

- (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;