

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
Stockholders' rights concerning stockholders' meetings which are provided under the Corporation Code are afforded every stockholder of the Bank.	None

Dividends (updated – July 22, 2016)

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."*

The Bank has not declared any cash or stock dividends on its common equity for the fiscal year 2015.

**(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. (updated – 2015)

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? (updated – May 31, 2016)
  - a. Date of sending out notices:

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Annual Stockholders' Meeting (May 31, 2016)			
Resolution	Approving	Dissenting	Abstaining
Confirmation of the Minutes of the 2015 Annual Stockholders' Meeting held on May 26, 2015	1,021,834,704	-	16,931,310
Notation of President's Report	1,021,550,784	-	17,215,230
Approval of the Bank's 2015 Annual Report	1,021,550,784	-	17,215,230
Amendment of Section 4.2, Article IV of the Amended By-Laws to change the date of the Annual Stockholders' Meeting from the last Tuesday of May to the last Tuesday of April of each year	1,021,834,704	-	16,931,310
Approval of the ratification of all the acts, resolutions and proceedings of the Board of Directors and Corporate Officers since the 2013 Annual Stockholders' Meeting	1,021,550,784	-	17,215,230
Approval of the Election of the following Directors:			
a) Florencia G. Tarriela	1,021,832,764	1,940	16,931,310
b) Felix Enrico R. Alfiler	1,021,537,157	297,547	16,931,310
c) Florido P. Casuela	1,004,511,811	17,322,893	16,931,310
d) Leonilo G. Coronel	1,021,834,704	-	16,931,310
e) Edgar A. Cua	1,021,834,704	-	16,931,310
f) Reynaldo A. Maclang	985,052,025	37,782,679	16,931,310
g) Estelito P. Mendoza	979,508,771	42,325,933	16,931,310
h) Christopher J. Nelson	1,004,748,292	17,016,412	16,931,310
i) Federico C. Pascual	1,004,963,486	16,871,218	16,931,310
j) Cecilio K. Pedro	1,021,834,704	-	16,931,310
k) Washington Z. Sycip	976,859,364	44,975,340	16,931,310
l) Carmen K. Tan	1,005,205,713	16,628,991	16,931,310
m) Dr. Lucio C. Tan	979,399,142	42,435,562	16,931,310
n) Lucio K. Tan, Jr.	979,508,771	42,325,933	16,931,310
o) Michael G. Tan	1,021,583,780	250,924	16,931,310
Appointment of External Auditor	1,021,834,704	-	16,931,310

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: (updated – May 31, 2016)

The results of the Annual Stockholders' Meeting (ASM) were disclosed to the Bank's regulators, i.e., the Philippine Stock Exchange (PSE), the Bangko Sentral ng Pilipinas (BSP), the Securities and Exchange Commission (SEC) and the Philippine Dealing & Exchange Corporation (PDEX) as required. A media briefing was also held after the ASM.

a) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
None	Not Applicable

b) **Stockholders' Attendance**

i. Details of Attendance in the Annual/Special Stockholders' Meeting Held: (updated – May 31, 2016)

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Florencia G. Tarriela, Independent Director Felix Enrico R. Alfiler, Independent Director Florido P. Casuela, Director Leonilo G. Coronel, Director Reynaldo A. Maclang, Director	May 31, 2016	In person and by representative to act by written proxy	0.005%	83.154%	83.159%

<p>Estelito P. Mendoza, Director  Christopher J. Nelson, Director  Federico C. Pascual, Independent Director  Cecilio K. Pedro, Independent Director  Washington Z. Sycip, Director  Lucio K. Tan, Jr., Director  Michael G. Tan, Director  Edgar A. Cua, Nominee Director  Joseph T. Chua, Board Advisor  William T. Lim, Board Advisor  Manuel T. Gonzales, Board Advisor  Maila Katrina Y. Ilarde, Corporate Secretary  Ruth Pamela E. Tanghal, Assistant Corporate Secretary  Cenon C. Audencial, Jr., EVP  Horacio E. Cebrero III, EVP  Christopher J. Dobles, EVP  Nelson C. Reyes, EVP  Bernardo H. Tocmo, EVP  Alice Z. Cordero, FSVP  Socorro D. Corpus, FSVP  Miguel Angel G. Gonzalez, FSVP  Benjamin S. Oliva, FSVP  Aida M. Padilla, FSVP  Carmela A. Pama, FSVP  Emmanuel German V. Plan II, FSVP  Allan L. Ang, SVP  Emeline C. Centeno, SVP  Christian Jerome Dobles, SVP  Erwin C. Go, SVP  Dioscoro Teodorico L. Lim, SVP  Ma. Paz D. Lim, SVP  Norman Martin C. Reyes, SVP  Helen Y. Ang, FVP  Manuel C. Bahena, Jr., FVP  Roberto S. Vergara, FVP  Czarina Barbero, VP  Constantino T. Yap, VP</p>					
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- ii. Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

Validation of votes is handled by the Bank’s stock transfer agent with the supervision of the Corporate Secretary.

In compliance with Section 4.7 of PNB By-Laws, all the proxies received will be validated by the Bank’s Corporate Secretary at the office of the stock transfer agent. During the validation, the stock transfer agent will verify if the stockholder is included in the list of the stockholders as per record date, and if the signature appearing on the proxy letter tallies against his signature card on file.

- iii. Do the company’s common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes. Section 4.9 (re: Voting of Shares in General) of the PNB’s Amended By-Laws states that at each meeting of the stockholder, 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 the said Amended By-Laws.

The manner of voting and counting of votes are as follows:

- a) Every stockholder entitled to vote shall have the right to vote, either in person or by proxy, the number of shares registered in his name on record as of the close of business hours on record date. Only written proxies, signed by the stockholders and duly presented to the Corporate Secretary on or before deadline of submission of proxies shall be honored for purposes of voting.
- b) For purposes of electing directors, the system of cumulative voting shall be followed. Each stockholder has a number of votes equal to the number of shares he owns, times the number of directors to be elected. Under this voting system, the stockholder has the option to (i) cast all his votes in favor of one (1) nominee, or (ii) distribute