

are provided under the Corporation Code are afforded every stockholder of the Bank.	
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#### Dividends

Declaration Date	Record Date	Payment Date
July 22, 2016	August 19, 2016	On or before September 15, 2016

#### Note:

The Bank's ability to pay dividends is contingent on its ability to set aside unrestricted retained earnings for dividend distribution. In addition, the Bank's declaration of dividends, including computation of unrestricted retained earnings, is subject to compliance with certain rules and regulations prescribed by the Bangko Sentral ng Pilipinas (BSP) as provided under the Manual of Regulations for Banks (MORB) and subject to compliance with such financial regulatory requirements as may be applicable to the Bank at the time of such declaration.

PNB, however, has adopted the following general policy on the declaration of dividends:

*"Dividends shall be declared and paid out of the surplus profits of the Bank at such times and in such amounts as the Board of Directors may determine in accordance with the provisions of law and the regulations of the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC), subject to compliance with such financial regulatory requirements as may be applicable to the Bank."*

In 2016, the Bank declared a cash dividend of ₱1.00 per share or a total of ₱1,249,139,678.00, taken out of its unrestricted Retained Earnings as of March 31, 2016, to all stockholders of record as of August 19, 2016.

#### (d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Adoption of SRC Rule 20 – Disclosures to Stockholders Prior to Meeting	Mailing of the Information Statement and Management Report together with the latest Audited Financial Statement to the stockholders at least 15 business days from the date of the stockholders' meeting.
Section 4.4, Article IV of the Bank's Amended By-Laws.	Publication of Notice of Meeting for one (1) week daily in at least one newspaper of newspaper of general circulation
Adoption of the Question and Answer Portion	Stockholders are allowed to take the floor and asked questions to the Chairman of the Board, the other directors or the officers of the Bank to air their concerns. If the queries cannot be addressed immediately on the floor, the stockholders are encouraged to dialogue with Management after the meeting.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
  - a. Amendments to the company's constitution
  - b. Authorization of additional shares
  - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The Bank complies with the requirements under the Corporation Code in obtaining stockholders' approval for such decisions. Any amendment of the Bank's Articles of Incorporation, increase in capital stock or transfer of all or substantial sale of its assets required the vote of at least two-thirds of the outstanding capital stock.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
  - a. Date of sending out notices:

For the Annual Stockholders' Meeting held on May 31, 2016 - May 3, 2016

In compliance with SRC Rule 20 (3)(c)(iv), the Information Statement, Management Report and written notice of the meeting was sent to the shareholders of record at least fifteen (15) business days prior to the date of the meeting. In addition, the notice of meeting was likewise published alternately for one (1) week from May 15 to 21, 2016 in three (3) newspapers of