

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).

(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 a 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 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 5.7 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 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: