



**Office of the Corporate Secretary**

Direct Line: 536-0540  
Trunk Lines: 891-6040 to 70  
Local: 4106/4782

December 29, 2016

**PHILIPPINE DEALING & EXCHANGE CORPORATION**

37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Avenue corner Paseo de Roxas  
Makati City

Attention: **Ms. Vina Vanessa S. Salonga**  
Head - Issuer Compliance and Disclosure Department

Dear Ms. Salonga:

We are pleased to furnish the Philippine Dealing and Exchange Corporation (PDEX) a copy of our disclosure to the Philippine Stock Exchange regarding the approval of the Securities and Exchange Commission on the amendment to the Amended By-Laws of the Bank.

We trust you will take note accordingly. Thank you.

Very truly yours,

  
**RUTH PAMELA E. TANGHAL**  
Assistant Corporate Secretary

Philippine National Bank  
PNB Financial Center  
Pres. Diosdado Macapagal Blvd.,  
Pasay City, Metro Manila 1300, Philippines

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C07245-2016

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Dec 29, 2016
2. SEC Identification Number  
AS096-005555
3. BIR Tax Identification No.  
000-188-209-000
4. Exact name of issuer as specified in its charter  
Philippine National Bank
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay City, Metro Manila  
Postal Code  
1300
8. Issuer's telephone number, including area code  
(632) 526-3131 to 70/(632) 891-6040 to 70
9. Former name or former address, if changed since last report  
Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
 

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	1,249,139,678
11. Indicate the item numbers reported herein  
Item 9

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to*

the Corporate Information Officer of the disclosing party.



**PSE Disclosure Form 4-4 - Amendments to By-Laws**  
**References: SRC Rule 17 (SEC Form 17-C) and**  
**Section 4.4 of the Revised Disclosure Rules**

**Subject of the Disclosure**

Amendment of the Amended By-Laws of the Philippine National Bank (PNB)

**Background/Description of the Disclosure**

We wish to inform the Exchange that at the Annual Stockholders' Meeting of PNB held today, May 31, 2016, the stockholders approved the amendment of Article IV, Section 4.2 of the Amended By-Laws of the Bank, to change the date of the Annual Stockholders' Meeting from the last Tuesday of May to the last Tuesday of April of each year, subject to the approval of the Bangko Sentral ng Pilipinas and Securities and Exchange Commission.

We trust you will take note accordingly. Thank you.

<b>Date of Approval by Board of Directors</b>	Mar 2, 2016
<b>Date of Approval by Stockholders</b>	May 31, 2016
<b>Other Relevant Regulatory Agency, if applicable</b>	Bangko Sentral ng Pilipinas
<b>Date of Approval by Relevant Regulatory Agency, if applicable</b>	Nov 25, 2016
<b>Date of Approval by Securities and Exchange Commission</b>	Dec 28, 2016
<b>Date of Receipt of SEC approval</b>	Dec 28, 2016

**Amendment(s)**

<b>Article and Section Nos.</b>	<b>From</b>	<b>To</b>
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Article IV, Section 4.2	The annual meeting of the stockholders shall be held at the principal office of the Bank or any other place within Metro Manila as may be determined by the majority of the Board of Directors, on the last Tuesday of May of each year unless such day is a legal holiday, in which case, the business day next following shall be the meeting day for the particular year.	The annual meeting of the stockholders shall be held at the principal office of the Bank or any other place within Metro Manila as may be determined by the majority of the Board of Directors, on the last Tuesday of April of each year unless such day is a legal holiday, in which case, the business day next following shall be the meeting day for the particular year.
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**Rationale for the amendment(s)**

The purpose of changing the date of the meeting is to align the holding of the Annual Stockholders' Meeting of the Bank with the other companies within the LT Group, Inc. conglomerate.

**The timetable for the effectivity of the amendment(s)**

<b>Expected date of filing the amendments to the By-Laws with the SEC</b>	Dec 21, 2016
<b>Expected date of SEC approval of the Amended By-Laws</b>	Dec 28, 2016

**Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any**

None.

**Other Relevant Information**

The amendment was made to reflect the approval of the Securities and Exchange Commission of the amendment to the Amended By-Laws.

**Filed on behalf by:**

<b>Name</b>	Ruth Pamela Tanghal
<b>Designation</b>	Assistant Corporate Secretary



REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION  
Ground Floor, Secretariat Building, PICC  
City Of Pasay, Metro Manila

COMPANY REG. NO. AS96005555

**CERTIFICATE OF FILING  
OF  
AMENDED BY-LAWS**

**KNOW ALL PERSONS BY THESE PRESENTS:**

**THIS IS TO CERTIFY that the Amended By-Laws of**

**PHILIPPINE NATIONAL BANK**

copy annexed, adopted on March 02, 2016 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, Section 14 of R.A. 8791, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 28<sup>th</sup> day of December, Twenty Sixteen.

  
FERDINAND B. SALES  
Director

Company Registration and Monitoring Department





**AMENDED BY-LAWS  
OF THE PHILIPPINE NATIONAL BANK**

**ARTICLE I – OFFICES**

Section 1.1 Domicile and Place of Business. The principal office and place of business of the Philippine National Bank (hereinafter called the “Bank”) shall be at PNB Financial Center, President Diosdado Macapagal Boulevard, Pasay City, Metro Manila. *(As amended by a majority vote of the Board of Directors in the meeting held on February 28, 2014 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholder’s Meeting on May 27, 2014.)*

Section 1.2 Branches, Agencies and Other Offices. The Bank may open and maintain branches, agencies and other offices at such places in the Philippines or abroad as its Board of Directors may deem advisable, with the prior approval of the Monetary Board of the Bangko Sentral ng Pilipinas.

**ARTICLE II – CORPORATE SEAL**

The corporate seal of the Bank shall have such design and such features as the Board of Directors may decide.

**ARTICLE III – STOCK AND STOCK CERTIFICATES**

Section 3.1 Shares of Stock. The authorized capital stock of the Bank shall consist of Common Shares.

Section 3.2 Certificate of Stock. A Certificate of Stock shall be issued to each holder of fully paid subscription in numerical order from the stock certificate book; shall be signed by the President of the Bank or shall bear a facsimile of his signature, and countersigned by the Secretary or bear a facsimile of his signature and sealed by him with the corporate seal; shall state on its face its number, the date of issue, the number of shares for which it was issued, the name of the person in whose favor it was issued, the designation of the class in which it was issued and the fact that the stock is fully paid; and shall contain at the back thereof a form of assignment of the certificate of stock and the features of the restrictions on the share.

A record of each certificate issued shall be kept in the stub thereof and upon the stock ledger of the Bank.

The certificate of stock shall be in such form and design as may be determined by the Board of Directors.

Section 3.3 Transfer of Stock. Transfer of shares shall be made by the endorsement of the certificate of stock and delivery thereof, but shall not be effective and binding insofar as the Bank is concerned until duly registered upon the books of the Bank, and before a new certificate is issued, the old certificate must be surrendered to the Secretary or to the stock transfer agent, as the case may be, for cancellation. All certificates so surrendered shall be marked with the word "CANCELLED", indicating the date of cancellation, and shall forthwith be attached to the corresponding stub of the stock certificate book.

The transfer of the shares shall be recorded in the stock and transfer book which shall be kept at the main office of the Bank and shall be open to inspection by any stockholder anytime during office hours.

Section 3.4 Closing of Stock and Transfer Book or Fixing of Record Date. The stock and transfer book of the Bank shall be closed for transfers during the seven (7) working days next preceding any meeting of the stockholders and during seven (7) working days next preceding the date upon which dividends are declared payable and during such additional time as the Board of Directors may from time to time determine.

In lieu of closing the stock and transfer book, the Board of Directors may fix a date, not exceeding thirty (30) days preceding the date of any meeting of stockholders or any dividend payment date, as a record date for the determination of stockholders entitled to notice of, and to vote at any such meeting or entitled to receive payment of any dividend, and in such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to a notice of, and to vote at any such meeting or to receive payment of such dividend notwithstanding any transfer of any stock on the books of the Bank after such record date.

In all cases, the fixing of the record date shall be in accordance with the rules of the Securities and Exchange Commission and the Philippine Stock Exchange.

Section 3.5 Lost and Destroyed Certificates. Lost or destroyed certificates shall be replaced whenever any person claiming a certificate of stock to be lost or destroyed shall make an affidavit in triplicate as to the ownership of the stock alleged to have been lost or destroyed and the facts which support its loss or destruction, and only after complying with the requirements of the Corporation Code of the Philippines.

The new certificate of stock shall be plainly marked as a duplicate certificate and shall otherwise be of the same tenor as the one alleged to have been lost or destroyed.



## **ARTICLE IV – STOCKHOLDERS**

Section 4.1 Who are stockholders: List of Stockholders. The stockholders of the Bank shall be the owners of the shares of stock of the Bank as they appear in its books. Annually and as often as may be necessary, the Secretary shall prepare or cause to be prepared alphabetical lists of stockholders entitled to vote at any annual or special meeting, as well as stockholders not entitled to vote. The list of stockholders entitled to vote shall also set forth the number of shares held by each stockholder. Such list shall be produced and kept open at the time and place of any such meeting and shall be subject to inspection by any stockholder for the duration of the meeting.

Section 4.2 Annual Meetings. The annual meeting of the stockholders shall be held at the principal office of the Bank or any other place within Metro Manila as may be determined by the majority of the Board of Directors, on the last Tuesday of **April** of each year unless such day is a legal holiday, in which case, the business day next following shall be the meeting day for the particular year. *(As amended by a majority vote of the Board of Directors at the meetings held on April 27, 1999 and February 28, 2014 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholder's Meeting held on May 18, 1999 and two-thirds (2/3) of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held May 27, 2014. As further amended by a majority vote of the Board of Directors at the meeting held on March 2, 2016 and by the affirmative vote of the stockholders representing at least a majority of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 31 2016.)*

Section 4.3 Special Meetings. Special meetings of the stockholders may be called by the Chairman of the Board of Directors, by the President, by the majority of the Board of Directors, or on the demand in writing of the stockholders owning a majority of the voting stock of the Bank.

The call for special meeting shall be made at least fifteen (15) days in advance and shall specify the time, place and purpose of the meeting and no business other than that specified in the call shall be transacted at such special meeting.

Section 4.4 Notice of Meeting. Written or printed notice of each regular or special meeting of stockholders shall be prepared and mailed, or caused to be prepared and mailed by the Secretary to the last known post office address of each stockholder not less than ten (10) days prior to the date set for such meeting, and in addition shall be published or caused to be published by the Secretary for one week daily in at least one newspaper of general circulation in the Philippines. The notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, such notice shall state the purpose of the same. Waiver of such notice may only be made in writing. No notice shall be necessary for any adjourned meeting.

Section 4.5 Validity of Proceedings in the Meeting. No failure or irregularity of notice of any regular or special meeting at which all the stockholders entitled to vote are present or represented shall invalidate the proceedings had and the business transacted at such meeting.

Section 4.6 Quorum. Unless otherwise provided by law, a quorum at any stockholders' meeting shall consist of the stockholders representing a majority of the voting stock of the Bank present either in person or by proxy.

Section 4.7 Right to Vote; Proxies. Stockholders entitled to vote at a stockholders' meeting may vote either in person or by proxy the number of shares registered in their respective names in the Stock and Transfer Book of the Bank. Proxies shall be in writing, signed by the stockholder and duly presented to the Secretary for inspection and recorded not later than 5:00 o'clock in the afternoon five (5) calendar days prior to the date of said meeting. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.

Section 4.8 Presiding Officer; Order of Business. The Chairman or, in his absence, the Vice Chairman, and the Secretary of the Board shall be the Chairman and Secretary, respectively, in all meetings of the stockholders.

The Agenda in all stockholders' meetings setting forth the order of business shall be prepared by the Secretary and approved by the Chairman of the Board.

The agenda of the annual stockholders' meeting shall include, among others, the following:

- (1) Call to Order
- (2) Secretary's Proof of Notice of Meeting and Quorum
- (3) Approval of Minutes of Previous Stockholders' Meeting
- (4) Report of the President
- (5) Approval of Annual Report
- (6) Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers since the last Annual Stockholders' Meeting
- (7) Election of Directors
- (8) Appointment of External Auditor
- (9) Other Matters

(10) Adjournment

Section 4.9 Voting of Shares in General. At each meeting of the stockholders, every stockholder entitled to vote on the particular question involved shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Bank at the time of the closing of the transfer books for such meeting or on the record date fixed by the Board of Directors pursuant to Section 3.4 of these By-Laws.

Section 4.10 Minutes. Minutes of all meetings of the stockholders shall be kept and carefully preserved by the Secretary as a record of the business transacted at such meetings. The minutes shall contain such entries as may be required by law.

## **ARTICLE V – BOARD OF DIRECTORS**

Section 5.1 Composition. The direction and control of the business, affairs, and management of the Bank, and the preservation of its assets and properties, shall be vested in a Board of Directors consisting of fifteen (15) members duly elected as herein provided. *(As amended by a majority vote of the Board of Directors in the meeting held on February 20, 2009 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 26, 2009.)*

Section 5.2 Qualifications. No person shall be elected as director of the Bank unless he is a registered owner in the books of the Bank of at least one (1) share of the capital stock of the Bank with voting rights, and unless he possesses all of the qualifications and none of the disqualifications for directors under existing laws and *Bangko Sentral ng Pilipinas* regulations.

Section 5.3 Election and Term of Office. The directors shall be elected by the stockholders entitled to vote during the annual meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified. After their election, the members of the Board shall meet to elect, from among themselves, the Chairman of the Board and to appoint the officers of the Bank as provided in these By-Laws. *(As amended by the majority vote of the Board of Directors in the meeting held on March 24, 2006 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 30, 2006.)*

Section 5.4 Independent Directors. As defined in Section 38 of the Securities Regulation Code, the General Banking Law of 2000 and the Manual of Regulations for Banks of the *Bangko Sentral ng Pilipinas*, an independent director means a person who, apart from his fees and shareholdings, is independent of management and 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 in the Bank. *(As amended by a majority*

*vote of the Board of Directors in the meeting held on April 20, 2012 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 29, 2012.)*

There shall be at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board but in no case less than two (2).

*(As amended by a majority vote of the Board of Directors in the meeting held on August 28, 2009 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 25, 2010.)*

Section 5.5. Nomination and Election of Independent Directors. The following rules shall be applied in the nomination of independent director/s:

(a) The Corporate Governance Committee (acting as a Nomination Committee) shall have at least three (3) members, two (2) of whom shall be independent directors. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the company's Information or Proxy Statement or such other reports required to be submitted to the Commission. *(As amended by a majority vote of the Board of Directors in the meeting held on February 18, 2011 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 31, 2011.)*

The Corporate Governance Committee shall also perform other duties as provided under *Bangko Sentral ng Pilipinas* rules and regulations. *(As amended by a majority vote of the Board of Directors in the meeting held on April 20, 2012 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 29, 2012.)*

(b) Nomination of independent directors shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholder/s together with the acceptance and conformity by the would-be nominees.

(c) The Committee shall pre-screen the qualifications and prepare the list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors.

(d) After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to

submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report, including any relationship with the nominees.

(e) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

(f) Election of Independent Director/s.

- i. Except as those required under SRC Rules and subject to pertinent existing laws, rules and regulations of the Commission, the conduct of the election of independent directors shall be made in accordance with the standard election procedures of the Bank or its Amended By-Laws;
- ii. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.
- iii. Specific slot/s for independent directors shall not be filled up by unqualified nominees.
- iv. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

*(As amended by a majority vote of the Board of Directors in the meeting held on August 28, 2009 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 25, 2010.)*

Section 5.6 Powers and Duties of the Chairman. The Chairman of the Board shall have the following powers and duties:

- (a) To call meetings of stockholders;
- (b) To convene the Board of Directors whenever he may deem it necessary, either on his own initiative, or upon the request of the President, or two (2) members of the Board;
- (c) To preside over all the meetings of the stockholders and the Board of Directors; and
- (d) To perform such other functions as are assigned to him by law or by the Board of Directors.

*(As amended by a majority vote of the Board of Directors in the meeting held on March 24, 2006 and by the affirmative vote of stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 30, 2006.)*

Section 5.7 Vacancies. Any vacancy in the Board of Directors caused by death, resignation or any other reason, except by removal and expiration of term may be filled for the unexpired term by a majority vote of the remaining directors, if still constituting a quorum, provided, that any vacancy occurring by reason of removal by stockholders, by expiration of term or increase in the number of directors shall be filled by the stockholders in a regular or special meeting called for the purpose. Should the number of directors be reduced to less than a quorum, vacancies in the Board shall be filled by the stockholders owning and/or representing a majority of the subscribed capital stock at a special meeting duly called for that purpose.

Whether any such vacancies shall be filled or not, shall be left to the discretion of the Board of Directors, except when the remaining members of the Board do not constitute a quorum, in which case enough vacancies shall be filled to constitute such quorum.

Section 5.8 Compensation. Directors, as such, shall receive such compensation for their services as may from time to time be fixed by the stockholders subject to the limitations set forth in Section 30 of the Corporation Code. Each director shall also be entitled to a reasonable per diem, as may be determined by the Board.

Section 5.9 Regular Meetings. The Board of Directors shall be organized as such immediately after the election of the members thereof in a meeting for which no notice shall be required. Thereafter, the Board of Directors shall hold regular meetings at such particular date, hour or place within the Philippines as the Board may from time to time fix.

Section 5.10 Special Meetings. Special meetings of the Board of Directors may be held at any time and place within the Philippines upon the call of the Chairman, or on the request of the President, or upon the request of two (2) or more directors.

Section 5.11 Notice of Meetings. The Secretary shall notify in writing or by telephone each member of the Board of all special meetings, at least three (3) hours before any such meeting. Notice need not be given of regular meetings of the Board of Directors held at times fixed by resolution of the Board. No failure or irregularity to give notice at any regular meeting shall invalidate the same or any proceeding thereat. In case of special meeting, the object thereof need not be stated in the notice.

Section 5.12 Quorum. The Directors shall act only as a Board, and the individual directors shall have no power to act as such. A majority of the directors

shall be necessary at all meetings to constitute a quorum for the transaction of any business and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act unless otherwise provided by law. A minority of the Board present at any regular or special meeting shall, in the absence of a quorum, adjourn to a later date, and shall not transact any business until a quorum has been secured.

Section 5.13 Minutes. Minutes of the meeting of the Board of Directors shall be kept and carefully preserved as a record of the business transacted at such meetings. The minutes shall contain such entries as may be required by law.

Section 5.14 Powers. The Board of Directors shall direct the affairs and business of the Bank and manage and preserve its properties. It shall exercise those powers granted to it under the Articles of Incorporation of the Bank, the Corporation Code and other general and special laws of the Philippines. The Board of Directors may establish a reasonable private benefit plan which shall provide pension/retirement benefits, health/life insurance benefits, a stock option plan and such other benefits as may be reasonably determined by the Board of Directors.

Section 5.15 Executive Committee. (a) There shall be an Executive Committee to be chaired by any member of the Board of Directors and to be composed of the President of the Bank and at least four (4) other directors to be appointed by the Board of Directors from time to time. In the interim between meetings of the Board of Directors, the Executive Committee shall perform such duties as the Board may confer upon it in accordance with law and these By-Laws. *(As amended by a majority vote of the Board of Directors in the meeting held on December 15, 1999 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 30, 2000).*

(b) Subject to Section 35 of the Corporation Code, the Board of Directors shall have the power, at any time, to change, to increase or decrease the membership of the Executive Committee or to fill vacancies therein, and to determine from time to time, by resolution, the number of members to constitute a quorum.

(c) The Executive Committee shall meet regularly at such intervals and at such time and place as it may determine, and in addition to such regular meetings, it shall meet upon the call of the Chairman of the Committee or of any two (2) members of the Committee.

(d) All acts and resolutions of the Executive Committee shall be recorded in a minute book and shall be submitted in writing to the Board of Directors at the Board's meeting following the adoption by the Committee of such resolutions.

(e) For each attendance at any meeting of the Executive Committee, a member shall be entitled to such per diem as the Board may fix from time to time.

Section 5.16 Trust Committee. (a) The Trust Committee shall be composed of five (5) members: (i) three (3) directors who are appointed by the Board of Directors on a regular rotation basis and who are not operating officers of the Bank; (ii) the President; and (iii) the head of the Trust Banking Group;

(b) No member of the Audit Committee, if the Bank has any, shall be concurrently designated as member of the Trust Committee;

(c) The Board of Directors shall duly note in the minutes the Trust Committee members and designate the Chairman thereof who shall be one of the three (3) directors referred to in paragraph (a) above;

(d) The Trust Committee shall act within the sphere of authority as may be provided herein and/or as may be delegated by the Board of Directors, such as but not limited to the following:

(1) The formulation of specific policies with regard to:

(i) Correlation of the Trust Banking Group with other departments of the Bank;

(ii) Personnel;

(iii) Cost and charges;

(iv) Kinds of business to be accepted;

(v) Trust business development;

(vi) Work with other banks and/or financial institutions;

(2) The acceptance and closing of trust and other fiduciary accounts;

(3) The initial review of assets placed under the custody of the Trust Banking Group as trustee or fiduciary;

(4) The investment, reinvestment and disposition of funds or property;

(5) The review and approval of transactions between trust and/or fiduciary accounts; and

(6) The review of trust and other fiduciary accounts at least once every twelve (12) months to determine the advisability of retaining or disposing of the trust or fiduciary assets, and/or whether the accounts is being managed in accordance with the instrument creating the trust or other fiduciary relationship.

Section 5.17 Other Committees. The Board of Directors may, by resolution of the majority thereof, also create such other committees as may be required by law



and the rules and regulations of the *Bangko Sentral ng Pilipinas* or as may be necessary with such powers as the Board may determine. Each committee shall have a written charter that describes its composition and function and the duties and responsibilities of its members. The charter shall be approved by the Board of Directors and reviewed and updated on a regular basis. *(As amended by a majority vote of the Board of Directors in the meeting held on April 20, 2012 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 29, 2012).* The Board of Directors shall elect the members of the other committees and shall have the power at any time to change the members of, to fill vacancies in, or dissolve any such committees. Such committees shall meet at stated times, or on the request of any of their members upon notice to each member, and shall keep regular minutes of their proceedings and render quarterly report on the same to the Board. For each attendance in any Board-created committee meeting of a member of the Board of Directors, the member shall be entitled to such per diem as the Board of Directors may fix from time to time. *(As amended by a majority vote of the Board of Directors in the meeting held on March 24, 2006 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 30, 2006.)*

## **ARTICLE VI – OFFICERS**

Section 6.1 Designation. The Board of Directors shall elect the President of the Bank who shall be a member of the Board, and appoint a Secretary and a Treasurer who need not be members of the Board. *(As amended by a majority vote of the Board of Directors in the meeting held on April 20, 2012 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 29, 2012.)* The Board may also, upon the recommendation of the President, from time to time, appoint such number of Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, a Chief Legal Counsel, an Internal Auditor and such other officers as may be necessary for the efficient operation of the Bank. The Board of Directors may create such other additional positions as it may consider proper and necessary to efficiently carry out the programs and objectives of the Bank. *(As amended by a majority vote of the Board of Directors in the meeting held on March 24, 2006 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 30, 2006.)*

All officers of the Bank appointed by the Board of Directors shall hold office at the pleasure of the Board. Except for the President, all other officers of the Bank need not be directors thereof.

Section 6.2 Compensation. The salary or compensation of officers elected or appointed by the Board of Directors shall be fixed by the Board.

Section 6.3 The President. The Chief Executive Officer of the Bank shall be the President who shall be elected by the Board of Directors from among its members.

The President of the Bank shall, among other powers and duties inherent in his office, execute and administer the policies, measures, orders and resolutions approved by the Board of Directors, and direct and supervise the operations and administration of the Bank. Particularly, he shall have the power and duty:

- (a) To execute all contracts and to enter into all authorized transactions in behalf of the Bank;
- (b) To exercise, as Chief Executive Officer, the power of supervision and control over decisions or actions of subordinate officers and all other powers that may be granted by the Board;
- (c) To recommend to the Board the appointment, promotion or removal of all officers of the Bank with the rank of at least Vice President or its equivalent;
- (d) To appoint, promote or remove employees and officers of the Bank, except those who by the provisions of these By-Laws are to be appointed or removed by the Board of Directors;
- (e) To transfer, assign and reassign officers and personnel of the Bank in the interest of the service;
- (f) To report periodically to the Board of Directors on the operations of the Bank;
- (g) To submit annually a report on the result of the operations of the Bank to the stockholders of the Bank; and
- (h) To delegate any of his powers, duties and functions to any official of the Bank, with the approval of the Board of Directors.

Section 6.4 Senior Executive Vice President/s, Executive Vice Presidents, Senior Vice Presidents, and Vice Presidents. (a) The Senior Executive Vice President/s shall assist the President in the general supervision of the operations and affairs of the Bank. With the approval of the majority of the Board of Directors, a Senior Executive Vice President shall act as officer-in-charge of the Bank, in case of the temporary absence or incapacity of the President. He shall likewise perform such other duties as may be assigned to him by the President or the Board of Directors.

(b) The Executive Vice Presidents shall assist the Senior Executive Vice President. They shall also perform such other duties as may be assigned to them by the Senior Executive Vice President or the President or the Board of Directors.

(c) The Senior Vice Presidents shall exercise general supervision over the Vice Presidents and their respective departments or offices and shall perform such other duties as may be assigned to them by the President or the Board of Directors.

(d) The Vice Presidents shall, in line with the policies set by the Board and subject to the over-all direction by the President, manage and administer the various departments and offices of the Bank to which they are respectively appointed and shall perform such other duties and functions as may be assigned to them by the President or by the Board of Directors.

Section 6.5 The Secretary. The Secretary, who must be a citizen and resident of the Philippines but need not be a stockholder of the Bank, shall be appointed by and shall hold office at the pleasure of the Board of Directors. The Secretary shall perform the following duties:

- (a) Keep a book of minutes of stockholders' meetings;
- (b) Keep a book of minutes of the Board of Directors' meetings and all Board-created committee meetings;
- (c) Give or cause to be given, all notices required by law or by the By-Laws of the Bank, as well as notices of all meetings of the Board of Directors and of the stockholders;
- (d) Keep a stock and transfer book and the corporate seal of the Bank which he shall stamp on all documents requiring such seal;
- (e) Countersign all the certificates of stock issued and keep a register of all the outstanding certificates in the manner required by law;
- (f) Prepare a complete alphabetical list of stockholders entitled to vote at any annual or special meeting as well as stockholders not entitled to vote;
- (g) Verify the corrections and validity of proxies and voting trust agreements and keep and preserve up-to-date specimen signature cards of all stockholders of record;
- (h) Permit any stockholder, during office hours, to inspect the stock and transfer books of the Bank; and
- (i) Perform such other duties as are necessary and/or incident to his office and as may from time to time be prescribed by the Board of Directors.

Section 6.6 The Treasurer. The Treasurer, who may or may not be a director, shall be appointed by the Board of Directors, and shall have the following powers and duties:

- (a) To have the custody of, and be responsible for, all the funds and securities of the Bank;
- (b) To keep a complete and correct record of the books of the Bank, of its transactions, its accounts, obligations and financial conditions;
- (c) To disburse such funds as may be necessary for the transactions of the Bank on orders of the President, such disbursements to be supported by properly accomplished receipts or vouchers;
- (d) To receive and give receipts for all monies paid to the Bank from any source whatsoever;
- (e) To deposit in the name of and to the credit of the Bank in such banks and/or depositories as may be designated from time to time by the Board of Directors, all of the monies, funds, securities, bonds and similar valuable properties of the Bank which may come under his control;
- (f) To render such financial statements and reports as the Board of Directors or the President may from time to time require, and as may be required by law; and
- (g) To perform all such other duties and functions as may be assigned to him by the Board or delegated to him by the President.

Section 6.7 The Chief Legal Counsel. The Bank shall have its own Legal Department, headed by a Chief Legal Counsel who shall be appointed by the Board of Directors upon recommendation of the President of the Bank. The Legal Department shall primarily handle, control and supervise all cases and legal matters involving the Bank; prepare, examine and verify the propriety and legal sufficiency of documents in the Bank; render opinion and advice on questions of law; and investigate and prosecute violations of the Bank policies and fraudulent acts committed by the Bank personnel.

To augment the staff of the Legal Department, the Bank may retain the services of private legal practitioners on a retainer or contractual basis for a specific undertaking, and under such terms and conditions as may be prescribed by the Board of Directors, upon the recommendation of the Chief Legal Counsel.

The Chief Legal Counsel shall submit periodic reports to the Board of Directors on the status of cases and matters handled by the Legal Department.

Section 6.8 Internal Auditor. (a) The Bank shall have an Internal Audit Department which shall be headed by an Internal Auditor. In the performance of his duties and functions, the Internal Auditor shall be responsible to the Board of Directors on all matters directly pertaining to audit responsibility. In administrative matters, he shall be responsible to the President.

(b) The Internal Auditor shall foster and promote a sound and effective system of internal control that will enhance efficient Bank operations, reliable/adequate financial reporting, and compliance with Bank policies and pertinent laws and regulations prescribed by the *Bangko Sentral ng Pilipinas* or such other appropriate government agency or office.

(c) The Internal Auditor shall have such powers and duties as may be provided in these By-Laws, or as may be assigned to him by the Board of Directors, such as but not limited to the following:

- (i) To conduct a continuous detailed examination, verification, analysis and audit of Bank transactions and records; and
- (ii) To recommend to the Board measures to strengthen and improve the Bank's internal control system and to enhance the over-all effectiveness of the Bank's risk management functions.

Section 6.9 Vacancies and Delegation of Offices. Any vacancy in the office of the Chairman or the President, created by death, resignation, or otherwise, may be filled for the unexpired term in the manner prescribed in Section 5.7 of these By-Laws.

In case of permanent incapacity or absence of both the Chairman and the President, the Board of Directors shall designate a temporary Chairman and an Acting President from among its members.

In case of temporary absence or disability of any officer of the Bank or of any reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of such officer to any other officer for the time being.

*(As amended by a majority vote of the Board of Directors in the meeting held on March 24, 2006 and by the affirmative vote of the stockholders representing at least a majority vote of the outstanding capital stock of the Bank at the Annual Stockholders' Meeting held on May 30, 2006.)*

## **ARTICLE VII – TRUST BANKING GROUP**

Section 7.1 The Trust Banking Group. (a) To carry out its trust and fiduciary business, the Bank shall have a Trust Banking Group which shall be organizationally, operationally, administratively and functionally separate and distinct from other departments and/or business of the Bank.

(b) The Trust Banking Group shall be headed by a Trust Officer who shall be designated by the Board of Directors upon the recommendation of the President and who, along with the other subordinate officers and employees of the Trust Banking Group, shall be directly responsible only to the Trust Committee which shall in turn be directly responsible only to the Board of Directors.

(c) The Trust Officer shall act and represent the Bank in all trust and other fiduciary matters within the sphere of authority as may be provided herein or as may be delegated by the Board of Directors. His responsibilities shall include, but need not be limited to the following:

- (i) The administration of trust and other fiduciary accounts;
- (ii) The implementation of policies and instructions of the Board of Directors and Trust Committee;
- (iii) The submission of reports on matters which require the attention of the Trust Committee and the Board of Directors;
- (iv) The maintenance of adequate books, records and files for each trust or other fiduciary account;
- (v) The maintenance of necessary controls and measures to protect assets under custody and held in trust or other fiduciary capacity; and
- (vi) The efficient operation of the several departments, divisions, sections and units in the Trust Banking Group.

(d) The Board of Directors shall ensure the proper administration and management of the trust and other fiduciary business of the Bank. For this purpose, the Board shall delegate such responsibility and authority to the Trust Committee, subject to such guidelines as may be approved by the Board.

Section 7.2 Duties and Responsibilities of Subordinate Officers and their Line and Staff Functional Relationship within the Organization. The subordinate officers of the Trust Banking Group who shall be designated by the Board of Directors and who shall be responsible to the Trust Committee, shall have the following duties and responsibilities:

(a) Trust Marketing/Management Officer – He shall be responsible for marketing the Trust Banking Group's products and services and for the solicitation, negotiation and deal closing of various trust and fiduciary accounts. He shall also be charged with the proper management of the accounts under the Trust Banking Group, including trading in money and capital markets and instruments and executing the purchase and sale of securities of the Trust Banking Group. He shall have direct supervision of all the account officers in his group.

(b) Investments Officer – He shall be responsible for developing and reviewing appropriate general investment policies, conducting research, analysis and studies on securities, investment trends, and investment holdings of trust and fiduciary accounts, recommending the securities where investments may be made, and development of new trust products or services. He shall perform such other duties as may be assigned to him in accordance with these By-Laws.

(c) Trust Operations Officer – He shall be charged with the over-all supervision of the unit/s tasked to ensure proper account servicing, record keeping, custodianship, accounting and reporting requirements. He shall be assisted by the appropriate staffs handling each of the major types of trust operations. He shall perform such other duties and responsibilities as may be assigned to him in accordance with these By-Laws.

In the absence of the Trust Officer, any one of the above officers shall be appointed by the Board of Directors as the head and officer-in-charge of the Trust Banking Group, who shall perform the duties and responsibilities and exercise the powers and authority of the Trust Officer, and act as an alternate member of the Trust Committee.

Section 7.3 Qualification of Trust Officer. A person appointed as Trust Officer of the Trust Banking Group shall possess the standard qualifications prescribed by the *Bangko Sentral ng Pilipinas* or such other appropriate government agency or office.

#### **ARTICLE VIII – PROFIT SHARING PROGRAM**

Management, with approval of the Bank's Board of Directors, shall adopt a profit sharing program for the directors, officers, and employees of the Bank under such terms and conditions as the Board may prescribe, subject to the rules and regulations as may be prescribed by the Monetary Board of the *Bangko Sentral ng Pilipinas*.

The basis for profit sharing shall be net profits after provision for income tax and amounts that may be required for reserves.

#### **ARTICLE IX – DISTRIBUTION OF DIVIDENDS**

Dividends shall be declared and paid out of the surplus profits of the Bank as often and at such times as the Board may determine and in accordance with the provisions of law and the regulations of the *Bangko Sentral ng Pilipinas*.

#### **ARTICLE X – FISCAL YEAR**

The Fiscal year of the Bank shall commence on the first day of January of each calendar year and shall end on the last day of December of the same year.

#### **ARTICLE XI – AMENDMENTS**

These By-Laws, or any provision thereof, may be amended or repealed, in whole (by the adoption of new By-Laws) or in part, by a majority vote of the Board of Directors and by at least a majority vote of the outstanding capital stock of the Bank at a regular or special meeting duly called for the purpose.

These By-Laws may likewise be amended or repealed, in whole or in part, by a majority vote of all the members of the Board of Directors, in accordance with law, at a regular or special meeting duly called for the purpose, provided that such power had been delegated to the Board by the affirmative vote of the owners of two-thirds (2/3) of the outstanding capital stock of the Bank and notice of the intention to amend or repeal the By-Laws shall have been given at the next preceding meeting of the Board of Directors. Any amendment or repeal of these By-Laws decided by the Board of Directors need not be confirmed by the stockholders, unless the Board of Directors provides otherwise, but the same shall be reported to the stockholders for their information at their next annual meeting or special meeting.

The power of the Board of Directors to amend or repeal these By-Laws may be withdrawn by a vote of the stockholders representing a majority of the outstanding capital stock of the Bank at a regular or special meeting duly called for the purpose.

#### **ARTICLE XII – PENALTIES FOR VIOLATION OF BY-LAWS**

Any director, officer or stockholder of the Bank who violates or permits the violation of any of the provisions of these By-Laws shall be fined in the amount not to exceed Five Thousand Pesos (₱5,000.00).

#### **ARTICLE XIII – EFFECTIVITY**

These Amended By-Laws shall take effect upon the issuance by the Securities and Exchange Commission of a certification that the Amended By-Laws are not inconsistent with the Corporation Code.

ADOPTED in Pasay City, Philippines, this 5<sup>th</sup> day of March 1996 by the affirmative vote of the stockholders representing a majority of the subscribed capital stock of the corporation.

#### **(NAMES AND SIGNATURES OF INCORPORATORS)**

SGD. DANIEL L. LACSON, JR.

SGD. ROGELIO L. LIZADA

SGD. PETER B. FAVILA

SGD. ANTONIO S. MANAS

SGD. CESAR A. BUENAVENTURA

SGD. PEDRO A. NISPEROS

SGD. SORIANO R. EDDUN

SGD. RENATO L. PARAS

SGD. JUAN C. RAÑA