

*(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.

(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: