

07 February 2018

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:

In compliance with your requirements, please be informed that during the regular meeting held this afternoon, 07 February 2018, the Board of Directors of the Bank approved the following matters:

1. The 2018 Rules Governing the Nomination and Election of Directors, with Nomination Form, and setting 06 March 2018 as the deadline for nomination of directors and independent directors for election at the Bank's Annual Stockholders' Meeting on 03 May 2018;
2. Reorganization of the Trust Investment Committee, as follows:

| | | |
|------------------|---|----------|
| Herbert T. Sy | - | Chairman |
| Jose T. Sio | - | Member |
| Peter S. Dee | - | Member |
| William C. Whang | - | Member |
| Mary Ann T. Lim | - | Member |

3. Reorganization of the Management Committee to include the following: (a) Mr. Ryan Martin L. Tapia*, Director and President of China Bank Capital Corporation (CBCC), as ex-officio member; and (b) Ms. Maria Rosanna Catherina L. Testa, First Vice President I and Head, Human Resources Division, as member.

Thank you.

Very truly yours,


ATTY. CORAZON I. MORANDO
Vice President & Corporate Secretary

* Replacement of Mr. Virgilio O. Chua, Managing Director, CBCC

2018 RULES GOVERNING THE NOMINATION AND ELECTION OF DIRECTORS

Section 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 **06 March 2018**.

Section 2. **Form and Content.** All nominations shall be in writing duly signed by the nominating stockholders or their representatives duly authorized in writing, with the written acceptance and conformity of the 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.

Section 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 Sections 23 and 27 of The Corporation Code (B.P. Blg. 68), Section 15 of The General Banking Law (R.A. No. 8791), Section 38 of the Securities Regulation Code, Rule 38 of the Implementing Rules and Regulations of the Securities Regulation Code, Section X141 of the Manual of Regulations for Banks, and relevant circulars or memoranda. Age, knowledge, educational background, skills, industry experience, values, independence, time commitment, and other criteria to ensure diversity to achieve optimal composition of the Board will be considered.

Section 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.

Section 5. **Nomination of the Committees.** If there is not enough nominees for directors and/or independent directors, the Nominations and/or Corporate Governance Committees, jointly or separately, as may be agreed upon among the members, 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 : 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 | SIGNATURE |
| PRINTED NAME OF NOMINEE | PRINTED NAME OF NOMINATOR-STOCKHOLDER OR AUTHORIZED REPRESENTATIVE ^e |
| DATE SUBMITTED | 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 _____, 2018.

Signature of Nominee for Independent Director

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

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2018 in _____, affiant exhibiting to me his/her _____ issued on _____ in _____.

Notary Public

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2018.

- ^a - must be an owner of at least one (1) share of stock of the Bank (Sec. 23, The Corporation Code); must be fit and proper for the position of a director, and must have attended a seminar on corporate governance for board of directors (Subsection X142.3 (a), MORB).
- ^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 amended by Bangko Sentral ng Pilipinas (BSP) Circular No. 969, 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 or influence his exercise of independent judgment in carrying out his responsibilities as a director of the Bank; and includes, among others, any person who:
- 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);
 - is not or has not been a director, 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 X141.1 (g), MORB; Recommendation 5.2, COCG for PLCs), and is not a director or officer or employee of substantial stockholders and their related companies in the three (3) years counted from the date of his election/appointment or holding more than two percent (2%) of the outstanding shares of stock or holding shares of stocks sufficient to elect one (1) seat in the Board of Directors of the Bank or its majority corporate shareholders (Subsection X141.1 (g), MORB);
 - 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/appointment (Recommendation 5.2, COCG for PLCs; ; Subsection X141.1 (g), MORB);
 - 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);
 - is not a close family member of any director, officer, or stockholder holding shares of stock sufficient to elect one (1) seat in the Board of the Bank or any of its related companies or any of its substantial stockholders (Subsection X141.1 (g), MORB);
 - 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(g), MORB; Rule 38.2, AIRR of the SRC);
 - 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);
 - 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 during the past three (3) years counted from the date of his election (Subsection X141.1 (g), MORB);
 - 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 X141.1 (g), MORB);
 - 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);
 - as non-executive director, should not concurrently serve as director to more than five (5) publicly listed companies (Recommendation 4.2, COCG for PLCs; ; Subsection X142.3(b), MORB);
 - 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; Subsection X141.1 (g), MORB); and,
 - 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; Subsection X141.1 (g), MORB).
- ^c - nominee must be at least a college graduate or have five (5) years of experience in business (SEC Memorandum Circular No.16, Series of 2002).
- ^d - 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.
- ^e - 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 (Subsection X148.2, in relation to Subsection X141.1 (g), MORB).