

Summary of Amendment of By-Laws:

1. **Article IV, Section 1 – The Executive Committee**, changing the composition of the committee to “at least five (5) members of the Board of Directors” to align with the committee’s charter document;
2. **Article V, Section 1 – The Audit Committee**, to update the composition and functions of board-level committees as prescribed by the *Manual of Regulations for Banks*;
3. **Article VI, Section 1 – The Risk Oversight Committee**, to update the composition and functions of board-level committees as prescribed by the *Manual of Regulations for Banks*;
4. **Article VII, Section 1 – The Corporate Governance Committee**, to update the composition and functions of board-level committees as prescribed by the *Manual of Regulations for Banks*;
5. **Article VIII, Section 1 – The Related Party Transactions Committee**, to update the composition and functions of board-level committees as prescribed by the *Manual of Regulations for Banks*;
6. **Article IX, Section 3 – The Trust Committee**, to update the composition and functions of board-level committees as prescribed by the *Manual of Regulations for Banks*; and
7. **Article V, Section 3** – to update the provisions on the duties and responsibilities of the Chairman of the Board.

Detailed Amendments:

PHILIPPINE BANK OF COMMUNICATIONS – BY LAWS			
	Current Provision	Proposed Revision	Remarks
1	<p>ARTICLE IV</p> <p>THE EXECUTIVE COMMITTEE</p> <p>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</p>	<p>ARTICLE IV</p> <p>THE EXECUTIVE COMMITTEE</p> <p>1. COMPOSITION AND FUNCTIONS- There shall be an Executive Committee <u>composed of at least five (5) members of the Board</u> 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</p>	<p>Revision is to align with the latest EXECOM Charter.</p>

	<p>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.</p> <p>A quorum at any meeting of the Executive Committee shall consist of a majority of all members thereof, and a majority of such quorum shall decide any question that may come before the meeting. (As amended on June 18, 1996)</p>	<p>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.</p> <p>A quorum at any meeting of the Executive Committee shall consist of a majority of all members thereof, and a majority of such quorum shall decide any question that may come before the meeting. (As amended on _____)</p>	
2	No Provision	<p>ARTICLE V THE AUDIT COMMITTEE 1. COMPOSITION AND FUNCTIONS – There shall be an Audit Committee composed of at least three (3) members of the Board of Directors, as may be elected by the Board, who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson. The chairperson of the Audit Committee shall not be the chairperson of the Board of Directors or any of the board-level-committees.</p> <p>The Audit Committee shall (a) oversee the financial reporting framework; (b) monitor and evaluate the adequacy and effectiveness of the internal control system; (c) oversee the internal audit function; (d) oversee the external audit function; (e) oversee the</p>	Revision is proposed to align with the Section X144.1 of Manual of Regulations for Banks

		implementation of corrective actions; (f) investigate significant issues/concerns raised; and (g) establish whistleblowing mechanism. (As amended on _____)	
3	No Provision	<p>ARTICLE VI THE RISK OVERSIGHT COMMITTEE 1. COMPOSITION AND FUNCTIONS – There shall be a Risk Oversight Committee composed of at least three (3) members of the Board of Directors as may be elected by the Board, majority of whom shall be independent directors, including the chairperson. The chairperson of the Risk Oversight Committee shall not be the chairperson of the Board of Directors or any of the board-level-committees. (As amended on _____)</p> <p>The Risk Oversight Committee shall advise the Board of Directors on the Bank’s overall current and future risk appetite, oversee senior management’s adherence to the risk appetite statement, and report on the state of the risk culture of the Bank. The Risk Oversight Committee shall (a) oversee the risk management framework; (b) oversee adherence to risk appetite; and (c) oversee the risk management function. (As amended on _____)</p>	Revision is proposed to align with the Section X144.2 of Manual of Regulations of Banks 2017
4	No Provision	<p>ARTICLE VII THE CORPORATE GOVERNANCE COMMITTEE 1. COMPOSITION AND FUNCTIONS – There shall be a Corporate Governance Committee composed of at least three (3) members of the Board of Directors as may be elected by the Board, who shall all be non-executive directors, majority of</p>	Revision is proposed to align with the Section X144.3 of Manual of Regulations of Banks 2017

		<p>whom shall be independent directors, including the chairperson.</p> <p>The Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities. The Corporate Governance Committee shall (a) oversee the nomination process for members of the Board of Directors and for positions appointed by the Board of Directors; (b) oversee the continuing education program for the Board of Directors; (c) oversee the performance evaluation process; and (d) oversee the design and operation of the remuneration and other incentives policy. (As amended on _____)</p>	
5	No Provision	<p>ARTICLE VIII</p> <p>THE RELATED PARTY TRANSACTION COMMITTEE</p> <p>1. COMPOSITION AND FUNCTIONS – There shall be a Related Party Transaction Committee composed of at least three (3) members of the Board of Directors and two (2) of whom shall be independent directors, including the chairperson, as may be elected by the Board. The committee shall at all times be entirely composed of independent directors and non-executive directors, with independent directors comprising of majority of the members. The compliance officer is the committee secretariat.</p> <p>The Related Party Transaction Committee shall (a) evaluate on an ongoing basis existing relations between and among businesses and</p>	

		<p>counterparties to ensure that all related parties are continuously identified, monitored, and subsequent changes are captured; (b) evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances, that no corporate or business resources of the Bank are misappropriated or misapplied, and continuous determination on the relevant potential reputational risk; (c) ensure that appropriate disclosure is made and/or information is provided to regulating and supervising authorities relating to the Bank's RPT exposures and policies on conflict of interest; (d) report to the Board of Directors on a regular basis the status of exposures to each related party; (e) ensure transactions with related party are subject to periodic review; and (f) oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including periodic review of RPT policies and procedures. (As amended on _____)</p>	
6	<p>ARTICLE IX, Section 3</p>	<p>ARTICLE IX THE TRUST COMMITTEE</p> <p>1. COMPOSITION AND FUNCTIONS – There shall be a Trust Committee composed of at least five (5) members, who shall consist of the president, the trust officer, and the remaining three (3) of whom shall be independent directors, as may be elected by the Board. All members of the Trust Committee must not be part of the Audit Committee. In case there are more than five (5) members, majority shall be composed of qualified</p>	

		<p>non-executive members. The members The Trust Committee shall report directly to the board of directors and is primarily responsible for overseeing the fiduciary activities of the bank.</p> <p>The Trust Committee shall (a) ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices; (b) ensure that policies and procedures that translate the board's objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective; (c) oversee the implementation of the risk management framework and ensure that internal controls are in place relative to the fiduciary activities; (d) adopt an appropriate organizational structure/staffing pattern and operating budgets that shall enable the trust department to effectively carry out its functions; (e) oversee and evaluate performance of the trust officer; (f) conduct regular meetings at least once every quarter, or more frequently as necessary, depending on the size and complexity of the fiduciary business; and (g) report regularly to the board of directors on matters arising from fiduciary activities. (As amended on _____)</p>	
7	<p>ARTICLE V</p> <p>OFFICERS AND AGENTS OF THE BANK</p> <p>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</p>	<p>ARTICLE X</p> <p>OFFICERS AND AGENTS OF THE BANK</p> <p>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</p>	<p>Revision is proposed to re-align duties of the Board Chairman and in compliance with a BSP finding during its Regular Examination of</p>

	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.	authority of supervision and control over the affairs of the Bank and and over all other officers and staff. He shall have such other powers and duties as may be prescribed by the Board of Directors. (As amended on _____)	the BANK last 13 September 2018.
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