



ASEAN CORPORATE GOVERNANCE SCORECARD 2017

LEVEL 1

A. The Rights of Shareholders

A.1	Basic Shareholder Rights	Explanation
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends?	Article XI Section 1of the By-Law states that: "Dividends shall be declared and paid out of the surplus profits of the Bank as often and at such times as the Board of Directors may determine after making provisions for the necessary reserves in accordance with law and regulations of the Central Bank of the Philippines (now Bangko Sental ng Pilipinas)."
A.2.	Right to participate in decisions concerning fundamental corporate changes.	Explanation
<i>Do shareholders have the right to participate in:</i>		
A.2.1	Amendments to the company's constitution?	Article XIV of the By-Laws states that: " <i>This By-Laws may be repealed or amended by stockholders owning or representing a majority of the subscribed capital stock at any regular meeting of the same or at any special meeting called for the purpose, subject to the limitation provided for in Section 4, Article IV hereof. The stockholders shall be furnished a copy of the proposed amendments together with the notice of meeting.</i> "
A.2.2	The authorisation of additional shares?	The Bank adheres to Section 38 of the Corporation Code stating that " <i>no corporation shall increase or decrease its capital stock or incur, create or increase any bonded indebtedness unless approved by majority vote of directors and at a stockholders' meeting duly</i>



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A.2.	Right to participate in decisions concerning fundamental corporate changes.	Explanation
<i>Do shareholders have the right to participate in:</i>		
		<i>called for the purpose, two-thirds (2/3) of the outstanding capital stock shall favor the increase or diminution of the capital stock, or the incurring, creating or increasing any bonded indebtedness. x x x"</i>
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	The Bank adheres to Section 40 of the Corporation Code which requires the vote of shareholders representing at least 2/3 of the outstanding capital stock.
A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.	Explanation
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	Article V Section 8 of the By-Laws states: <i>"A Per Diem, as may be determined from time to time by stockholders owning or representing majority of the subscribed capital stock at any regular meeting or special meeting, shall be paid to each director for attendance at any meeting of the Board of Directors for each day of session; Provided, however, that nothing herein contained shall be construed to preclude any Director from serving in any capacity and receiving compensation therefor.</i>
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	The By-Laws provide that "all nominations for directors by stockholders shall be submitted in writing to the President and the Secretary of the Corporation's principal place of business at least thirty (30) working days before the regular or special meeting of



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A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.	Explanation
		stockholders for purpose of electing directors.”
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Article V Section 2 provides that the fifteen candidates receiving the highest number of votes shall be declared elected.
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	The voting and vote tabulation procedures are disclosed in the Annual Corporate Governance Report (“ACGR”).
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	Minutes of the Annual Stockholders Meeting show that opportunity was given to the stockholders to ask questions. Stockholders are invited to comment/ object/ ask questions on each of the matters brought before them. In addition, after all the matters are tackled, an open forum is conducted to give stockholders the opportunity to raise other matters/issues/questions.
A.3.6	Do the minutes of the most recent AGM record questions and answers?	Minutes of the Annual Stockholders Meeting record all questions asked and answers provided during the meeting.
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?	The resolutions adopted during the Annual Stockholders Meeting are disclosed to regulators and posted in the website. https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/Results%20of%20ASM%202017%20-%20July%203%20amended.pdf
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?	Results of voting are disclosed to regulators and posted in the website



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A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.	Explanation
		https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/Results%20of%20ASM%202017%20-%20July%203%20amended.pdf
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	<p>The members of the Board who attended the Annual Stockholders Meeting are disclosed to regulators and posted in the website.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/Results%20of%20ASM%202017%20-%20July%203%20amended.pdf</p>
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?	<p>During the 2017 Annual Stockholders Meeting, 13 of the 15 members attended. Mr. Yuh-Shing (Francis) Peng and Mr. Tze Ching Chan were absent.</p> <p>The directors present included Ms. Helen Y. Dee – Chairperson, Mr. Gil A. Buenaventura – President and CEO and Mr. Melito S. Salazar, Jr. – Independent Director and Chairman of the Audit Committee.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/Results%20of%20ASM%202017%20-%20July%203%20amended.pdf</p>
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?	<p>The directors present included Ms. Helen Y. Dee – Chairperson, Mr. Gil A. Buenaventura – President and</p>



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A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.	Explanation
		<p>CEO and Mr. Melito S. Salazar, Jr. – Independent Director and Chairman of the Audit Committee.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/Results%20of%20ASM%202017%20-%20July%203%20amended.pdf</p>
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?	<p>The directors present included Ms. Helen Y. Dee – Chairperson, Mr. Gil A. Buenaventura – President and CEO and Mr. Melito S. Salazar, Jr. – Independent Director and Chairman of the Audit Committee.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/Results%20of%20ASM%202017%20-%20July%203%20amended.pdf</p>
A.3.13	Did the company organise their most recent AGM in an easy to reach location?	<p>RCBC announced through SEC FORM IS that the venue of the Annual Stockholders meeting is at 47/F Yuchengco Tower I, RCBC Plaza 6819 Ayala Avenue Makati City.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>
A.3.14	Does the company allow for voting in absentia?	<p>The By-Laws of the Bank provides that the election shall be by ballots, and that every stockholder entitled to vote shall have the right to vote in person or by</p>



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A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.	Explanation
		<p>proxy the number of shares of stock standing in his own name in the stock and transfer books of the Bank at the time the books were closed and said stockholder may vote such number of shares for as many persons as there are directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, Provided, that the whole number of votes cast by him shall not exceed the number of shares owned by him, as shown in the books of the Bank, multiplied by the whole number of directors to be elected; and Provided, that no stock declared delinquent by the Board of Directors for unpaid subscriptions shall be voted.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	<p>The By-Laws of the Bank provides that the election shall be by ballots.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>



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A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.	Explanation
A.3.16	Does the company disclose that it has appointed an independent party (scrutinizers/inspectors) to count and/or validate the votes at the AGM?	<p>The votes were verified and tabulated by Punongbayan and Araullo, which is an independent third party.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	<p>The Annual Stockholders Meeting was held on 27 June 2017 and results were disclosed via SEC Form 17-C the following day, 28 June 2017.</p>
A.3.18	Do companies provide at least 21 days' notice for all resolutions?	<p>The Bank under its By-Laws provide that notice of meeting shall be delivered personally or by registered mail with return card, postage prepaid, at least 15 days prior to the date thereof.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_BYLAWS_2007.pdf</p>
A.3.19	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	<p>The SEC Form IS contains the rationale and explanation for agenda items requiring shareholders' approval.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>

A.4	Markets for corporate control should be allowed to function in an efficient	Explanation
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and transparent manner.		
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	An independent party will be appointed to evaluate the fairness of the transaction price in cases of mergers, acquisitions and/or takeovers requiring shareholders' approval

A.5	The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.	Explanation
A.5.1	Does the Company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the Company?	Yes. SEC Form IS is posted on the website. https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf

B. Equitable Treatment of Shareholders

B.1	Shares and voting rights	Explanation
B.1.1	Do the company's ordinary or common shares have one vote for one share?	The Articles of Incorporation provide that Common Shares of stock are entitled to participate and vote at stockholders' meeting or in connection with any corporate action in which the consent and approval of the stockholders is required by law. https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_AOI_2011.pdf The By-Laws of the Bank provides that the election shall be by ballots, and that every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his



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		<p>own name in the stock and transfer books of the Bank at the time the books were closed and said stockholder may vote such number of shares for as many persons as there are directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, Provided, that the whole number of votes cast by him shall not exceed the number of shares owned by him, as shown in the books of the Bank, multiplied by the whole number of directors to be elected; and Provided, that no stock declared delinquent by the Board of Directors for unpaid subscriptions shall be voted.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_BYLAWS_2007.pdf</p>
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	<p>The Articles of Incorporation provides for the voting rights attached to each class of share.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_AOI_2011.pdf</p>
B.2	Notice of AGM	Explanation
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Each resolution during the Annual Stockholders Meeting deal with only one item. There was no bundling of several items in the same resolution.



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B.2	Notice of AGM	Explanation
		https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/Results%20of%20ASM%202017%20-%20July%203%20amended.pdf
B.2.2	Are the company's notices of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	The notice of the Annual Stockholders Meeting is in English.
<i>Does the notice of AGM/circulars have the following details:</i>		
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	The SEC Form IS contains the profiles of the directors. https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	P&A has been the independent external auditor of the Bank beginning with the audited financial statements (AFS) for the year ended December 31, 2005 and they will be recommended for reappointment at the scheduled annual stockholders' meeting. For period 2005-2009 Mr. Leonardo Cuaresma, Jr. was the handling/signing partner of the Bank. Mr. Cuaresma, Jr. was replaced by Mr. Romualdo V. Murcia III as the handling/signing partner in 2010 and 2011. Mr. Murcia was replaced by Mr. Benjamin P. Valdez in 2012 and 2013. Starting 2014, Ms. Maria Isabel E. Comedia is the handling/signing partner of the Bank. https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf



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B.2	Notice of AGM	Explanation
B.2.5	Has an explanation of the dividend policy been provided?	<p>Article XI, Section 1 of the By-Laws of the Bank, provides that dividends shall be declared and paid out of the surplus profits of the Bank as often and at such times as the Board of Directors may determine after making provisions for the necessary reserves in accordance with law and the regulations of the Central Bank of the Philippines.</p> <p>As a policy, management shall determine the amount of dividends to be declared and present the recommendation for the declaration of the same to the Board of Directors for approval. If it has stipulated dividend payment obligations, the Bank shall declare dividends in accordance with its commitment. The Bank ensures compliance with pre-requisites set by the BSP for the declaration of dividends. The net amount available for dividends is also in accordance with the formula provided under § X136.3 of the BSP's Manual of Regulations for Banks.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>
B.2.6	Is the amount payable for final dividends disclosed?	<p>Details of 2016 cash dividend distribution were disclosed.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>



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B.2	Notice of AGM	Explanation
B.2.7	Were the proxy documents made easily available?	<p>Proxy document was attached to the SEC FORM IS distributed to the shareholders at least 15 days before the meeting with instructions stating that: stockholders “may attend the meeting by submitting a duly-accomplished proxy substantially in the form attached hereto to the Corporate Secretary through the following address not later than 5:00 PM of June 19, 2017.”</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>
B.3	Insider trading and abusive self-dealing should be prohibited.	Explanation
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	<p>The YGC Code of Ethics on compliance with laws, rules and regulates prohibits Insider trading Employees who have access to confidential information or information not known to the public as well as prohibits the use or sharing of such information for stock trading purposes or for any other purpose except the conduct of their business. It further states that use of non-public information for personal financial benefits or to "tip" others who might make an investment decision based on such information is not only unethical but also illegal.</p> <p>https://www.rcbc.com/Others/company_policy_itp</p>



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		Further, the Bank complies with the trading blackout periods required by the PSE for listed companies.
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	The Corporate Governance Manual provides that the dealings of directors in the Bank's shares shall be disclosed within three (3) to five (5) days.

B.4	Related party transactions by directors and key executives.	Explanation
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	The Corporate Governance Manual provides that member of the board should conduct fair business transactions with the bank and to ensure that personal interest does not bias board decisions. Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the institution cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the institution than those offered to others. The basic principle to be observed is that a director should not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that would compromise his impartiality.
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?	The Bank has a Related Party Transactions Committee the charter of which requires that the same be composed of at least 3 directors, majority of which must be Independent Directors including the Chairman.
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Under the Policy on Related Party Transaction, a director is required to absent himself/herself or abstain when the Board is deliberating and voting on transactions where he/she or the entity connected with him/her has an interest.



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B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	The Bank has a Policy on Related Party Transactions and adheres to the regulations on DOSRI loans, guarantees and other credit accommodations.
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B.5	Protecting minority shareholders from abusive actions	Explanation
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	None.
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	The Bank's Policy on Related Party Transactions details the requirements and procedure for review of said transactions.
B.5.3	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	The Bank's Policy on Related Party Transactions requires that the Bank's stockholders shall confirm by majority vote, in the annual stockholders' meeting, the Bank's transactions with its related parties.

C. Role of Stakeholders

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Explanation
<i>Does the company disclose a policy that :</i>		
C.1.1	Stipulates the existence and scope of the company's efforts to address customers' welfare?	The Bank's policy on customers' welfare are discussed in 2016 SEC Form 17-A. https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm17-A_12312016.pdf
C.1.2	Explains supplier/contractor selection practice?	The Supplier/Contractor selection criteria are disclosed in the 2016 Annual Report.



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C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Explanation
<i>Does the company disclose a policy that :</i>		
		https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
C.1.3	Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	<p>The Bank's efforts in ensuring environmentally-friendly value chain, its policy on Social and Environmental Management System are discussed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
C.1.4	Elaborates the company's efforts to interact with the communities in which they operate?	<p>As disclosed in the 2016 Annual Report, in 2016, RCBC began its commitment to community rehabilitation by supporting calamity-stricken areas during times of natural disasters with a valuable partnership with the Philippine Red Cross (PRC). At the same time, the company also maintained its projects with Gawad Kalinga on sustainable livelihood projects and granting education to the well-deserved youth.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p> <p>Other activities of the Bank can also be found in the website.</p> <p>https://www.rcbc.com/Others/corporate_governance_csr</p>



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C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Explanation
<i>Does the company disclose a policy that :</i>		
C.1.5	Describe the company's anti-corruption programmes and procedures?	<p>The anti-corruption programmes and procedures are contained in the Bank's Code of Conduct and Business Ethics and in the Procurement/Supplier policies.</p> <p>https://www.rcbc.com/Others/company_policy_cip</p> <p>These are also discussed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
C.1.6	Describes how creditors' rights are safeguarded?	<p>Policy on creditors' rights is disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
<i>Does the company disclose the activities that it has undertaken to implement the above mentioned policies?</i>		
C.1.7	Customer health and safety	<p>The activities related to Customer health and safety are disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
C.1.8	Supplier/Contractor selection and criteria	<p>The Supplier/Contractor selection criteria are disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>



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C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Explanation
<i>Does the company disclose a policy that :</i>		
C.1.9	Environmentally-friendly value chain	<p>The Bank's efforts in ensuring environmentally-friendly value chain, its policy on Social and Environmental Management System are discussed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
C.2	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Explanation
<i>Does the company disclose a policy that :</i>		
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	<p>The website provides a page to allow stakeholders to air concerns.</p> <p>https://www.rcbc.com/General/ContactUs</p>
C.3	Performance-enhancing mechanisms for employee participation should be permitted to develop.	Explanation
C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	<p>Disclosed in the ACGR</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf</p>
C.3.2	Does the company publish relevant information relating to health, safety and welfare of its employees?	<p>Disclosed in the ACGR</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf</p>



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C.3	Performance-enhancing mechanisms for employee participation should be permitted to develop.	Explanation
		df
C.3.3	Does the company have training and development programmes for its employees?	Disclosed in the ACGR https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated Changes to the ACGR for 2016.pdf
C.3.4	Does the company publish relevant information on training and development programmes for its employees?	Disclosed in the ACGR https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated Changes to the ACGR for 2016.pdf
C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	The Bank has set a performance period of 5 years in establishing a long-term bonus plan for key employees and material risk takers as this is seen as necessary to ensure that they do not take a short-sighted view and will be driven to work for the long-term financial success of the organization. The performance-driven approach aligns the interests of key employees with the shareholders' interests and links the long-term bonus plan to the achievement of business and performance objectives for key employees deemed to have a major influence on the long-term performance of the Bank and to the market value of the shares of the Bank. In determining the bonus pool, consideration is given to the Bank's financial performance, market benchmarks and market conditions, as well as to individual performance of the employees. Consideration is given to audit findings and a general evaluation of the risks taken.



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C.3	Performance-enhancing mechanisms for employee participation should be permitted to develop.	Explanation
		https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf

C.4	Stakeholders including individual employee and their representative bodies should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.	Explanation
C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behaviour?	The bank has a Whistleblowing Policy. https://www.rcbc.com/Others/company_policy_whistleblower
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behaviour from retaliation?	The procedure is in the Whistleblowing Policy. https://www.rcbc.com/Others/company_policy_whistleblower

D. Disclosure and Transparency

D.1	Transparent ownership structure	Explanation
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	Disclosed in the ACGR under Ownership Structure https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	The Bank discloses complete list of stakeholders as of 01 January 2018.



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		PSE Disclosure Form 17-11 RCBC List of Stockholders as of Record Date https://www.rcbc.com/Others/company_disclosure
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	Disclosed in ACGR under Board of Directors https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf See also PSE Disclosure Form 17-11 RCBC List of Stockholders as of Record Date https://www.rcbc.com/Others/company_disclosure
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	Disclosed in the ACGR under Ownership Structure https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	Disclosed in the RCBC website https://www.rcbc.com/About/ConglomerateMap
D.2	Quality of Annual Report	Explanation
<i>Does the company's annual report disclose the following items:</i>		
D.2.1	Key risks	Risk and Capital disclosures for RCBC and its subsidiaries, as prescribed by BSP regulations, form part of the 2016 Annual Report under Risk and Capital Management and Audited Financial Statements .



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D.2	Quality of Annual Report	Explanation
<i>Does the company's annual report disclose the following items:</i>		
		https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
D.2.2	Corporate objectives	<p>Corporate Objectives for 2017 are disclosed in the SEC Form 17-A under Key Variable and Other Qualitative and Quantitative Factors</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm17-A_12312016.pdf</p>
D.2.3	Financial performance indicators	<p>Profitability Ratios, such as Return on Assets and Return on Equity and Net Interest Margin are disclosed in the 2016 Annual Report under Risk and Capital Management. Basic financial performance indicators are also provided in the Financial Statements, attached in the same report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p> <p>Selected performance indicators are likewise enumerated in the Bank's Definitive Information Statement.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf</p>
D.2.4	Non-financial performance indicators	<p>Non-financial performance directors are disclosed in the 2016 Annual Report under Operational Highlights.</p>



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D.2	Quality of Annual Report	Explanation
<i>Does the company's annual report disclose the following items:</i>		
		https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
D.2.5	Dividend policy	<p>The dividend policy and the details of the 2016 cash dividend distribution are disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
D.2.6	Details of whistle-blowing policy	<p>The details of Whistleblowing policy is disclosed in the 2016 Annual Report under Open Communication Policy.</p> <p>https://www.rcbc.com/Others/company_policy_whistleblower</p>
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	<p>Biographical details are disclosed in the 2016 Annual Report under Profile of Directors.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
D.2.8	Training and/or continuing education programme attended by each director/commissioner	<p>Continuing educations and trainings of the Directors are disclosed in the 2016 Annual Report under Profile of Directors.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
D.2.9	Number of board of directors/commissioners meetings held during the year	Attendance of directors is disclosed in the 2016 Annual Report.



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D.2	Quality of Annual Report	Explanation
<i>Does the company's annual report disclose the following items:</i>		
		https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
D.2.10	Attendance details of each director/commissioner in respect of meetings held	Attendance details are disclosed in the 2016 Annual Report. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
D.2.11	Details of remuneration of each member of the board of directors/commissioners	Details of remuneration of the members of the Board are disclosed in the 2016 Annual Report under Remuneration Policy and Structure. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
<i>Corporate Governance Confirmation Statement</i>		
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	2016 Annual Report confirms that the Bank's governance structure and process are firmly in place with an empowered Board leading the way. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
D.3	Disclosure of related party transactions (RPT)	Explanation
D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?	The policy covering the review and approval of the material RPTs is discussed in the ACGR under Related Party Transactions – Policies and Procedures.



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		https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf
D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?	The names of the related party for each material RPT are disclosed in the 2016 Annual Report. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
D.3.3	Does the company disclose the nature and value for each material/significant RPT?	Nature and value for each material RPT are disclosed in the 2016 Annual Report https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf

D.4	Directors and commissioners dealings in shares of the company	Explanation
D.4.1	Does the company disclose trading in the company's shares by insiders?	Statements of Beneficial Ownership are disclosed in the RCBC website under Company Disclosures. https://www.rcbc.com/Others/company_disclosure

D.5	External auditor and Auditor Report	Explanation
D.5.1	Are audit fees disclosed?	The Bank has been audited by Punongbayan and Araullo for the past two years, and for the audit of the Bank's annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amount billed by its independent auditors has been disclosed in the 2016 Annual Report.



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D.5	External auditor and Auditor Report	Explanation
		https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
<i>Where the same audit firm is engaged for both audit and non-audit services</i>		
D.5.2	Are the non-audit fees disclosed?	The non-audit fees are disclosed in the Consolidated changes to the ACGR. https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf
D.5.3	Does the non-audit fee exceed the audit fees?	The non-audit fees do not exceed the audit fees, as disclosed in the Consolidated changes to the ACGR. https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf
D.6	Medium of communications	Explanation
D.6.1	Quarterly reporting	Financial condition and quarterly disclosures of the Bank are available in the PSE Edge Portal. RCBC PSE Edge Portal http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=232
D.6.2	Company website	RCBC website (www.rcbc.com) openly and timely communicates relevant and material information concerning its financial condition and other matters. In addition, it also disseminates relevant regulatory and



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		advisories for information of the general public.
D.6.3	Analyst's briefing	Not applicable
D.6.4	Media briefings /press conferences	Not applicable

D.7	Timely filing/release of annual/financial reports	Explanation
D.7.1	Are the audited annual financial report / statement released within 120 days from the financial year end?	The 2016 Audited Financial Statement has been filed on February 27, 2017 and disclosed in the RCBC website on March 1, 2017 under Company Disclosures – Other Disclosures.
D.7.2	Is the annual report released within 120 days from the financial year end?	The 2016 Annual Report or SEC Form 17-A has been submitted on April 15, 2017 and disclosed in the RCBC website on April 17, 2017 under Company Disclosures – SEC Reports Annual.
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	The 2016 Audited Financial Statement has been approved by the Board of Directors on February 27, 2017.

D.8	Company website	Explanation
<i>Does the company have a website disclosing up-to-date information on the following:</i>		
D.8.1	Business operations	RCBC website enumerates and briefly explains all its line of businesses. https://www.rcbc.com/About/OurBusiness
D.8.2	Financial statements/reports (current and prior years)	Financial statements are disclosed in the RCBC website under Company Disclosures – Other Disclosures.



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		https://www.rcbc.com/Others/annual_reports
D.8.3	Materials provided in briefings to analysts and media	Not applicable
D.8.4	Shareholding structure	The shareholding structure is disclosed in the RCBC website https://www.rcbc.com/About/ShareholdingStructure
D.8.5	Group corporate structure	The group corporate structure is disclosed in the RCBC website https://www.rcbc.com/About/ConglomerateMap
D.8.6	Downloadable annual report	Annual Reports are downloadable in the RCBC website as pdf files. https://www.rcbc.com/Others/annual_reports
D.8.7	Notice of AGM and/or EGM	The notice of the Annual Stockholder's meeting is disclosed in the RCBC website under Company Disclosures – SEC Reports Current. https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm17-C_05122017.pdf
D.8.8	Minutes of AGM and/or EGM	The 2016 Results of Annual Stockholders Meeting is uploaded in the RCBC website. https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2016RCBC_SECForm17-C_07072016.pdf
D.8.9	Company's constitution (company's by-laws, memorandum and articles of association)	The Articles of Incorporation and By-Laws of RCBC are available in its website. https://www.rcbc.com/About/Articles



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D.9	Investor relations	Explanation
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	For inquiries, email is disclosed in the RCBC website. <i>Investor_Relations@rcbc.com</i> https://www.rcbc.com/About/InvestorRelations

E. Responsibilities of the Board

E.1	Board Duties and Responsibilities	Explanation
<i>Clearly defined board responsibilities and corporate governance policy</i>		
E.1.1	Does the company disclose its corporate governance policy / board charter?	The Corporate Governance Manual, as amended, is available in the RCBC website. https://www.rcbc.com/Others/corporate_governance_manual
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	The different matters that require directors/ commissioner's approval are distinguished in the RCBC website. https://www.rcbc.com/Others/corporate_governance_board_executive
E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	The responsibilities, duties and scope are likewise provided in the link mentioned above. Charters are also made accessible to the public. https://www.rcbc.com/Others/corporate_governance_board_executive



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<i>Corporate Vision/Mission</i>		
E.1.4	Does the company have a vision and mission statement?	The Vision and Mission of the Bank is disclosed in the RCBC website. https://www.rcbc.com/About/MissionAndVision
E.1.5	Has the board review the vision and mission/strategy in the last financial year?	There is no formal process specific to review of the vision and mission/strategy. Every month, one business group makes a strategy presentation to the board for discussion. In 2017, part of the budget matters tackled in the Special BOD Meeting in December is the discussion on the strategy undertaken for the previous fiscal year and the strategy moving forward.
E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	The Board, at least once a year, meets to discuss, monitor, and oversee the implementation of the corporate. Special meetings can also be held, as needed.
E.2	Board structure	Explanation
<i>Code of Ethics or Conduct</i>		
E.2.1	Are the details of the code of ethics or conduct disclosed?	The details of the code of conduct and ethics are disclosed in the RCBC website under Corporate Governance – Code of Business Conduct and Ethics. https://www.rcbc.com/Others/corporate_governance_cbce
E.2.2	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?	The Corporate Governance Manual requires all directors, senior management and employees to



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E.2	Board structure	Explanation
		<p>comply with the Bank's Code of Business Conduct and Ethics.</p> <p>https://www.rcbc.com/Others/corporate_governance_manual</p>
E.2.3	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	<p>The monitoring and implementation of the Bank's Code of Business Conduct and Ethics are discussed in the Corporate Governance Manual.</p> <p>https://www.rcbc.com/Others/corporate_governance_manual</p>
<i>Board Structure & Composition</i>		
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	<p>The Board is composed of 15 members, 7 of which are Independent Auditors.</p> <p>https://www.rcbc.com/About/BoardofDirectors</p>
E.2.5	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	<p>The qualifications and functions of an independent director are disclosed in the Corporate Governance Manual.</p> <p>https://www.rcbc.com/Others/corporate_governance_manual</p> <p>Also, the board-level committees, committee compositions, and committee charters are disclosed in the RCBC website under Corporate Governance – Board Committees.</p>



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E.2	Board structure	Explanation
		https://www.rcbc.com/Others/corporate_governance_board_executive Profiles of directors are also disclosed in the Annual Report. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
E.2.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?	The maximum cumulative term limit of independent directors is nine (9) year and is disclosed in the Corporate Governance Manual. https://www.rcbc.com/Others/corporate_governance_manual
E.2.7	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	The limitation on concurrent board seats is five (5) seats and is disclosed in the Corporate Governance Manual. https://www.rcbc.com/Others/corporate_governance_manual
E.2.8	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	The company has one executive director, President and CEO Gil A. Buenaventura, and his profile is disclosed in the 2016 Annual Report. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
<i>Nominating Committee</i>		
E.2.9	Does the company have a Nominating Committee (NC)?	The functions of NC are performed by the Corporate



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E.2	Board structure	Explanation
		Governance Committee. https://www.rcbc.com/Others/corporate_governance_cgC
E.2.10	Does the Nominating Committee comprise of a majority of independent directors/commissioners?	The Corporate Governance Committee is currently composed of 5 non-executive directors, 4 of which are independent. The members of the committee are disclosed in the 2016 Annual Report under Board Committees. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
E.2.11	Is the chairman of the Nominating Committee an independent director/commissioner?	See E.2.10
E.2.12	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	See E.2.9
E.2.13	Did the Nominating Committee meet at least twice during the year?	The schedule of meetings and attendance of the Corporate Governance Committee are disclosed in the 2016 Annual Report under Board Committees. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
E.2.14	Is the attendance of members at Nominating Committee meetings disclosed?	See E.2.13
<i>Remuneration Committee/ Compensation Committee</i>		
E.2.15	Does the company have a Remuneration Committee?	The functions of Remuneration Committee are



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E.2	Board structure	Explanation
		<p>performed by the Corporate Governance Committee.</p> <p>https://www.rcbc.com/Others/corporate_governance_cgC</p>
E.2.16	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	<p>The Corporate Governance Committee is currently composed of 5 non-executive directors, 4 of which are independent. The members of the committee are disclosed in the 2016 Annual Report under Board Committees.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2.17	Is the chairman of the Remuneration Committee an independent director/commissioner?	<p>The Chairperson of the Corporate Governance Committee, Atty. Adelita A. Vergel De Dios, is an independent director. Her profile is disclosed in the 2016 Annual Report under Board Committees.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2.18	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	<p>The functions of Remuneration Committee are performed by the Corporate Governance Committee.</p> <p>https://www.rcbc.com/Others/corporate_governance_cgC</p>
E.2.19	Did the Remuneration Committee meet at least twice during the year?	<p>The schedule of meetings and attendance of the Corporate Governance Committee are disclosed in the 2016 Annual Report under Board Committees.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/</p>



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E.2	Board structure	Explanation
		annual/RCBC2016ar.pdf
E.2.20	Is the attendance of members at Remuneration Committee meetings disclosed?	See E.2.19
<i>Audit Committee</i>		
E.2.21	Does the company have an Audit Committee?	<p>The Bank has an Audit Committee, and its charter is disclosed in the RCBC website under Board Committees.</p> <p>https://www.rcbc.com/Others/corporate_governance_board_executive</p>
E.2.22	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	<p>The Audit Committee is composed of three (3) independent directors, and the details of the members of the committee are disclosed in the 2016 Annual Report under Board Committees.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2.23	Is the chairman of the Audit Committee an independent director/commissioner?	<p>The Chairperson of the Audit Committee, Mr. Melito S. Salazar, Jr., is an independent director. His profile is disclosed in the 2016 Annual Report under Board Committees.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2.24	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	<p>The charter of the Audit Committee is disclosed in the RCBC website under Corporate Governance – Board Committees.</p>



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E.2	Board structure	Explanation
		https://www.rcbc.com/Others/corporate_governance_board_audit
E.2.25	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	<p>The profiles of Directors are disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2.26	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	<p>Mr. Melito S. Salazar, Jr graduated with a degree of BS Business Administration major in Accounting and Master of Business Administrations.</p> <p>Atty. Adelita A. Vergel De Dios graduated with a degree of Bachelor of Business Administration and Accounting.</p> <p>The profiles of Directors are disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2.27	Did the Audit Committee meet at least four times during the year?	<p>The schedule of meetings and attendance of the Audit Committee are disclosed in the 2016 Annual Report under Board Committees.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2.28	Is the attendance of members at Audit Committee meetings disclosed?	See E.2.27



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E.2	Board structure	Explanation
E.2.29	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	<p>One of the responsibilities of the Audit Committee is to oversee the external audit function. The committee shall be responsible for the appointment, fees, and replacement of external auditor, as stated in the Corporate Governance Manual.</p> <p>https://www.rcbc.com/Others/corporate_governance_manual</p>
E.3	Board Processes	Explanation
<i>Board meetings and attendance</i>		
E.3.1	Are the board of directors meeting scheduled before the start of financial year?	<p>The Board schedules and holds regular meetings monthly in accordance with Bank's By-laws, and convenes for special meetings when required by business exigencies. Prior to the regular or special meeting, each director is furnished with a copy of notice, agenda and other relevant meeting materials.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_BYLAWS_2007.pdf</p> <p>The 2018 Annual Board Plan is presented in the November 2017 Corporate Governance Committee meeting, which includes the schedule of all meetings of the Board and the board-level committees for the coming year.</p>
E.3.2	Does the board of directors/commissioners meet at least six times during the	See E.3.1



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E.3	Board Processes	Explanation
	year?	
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	<p>The details of the director's attendance for the year 2016 are available in the Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	<p>Section 6, Article V of the By-Laws states that a majority of the incumbent directors shall constitute a quorum at any meeting and a majority of the members in attendance at any board meeting shall decide its action.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_BYLAWS_2007.pdf</p>
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	<p>The meeting of the non-executive directors was held in May 2017, as disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
<i>Access to information</i>		
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	<p>Board Papers are generally released to the Board 5 business days (1 calendar week) before the meeting.</p>
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	<p>The duties and responsibilities of the Corporate Secretary are disclosed in the Corporate Governance Manual.</p> <p>https://www.rcbc.com/Others/corporate_governance</p>



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E.3	Board Processes	Explanation
		_manual Also, please see the 2016 Annual Report. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices?	The profile of the Corporate Secretary is disclosed in the 2016 Annual Report. https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
	<i>Board Appointments and Re-Election</i>	
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	The qualifications of directors are disclosed in the Corporate Governance Manual. https://www.rcbc.com/Others/corporate_governance_manual
E.3.10	Does the company disclose the process followed in appointing new directors/commissioners?	The nomination and election of directors are disclosed in the By-Laws. https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_BYLAWS_2007.pdf
E.3.11	Are all the directors/commissioners subject to re-election at least once every three years?	Directors shall be elected at the annual meeting of stockholders, each of whom shall hold office for a term of one (1) year or until his successor shall have duly chosen and qualified, as disclosed in the By-Laws. https://www.rcbc.com/Content/Web/img/about/pdf/



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E.3	Board Processes	Explanation
		AMENDED BYLAWS 2007.pdf
<i>Remuneration Matters</i>		
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	<p>The remuneration of the CEO and four other most highly compensated officers is disclosed in the Consolidated Changes to the ACGR.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf</p>
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	<p>The fee structure for non-executive directors is disclosed in the Consolidated Changes to the ACGR.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf</p>
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	<p>The remuneration of the executives of the Bank is based on approved range of values for each rank. The Executive Director does not receive any additional per diem for attendance at meetings.</p>
E.3.15	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	<p>Section 2, Article XI of the By-Laws discusses the profit sharing policy for non-executive directors.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_BYLAWS_2007.pdf</p>
<i>Internal Audit</i>		
E.3.16	Does the company have a separate internal audit function?	<p>The Bank has in place an independent internal audit function shared by the Head Office Audit Group and</p>



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E.3	Board Processes	Explanation
		<p>the Branch Audit Group.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	<p>The profiles of the Bank's Senior Management are disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	<p>The Audit Committee is responsible for the appointment, remuneration, and dismissal of internal auditor.</p> <p>https://www.rcbc.com/Others/corporate_governance_manual</p>
<i>Risk Oversight</i>		
E.3.19	Does the company disclose the internal control procedures/risk management systems it has in place?	<p>The control activities implemented by the Bank are enumerated in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.3.20	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	<p>The risk and capital management infrastructure and oversight of the Board is discussed and disclosed in the 2016 Annual Report under Risk Capital Management Framework.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>



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E.3	Board Processes	Explanation
E.3.21	Does the company disclose how key risks are managed?	<p>The Risk and Capital Management is discussed and disclosed in the 2016 Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.3.22	Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	<p>The adequacy of the company's internal controls and risk management systems is discussed and disclosed in the 2016 Annual Report under Corporate Governance – Internal Control.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.4	People on the Board	Explanation
<i>Board Chairman</i>		
E.4.1	Do different persons assume the roles of chairman and CEO?	<p>The Chairperson of the Board is Mrs. Helen Y. Dee, while the President and CEO is Mr. Gil A. Buenaventura.</p> <p>https://www.rcbc.com/About/BoardofDirectors</p>
E.4.2	Is the chairman an independent director/commissioner?	<p>The Chairperson of the Board is a non-executive director.</p> <p>https://www.rcbc.com/About/BoardofDirectors</p>
E.4.3	Are any of the directors a former CEO of the company in the past 2 years?	<p>The Profiles of Directors are disclosed in the 2016 Annual Report.</p>



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E.4	People on the Board	Explanation
		https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf
E.4.4	Are the role and responsibilities of the chairman disclosed?	<p>The roles and responsibilities of the Chairperson are discussed and disclosed in the RCBC website and Corporate Governance Manual.</p> <p>https://www.rcbc.com/Others/corporate_governance_board_executive</p> <p>https://www.rcbc.com/Others/corporate_governance_manual</p>
<i>Skills and Competencies</i>		
E.4.5	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	<p>The Profiles of the Directors are disclosed in the Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.4.6	Does the company disclose a board of directors/commissioners diversity policy?	<p>It is the policy of the Board to promote diversity in its membership and shall not disqualify a nominee/member on the basis of gender, race, age, religion, or political affiliation, as disclosed in the Corporate Governance Manual.</p> <p>https://www.rcbc.com/Others/corporate_governance_manual</p>
<i>Directors Development</i>		
E.5.1	Does the company have orientation programmes for new	The Board of Directors Training Program, including



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E.4	People on the Board	Explanation
	directors/commissioners?	orientation, is in the Corporate Governance Manual. https://www.rcbc.com/Others/corporate_governance_manual
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	See E.5.1.
<i>CEO/Executive Management Appointments and Performance</i>		
E.5.3	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	No.
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	The Board conducts annual performance evaluation of the CEO, as disclosed in the Corporate Governance Manual. https://www.rcbc.com/Others/corporate_governance_manual
<i>Board Appraisal</i>		
E.5.5	Is an annual performance assessment conducted of the board of directors/commissioners?	The Board conducts annual performance evaluation of the Board of Directors, as disclosed in the Corporate Governance Manual. https://www.rcbc.com/Others/corporate_governance_manual
E.5.6	Does the company disclose the process followed in conducting the board assessment?	The Corporate Governance Committee oversees the conduct of the annual assessment of Board. The



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E.4	People on the Board	Explanation
		Corporate Governance Committee Charter is disclosed in the RCBC website. https://www.rcbc.com/Others/corporate_governance_cgC
E.5.7	Does the company disclose the criteria used in the board assessment?	See E.5.6
<i>Director Appraisal</i>		
E.5.8	Is an annual performance assessment conducted of individual director/commissioner?	The Board conducts an annual performance assessment of the Board, self-assessment of each member, assessment of the Chairperson, and assessment of the President/CEO. The results of the 2016 Annual performance assessment were reported to the Board of directors on September 25, 2017.
E.5.9	Does the company disclose the process followed in conducting the director/commissioner assessment?	See E.5.6
E.5.10	Does the company disclose the criteria used in the director/commissioner assessment?	See E.5.6
<i>Committee Appraisal</i>		
E.5.11	Is an annual performance assessment conducted of the board of directors/commissioners committees?	Each Board Committee is required to report regularly and submit at least once a year a report of its accomplishments and self-assessment of its performance to the Board of Directors. For 2016, the different committees conducted their annual performance assessments on various dates in 2017.



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LEVEL 2

BONUS

A. Rights of shareholders

A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures that govern general shareholders meeting.	Explanation
A.1.1(B)	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	The By-Laws of the Bank provides that the election shall be by ballots and that every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name in the stock and transfer books of the Bank at the time the books were closed and said stockholder may vote such number of shares for as many persons as there are directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, Provided, that the whole number of votes cast by him shall not exceed the number of shares owned by him, as shown in the books of the Bank, multiplied by the whole number of directors to be elected; and Provided, that no stock declared delinquent by the Board of Directors for unpaid subscriptions shall be voted.



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A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures that govern general shareholders meeting.	Explanation
		https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm20-SI_DefinitiveInfoStatement060117.pdf

B. Equitable treatment of shareholders

B.1	Notice of AGM	Explanation
B.1.1(B)	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<p>The notice of the June 27, 2017 Annual Stockholder’s meeting was disclosed in the RCBC website under Company Disclosures – SEC Reports Current on May 12, 2017.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_SECForm17-C_05122017.pdf</p>

C. Roles of Stakeholders

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected	Explanation
C.1.1 (B)	Does the company practice integrated report on its annual reports?	<p>The Annual Reports are disclosed in the RCBC website.</p> <p>https://www.rcbc.com/Others/annual_reports</p>

D. Disclosure and Transparency



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D.1	Quality of Annual Report	Explanation
D.1.1 (B)	Are the audited annual financial report /statement released within 60 days from the financial year end?	<p>The 2016 Audited Financial Statements was filed on February 27, 2017 and disclosed on March 1, 2017.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/disclosure/2017RCBC_PSE_AuditedFinancialStatements_032017.pdf</p>
D.1.2 (B)	Does the company disclose details of remuneration of the CEO?	<p>The remuneration of the President and CEO and other top executives is disclosed in the Consolidated changed to the ACGR.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/acgr/Consolidated_Changes_to_the_ACGR_for_2016.pdf</p>

E. Responsibilities of the Board

E.1	Board Competencies and Diversity	Explanation
E.1.1(B)	Does the company have at least one female independent director/commissioner?	<p>The bank has two (2) female independent directors, Atty. Adelita A. Vergel De Dios and Amb. Lilia R. Bautista. Their profiles are disclosed in the 2016Annual Report.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2	Nominating Committee	Explanation



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E.2	Nominating Committee	Explanation
E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	<p>The Corporate Governance Committee is currently composed of 5 non-executive directors, 4 of which are independent. The members of the committee are disclosed in the 2016 Annual Report under Board Committees.</p> <p>https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2016ar.pdf</p>
E.2.2(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	<p>The functions of the Nominating Committee are performed by the Corporate Governance Committee. The committees' duties and responsibilities are disclosed in the Corporate Governance Manual.</p> <p>https://www.rcbc.com/Others/corporate_governance_manual</p> <p>The Corporate Governance Committee charter is disclosed in the RCBC website.</p> <p>https://www.rcbc.com/Others/corporate_governance_cgc</p>
E.3	Board Appointments and Re-Election	Explanation
E.3.1(B)	Does the company use 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/commissioners?	<p>Section 2 Article V of the Bank's By-Laws states that all nominations for election of directors by the stockholders shall be submitted in writing to the President and the Secretary at the Corporation's principal place of business at least thirty (30) working</p>



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E.3	Board Appointments and Re-Election	Explanation
		days before the regular or special meeting of stockholders for the purpose of electing directors.
E.4	Board Structure & Composition	Explanation
E.4.1(B)	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners?	<p>The Board is composed of 15 members, 7 of the 15 members are independent.</p> <p>https://www.rcbc.com/About/BoardofDirectors</p>
E.5	Board Performance	Explanation
E.5.1(B)	Does the company have a separate level Risk Committee?	<p>The Board-level Committees are disclosed in the RCBC website, and each charter is disclosed in the RCBC website under Board Committees.</p> <p>https://www.rcbc.com/Others/corporate_governance_board_executive</p>

PENALTY

A. Rights of Shareholders

A.1	Basic shareholder rights	Explanation
A.1.1(P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	No.



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A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	Explanation
A.2.1(P)	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	No.
A.3	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures that govern general shareholders meeting.	Explanation
A.3.1(P)	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	No.
A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.	Explanation
	<i>Did the company fail to disclose the existence of:</i>	
A.4.1(P)	Shareholders agreement?	No.
A.4.2(P)	Voting cap?	No.
A.4.3(P)	Multiple voting rights?	No.



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A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.	Explanation
A.5.1(P)	Is a pyramid ownership structure and/ or cross holding structure apparent?	No.

B. Equitable treatment of shareholders

B.1	Insider trading and abusive self-dealing should be prohibited.	Explanation
B.1.1(P)	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	None.

B.2	Protecting minority shareholders from abusive action	Explanation
B.2.1(P)	Has there been any cases of noncompliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?	None.

C. Role of Stakeholders

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Explanation



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C.1.1(P)	Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?	None.
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C.2	Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.	Explanation
C.2.1(P)	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	None.

D. Disclosure and Transparency

D.1	Sanctions from regulator on financial reports	Explanation
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	No.
D.1.2(P)	Did the company receive an "adverse opinion" in its external audit report?	No.
D.1.3(P)	Did the company receive a "disclaimer opinion" in its external audit report?	No.

E. Responsibilities of the Board

E.1	Compliance with listing rules, regulations and applicable laws	Explanation
E.1.1(P)	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	None.



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E.1	Compliance with listing rules, regulations and applicable laws	Explanation
E.1.2(P)	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	None.
E.2	Board Appraisal	Explanation
E.2.1(P)	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms (whichever is higher) in the same capacity?	Yes, the company has an independent director who has served a total of more than nine (9) years.
E.2.2(P)	Did the company fail to identify who are the independent director(s) / commissioner(s)?	No.
E.2.3(P)	Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?	None.
E.3	External Audit	Explanation
E.3.1(P)	Are any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	No.
E.4	Board structure and composition	Explanation
E.4.1 (P)	Has the chairman been the company CEO in the last three years?	No.



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E.4	Board structure and composition	Explanation