



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. PW-686

CERTIFICATE OF FILING OF AMENDED BY-LAWS

KNOW ALL MEN BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

PHILIPPINE BANK OF COMMUNICATIONS

copy annexed, adopted on April 29, 2004 and June 3, 2004 by a majority vote of the Board of Directors and on July 15, 2004 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980, as amended, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 2nd day of February, Two Thousand Five.




BENITO A. CATARAN
Director

Company Registration and Monitoring Department



AMENDED BY-LAWS
OF THE
PHILIPPINE BANK OF COMMUNICATIONS
(As amended on 15 July 2004)

ARTICLE I

The head office of the Bank shall be in Metro Manila, Philippines. (As Amended on May 24, 1982)

ARTICLE II

STOCKHOLDERS

1. **PLACE** – All meetings of the stockholders shall be held at the head office of the Bank or at such other place within Metropolitan Manila as may be determined by the Board of Directors.

2. **PROXY** – Stockholders may vote at all meetings either in person or by proxy duly given in writing and presented to the Secretary for inspection and record five (5) banking days prior to the opening of the said meeting. (As amended on June 18, 1996)

3. **QUORUM** – No stockholders' meeting shall be competent to decide any matter or transact any business unless a majority of the outstanding capital stock is present or represented thereat, except in cases in which the law requires the affirmative vote of a larger quorum.

4. **VOTE** – Voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita. In the election of Directors cumulative

voting shall be allowed. A majority of the votes cast shall decide every question submitted to the shareholders at any meeting, except in cases where the law or these By-laws require the affirmative vote of a greater number.

5. **ANNUAL MEETING** – The annual meeting of the stockholders shall be held on the third Tuesday of June in each calendar year, at 4:00 o'clock p.m. if not a legal holiday; but if a legal holiday, it shall be held on the next business day immediately following.

6. **SPECIAL MEETING** – Special meetings of the stockholders may be called by a majority of the members of the Board or by the Chairman or on demand of the stockholders holding at least thirty (30%) percent of the outstanding capital stock.

7. **NOTICE OF MEETINGS** – Notice of meeting, written or printed for every regular or special meeting of the stockholders shall be prepared and sent to each stockholders at his last address registered in the books of the Bank by registered mail, postage prepaid, at least two (2) weeks before the date of meeting; provided, however, that if the registered address of the shareholder be outside of the Philippines, notice shall be dispatched by registered airmail, provided, further that such notice may be waived in writing by the stockholders.

8. **MINUTES** – Minutes of all meetings of the stockholders shall be kept and carefully preserved as the record of the business transacted at such meetings. The minutes shall contain such entries as may be required by law.

ARTICLE III

THE BOARD OF DIRECTORS

1. **DIRECTORS** – Their qualifications, election and term. The corporate powers of the Bank shall be vested in a Board of Directors who shall be elected annually by the stockholders and who shall serve until the election and qualification of their successors (As amended on 10 February 2004)
2. **VACANCIES OF THE BOARD** – Any vacancy in the Board of Directors shall be filled by the vote of majority of remaining directors if constituting a quorum and the director or directors chosen shall serve only for the unexpired portion of the term. Whether any such vacancy shall be filled or not shall be left to the discretion of the Board of Directors. Should vacancies occur reducing the number of directors to less than a quorum, the vacancies shall be filled by election by the stockholders owning and/or representing at least majority of the outstanding capital stock at a special meeting called for the purpose.
3. **QUORUM** – The directors shall act only as a Board, and the individual directors shall have no power as such. The attendance of a majority of the entire membership of the Board of Directors shall be necessary at all meetings to constitute a quorum for the transaction of any business and except as provided by these By-Laws, every decision of the quorum duly assembled as a Board shall be valid as a corporate act.
4. **REGULAR MEETING** – Regular meeting of the Board of Directors shall be held in the Philippines at least once a month on such date and at such hour as may be fixed by the Board.

5. **SPECIAL MEETING** – Special meeting of the Board of Directors shall likewise be held in the Philippines and may be called by the Chairman *motu proprio* or at the written request of any four (4) members of the Board. Notice for such special meeting shall be sent by the Secretary to the directors at their registered addresses in such a manner that it shall be received by them not less than twenty four (24) hours previous to the hour set for the meeting. Notice of the meeting may be waived in writing.

6. **POWERS** – The Board of Directors shall direct and supervise the affairs, control the properties, and exercise the corporate powers of the Bank as granted or authorized by its charter or the law, as well as those powers delegated by the stockholders by resolution duly approved.

7. **COMPENSATION.** No director, acting as such, shall receive any compensation, but every director shall receive a reasonable “*per diem*” for every attendance at any meeting, regular or special, of the Board of Directors, for each day of session, in an amount as the Board of Directors may from time to time provide, without prejudice to Article VIII, 3(a) hereof provided, however that nothing herein contained shall be construed to preclude any director from serving in any other capacity and receiving compensation thereof. (As amended on April 29, 2004) *Amended by Patrick Brown*
 BY MAJORITY OF THE BOARD OF DIRECTORS & IN JULY 15, 2004 BY THE STOCKHOLDERS REPRESENTING AT LEAST 2/3 OF THE OUTSTANDING CAPITAL STOCK) *June 3, 2004*

8. **MINUTES** – Minutes of all meetings of the Board of Directors shall be kept and carefully preserved as records of the business transacted at such meeting.

9. NOMINATION AND ELECTION OF INDEPENDENT DIRECTORS.

In observance of good corporate governance, the duly constituted Nomination Committee or Sub-committee of the Bank shall promulgate rules and procedure for the nomination and election of independent directors for the Board of the Bank in accordance in accordance with its By-Laws and existing rules and regulations of the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC), particularly SEC Memorandum Circular No. 16, Series of 2002, Guidelines on the Nomination and Election of Independent Directors and, its implementing rules

and regulations. (As amended on June 3, 2004) *corrected by: Patrick Briones*
 BY MAJORITY OF THE BOARD OF DIRECTORS & ON JULY 15, 2004 BY THE STOCKHOLDERS
 REPRESENTING AT LEAST 2/3 OF THE OUTSTANDING CAPITAL STOCK.)

ARTICLE IV

THE EXECUTIVE COMMITTEE

1. **COMPOSITION AND FUNCTIONS** – There shall be an Executive Committee composed of not more than seven (7) members of the Board of Directors as may be elected by the Board. In case of lack of quorum, the Chairman may designate any officer or member of the Board to fill the vacancy temporarily. The Secretary of the Board of Directors shall act as Secretary of the Executive Committee. Said Committee shall have the power to exercise functions and prerogatives of the Board of Directors during intervals between meetings of said Board except as to such matters as the Board may have specifically reserved for itself by appropriate resolution. The Committee shall adopt its own rules and procedures. Minutes of all meetings of the Executive Committee shall be kept and carefully preserved as a record of the business transacted at such meeting and shall be submitted, together with a

report of all matters acted upon by this Committee, at the regular meetings of the Board of Directors.

A quorum at any meeting of the Executive Committee shall consist of a majority of all the members thereof, and a majority of such quorum shall decide any question that may come before the meeting. (As amended on June 18, 1996)

ARTICLE V

OFFICERS AND AGENTS OF THE BANK

1. **GENERAL PROVISIONS** – The officers of the Bank shall consist of a Chairman Emeritus, Chairman of the Board, one or more Vice Chairmen, a President, one or more Executive Vice Presidents, one or more Vice Presidents, one or more Assistant Vice Presidents, a Comptroller, a Treasurer, an Assistant Treasurer, a Secretary, an Assistant Secretary, and from time to time, appoint such other officers or create other positions as the Board of Directors may determine to be necessary or proper. The officers who have been elected by the Board from their own number shall hold office from the date of their election as officers until the organizational meeting of the Board of Directors following the next annual meeting of stockholders or until their successors shall have qualified. Other officers shall hold office at the pleasure of the Board. (As amended on June 20, 1995).

Two or more offices with compatible functions may be vested in the same person whenever deemed convenient or expedient by the Board of Directors. All officers, agents, employees, appointed by the Board shall be subject to removal at any

time by the Board. The Board may delegate to the President and/or the Executive Vice President and/or other officers the authority to appoint and dismiss agents, clerks or employees.

2. **CHAIRMAN EMERITUS** – The Chairman Emeritus of the Board shall be selected by the Board of Directors from among the past chairmen of the Bank. He shall hold office until he is relieved by the vote of at least two thirds (2/3) of the total membership of the Board of Directors. The Chairman Emeritus of the Board shall act only in an advisory capacity. He is the ceremonial head of the Bank. He may, upon invitation of the Chairman of the Board, attend meetings of the Board of Directors.
(As amended on May 24, 1982)

3. **CHAIRMAN OF THE BOARD** - The Chairman of the Board shall be elected by the Board of Directors from their own number. He shall preside at all meetings of the stockholders and the Board of Directors. He shall be the Chairman of the Executive Committee. He shall have the power and authority of supervision and control over the affairs of the Bank, and over all other officers and staff. He shall have such other powers and duties as may be prescribed by the Board of Directors.

4. **VICE CHAIRMEN OF THE BOARD** – The Vice Chairman of the Board shall likewise be elected by the Board of Directors from their own number. He shall have and perform the powers and duties of the Directors of the Board during the latter's absence or desirability for any cause. The Board of Directors or the Chairman

of the Board may delegate to the Vice Chairman such other duties and powers as he may deem fit.

5. **PRESIDENT** - The President, who shall be elected by the Board of Directors from their own number, shall be the chief executive officer of the Bank. He shall direct and execute the policy of the Bank in consonance with the resolutions and directives of the Board of Directors or of the stockholders, manage its operations and perform all the duties incidental to his office. He shall submit reports to the Board on the Bank's activities, accomplishments, problems and propose solutions through the Chairman prior to the regular monthly meetings, or whenever required by the Chairman of the Board of Directors. (As amended on May 24, 1982)

6. **EXECUTIVE VICE PRESIDENTS** - The Executive Vice President shall be appointed by the Board of Directors. He may or may not be a member thereof. He shall be the chief operating and administrative officer of the Bank and shall have charge of the day-to-day operations of the business of the Bank. In the absence or disability of the President, the Executive Vice president shall have and shall exercise all the powers of the President. The Executive Vice President shall have such other powers and perform such other duties as the Board or the Chairman of the Board or the President may from time to time assign to him. In the absence or disability of the Executive Vice President, the Chairman of the Board may designate any officer of the Bank to act in his place. (As amended on May 24, 1982)

7. **COMPTROLLER** – The Comptroller shall be appointed by the Board of Directors. He may or may not be a stockholder of the Bank. He shall have the following powers and duties:

- a. He shall see to it that all disbursements and/or transactions of the Bank are in accordance with the orders, policies and resolutions of the Board of Directors;
- b. He shall see to it that vouchers issued by the Bank are signed by the respective officials required to sign them;
- c. He shall be answerable to the Board of Directors and/or the President and be directly responsible for all the disbursements of the Bank verified by them;
- d. To perform such other duties as may be prescribed by the Board of Directors. (As Amended on May 24, 1982)

8. **TREASURER** – The Treasurer shall be appointed by the Board of Directors. He may or may not be a member thereof. He shall keep full and accurate accounts of receipts and disbursements and other commercial transactions in the books of the Bank, and shall deposit all moneys and other valuable effects in the name and to the credit of the Bank in such depositaries as may be designated from time to time by the Board of Directors or the Chairman thereof. He shall disburse the funds of the Bank as may be ordered by the Board or its Chairman, taking proper vouchers for such disbursements. In the absence or inability of the Treasurer, the Chairman of

the Board may appoint any officer of the Bank or a member of the Board to take his place temporarily. (As amended on May 24, 1982)

9. **SECRETARY** - The Secretary shall be appointed by the Board of Directors. He shall hold office at the pleasure of the Board of Directors and shall perform the following duties:

- a. Keep the minutes of all the meetings of the stockholders and the Board of Directors;
- b. Keep the stock certificate book, the stock and transfer book and the corporate seal which he shall stamp on all documents requiring the seal of the Bank;
- c. Fill and countersign all the certificates of stock issued, making the corresponding annotation on the margin or stub of such certificates upon issuances; keep a complete up-to-date roll of the stockholders and their addresses;
- d. Give or cause to be given, all notices required by law or by the By-Laws of the Bank are notices of all meetings of the Board of Directors and of the stockholders. Perform such other duties as are incident to his office or as may be prescribed by the Board of Directors. In the absence or inability of the Secretary, the Chairman of the Board may appoint anyone to take his place temporarily. (As amended on May 24, 1982)

10. **INDEPENDENT EXTERNAL AUDITOR (S)** – The Auditor(s) to be designated by the Board of Directors shall audit and examine the books of accounts of the Bank in accordance with the requirements of the Monetary Board of the Central Bank and shall certify to the Board of Directors and the Stockholders the annual balances of said books which shall be prepared at the close of the said year under review. The External Auditor shall be responsible directly to the Board of Directors thru the President. No director or officer of the Bank, and no firm or corporation of which such officer or director is a member, shall be eligible to discharge the duties of the Auditor. The compensation of the Auditor(s) shall be fixed by the Board of Directors. He shall serve at the pleasure of the Board of Directors.

11. **OTHER OFFICERS** – The Vice President(s) and other officers of the Bank shall exercise such powers and perform such duties as the Board of Directors, the President or the Executive Vice President shall prescribe from time to time.

12. **COMPENSATION** – All officers, agents and employees shall receive such salaries or emoluments as may be fixed from time to time by the Board of Directors, but the power to determine salaries or emoluments may be delegated to any officer(s).

13. **VACANCIES AND DELEGATION OF OFFICERS** – If the office of the Chairman, Vice Chairman, President, Executive Vice President, or Secretary becomes vacant by death, resignation, or otherwise, the vacancy shall be filled by the majority vote of the remaining directors if still constituting a quorum. The successor

or successors so chosen shall hold office for the unexpired term only. (As amended on May 24, 1982)

In case of the temporary absence of any officer of the Ban or for any other reason that the Board of Directors may deem sufficient, the Board of Directors or the Chairman or the President may delegate the powers and duties of such officer to any other officer for the time being.

ARTICLE VI

HONORARY TITLES

The Board of Directors may from time to time confer honorary titles on persons who have gained distinction in the field of finance or in past services to the Bank, such as the titles of Honorary Chairman or Adviser, etc.

ARTICLE VII

TRANSFER OF SHARES

Subject to the conditions hereinafter stated, shares of stock shall be transferred by delivery to the certificate indorsed by the owner or his attorney-in-fact or other person legally authorized to make the transfer, but no transfer shall be valid as against the Bank until the transfer is annotated in the Books of the Bank. Request for transfer of shares shall be accompanied by evidence of ownership as follows:

- 1) Stock certificates, when the transfer is performed by endorsements;

- 2) Stock certificates and the letter of transfer, when the transfer is performed by letter of transfer, and
- 3) Stock certificates and the documents which specify and justify the reason for transfer, when the transfer is effected due to inheritance, consolidation, and other than the above-mentioned reasons.

No surrendered certificate shall be cancelled by the Secretary until a new certificate in lieu thereof is issued, and the Secretary shall keep the cancelled certificate as proof of substitution. If a stock certificate is lost or destroyed, the Board of Directors may order the issuance of a new certificate in lieu thereof, after satisfying all the requirements of R.A. No. 201.

The Stock and Transfer Book of the Bank shall be closed during the five (5) days next preceding the annual meeting of the stockholders wherein the election of the directors is held and during the five (5) days preceding the date upon which dividends are declared payable, as well as during such period as the Board of Directors may determine.

Certificate of stock shall bear the signature of the Chairman of the Board of Directors or the President and shall be countersigned by the Secretary or in the absence any officer appointed by the Board of Directors or the Executive Committee for the purpose, to be known as an authorized officer, and the seal of the Corporation shall be engraved thereon. Each certificate shall recite on its face the stocks

represented thereby, and is transferable only upon the books of the Corporation by the holder thereof or its attorney upon surrender of certificate properly endorsed.

ARTICLE VIII

FISCAL YEAR, DIVIDENDS, RESERVES AND ACCOUNTS

1. **FISCAL YEAR** – The fiscal year of the Bank shall be the calendar year.
2. **DIVIDENDS** – Dividends may be declared annually or oftener as the Board of Directors may determine, from surplus profits of the Bank, after making proper provisions for the necessary reserves in accordance with law and the regulations of the Central Bank of the Philippines.
3. **DISTRIBUTION OF NET EARNINGS** – The profits or net earnings resulting from the operations of the Bank after deducting the expenses of the administration and all taxes, and after making proper provisions for reserves to cover possible losses on loans and for other contingencies, shall be disposed as follows:
 - a. Not to exceed four per centum (4%) to the members of the Board of Directors, to be distributed in such manner as the Board may provide;
 - b. The Board of Directors thru its Chairman is empowered to further distribute out of said net earnings such bonuses to officers and employees of the Bank as it may deem proper, but not to exceed ten per centum (10%);

4. **RESERVES** – The Board of Directors may create additional reserves out of the net earnings for such other purposes as the Board may deem necessary proper or convenient.

5. **INSPECTION** – These By-Laws and the minutes of the stockholders' meetings shall at all times be open for inspection to all stockholders and members of the Board of Directors during business hours.

ARTICLE IX

TRUST DEPARTMENT

1. **AUTHORITY TO PERFORM TRUST AND OTHER FIDUCIARY BUSINESS** – All trusts and other fiduciary business, common trust funds and/or investment management activities shall be carried out through the Trust Department. All books and records of the Trust Department shall be kept separate and distinct from other books and records of the Bank. (As amended on June 20, 1989)

2. **ORGANIZATION AND MANAGEMENT OF TRUST DEPARTMENT** – The Trust Committee shall have general supervision of the Trust Department. It shall determine the policies of such department, the investments of the trust funds, and the disposition of trust investments. The Trust Committee shall have the power to consider and act upon such other matters relating to the administration of the trust held by the Bank as shall be referred to it by the Trust Officers or the officer-in-charge. The acceptance of all fiduciary accounts, investment management accounts and common trust funds shall be approved by the Trust Committee and the

closing out or relinquishment of all such accounts shall be approved or ratified by such Committee. All investments of trust funds by the Trust Department of the Bank shall be made, retained or disposed of only with the approval of the Trust Committee. Such Committee shall, at least once during such period of twelve (12) months, review all the assets held in cash, fiduciary and/or other trust accounts to determine their safety and current value and the advisability of retaining or disposing of them. The Trust Committee may have such additional duties relating to the trust department as may be prescribed by the Board of Directors. Subject to the approval of the Board of Directors, it may make such rules as it may deem advisable for carrying out the policies of the trust Department, the administration of Trust held by the Bank and the investment of trust funds. The Trust Committee shall meet periodically and shall make reports to the Board of Directors. (As amended on June 20, 1989)

3. COMPOSITION OF TRUST COMMITTEE - The Trust Committee shall be composed of five (5) members; 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; the President; and the Trust Officer. Three of its members shall constitute a quorum for the transaction of business. The Chairman of the trust Committee shall be one of the three directors. No member of the trust committee shall also sit as member of the audit committee. (As amended on June 20, 1989)

4. OFFICERS-IN-CHARGE - The Trust Officers and other subordinate officers of the department shall be placed under the management and immediate supervision of the Trust Committee who shall cause the policies and instructions of

the Board of Directors with respect to the trusts under its supervision to be carried out. The subordinate officers shall supervise the proper monitoring of volume of trust assets and investments, prompt submission of required reports, proper accounting of trust accounts, proper taxation on income or trust, strict compliance with basic security deposits and liquidity requirements of Central Bank, maintenance of adequate books, records and files of trust accounts, strict compliance with trust agreements and implementation of an internal control system acceptable to Central. No director, officer or employee taking part in the management of trust and fiduciary accounts shall perform duties in other departments or the audit committee of the institution and vice-versa. (As amended on June 20, 1989)

5. **TRUST OFFICERS** – The Trust Officers appointed by the Board of Directors or the trust Committee shall exercise such powers and perform such duties as prescribed by these By-Laws, or as may be assigned to them by the Board of Directors or by the Trust Committee. They shall be responsible for the proper administration and management of trust and other fiduciary accounts and investment management activities of the department. (As amended on June 30, 1989)

6. **AUTHENTICATION ON AND SIGNATURE OF INSTRUMENTS** – All authentication or certificates by the Bank as Trustee under any mortgage, either trust or other instrument securing bonds, debentures, notes or other obligations of any corporation and all certificates as Register or Transfer Agents and all certificates and trust certificates, may be signed or countersigned in behalf of the Bank by the President or Executive Vice President or by the Secretary or any Trust Officer or

Assistant Trust Officer or by any other person appointed for the purpose by the Board of Directors.

7. SECURITIES AND INVESTMENT – The securities and investments held in each trust shall be kept separate and distinct from the securities owned by the Bank and separate and distinct from of any other trust. Trust certificates and investments shall be held in the joint custody of two or more officers or other employees designated by the Board of Directors from time to time.

ARTICLE X

STOCK OPTIONS, WARRANTS, AND OTHER SIMILAR INSTRUMENTS

The Bank is authorized to issue, offer for sale, and sell options, warrants, and other similar instruments over shares of its capital stock, upon such terms and conditions to be determined by the Board of Directors. Such options, warrants, and other similar instruments may be granted for a maximum period of three (3) years from the date such options, warrants, and other similar instruments become effective.
(Amended on August 4, 2000)

ARTICLE XI

SEAL

The Seal of the Bank shall consist of the following wording: "PHILIPPINE BANK OF COMMUNICATIONS, 1939, Manila Philippines" and in the center shall appear the following LOGO: (amended on August 4, 2000)

ARTICLE XII

These By-Laws or any part thereof may be amended, modified, altered, or repealed, or new by-laws adopted by the majority vote of the subscribed capital stock at a regular or special meeting duly called for the purpose. The registered owners of two-thirds of the subscribed capital stock may delegate to the Board of Directors the power to amend or repeal any by-law or adopt new by-laws; provided, however, that any such power delegated to the Board of Directors shall be considered revoked whenever a majority of the Stockholders of the Bank shall so vote at a regular or special meeting. (Amended on August 4, 2000)