify and mitigate operational and IT risks in our operating units. It requires operating units to undertake regular self-assessments to identify risks,</p>	

		<p>assess the inherent and residual risks, identify controls, and assess the design and the performance effectiveness of the controls. KRIs are used to monitor risk profiles, trigger early-warning alerts, and instigate mitigating action. Operational loss events data collection and analysis provide meaningful information in effectively managing risks. The risk and control library improves its aggregation and reporting process by providing an aligned taxonomy of risks and controls. BPI's exposure to operational risks is identified, assessed, and monitored as an integral part of the risk assessment processes. It currently uses the Basel III regulatory basic indicator approach to quantify operational risk-weighted assets, by using the historical total annual gross income as the main measure of risk. BPI regularly performs operational risk stress tests, through scenario analysis, to support the internal capital assessment for operational and IT risks, as part of our initiatives to advance risk management methodologies. Through a series of stress scenarios, the Bank is able to identify, analyze, and assess the impact of unexpected and severe operational risk events. This exercise ensures that the impact of high-severity events is captured during risk assessment, especially those not yet reflected in our existing historical loss data.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Operational and Information Technology Risks, pp.131-132) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b></li> </ul>	
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		<a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Enterprise Risk Management <a href="https://www.bpi.com.ph/governance/riskmanagement">https://www.bpi.com.ph/governance/riskmanagement</a></li> </ul>	
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p>Internal Audit is a Division of the Bank (in-house).</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Internal Audit and Control, (page 125) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p>The Internal Audit Division is headed by a Chief Audit Executive (CAE) who is appointed by the Board and reports functionally to the Board through the Audit Committee and administratively to the President and CEO. As of December 31, 2020, BPI's Chief Audit Executive is Rosemarie B. Cruz.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Chief Audit Executive, (page 125); CAE biography, (pp. 201-202) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>Corporate Governance Manual</b> Chief Audit Executive, (pp. 70-71) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
2. CAE oversees and is responsible for the internal audit activity of the organization,	COMPLIANT	Please refer to the Bank's Internal Audit Charter.	

<p>including that portion that is outsourced to a third party service provider.</p>		<p>BPI Internal Audit has no outsourced activity to a third-party provider.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Internal Audit and Control <a href="https://www.bpi.com.ph/governance/audit">https://www.bpi.com.ph/governance/audit</a></li> </ul>	
<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>COMPLIANT</p>	<p>This is not applicable to BPI which has an in-house Internal Audit Division and does not outsource activity to a third-party provider.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Internal Audit and Control <a href="https://www.bpi.com.ph/governance/audit">https://www.bpi.com.ph/governance/audit</a></li> </ul>	
<b>Recommendation 12.4</b>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>COMPLIANT</p>	<p>BPI pursues best practices in Enterprise Risk Management (ERM) across its businesses and processes. It has an established ERM and capital management framework that enables the Bank to identify, measure, control, and monitor its significant financial and non-financial risk exposures, ensure adequate liquidity, and set aside sufficient amounts of capital to cover and mitigate such risks. The framework reflects the Bank's internal standards as guided by the regulatory directives issued by the BSP in promoting effective risk management governance, implementing robust business continuity and operational resiliency standards that are regularly tested, and performing the internal capital adequacy assessment and other risk management processes (Recommendation 2.11, 12.4 SEC CG Code for PLCs). Risk management in BPI follows a top-down approach, with risk appetite setting and overall risk strategy emanating from the Board. The Board fulfills its risk management function through the</p>	

		<p>Risk Management Committee (RMC). The RMC defines risk appetite statements at functional risk areas and on an enterprise level, reviews risk management structures, metrics, limits, and issues across the BPI Group of Companies (BPI Group), and directs the Bank's risk strategy framework anchored on sound risk management governance, value-enhancing risk methods and processes, and risk-intelligent data and technology. It oversees and manages risks and monitors regulatory and internal capital adequacy vis-à-vis risk exposures. It promotes a strong risk culture and exercises oversight through the Subsidiary Board-level RMCs across the BPI Group. It manages risks through clearly-delineated functions to ensure effective risk management governance and control processes across the Bank using the "three lines of defense" model. This model defines the risk management responsibilities of each unit owning and managing the risk (1st line), overseeing the risk management function (2nd line), or providing independent assurance on the quality and effectiveness of risk management and internal controls (3rd line). BPI's risk culture is anchored on its vision of transparency and integrity in the workplace, creation of sustainable value, and delivery of maximum returns to stakeholders. In order to achieve its responsibilities to clients, employees, stakeholders, regulators, and country, it exercises proactive and prudent risk management.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Risk Management, (page 127) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
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<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	The Bank from time to time engages reputable external consultants (e.g. SAS and SPM Consulting, SGV-EY, Deloitte Philippines, etc.) to either enhance and/or benchmark the maturity of its risk management systems and processes to also align with industry best practices. Such risk management engagements usually involve knowledge-transfer modules to further equip our risk management officers and specialists.	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<p>As of December 31, 2020, BPI's Chief Risk Officer is Marita Socorro D. Gayares.</p> <p>Filipino, 59 years old, Ms. Gayares is the Chief Risk Officer of the BPI Group of Companies and Head of its Risk Management Office since January 2018. As Chief Risk Officer, she is primarily responsible for the overall management of the BPI Group's enterprise risks – ensuring that all relevant financial and non-financial risks are appropriately identified, measured, controlled, and monitored within the Bank's approved risk appetite and commensurate to returns on capital. She provides executive and strategic risk support to the Bank's Board of Directors, through the Risk Management Committee (RMC), in fulfilling its risk management function and ensuring that the Bank has an established, sound, and robust enterprise risk management (ERM) framework. She works closely with the Chief Audit Executive and Chief Compliance Officer for effective risk</p>	

		<p>management governance, compliance, and control processes across the Bank. She serves as member of the Bank's Fraud and Irregularities Committee (Chairperson), Data Steering Committee (co-Chairperson), Crisis Resiliency Committee (Deputy Commander), Sustainability Council (Vice-Chairperson, non-voting), Enterprise and Information Technology Steering Committee (advisory capacity), Management Committee, Finance Committee (non-voting member), and Operational Risk Management Committee. She likewise serves as a director for BPI Europe Plc.'s Board. With career stints in the areas of Corporate Banking, Credit and Transaction Banking, Loans Operations, Project Management, Systems, and Financial Control, and having previously served as the Bank's Chief Compliance Officer, Ms. Gayares' extensive and diverse 35-year banking experience has been instrumental in transforming the Bank's compliance, anti-money laundering, corporate governance, and data privacy frameworks, methods, and processes, and helping the Bank become one of the leading financial institutions in the Philippine banking industry in the areas of governance, risk management, and compliance (GRC). Her efforts in the field of risk management did not go unnoticed as she was recognized as the Bank Risk Manager of the Year in the 2020 Asia Risk Awards by Risk.net. Ms. Gayares is a graduate of the University of the Philippines Diliman with a Bachelor's degree in Business Economics. She completed her Master's degree in Business Administration (major in Finance and Investments) at George Washington University in Washington, D.C. She has successfully completed the Strategic Compliance in the Banking Industry certificate course by the Association of Bank Compliance</p>	
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		<p>Officers (ABCOMP) and De La Salle University (DLSU) Manila, as well as completed corporate governance modules facilitated by the Institute of Corporate Directors (ICD). She has previously served as Director and Treasurer of the ABCOMP, and Voting Member of the Bankers Institute of the Philippines, Inc. (BAIPHIL). She currently serves as Member of the Risk Management Committee of the Bankers' Association of the Philippines (BAP), and Board of Advisors/Executive Committee Member of the Enterprise Risk Management (ERM) Council of the Ayala Group of Companies.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Chief Risk Officer, Leaders' Bio, (page 202) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	<p>The CRO is a Senior Vice President.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Chief Risk Officer, Leaders' Bio, (page 202) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	The CEO and CAE Attestation is attached as an Annex to this report.	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			



1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>Manual on Corporate Governance Stockholders' Rights and Protection of Minority Stockholders Interests, (pp. 91-93)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li><b>Corporate Governance Manual</b>  Stockholders' Rights and Protection of Minority Stockholders Interests, (pp. 90-93)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	COMPLIANT	<p>BPI adheres to the "One Share, One Vote" rule. Its Amended By-Laws state that stockholders are entitled to voting rights equivalent to the number of shares they hold, i.e., voting is by shares of stock and not "per capita".</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li><b>2020 Integrated Annual Report</b>  Voting Rights, (page 157)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li><b>BPI website</b>  Articles of Incorporation  <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_bpiaoi2015.pdf?id=04a5d4bc-4468-438f-921b-fbf7e8ee5360">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_bpiaoi2015.pdf?id=04a5d4bc-4468-438f-921b-fbf7e8ee5360</a></li> </ul> <p>Amended By-Laws, (page 4)</p>	

		<a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1</a>  Definitive Information Statement Manner of Voting, (page 3) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Reference documents/links: <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Share Information, Shareholder Rights and Engagement, (page 157)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b>  Articles of Incorporation  <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_bpiaoi2015.pdf?id=04a5d4bc-4468-438f-921b-fbf7e8ee5360">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_bpiaoi2015.pdf?id=04a5d4bc-4468-438f-921b-fbf7e8ee5360</a>  Definitive Information Statement (Manner of Voting, pp. 2-3)  <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/ASM%20VIASH/file_2015_definitive_information_statement.pdf?id=9c61a389-8007-4912-ac88-2cc8561be099">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/ASM%20VIASH/file_2015_definitive_information_statement.pdf?id=9c61a389-8007-4912-ac88-2cc8561be099</a> </li> </ul>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Voting is by poll  Reference documents/links: <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Election of Directors, (page 102);  Annual Stockholders Meeting, (page 159)</li> </ul>	

		<p><a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Definitive Information Statement, Voting Procedures, (pp. 15-16) <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/ASM%20VIASH/file_20_IS_definitive_information_statement.pdf?id=9c61a389-8007-4912-ac88-2cc8561be099">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/ASM%20VIASH/file_20_IS_definitive_information_statement.pdf?id=9c61a389-8007-4912-ac88-2cc8561be099</a></li> <li>• <b>Corporate Governance Manual</b> Election of Directors, Sec. I.A.7., (page 21); Stockholder's Right and Protection of Minority Stockholder Interests, Shareholders' Rights, Duty to Promote Stockholders' Rights, Sec. VII. A., B., (pp. 92-95) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	<p>The Board protects rights of all shareholders including minority shareholders.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Election of Directors, Sec. I.A.7., (page 21); Stockholder's Right and Protection of Minority Stockholder Interests, Shareholders' Rights, Duty to Promote Stockholders' Rights, Sec. VII. A., B., (pp. 92-95) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	<p>While there was no such instance in or during the covered period, 2020, such shareholder's rights are provided for in the Bank's Amended By-Laws and is</p>	

		part of the Board's duties and responsibilities as provided in the Manual on Corporate Governance.	
		<b>(Same links as Recommendation 13.1 items)</b>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b> Election of Directors, Sec. I.A.7., (page 21); Stockholder's Right and Protection of Minority Stockholder Interests, pp. (92-95) <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> <li>• <b>2020 Integrated Annual Report</b> Voting rights, (page 157) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Articles of Incorporation <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_bpiaoi2015.pdf?id=04a5d4bc-4468-438f-921b-fbf7e8ee5360">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_bpiaoi2015.pdf?id=04a5d4bc-4468-438f-921b-fbf7e8ee5360</a> Amended By-Laws, (page 4) <a href="https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1">https://www.bpi.com.ph/content/atom/33f50d91-c898-4666-8a69-e09d571c5dcc/content/Files/Governance/file_governance_Amended_By_Laws_2015.pdf?id=cf2de8cf-8650-4b38-a253-30a900498cf1</a></li> </ul>	
7. Company has a transparent and specific dividend policy.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Payment of Dividends, (page 165) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b></li> </ul>	

		<p>Dividends  <a href="https://www.bpi.com.ph/aboutbpi/investor-relations/dividends">https://www.bpi.com.ph/aboutbpi/investor-relations/dividends</a></p> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b>  Dividends, (pp. 29-30)  <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
<b>Optional: Recommendation 13.1</b>			
<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	COMPLIANT	<p>For the 2020 Annual Stockholders' Meeting, our independent external auditor, Isla Lipana &amp; Co. counted and validated the votes.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Voting results, (page 161)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b>  Voting and Voting Results, (pp. 58-59)  <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b>  Minutes of ASM  <a href="https://www.bpi.com.ph/about/disclosures/minutes-of-asm">https://www.bpi.com.ph/about/disclosures/minutes-of-asm</a>  Notice of ASM  <a href="https://www.bpi.com.ph/about/disclosures/notice-of-asm">https://www.bpi.com.ph/about/disclosures/notice-of-asm</a></li> </ul>	
<b>Recommendation 13.2</b>			
<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant</p>	COMPLIANT	<p>We send the Notice of the Annual Stockholders' Meeting to our shareholders well before the meeting date in order to allow time for shareholders to review the meeting's agenda as well as to provide shareholders with sufficient information regarding the</p>	

<p>information at least 28 days before the meeting.</p>		<p>issues to be decided at the meeting; the Definitive Information Statement, or SEC Form 20-IS is issued in accordance with the BPI's By-Laws and Securities Regulation Code 20.</p> <p>The Notice of Annual Stockholders Meeting with rationale for each agenda item was sent out on March 25, 2021; this is 28 days ahead of the Annual Stockholders' Meeting scheduled on April 22, 2021. In 2020, the Notice of Annual Stockholders Meeting was sent out on March 27, 2020; this is 28 days ahead of the Annual Stockholders' Meeting scheduled on April 23, 2020.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>PSE Edge</b> Notice of ASM <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=28c97a97c487ff075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=28c97a97c487ff075d542af6f1e997b9</a></li>   <li>Definitive Information Statement <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcd5d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcd5d542af6f1e997b9</a></li> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Notice of ASM, (page 58-59) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>BPI website</b> Notice of ASM 2021 <a href="https://www.bpi.com.ph/about/disclosures/notice-of-asm">https://www.bpi.com.ph/about/disclosures/notice-of-asm</a> Definitive Information Statement <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> </ul>	
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1. Company's Notice of Annual Stockholders' Meeting contains the following information:	COMPLIANT	<p>Yes. See Notice of ASM in the links below:</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li> <b>PSE Edge</b>            Notice of ASM  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=28c97a97c487ff075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=28c97a97c487ff075d542af6f1e997b9</a> </li> <li>           Definitive Information Statement  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcd5d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcd5d542af6f1e997b9</a> </li> <li> <b>BPI website</b>            Notice of ASM 2021  <a href="https://www.bpi.com.ph/about/disclosures/notice-of-asm">https://www.bpi.com.ph/about/disclosures/notice-of-asm</a> </li> <li>           Definitive Information Statement  <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a> </li> </ul>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	<b>Same link as provided above Recommendation 13.2</b>	
b. Auditors seeking appointment/re-appointment	COMPLIANT	<b>Same link as provided above Recommendation 13.2</b>	
c. Proxy documents	COMPLIANT	<b>Same link as provided above Recommendation 13.2</b>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<p>Yes. The company provided rationale for each agenda item.</p> <p><b>Same link as provided above Recommendation 13.2</b></p>	

<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	<p>COMPLIANT</p>	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Minutes of ASM <a href="https://www.bpi.com.ph/about/disclosures/minutes-of-asm">https://www.bpi.com.ph/about/disclosures/minutes-of-asm</a> Voting Results <a href="https://www.bpi.com.ph/about/disclosures/voting-results">https://www.bpi.com.ph/about/disclosures/voting-results</a></li> <li>• <b>PSE Edge</b> Results of Annual Stockholders' Meeting – April 23, 2020 <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=ce0bab98d67004460de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=ce0bab98d67004460de8473cebbd6407</a></li> </ul>	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>COMPLIANT</p>	<p>Our Minutes of the Annual Stockholders' Meeting includes all information pertinent to the meeting: Date, Time, Location of the Annual Meeting; Qualified participants, Attendance and quorum present to conduct business; Approval of prior minutes; General report of the President; Record of action items in the meeting including Election of the Board, any pertinent discussions, and actual votes done by poll; Corporate resolutions that were adopted also voted upon by poll. The minutes also records the dialogue between our stockholders and the Board and Management, facilitating Board and Management's responses to stockholders' questions and clarifications as well as determining any follow up actions that need to be taken by Board and Management in the future. Minutes of 2020 Annual Stockholders Meeting is viewable in the company website.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b></li> </ul>	



		<p>Minutes of the Annual Stockholders' Meeting, (page 59)  <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b>  Minutes of Annual Stockholders Meeting  <a href="https://www.bpi.com.ph/about/disclosures/minutes-of-asm">https://www.bpi.com.ph/about/disclosures/minutes-of-asm</a></li> </ul>	
<b>Supplement to Recommendation 13.3</b>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	COMPLIANT	<p>Yes, the external auditor and other relevant individuals were present in the last ASM.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b>  Minutes of Annual Stockholders Meeting  <a href="https://www.bpi.com.ph/about/disclosures/minutes-of-asm">https://www.bpi.com.ph/about/disclosures/minutes-of-asm</a>  Result of the Annual Stockholders Meeting  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=ce0bab98d67004460de8473ceb6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=ce0bab98d67004460de8473ceb6407</a></li> </ul>	
<b>Recommendation 13.4</b>			
<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b>  Alternative Dispute Mechanism, (page 158)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>Corporate Governance Manual</b>  Alternative Dispute Mechanism, (pp.93-94)  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance</a></li> </ul>	
<b>Recommendation 13.5</b>			

1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> BPI Investor Relations Office, (page 344) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> BPI Investor Relations Office <a href="https://www.bpi.com.ph/contactus">https://www.bpi.com.ph/contactus</a></li> </ul>	
2. IRO is present at every shareholder's meeting.	COMPLIANT	<p>The Chairman and members of the Board, chairmen and members of the Board-level Committees, and senior executive officers led by the President and CEO, CFO, and Heads of Risk, Control, and Compliance, including the Corporate Secretary, and the Investor Relations Officer attended the 2020 ASM.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Annual Stockholders Meeting, (page 159) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	<p>There are no capital structures or arrangements that enable certain shareholders to obtain a degree of control, i.e, shareholders agreement, voting cap, multiple voting rights, pyramid structures or crossholding structures. The voting procedures discussed earlier in the document also support that the Board does not have any anti-takeover measures in place.</p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	<p>As of December 31, 2020, public float was 39.2%</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Share Information, Shareholders, (page 162) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	

**Optional: Principle 13**

<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>COMPLIANT</p>	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> BPI Investor Relations Office, (page 344) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> <a href="https://www.bpi.com.ph/contactus">https://www.bpi.com.ph/contactus</a> Disclosure and Transparency <a href="https://www.bpi.com.ph/governance/disclosure">https://www.bpi.com.ph/governance/disclosure</a></li> </ul>	
<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>COMPLIANT</p>	<p>On the voting procedures, stockholders have the option to vote online or manually.</p> <p>When physical Annual Stockholders' Meetings (ASM) are held, for online voting, computer stations will be placed outside the venue, where stockholders may cast their votes online. For those opting for manual voting, the stockholder will be given a ballot upon registration to enable him to vote in writing. Both ballot and website platform shall state the proposed resolutions for consideration by the stockholders.</p> <p>Since 2019, the Bank has been able to provide secure electronic voting in absentia for its stockholders at its ASMs.</p> <p>In pursuit of best practice promoted by the ASEAN Corporate Governance Scorecard, the Board of Directors approved on March 20, 2019 the authority to allow BPI stockholders to vote in absentia in the 2019 annual stockholders' meeting and amendment of Article IV of the Bank's By-Laws. To facilitate voting in absentia, an electronic facility comprised of a secure web-based program was made available to stockholders for casting of absentee ballots. The results of the electronic voting via absentee ballots will be counted and tabulated by the corporate</p>	

		<p>secretary and validated by the independent external third-party auditor.</p> <p>In its meeting held on February 26, 2020, the Executive Committee approved Management's recommendations for BPI to provide the Bank's shareholders with the option to vote in absentia in the 2020 ASM. Whether made in person or in absentia, the votes carry equal effect. This also allows shareholders who are unable to attend the ASM the opportunity to participate and vote. This was especially critical in 2020 when the Enhanced Community Quarantine was in effect and public gatherings were disallowed due to the COVID-19 pandemic. Hence, at the April 23, 2020 ASM, stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Electronic Voting in Absentia (p. 102) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> 2021 Definitive Information Statement (Manner of Voting) <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcd5d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcd5d542af6f1e997b9</a></li> </ul>	
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**Duties to Stakeholders**

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**

1. Board identifies the company's various stakeholders and promotes cooperation	COMPLIANT	Yes. The outcomes of the Bank's stakeholder engagement influence its risk-management	
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<p>between them and the company in creating wealth, growth and sustainability.</p>		<p>processes, allowing it to address potential risks and align the management of issues with business processes and strategies. Stakeholder engagement also helps the Bank improve and innovate its products, services, systems, operational processes, and practices.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Stakeholder Engagement and Material Topics, (pp. 321-324) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Recommendation 14.2</b>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p><b>Same link as provided above Recommendation 14.1</b></p>	
<b>Recommendation 14.3</b>			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>COMPLIANT</p>	<p><b>Same link as provided above Recommendation 14.1</b></p>	
<b>Supplement to Recommendation 14.3</b>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>COMPLIANT</p>	<p>It is the policy of the Bank to resolve disputes or differences with shareholders, regulatory authorities and other third parties, if and when such disputes or differences arise, through mutual consultation or negotiation, mediation or arbitration. If the agreement between the Bank and third parties has an arbitration clause, arbitration is the ADR system being adopted. If none, the Bank initiates conciliation-earnest effort to arrive at amicable settlement. If everything fails, and the dispute</p>	

		<p>progresses into court litigation, the Bank strictly adheres to and complies with Supreme Court A.M. No. 11-1-6-SC-PHILJA dated January 11, 2011 [Consolidated and Revised Guidelines to Implement the Expanded Coverage of Court-Annexed Mediation (CAM) and Judicial Dispute Resolution (JDR)]. (Recommendation 13.4 SEC CG Code for PLCs). Relative to regulatory authorities, the Bank adopts and complies with the alternative modes of dispute resolution they are using or promoting such as, but not limited to, mediation, conciliation, and arbitration, in compliance with Republic Act No. 9285 (Alternative Dispute Resolution Act of 2004).</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Alternative Dispute Mechanisms, (page 158) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
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#### Additional Recommendations to Principle 14

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	The Monetary Board, in its Resolution No. 660, dated April 19, 2018 approved the request for exemptive relief on the directorship limits on Non-Executive Directors in PLCs and allow Directors Jaime Augusto Zobel de Ayala and Fernando Zobel de Ayala to maintain their directorships in more than five (5) PLCs where they have significant shareholdings. The MB also allowed Director Antonio Jose U. Periquet to maintain his currently held directorships in seven (7) PLCs since he had been elected as Independent Director in them long before issuance of Cir.969.	
2. Company respects intellectual property rights.	COMPLIANT	Policies for the protection of intellectual property rights are found in the internal Management Operating Manual database of the Bank for internal use of employees.	

#### Optional: Principle 14

1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Customer Experience, Data Privacy, Financial Product Governance, Financial Consumer Protection Program, (page 150) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Supply Chain Management, (page 87) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<p><b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.</p>			
<p><b>Recommendation 15.1</b></p>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	<p>As a key ESG issue, Human Capital impacts the Bank's reputational and operational risks. It also has business impacts on employee motivation and the Bank's hiring capability. The Bank also needs to strategically manage the sustainability impact of its Human Capital with respect to labor rights and conditions, human rights and society.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> (pp. 151-155) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<p><b>Supplement to Recommendation 15.1</b></p>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	<p><b>Remuneration Principles.</b> In proposing the remuneration policy, the Personnel and Compensation Committee (PerCom) ensures that the mix of fixed and variable pay, in cash and other elements:</p>	

		<ul style="list-style-type: none"> <li>• Meets the Bank's needs and strategic objectives based on targets that are stretching, verifiable, and relevant;</li> <li>• Accurately reflects recorded performance measures and promotes a pay-for-performance culture;</li> <li>• Governs vesting of long-term incentives that are monitored and tied in to risk-assessments to align remuneration with the Bank's long-term strategy and shareholder interests and encourage the long-term commitment of employees. (Recommendation 2.5 of SEC CG Code for PLCs).;</li> <li>• Reflects market rates and the challenge of attracting, retaining and competitively rewarding key staff with the ability, experience, skills, values, and behaviors to deliver bank goals.</li> </ul> <p><b>Total Compensation Elements.</b> The PerCom ensures that a transparent compensation structure is in place, with a clear link between compensation and the Bank's objectives as well as a strong emphasis on the interests of the shareholders.</p> <p><b>Fixed Pay Element.</b> The fixed pay component is set at an appropriate level and considers industry and market rates as well as skills, competencies, responsibilities, and performance of the employee. It is reviewed at least annually.</p> <ul style="list-style-type: none"> <li>• In this respect, salary surveys conducted by external compensation consultants are also used as references for employee salary benchmarking purposes.</li> <li>• An annual merit increase may be granted upon Management's discretion based on the employee's performance.</li> </ul> <p><b>Variable Pay Element.</b> The variable pay component is performance-linked and based on the Bank, business or support unit and individual performance</p>	
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		<p>towards attainment of the overall Bank goals.</p> <ul style="list-style-type: none"> <li>• It is measured against a balanced scorecard which includes financial and strategic metrics such as: revenues, loan volume, earnings, earnings per share, return on equity, return on assets, capital strength and risk containment, as well as non-financial metrics like corporate governance, customer satisfaction, adherence to corporate values, contributions both to operating unit and company-wide achievement, including any ESG factors which may be relevant to the evaluation of an employee's performance in the context of the Bank's sustainability objectives.</li> </ul> <p>The Bank, in aligning management's interest with shareholders, also has an equity-linked incentive plan to its all its officers, including junior officers from Assistant Manager and up (with eligibility requirements): Executive Stock Purchase Plan (ESPP). A major initiative of the Bank under its long-term incentive program, the Executive Stock Purchase Plan (ESPP) was launched in 2013. The ESPP program offers officers the opportunity to purchase BPI shares at a discount to the prevailing market price, and to pay for such purchase over a prescribed period of time. This also promotes ownership culture within the Bank that fosters a sense of belonging among officers and develops their direct interest in the Bank. Management believes that this stronger alignment between the interests of BPI officers and shareholders will benefit all stakeholders. This helps achieve more robust earnings and a healthier balance sheet, reflecting a higher stock valuation.</p> <p><u>Reference documents/links:</u></p>	
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		<ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Remuneration and Employee Welfare, (page 82, pp. 105-107, 151-155) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>SEC Form 17-A (for the year ended December 31, 2020)</b> Employee Welfare, Health and Safety, pp. 57-58) <a href="https://www.bpi.com.ph/about/disclosures/sec-filings">https://www.bpi.com.ph/about/disclosures/sec-filings</a></li> <li>• <b>2020 Integrated Annual Report</b> Employee Welfare, Health, and Safety, pp. 151-155) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Employee Training and Development, pp. 151-152) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Codes of Business Conduct and Ethics, (pp. 140-142); Conflict of Interest and Anti-Bribery and Anti-Corruption Policy, (page 143) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Anti-bribery and Anti-Corruption Policy <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/anti-bribery-anti-corruption-policy">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/anti-bribery-anti-corruption-policy</a></li> </ul>	

<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>COMPLIANT</p>	<p><b>Dissemination of the Codes.</b></p> <p>Among others, the Bank's codes of conduct and policies on conflict-of-interest, insider trading, whistleblower, related party transactions, and other guidelines are embodied in the Bank's Manual on Corporate Governance and included in the Bank's Management and Operating Manual and Personnel Policy Manual, each of which is recorded in electronic databases readily accessible for all Bank employees. Bank policies are also regularly announced via internal e-mail facility to ensure constant top-of-mind awareness of employees of the need to comply with these policies. Directors are provided with hard copies as well as electronic copies of the Director's Code. Both the Employees' and Directors' Codes of Conduct are disclosed in the Manual on Corporate Governance and on the company website at <a href="http://www.bpi.com.ph">www.bpi.com.ph</a>.</p> <p>In 2020, the Corporate Governance Department, in collaboration with the Bank's HR Training team, created the new and updated mandatory Code of Business Conduct (COBC) Course which also includes training sections on other CG policies of the Bank such as the Insider Trading Policy, Whistleblower Policy and the Anti-Bribery and Anti-Corruption Policy. The COBC course was also migrated onto Granite, an online portal that can be accessed by employees using their smart phone or tablet devices, to ensure that employees would be able to take the mandatory training course in light of the limited in office training that could be conducted due to the COVID-19 pandemic.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b></li> </ul>	
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		<p>Dissemination of the Codes, (page 142) Training on the Codes, (page 142)</p> <p><a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>Code of Business Conduct and Ethics</b> <a href="https://www.bpi.com.ph/governance/board-and-governance/business-conduct-ethics">https://www.bpi.com.ph/governance/board-and-governance/business-conduct-ethics</a></li> </ul>	
<b>Supplement to Recommendation 15.2</b>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	COMPLIANT	<p>Through its Anti-Bribery and Anti-Corruption (ABC) Policy, the Bank puts the highest premium on sound, responsible, and effective corporate governance. The Bank advocates that directors and employees do not tolerate corruption or any form of bribery nor provide or accept improper inducements in the course of any business dealing.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Anti-bribery and Anti-Corruption Policy <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/anti-bribery-anti-corruption-policy">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/anti-bribery-anti-corruption-policy</a></li> <li>• <b>2020 Integrated Annual Report</b> Anti-Bribery and Anti-Corruption Policy, (page 143) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
<b>Recommendation 15.3</b>			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	COMPLIANT	<p>The Bank supports a whistleblower program, an important mechanism to prevent and detect fraud or misconduct, and enable fast and coordinated incident responses, remedial actions, and damage control procedures.</p> <p>Yes. Non-Retaliation:</p>	

		<p>i. An individual who makes a "protected disclosure" shall not suffer harassment, retaliation, or adverse employment consequences. Any person who retaliates against any individual who makes a protected disclosure shall be subject to discipline up to an including termination.</p> <p>ii. The right of a whistleblower for protection against retaliation does not include immunity for his/her wrongdoing or participation in the reported irregularity and such participation was eventually verified and proven during the course of the investigation.</p> <p>iii. In case the whistleblower believes he has been retaliated against for whistleblowing, he may seek redress or file a formal complaint to the HRD Group Head, Chief Internal Auditor, or the Chief Risk Officer.</p> <p>Employee whistleblowers may approach any of the following Officers who shall be the designated contacts for the Bank and the primary reporting line:</p> <ul style="list-style-type: none"> <li>• Head of Human Resources Management Group (HRMG) or</li> <li>• Chief Internal Auditor or</li> <li>• Chief Risk Officer</li> </ul> <p>The whistleblower may send or communicate a report, formally or anonymously, through a face-to-face meeting with the aforementioned primary contacts or communicate in writing, by telephone, in person, or through the external email at <a href="mailto:eye_report@bpi.com.ph">eye_report@bpi.com.ph</a> or the internal e-mail at BPI Eye Report Box.</p> <p><u>Reference documents/links:</u></p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b></li> </ul>	
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		<p>Whistleblowing, (page 144); Whistleblower reports, (page 344)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> Whistleblower Policy  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns</a></li> </ul>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	<p>Apart from above designated contacts, whistleblowers can also course complaints through other reporting lines (President or Chairman of the Bank's Audit Committee who is an Independent Director).</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	<p>The Board supervises and ensures enforcement through the regular review of the whistleblowing framework that is done by the Human Resources Management Group and reporting of the review of the whistleblower policy and any incidents of this nature that are made periodically to the Audit Committee as well as the Personnel and Compensation Committee and/or Corporate Governance Committee. All whistleblowing cases are handled with utmost confidentiality.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> Whistleblowing, (page 144)  <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> Whistleblower Policy  <a href="https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns">https://www.bpi.com.ph/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns</a></li> </ul>	

**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

**Recommendation 16.1**

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>COMPLIANT</p>	<p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>2020 Integrated Annual Report</b> ESG Matters, (pp.148-156) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> <li>• <b>BPI website</b> <a href="http://www.bpifoundation.org/">http://www.bpifoundation.org/</a> <a href="https://www.bpi.com.ph/governance/overview/about/sustainability">https://www.bpi.com.ph/governance/overview/about/sustainability</a> <a href="https://www.bpi.com.ph/governance/stakeholder/environment-friendly-value-chain">https://www.bpi.com.ph/governance/stakeholder/environment-friendly-value-chain</a></li> </ul>	
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**Optional: Principle 16**

<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>COMPLIANT</p>	<p><b><u>Environmentally-friendly value chain</u></b></p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> <a href="https://www.bpi.com.ph/governance/stakeholder/environment-friendly-value-chain">https://www.bpi.com.ph/governance/stakeholder/environment-friendly-value-chain</a></li> <li>• <b>2020 Integrated Annual Report</b> Environmental Sustainability (pp. 76-77); ESG Matters, (pp.148-156) <a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a></li> </ul>	
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<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>COMPLIANT</p>	<p><b><u>Community</u></b></p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> <li>• <b>BPI website</b> <a href="https://www.bpi.com.ph/governance/stakeholder/communities">https://www.bpi.com.ph/governance/stakeholder/communities</a></li> <li>• <b>2020 Integrated Annual Report</b> ESG Matters, (pp.148-156)</li> </ul>	
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		<a href="https://www.bpi.com.ph/about/investor-relations/integrated-reports">https://www.bpi.com.ph/about/investor-relations/integrated-reports</a>	
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Pursuant to SEC Memorandum Circular No. 15, Series of 2017 and PSE Memorandum Circular No. 2017-0079 mandating all listed companies to submit SEC Form I-ACGR for the year 2020, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on \_\_\_\_\_.

**BANK OF THE PHILIPPINE ISLANDS**  
**Issuer**

**SIGNATURE PAGES FOLLOWS:**

*Jose Teodoro K. Limcaoco*  
**JOSE TEODORO K. LIMCAOCO**  
**President and CEO**

*Angela Pilar B. Maramag*  
**ANGELA PILAR B. MARAMAG**  
**Corporate Secretary**

*Noravir A. Gealogo*  
**NORAVIR A. GEALOGO**  
**Chief Compliance Officer**

**SUBSCRIBED AND SWORN** to before me at Makati City, Metro Manila this JUN 01 2021; affiant(s) exhibiting to me his/her Passport Number/Residence Certificates, with the following details:

NAME(S)	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Jose Teodoro K. Limcaoco	[REDACTED]	April 05, 2018/ DFA Manila	April 04, 2028
Angela Pilar B. Maramag			
Noravir A. Gealogo		October 26, 2017 / DFA Far East	October 25, 2022

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 Page No.: 79  
 Book No.: 17  
 Series of 2021

**ATTY. GEORGE DAVID D. SITON**  
 NOTARY PUBLIC FOR MAKATI CITY  
 APPT. NO. 11-382- UNTIL DEC. 31, 2021  
 RDLL NO. 68402/ MCE COMPLIANCE NO. VI-0021936/1-29-2018  
 IBP O.R. No. 2271859-LIFETIME MEMBER MAY. 8, 2017  
 PTR No. 8513058- JAN 04, 2021-MAKATI CITY  
 EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY


  
**FERNANDO ZOBEL DE AYALA**  
**Vice-Chairman**

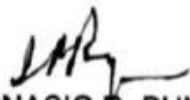
**JUN 01 2021**

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

NAME	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Fernando Zobel De Ayala	[REDACTED]	January 21, 2019 / DFA Manila	January 21, 2029

Doc. No.: 962 :  
 Page No.: 39 :  
 Book No.: 117 :  
 Series of 2021

  
**ATTY. GEORGE DAVID D. SITON**  
 NOTARY PUBLIC FOR MAKATI CITY  
 APPT. NO. 11352-UNFIL DEC. 31, 2021  
 ROLL NO. 68402/ MCE COMPLIANCE NO. VI-0021936/3-23-2019  
 ISP O.R. No. 2275273-1-11-ET/NO. MEMBER MAY. 8, 2017  
 PTR No. 853305- JAN 08, 2021- MAKATI CITY  
 EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY


  
IGNACIO R. BUNYE  
Lead Independent Director

JUN 01 2021

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

NAME	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Ignacio R. Bunye		March 02, 2018 / DFA Manila	March 01, 2028

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Page No.: 29 :  
Book No.: 17 :  
Series of 2021

  
ATTY. GEORGE DAVID D. SITON  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. C/O. N° 382- UNTIL DEC. 31, 2021  
ROLL NO. 68402/ MCLE COMPLIANCE NO. VI-0021936/3-29-2018  
IBP O.R. No. 2275854-LIFETIME MEMBER MAY. 8, 2017  
PTR No. 8533055- JAN 04, 2021- MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY


CESAR V. PURISIMA  
Independent Director

JUN 01 2021

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

NAME	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Cesar V. Purisima	[REDACTED]	February 10, 2020/ DFA Manila	February 09, 2030

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Page No.: 99 :  
Book No.: 47 :  
Series of 2021

  
ATTY. GEORGE DAVID D. SITON  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. NO. 1-372- UNTIL DEC. 31, 2021  
ROLL NO. 68402/ MICLE COMPLIANCE NO. VI-0021936/3-29-2018  
IBP O.R No. 2275859- LIFETIME MEMBER MAY. 8, 2017  
PTR No. 8533058 JAN 04, 2021- MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY



ELI M. REMOLONA, JR.  
Independent Director

AUG 18 2022

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

NAME	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Eli M. Remolona, Jr.	[REDACTED]	July 19, 2018 / PCG Hong Kong	July 18, 2028

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Page No.: 22  
Book No.: 341  
Series of 2022



ATTY. GEORGE DAVID D. SITOR  
ROLL NO. 2017-00000-00000  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY



REPUBLIC OF THE PHILIPPINES )  
 ) SS.



### AFFIDAVIT OF EXPLANATION

I, **ELI M. REMOLONA, JR.**, a Filipino citizen of legal age, and a resident of [REDACTED]  
[REDACTED] Philippines, under oath, do hereby depose and state that:

1. Prior to the World Health Organization's declaration of the COVID-19 global pandemic on March 11, 2020, I was in Kuala Lumpur, Malaysia as Professor of Finance and Director of Central Banking of the Asia School of Business;
2. Due to the prevailing risk of the COVID-19 global pandemic, I have been unable to travel to the Philippines since 2020;
3. The danger of COVID-19 exposure also prevented me from attending to consularization of my signature pages, as Independent Director of the Bank of the Philippine Islands (BPI), for its 2019, 2020 and 2021 Integrated Annual Corporate Governance Reports;
4. Having been recently appointed in July 2022 as the newest member of the Monetary Board of the Bangko Sentral ng Pilipinas, and with Malaysia reopening its borders since April 1, 2022 in transition to an endemic phase, I have now been able to travel back to the Philippines;
5. I attach my proof of departure from Malaysia and arrival in the Philippines, e.g. copies of stamped passport, plane ticket and/or boarding pass, for reference;
6. I am executing this affidavit as proof of good faith in complying with the conditions of the SEC for suspension of the notarization requirement of the 2019, 2020 and 2021 Integrated Annual Corporate Governance Reports of BPI as stated in the letter replies to BPI dated July 20, 2020, May 27, 2021 and May 16, 2022;
7. I attest to the truth, accuracy and genuineness of all the information, documents and records contained and attached to this affidavit and that I shall be liable for any misrepresentation, fraudulent declaration and all its consequences;

**ELI M. REMOLONA, JR.**

**Affiant**

SUBSCRIBED AND SWORN TO before me, a notary public this AUG 18 2022 day of \_\_\_\_\_ 2022, affiant personally appeared exhibiting their Government ID.

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Series of 2022.

  
**ATTY. GEORGE DAVID D. SISON**  
NOTARY PUBLIC FOR MAKATI CITY  
ROLL NO. 60147, ISSUED JAN 15, 2015 / 2-15-2027  
ISP O.R. # 8552056-1111, JAN 9, 2017  
PTR No. 8552056- JAN 02, 2015-MAKATI CITY  
EXECUTIVE BLDG, CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY

*Maria Dolores B. Yuvienco*  
MARIA DOLORES B. YUVIENCO  
Independent Director

JUN 01 2021

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

NAME	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Maria Dolores B. Yuvienco	[REDACTED]	September 07, 2019/ DFA NCR South	September 06, 2029

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Book No.: 117 :  
Series of 2021

*George David D. Siton*  
ATTY. GEORGE DAVID D. SITON  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. (D.O. No. 383) UNTIL DEC. 31, 2021  
ROLL NO. 63402/ MCLE COMPLIANCE NO. VI 0021936/3-29-2019  
IBP O.B. No. 2275859-10 RETIRED MEMBER MAY. 8, 2017  
PTR No. 2533058 - JAN 04, 2021 - MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., RUPPER ST. MAKATI CITY



**JANET GUAT HAR ANG**  
**Independent Director**

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

<b>NAME</b>	<b>PASSPORT NO./CTC NO.</b>	<b>DATE/PLACE OF ISSUE</b>	<b>VALID UNTIL</b>
Janet Guat Har Ang	[REDACTED]	January 10, 2020 / Ministry of Affairs (Singapore)	October 09, 2025

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Page No.: \_\_\_\_\_;  
Book No.: \_\_\_\_\_;  
Series of 2021



**CHIEF EXECUTIVE OFFICER AND CHIEF AUDIT EXECUTIVE ATTESTATION**

Based on the assurance activities performed by the Bank of the Philippine Island's Internal Audit and its external auditor for the year 2020, we assess that the Bank's system of internal controls, risk management and governance processes are in place and continue to be adequate and generally effective, in all material respects. These processes provide a level of assurance that enables the Senior Management of the Bank to recognize, understand, manage and effectively control its exposure to risk. We likewise confirm that the audit scope and coverage are sufficient, comprehensive and risk-based, that Management is aware of its responsibility for internal control, and that there is no interference with the accomplishment of audit activities and reporting of relevant issues and other pertinent information to the Audit Committee and the Board of Directors.

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

JUN 01 2021

**BANK OF THE PHILIPPINE ISLANDS**  
**Issuer**

By:

*Jose Teodoro K. Limcaoco*  
**JOSE TEODORO K. LIMCAOCO**  
President and CEO

*Rosemarie B. Cruz*  
**ROSEMARIE B. CRUZ**  
SVP and Chief Audit Executive

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this JUN 01 2021; affiant(s) exhibiting to me his/her Passport Number/Residence Certificates, with the following details:

NAME(S)	PASSPORT NO./CTC NO.	DATE/PLACE OF ISSUE	VALID UNTIL
Jose Teodoro K. Limcaoco	[REDACTED]	April 05, 2018/ DFA Manila	April 04, 2028
Rosemarie B. Cruz	[REDACTED]	July 9, 2018/DFA Pampanga	July 8, 2028

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Series of 2021

*George David D. Siton*  
**ATTY. GEORGE DAVID D. SITON**  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. NO. 11-382- UNTIL DEC. 31, 2021  
ROLL NO. 63402/ MCE COMPLIANCE NO. VI-0021935/3-29-2018  
IBP O.R. No. 2278559-LIFETIME MEMBER MAY. 8, 2017  
PTR No. B533058- JAN 04, 2021- MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY



## Corporate Governance and Finance Department

27 May 2021

**Mr. Don Cesar Teodoro L. Sevilla II**  
Corporate Governance Officer  
**Ms. Noravir A. Gealogo**  
Vice President & Chief Compliance Officer  
**BANK OF THE PHILIPPINE ISLANDS**  
Ayala North Exchange Tower I  
Ayala Avenue cor. Salcedo St.  
1229 Makati City, Metro Manila

Re : Request to Suspend Notarization Requirement

Dear Mr. Sevilla and Ms. Gealogo:

This refers to your letter dated 20 May 2021 requesting for the suspension of the notarization requirement for the 2020 Integrated Annual Corporate Governance Report (I-ACGR) as regards Mr. Eli M. Remolona Jr. and Ms. Janet Guat Har Ang.

In said letter, it was stated that Mr. Eli M. Remolona Jr. and Ms. Janet Guat Har Ang, the company's Independent Directors and two of the required signatories in the I-ACGR are currently abroad and that there is no definite schedule for them to travel to the Philippines at present due to the prevailing risk of the COVID-19 global pandemic. In view thereof, they cannot personally sign the company's I-ACGR and appear before a notary public.

In consideration of the current state of the pandemic, the company's request for the suspension of the notarization requirement for Mr. Remolona Jr. and Ms. Ang in the company's I-ACGR is hereby **GRANTED**, subject to the company's compliance with the following conditions:

- a. The company shall submit the I-ACGR together with an undertaking to submit the following:
  1. Written Explanation in accordance with item (c) hereof; and
  2. Duly executed and amended I-ACGR in accordance with item (d) hereof.
- b. The foregoing submission must be done pursuant to the SEC Memorandum Circular No. 3, Series of 2021, on the Schedule and Procedure for the Filing of Annual Financial Statements, General Information Sheet and Other Annual Reports, SEC Notice dated 12 May 2021 and other applicable rules;
- c. The company shall submit a written Explanation duly executed and signed under oath by the concerned signatory within ten (10) days from the date of their arrival in the country.

The written Explanation shall set forth the circumstances and relevant facts of the travel abroad with attached proof of departure abroad and arrival in the country (e.g. copy of stamped passport, plane ticket, and/or boarding pass, etc.); and

- d. The written Explanation shall be filed together with the amended I-ACGR. The amended I-ACGR should be duly notarized and signed by the concerned signatory.

The company's failure to submit the required written Explanation and/or the amended I-ACGR within the prescribed period shall invalidate the prior conditional approval of the request and shall be a ground for the issuance of a show cause letter to the company.

As to the company's request to allow its Vice Chairman to sign the I-ACGR in the absence of the Chairman of the Board, it was noted under Article VIII-A of the Bank of the Philippine Islands' By-Laws that in the absence of the Chairman, the Vice Chairman shall assume and perform all the powers and duties of the Chairman of the Board. In view thereof, we confirm that the Vice Chairman of the Board of Directors may sign the I-ACGR on behalf of the Chairman.

Further, please be informed that the deadline for the submission of the 2020 I-ACGR has been extended until 30 June 2021 as provided in the SEC Notice dated 25 May 2021.

For your guidance and compliance.

  
RACHEL ESTHER J. GUMTANG-REMALANTE  
Director