

01 February 2017

PHILIPPINE STOCK EXCHANGE, INC.

3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: MR. JOSE VALERIANO B. ZUÑO III
OIC - Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

37/F Tower 1, The Enterprise Center
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

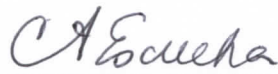
Attention: MS. VINA VANESSA S. SALONGA
Head, Issuer Compliance and Disclosure Department


Gentlemen:

Please be informed of the following matters taken up and noted/approved by the Board of Directors of the Bank this afternoon:

1. Appointment of Mr. William C. Whang, Executive Vice President and Lending Business Segment Head, as the Bank's Chief Operating Officer (COO) effective 01 February 2017;
2. Promotions effective 01 February 2017 of the following: (a) Mr. Alberto Emilio V. Ramos, who is currently seconded to subsidiary China Bank Savings, Inc. as President, from Senior Vice President to Executive Vice President; and (b) Ms. Delia Marquez, Head of Controllershship Group, from First Vice President I to First Vice President II;
3. The 2017 Rules Governing the Nomination and Election of Directors, with Nomination Form, and setting 21 February 2017 as the deadline for nomination of directors and independent directors for election at the Bank's Annual Stockholders' Meeting on 04 May 2017; and
4. Increase in the authorized capital stock of wholly-owned subsidiary China Bank Capital Corporation (CBCC) from P500.0 Million to P2.0 Billion, and the Bank's capital infusion of additional P500.0 Million thereof within the first quarter of 2017. The increase in authorized capital stock will enable CBCC to handle bigger deals and the P500.0 Million infusion will bring CBCC equity to P1.23 Billion.

Thank you.


ALEXANDER C. ESCUCHA
Senior Vice President and
Corporate Information Officer

Very truly yours,

ATTY. CORAZON I. MORANDO
Vice President & Corporate Secretary

2017 RULES GOVERNING THE NOMINATION AND ELECTION OF DIRECTORS

Sec. 1. **Period.** All nominations for Directors and Independent Directors shall be submitted to the Nominations Committee and/or Corporate Governance Committee through any of their Members or to the Corporate Secretary of the Bank on or before **21 February 2017.**

Sec. 2. **Form and Content.** All nominations shall be in writing duly signed by the nominating stockholders or their duly authorized (in writing) representatives, with the written acceptance and conformity of their nominee. The nomination must indicate whether the nominee is intended to be independent director and shall contain the nominee's age, educational attainment, and full disclosure of work and/or business experience and/or affiliations. The attached Nomination Form may be used for convenience.

Sec. 3. **Qualifications.** The Directors and Independent Directors shall be elected from among the Bank's stockholders. All nominees for Directors and Independent Directors must possess the minimum requirements/qualifications and none of the disqualifications prescribed by the Bangko Sentral ng Pilipinas, Securities and Exchange Commission, and other regulatory agencies/offices of listed banks, which include Sec. 23 and Sec. 27 of The Corporation Code (B.P. Blg. 68), Sec. 15 of The General Banking Law (R.A. No. 8791), Sec. 38 of the Securities Regulation Code, Rule 38 of the Implementing Rules and Regulations of the Securities Regulation Code, Sec. X141 of the Manual of Regulations for Banks, and relevant circulars or memoranda. Age, educational background, industry and other criteria to ensure diversity to achieve optimal composition of the Board will also be considered.

Sec. 4. **List of Candidates.** The Committees shall pre-screen the qualifications of the nominees on the basis of the nominations and/or supporting papers and prepare a final list of candidates containing all relevant information about the nominees, and indicate the nominees for independent directors, if any. In the unlikely event that no one among the stockholders who made the nominations indicated any particular nominee as nominee for independent director, the Committees shall endorse by majority vote of their members the nominees for independent directors who meet the guidelines/criteria set by the regulatory agencies/offices of listed banks.

Sec. 5. **Nomination of the Committees.** If there are not enough numbers of nominees for directors and/or independent directors, the Nominations and/or Corporate Governance Committees, jointly or separately, as may be agreed upon among themselves, may by majority vote, nominate such number of nominees for the said position/s and include them in the final list to be submitted at the stockholders' meeting.

NOMINATION FORM

PLEASE CHECK PROPER BOX:

- ☐ – Nominee for
Independent Director ^b
- ☐ – Not nominee for
Independent Director

NAME OF NOMINEE ^a

CITIZENSHIP : AGE ^c : DATE OF BIRTH : (MM/DD/YYYY)

PLACE OF BIRTH : NAME OF SPOUSE :

RESIDENTIAL ADDRESS : TEL. NO. : CELL. NO. :

OFFICE ADDRESS : TEL. NO. :

EDUCATIONAL BACKGROUND/ATTAINMENT ^d: (Please attach separate sheet, if necessary)

FULL DISCLOSURE OF WORK AND/OR BUSINESS EXPERIENCE: (Please attach separate sheet, if necessary)

DIRECTORSHIP/POSITION IN OTHER CORPORATIONS/ASSOCIATIONS: (Please attach separate sheet, if necessary)

PSE-LISTED COMPANIES :

OTHER COMPANIES :

STOCKHOLDINGS/SECURITY OWNERSHIP:

DIRECT :

INDIRECT:

CONVICTION, IF ANY, OF AN OFFENSE, JUDICIAL OR ADMINISTRATIVE, OR JUDICIAL DECLARATION OF BEING INSOLVENT, SPENDTHRIFT OR INCAPACITATED TO CONTRACT. IF APPLICABLE, PLEASE STATE:

<u>PARTICULARS & NATURE OF OFFENSE</u>	<u>COURT/BODY</u>	<u>DATE COMPLAINT/ INFORMATION WAS FILED</u>

CONFORMITY & ACCEPTANCE:

SIGNATURE

PRINTED NAME OF NOMINEE

DATE SUBMITTED

SIGNATURE

PRINTED NAME OF NOMINATOR-STOCKHOLDER
OR AUTHORIZED REPRESENTATIVE ^e

RELATION TO NOMINEE

NOTE: Please see reverse side to be signed and certified by nominee for Independent Director

CERTIFICATION f
(Nominee for Independent Director)

As a nominee for Independent Director of China Banking Corporation, I hereby certify that I have all the qualifications and none of the disqualifications as provided for in SEC Memorandum Circular No. 16, Series of 2002, Section 38 of the Securities Regulation Code, and its Amended Implementing Rules and Regulations; Section X141 of the Manual of Regulations for Banks; and those required/implicit under The General Banking Law (R.A. No. 8791).

IN WITNESS WHEREOF, I have hereunto signed this certification in _____ this ____ day of _____, 2017.

Signature of Nominee

Republic of the Philippines)
City of _____) s.s.

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2017 in _____, affiant exhibiting to me his/her _____ issued on _____ in _____.

Notary Public

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2017.

- ^a - must be an owner of at least one (1) share of stock of the Bank (Sec. 23, The Corporation Code).
- ^b - “Independent Director” is defined by SEC Memorandum Circulars Nos. 19 (Series of 2016) or the Code of Corporate Governance for Publicly Listed Companies (COCG for PLCs), 16 (Series of 2002); Sec. 38 of The Securities Regulation Code (SRC), and its Amended Implementing Rules and Regulations (AIRR); Sec. 15 of The General Banking Law; and Section X141 of the Manual of Regulations for Banks (MORB), as a person who, apart from his fees and shareholdings, is independent of management and the controlling shareholder and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Bank; and includes, among others, any person who:
 - i. is not, or has not been a senior officer or employee of the Bank unless there has been a change in the controlling ownership of the company (Recommendation 5.2, COCG for PLCs);
 - ii. is not or has not been an officer or employee of the Bank, its subsidiaries, associates or affiliates or related interests in the three (3) years immediately preceding his election (Subsection X141.2, MORB; Recommendation 5.2, COCG for PLCs), and is not a director or officer of the related companies of the Bank’s majority shareholders or holding shares of stock sufficient to elect one (1) seat in the Board of Directors of the Bank or its majority shareholders (Subsection X141.2, MORB);
 - iii. has not been appointed in the Bank, its subsidiaries, associates, affiliates or related companies as Chairman “Emeritus,” “Ex-Officio” Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election (Recommendation 5.2, COCG for PLCs);
 - iv. does not own more than two percent (2%) of the shares of the Bank and/or its related companies or any of its substantial shareholders (Rule 38.2, AIRR of the SRC);
 - v. is not a relative (spouse, parent, child, brother, sister, parent-in-law, son-/daughter-in-law, and brother-/sister-in-law), legitimate or common-law, of any director, officer, or stockholder holding shares of stock sufficient to elect one (1) seat in the Board of the Bank or any of its related companies (Subsection X141.2, MORB);
 - vi. is not acting as a nominee or representative of any director or substantial shareholder of the Bank, or any of its related companies or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement (Subsection X141.1.b(5), MORB; Rule 38.2, AIRR of the SRC);
 - vii. has not been employed in any executive capacity by the Bank, any of its related companies and/or any of its substantial shareholders within the last two (2) years (Rule 38.2, AIRR of the SRC);
 - viii. is not retained as professional adviser, consultant, agent or counsel by the Bank, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm (Subsection X141.2, MORB);
 - ix. has not been engaged and does not engage in any transaction with the Bank and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm’s length and could not materially interfere with or influence the exercise of his judgment (Subsection X141.2, MORB);
 - x. is not or has not been convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Securities Regulation Code, committed within five (5) years prior to the date of his election (Rule 38.3, AIRR of the SRC);
 - xi. as non-executive director, should not concurrently serve as director to more than five (5) publicly listed companies (Recommendation 4.2, COCG for PLCs);
 - xii. is not affiliated with any non-profit organization that receives significant funding from the Bank or any of its related companies or substantial shareholders (Recommendation 5.2, COCG for PLCs);
 - xiii. is not employed as an executive officer of another company where any of the covered company’s executives serve as directors (Recommendation 5.2, COCG for PLCs); and,
 - xiv. possesses competencies relevant to the job and sufficiency of time to fully carry out responsibilities (Subsection 141.2, MORB).
- ^c - nominee must be at least twenty-five (25) years old at the time of election/appointment (Sec. X141.2 (a) (1), MORB).
- ^d - nominee must be at least a college graduate or have five (5) years of experience in business (Sec. X141.2 (a) (2), MORB; SEC Memorandum Circular No.16, Series of 2002). Other minimum qualifications are listed in Sec. X141.2.(a), MORB.
- ^e - nominator must attach a copy of pertinent Board or Partnership Resolution if a corporation or partnership stockholder is making the nomination, or a Special Power of Attorney if an individual stockholder is making the nomination through representative.
- ^f - nominee for independent director must certify under oath that he complies with all the qualifications required of an independent director and does not possess any of the disqualifications therefor under the foregoing enumeration (Sec. X144 (c), MORB).