

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 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. *(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 of the outstanding capital stock of the Bank at the Annual Stockholders' 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.)*

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 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.)*

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).