



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Ground Floor, Secretariat Building, PICC
City Of Pasay, Metro Manila

COMPANY REG. NO. A199701584

**CERTIFICATE OF FILING
OF
AMENDED BY-LAWS**

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

**PHILIPPINE BUSINESS BANK, INC.
A SAVINGS BANK**

copy annexed, adopted on May 25, 2018 by majority vote of the Board of Directors and 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 and Section 14 of R.A. 8791 (The General Banking Law of 2000) and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 11th day of January, Twenty Nineteen..

GERARDO F. DEL ROSARIO
Director

Company Registration and Monitoring Department

AMENDED BY - LAWS
OF
PHILIPPINE BUSINESS BANK, A SAVINGS BANK
(FORMERLY PHILIPPINE BUSINESS BANK, A THRIFT BANK)
(AS AMENDED ON AUGUST 24, 2007)

ARTICLE I

SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

Section 1. **Subscription** – Subscribers to the capital stock of the bank shall pay to the bank the subscription value or price of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. **Certificate** – Each stockholder shall be entitled to one or more certificates for such fully paid stock subscription in his name in the books of the bank. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificates, which must be issued in consecutive order, shall bear the signature of the President, manually counter-signed by the Secretary or Assistant Secretary and sealed with the corporate seal.

Section 3. **Transfer of Shares** – Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, ceded, assigned or pledged by the delivery of the certificates duly endorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the bank only upon record thereof in the books of the bank, cancellation of the certificate surrendered to the Secretary, and issuance of a new certificate to the transferee.

No share of stock against which the bank holds unpaid claim shall be transferable in the books of the bank.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

Section 4. **Lost Certificates** – In case a certificate for the capital stock of the bank is lost, stolen or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

ARTICLE II MEETINGS OF

STOCKHOLDERS

Section 1. **Regular Meetings** – The regular meetings of the stockholders, for the purpose of electing directors and for the transaction of such business as may be properly called before the meeting, shall be held at the principal office on the last Friday of May of each year, (as amended on May 30, 2014), if a legal holiday, then on the day following.

Section 2. **Special Meetings** – The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: a) the Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock. b) the President.

Section 3. **Place of Meeting** – Stockholder's meeting, whether regular or special, shall be held in the principal office of the bank or at any place designated by the Board of Directors in the city or municipality where the principal office of the bank is located.

Section 4. **Notice of Meeting** – Notices for regular or special meetings of stockholders may be sent by the Secretary either by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at this last known post office address, or via facsimile transmission or electronic mail or by publication in a newspaper of general circulation. Then notice shall state the place, date and hour of the meeting, and the purpose or purposes to which the meeting is called. In case of special meetings, only matters stated in the notice can be the subject of the motions or deliberations at such meeting. In cases where the address of the registered shareholder entitled to vote is outside the territorial limits of the Philippines, a written notice sent by air mail, facsimile or electronic mail not less than fifteen days prior to the date of the meeting shall be sent to the stockholder. (as amended on July 16, 2012)

"All proceedings had and any business transacted at any meeting of the stockholders or members, if within the powers or authority of the corporation, shall be valid even if the meeting be improperly held or called, provided all the stockholders or members of the corporation are present or duly represented at the meeting." (as amended on July 16, 2012)

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. **Quorum** – Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

Section 6. **Conduct of the Meeting** - Meeting of the stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders. The Secretary, shall act as secretary of every meetings, but if not present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than that announced at the meeting.

Section 7. **Manner of Voting** – At all meetings of stockholder, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized

attorney-in-fact, unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the secretary at least 10 days before the time of the meeting or as indicated in the notice of meeting sent to stockholders.

All proxies must be in the hands of the secretary at least 10 days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or by their physical presence at the meeting.

A forum for the validation of proxies chaired by the Corporate Secretary or Asst. Corporate Secretary and attended by the Stock Transfer Agent shall be convened [seven] (7) days before any meeting. Any question or issue relating to the validity and sufficiency, both as to form and substance, of proxies shall be only raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders. Any such question or issue decided upon by the Corporate Secretary shall be deemed settled and those not brought before said forum shall be deemed waived and may no longer be raised during the stockholder's meeting. (as amended on July 16, 2012)

Section 8. **Closing of Transfer Books of Fixing of Record Date** – For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, or of making a determination of stockholders for any other proper purpose, the Board of Directors may provide that the stock and transfer books be closed for at least ten (10) working days immediately preceding such meeting, but not to exceed, in any case, thirty (30) days. (as amended on May 30, 2014)

In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date which shall in no case be more than twenty (20) days prior to the date, on which the particular action requiring such determination of stockholders is to be taken, except in instance where applicable rules and regulations provided otherwise.

ARTICLE III

BOARD OF DIRECTORS

Section 1. **Powers of the Board** – Unless otherwise provided by law, the corporate powers of the bank shall be exercised, all business conducted and all property of the bank be controlled and held by the Board of Directors to be elected by and from

among the stockholders. Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following express powers:

- a) From time to time, to make and change rules and regulations consistent with these by-laws for the management of the bank's business and affairs;
- b) To purchase, receive, take or otherwise acquire in any lawful manner, for and in the name of the bank, any and all properties, rights, interest or privileges, including securities and bonds of other corporation, as the transaction of the business of the bank may reasonably or necessarily require, for such consideration and upon such terms and conditions as the Board may deem proper or convenient.
- c) To invest the funds of the bank in another corporation or business or for any other purposes other than those which the bank was organized, whenever in the judgment of the Board of Directors the interests of the bank would thereby be promoted, subject to such stockholder's approval as may be required by law;
- d) To incur such indebtedness as the Board may deem necessary and, for such purpose, to make and issue evidence of such indebtedness including, without limitation, notes, deeds of trust, instruments, bonds, debentures, or securities, subject to such stockholder approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties and rights of the bank;
- e) To guarantee, for and in behalf of the bank obligations of other corporations or entities in which it has lawful interest;
- f) To make provisions of the discharge of the obligations of the bank as they mature, including payment for any property, or in stocks, bonds, debentures, or other securities of the bank lawfully issued for the purpose;
- g) To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the bank whenever in the Board's Judgment, the bank's interest would thereby be promoted;
- h) To establish pension, retirement, bonus, profit-sharing, or other types of incentives or compensation plans for the employees, including officers and directors of the bank and to determine the persons to participate in any such plans and the amount of their respective participation;
- i) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the bank or its officers are either plaintiffs or defendants in connection with the business of the bank, and likewise, to grant installments for the payments or settlement of whatsoever debts or payment to the bank;
- j) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business or businesses of the bank to any standing or special committee or to any officer or agent and to appoint any persons to be agents of the bank with such powers (including the power to sub-delegate), and upon terms, as may be deemed fit;
- k) To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under any existing law, rules or regulations.

Section 1(a). Composition of the Board of Directors – The Board of Directors shall be composed of **eleven (11) members. (as amended on May 25, 2018)**¹

As a corporation publicly listed in the Philippine Stock Exchange, the bank shall conform with the requirement to have such number of Independent Directors as may be required by law, possessed with such qualifications as may be required by law. An "Independent Director" is a person who,

- a. Is not or has not been an officer or employee of the bank, its subsidiaries or affiliates or related interest during the past three (3) years counted from the date of election.
- b. is not a director or officer of the related companies of the institution's majority stock holder;
- c. is not a stock holder with shares of stock sufficient to elect one seat in the board of directors of the institution, or in any of its related companies or of its majority corporate share holders;
- d. is not a relative within the fourth degree of consanguinity or affinity, legitimate or common-law of any director, officer or a stockholder holding shares of stock sufficient to elect one seat in the board of the bank or any of its related companies;
- e. is not acting as nominee or representative of any director or substantial shareholder of the bank, any of its related companies or any of its substantial shareholders; and
- f. is not retained as professional adviser, consultant, agent or counsel of the institution, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm; is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the institution or with any of its related companies or with any of its substantial shareholders, whether by himself or with the other persons or through a firm which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and could not materially interfere with or influence the exercise of his judgment.

An independent director of a bank may only serve as such for a total of five (5) consecutive years: Provided, that the maximum term and any "cooling off" period prescribed by the SEC for public and listed companies shall apply to all types of banks.

When used in relation to a company subject to the requirements above, (a) "related company" shall mean another company which is (i) its parent or holding company; (ii) its subsidiary or affiliate; (iii) a corporation where a bank or its majority stockholder own such number of shares that will allow/enable him to elect at least one (1) member of the board of directors or a partnership where such majority stockholder is a partner; (b) "parent" shall mean a corporation which has control over another corporation directly or indirectly through one (1) or more intermediaries; (c) "subsidiary" shall mean a corporation more than fifty percent (50%) of the voting stocks of which is owned or controlled directly or indirectly through one (1) or more intermediaries by a bank; (d) "affiliate" shall mean juridical person that directly or indirectly, through one (1) or more intermediaries, is controlled by, or is under common control with the bank or its affiliates; (e) "related interests" as defined under Sections 12 and 13 of R.A. No. 8791 shall mean individuals related to each other within the fourth degree of consanguinity or affinity, legitimate or common law, and two (2) or more corporations owned or controlled by a single individual, or by the same family group or

¹ As amended by majority vote of the Board of Directors and by stockholders representing at least 2/3 of the issued and outstanding capital stock in a meeting held last May 25, 2018.

the same group of persons; (f) "control" exists when the parent owns directly or indirectly through subsidiaries more than one-half of the voting power of an enterprise unless, in exceptional circumstance, it can be clearly demonstrated that such ownership does not constitute control. Control may also exist even when ownership is one-half or less of the voting power of an enterprise when there is (i) power over more than one-half of the voting rights by virtue of an agreement with other stockholders; or (ii) power to govern the financial and operating policies of the enterprise under a statute of agreement; or (iii) power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or (iv) power to cast the majority votes at meetings of the board of directors or equivalent governing body; or (v) any other arrangement similar to any of the above; (g) "substantial or major shareholder" shall mean a person, whether natural or juridical, owning such number of shares that will allow him to elect at least one (1) member of the board of directors of a bank or who is directly or indirectly the registered or beneficial owner of more than ten percent (10%) of any class of its equity; (h) "majority stockholder or majority shareholder" means a person, whether natural or juridical, owning more than fifty percent (50%) of the voting stock of a bank.

The Independent Director shall have the following qualifications:

- (a) He shall have at least one (1) share of stock of the bank;
- (b) **He shall have relevant education/experience and financial literacy".² (as amended on May 25, 2018).**
- (b) He shall possess integrity/probity; and
- (d) He shall be assiduous.

In any event, the definition used herein of the terms "related company", "parent", "subsidiary", "affiliate", "related interests", "control", "substantial or major stockholder", and "majority stockholder or majority shareholder" and the qualifications of the independent director shall at all times be in accordance with those provided in the Manual of Regulations for Banks issued by the Bangko Sentral ng Pilipinas. (as amended on July 16, 2012).

Section 2. Election and Term – The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

All nominations for directors to be elected by the stockholders of the bank shall be submitted in writing to the Secretary of the bank at the principal office of the bank at least twenty-five (25) days prior to the date of the regular or special meeting of the stockholders for the election of the directors. (as amended on May 30, 2014) Nominations which are not submitted within such nomination period shall not be valid. Only a stockholder of record entitled to notice of and vote at the regular meeting of the stockholders for the election of the directors shall be qualified to be nominated and elected as a director of the bank. (as amended on July 16, 2012)

Section 2(a). Nomination and Procedure for Election of Independent Directors – Nomination of Independent Director/s shall be conducted by a Nomination Committee prior to stockholder's meeting. All nominations of Independent Directors shall be made in writing and signed by the would-be nominees.

The Nomination Committee shall pre-screen the qualifications and prepare a final list of candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for Independent Director(s).

² As amended by majority vote of the Board of Directors and by stockholders representing at least 2/3 of the issued and outstanding capital stock in a meeting held last May 25, 2018.

After the nomination, the Nomination Committee shall prepare a Final List of Candidates, which shall contain all the information about all the nominees for Independent Directors as required under existing rules and regulations. The list shall be made available to the Securities and Exchange Commission and to all the stockholders through the filing and distribution of the Information Statement or in such other reports required by the Securities and Exchange Commission. The name of the person or group of persons who recommended the nomination of the Independent Directors shall be identified in such report including any relationship with the nominee.

Only nominees whose name appear in the Final List of Candidates shall be eligible for election as Independent Director/s. No further 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.

The Chairman of the stockholders' meeting shall have the responsibility to inform the stockholders in attendance of the mandatory requirements of electing Independent Directors and to ensure that the Independent Directors are elected during stockholders' meeting.

Specific slot/s for Independent Directors shall not be filled-up by unqualified nominees.

In case of failure of election for Independent Director/s, the chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

Any controversy or issue from the selection, nomination or election of Independent Directors shall be resolved by the Securities and Exchange Commission. (as amended on July 16, 2012)

Section 3. **Vacancies** – Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or at a special meeting of stockholders duly called for the purpose, or in the same meeting authorizing the increase if so stated in the notice of the meeting. (as amended on July 16, 2012)

Section 4. **Meeting** – Regular meetings of the Board of Directors shall be held once every month of the year on such dates and at such times and places as the Chairman of the Board, or in his absence, the President, or upon the request of a majority of the directors and shall be held at such places as may be designated in the notice.

Section 5. **Notice** – Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telex, telegram, by registered or ordinary mail or via facsimile transmission or electronic mail or by written or oral message. A director may waive this requirement, either expressly or impliedly.

Section 6. **Quorum** – A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.

Section 7. **Conduct of the Meeting** – Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, the Vice-Chairman or the President or if none of the foregoing is in office and present and acting, the President if none of the foregoing is absent or in office and present by any other director chosen by the Board. The Secretary, shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting.

Members of the Board should attend regular or special meetings of the Board in person. In view of modern technology, however, conduct of the Board meetings through videoconferencing or teleconferencing shall be allowed. (as amended on July 16, 2012)

Section 8. **Compensation** – By resolution of the Board, each director shall receive per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount from the net income before income tax of the bank during the preceding year as may be allowed by law or the Monetary Board. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular meeting of the stockholders.

Section 9. The Board of Directors shall appoint members of the following Board Committees as required under the Bangko Sentral ng Pilipinas (BSP) Manual of Regulations for Banks:

a. **Audit Committee -**

-Composed of Chairman, who shall be an independent director and three (3) members including an independent director.

b. **Trust Committee –**

Composed of a Chairman, who shall be non-executive director or independent director (both of whom shall not be part of the Audit Committee) or qualified independent professional and four (4) members, including the president or any senior officer and the trust officer. The remaining members shall be any of the following: (a) non-executive director or independent director (both of whom shall not be part of the Audit Committee) or qualified independent professional.

c. Risk Management Committee –

Composed of Chairman, who shall be a non-executive director and four (4) members, including at least one (1) independent director.

d. Corporate Governance / Nomination Committee –

Composed of Chairman, who shall be an independent director and two (2) members including an independent director.

The foregoing committees shall have the duties and functions as required under the BSP Manual of Regulations for Banks and any additional duties which the Board may delegate to the said committees so long as these are not against any rules or regulations.

The Board may further constitute additional committees as it may deem necessary for the effective and efficient operations of the bank. (as amended on July 16, 2012)

ARTICLE IV

OFFICERS

Section 1. **Election/Appointment** – Immediately after their election, the Board of Directors shall formally organize by electing the Chairman, the President, one or more Vice President, the Treasurer, the Secretary, the Internal Auditor, and the Trust Officer, at said meeting. (As amended on April 24, 1998)

The Board may, from time to time, appoint such other officer as it may determine to be necessary or proper.

Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

Section 2. **Chairman of the Board** – The Chairman of the Board of Directors shall preside at the meetings of the directors and the stockholders. He shall also exercise such powers and perform such duties as the Board may assign to him.

In case of a tie, the Chairman shall cast a vote to break the tie.

The Vice-Chairman shall in the absence of the Chairman, preside at the meetings of the directors and stockholders. He shall also exercise such powers and perform such duties as the board may assign to him. (as amended on July 16, 2012)

Section 3. **President** – the President, who shall be a director, shall be the Chief Executive Officer of the bank and shall also have administration and direction of the day-to-day business affairs of the bank. He shall exercise the following functions:

- a. To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman and Vice-Chairman of the Board of Directors;
- b. To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;

- c. To have general supervision and management of the business affairs and property of the bank;
- d. To ensure that the administrative and operational policies of the bank are carried out under his supervision and control;
- e. Subject to guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the bank, prescribe their duties, and determine their salaries;
- f. To oversee the preparation of the budgets and the statements of accounts of the bank;
- g. To prepare such statements and reports of the bank as may be required of him by law;
- h. To represent the bank at all functions and proceedings;
- i. To execute on behalf of the bank all contracts agreements and other instruments affecting the interest of the bank which require the approval of the Board of Directors, except otherwise directed by the Board of Directors;
- j. To make the reports to the Board of Directors and stockholders;
- k. To sign the certificate of stock;
- l. To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

The President may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officer(s), subject always to his supervision and control.

Section 4. The Vice-President – The Vice-President or Vice-Presidents shall be appointed or elected by the Board of Directors and he/they need not be directors or stockholder of the bank. He/They shall have such powers and shall perform duties as may from time to time be assigned or delegated to him/them by the Board of Directors or by the President. In the event of absence, incapacity or vacancy in the office of the President, the Vice-President(s) who is/are senior in the order of the precedence fixed by the Board of Directors shall be, if qualified, vested with the powers, and required to perform the duties of the President.

Section 5. The Secretary – The Secretary must be a resident and citizen of the Philippines. He shall be the custodian of and shall maintain corporate books and record and shall be the recorder of the bank's formal actions and transactions. He shall have the following specific powers and duties;

- a. To record or see the proper recording of the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
- b. To keep or cause to be kept record books showing the details required by law with respect to the stock certificates of the bank, including ledgers and transfer books showing all shares of the bank subscribed, issued and transferred;
- c. To keep the corporate seal and affix it to all paper and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;

d. To attend to the giving and serving of all notices of the bank required by law or these by-laws to be given;

e. To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulation;

f. To act as the inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or and do such acts as are proper to conduct the election or vote. The Secretary may assign the exercise or performance of any or all of the foregoing duties, powers and functions to any other person or persons, subject always to his supervision and control.

g. To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

Section 6. The Treasurer – The Treasurer of the Bank shall be its chief fiscal officer and the custodian of its funds, securities and property. The Treasurer shall have the following duties:

a) To keep full and accurate accounts of receipts and disbursements in the books of the bank.

b) To have custody of, and be responsible for, all the funds, securities and bonds of the bank;

c) To deposit in the name and to the credit of the bank, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the bank which may come under his control;

d) To render an annual statements showing the financial condition of the bank and such other financial reports as the Board of Directors, the Chairman, or the President may, from time to time require;

e) To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper Monetary Board of the government agencies;

f) To exercise such powers and perform such other duties and functions as may be assigned to him by the President.

Section 6-A Internal Auditor – The Internal Auditor is responsible for conducting an independent appraisal activity within the Bank to assist Management and the Board in discharging their responsibilities. He is authorized to direct a broad, comprehensive audit or examinations of bank operations and record in order to evaluate or review. (As Amended on August 16, 1997)

a) Adequacy and effectiveness of internal controls to ascertain/appraise; accuracy and reliability of financial information; compliance with laws enacted and rules and regulations issued by the Central Bank of the Philippines and other regulatory agencies; and adherence to Bank's internal policies, safeguarding of assets; economical/efficient utilization of resources;

b) Quality of performance in carrying out assigned responsibilities.

The Internal Auditor shall be under the direction of the Board of Directors and reports directly to the Audit Committee through its Chairman.

- Section 7. **Term of Office** – The term of office of all officers shall be for a period of one (1) year and until their successors are duly elected and qualified. Such officers may however be sooner removed for cause.
- Section 8. **Vacancies** – If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor, who shall hold office for the unexpired term.
- Section 9. **Compensation** – The by-laws officers shall receive such remuneration as the Board of Directors may determine. All other officers shall receive such remuneration as the Board of Directors may determine upon recommendation of the President. A Director shall not be precluded from serving the bank in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.

ARTICLE V

OFFICES

- Section 1. The principal office of the bank shall be located at the place stated in Article III of the Articles of Incorporation. The bank may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate or as the business of the bank may, from time to time, require.

ARTICLE VI

AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

- Section 1. **External Auditors** – At the regular stockholders meeting, the external auditor or auditors of the bank for the ensuing year shall be appointed. The external auditor or auditors shall examine, verify and report on the earnings and expenses of the bank and shall certify the remuneration of the external auditor or auditors as determined by the Board of Directors.
- Section 2. **Fiscal Year** – The fiscal year of the bank shall begin on the first day of January and end on the last day of December of each year.
- Section 3. **Dividends** – Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable use of rules and regulations.

ARTICLE VII

(As amended on April 24, 1998)

TRUST ORGANIZATIONAL STRUCTURE AND FUNCTIONS

Section 1. **Trust Management and Other Fiduciary Business** – All the trust investment management activities and other fiduciary business of the Corporation shall be carried out through a Trust Department which shall be organizationally distinct and separate from the other departments and/or business of the Corporation.

Section 2. **Trust Committee** – The management and control of the trust, investment management activities and other fiduciary business of the Trust Department shall be under a Trust Committee to be composed of five (5) members as follows:

- a) Three (3) members of the Board of Directors who are not operating officers of the Corporation, to be appointed by the Board on a rotation basis;
- b) The President of the Corporation;
- c) The Trust Officer, designated by the Board.

No member of the Audit Committee, shall be concurrently designated as a member of the Trust Committee.

The Board of Directors shall record in the minutes of its meetings the appointed members and shall designate the Chairman of the Trust Committee from the three (3) directors appointed to the Trust Committee.

Section 3. **Responsibilities**

The Trust Committee shall be directly responsible to the Board of Directors for the proper management and administration of the trust, investment management and other fiduciary business of the Corporation.

The Trust Committee shall be responsible for the following

- a) The acceptance and closing of trust and other fiduciary accounts;
- b) The initial review of assets placed under the trustee's or fiduciary's custody;
- c) The investment, reinvestment and disposition of funds or property;
- d) The review and approval of transactions between trust and/or fiduciary accounts; and
- e) 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.

Other responsibilities as the Board may specify, or Bangko Sentral ng Pilipinas ("Bangko Sentral") regulations may require.

The Trust Committee, trust officer and other officers and employees of the Trust Department shall at all times adhere to the minimum internal control standards prescribed by the Bangko Sentral.

The Trust Committee may, through its Chairman, avail of legal assistance for the review of proposed and/or existing trust and fiduciary agreements and documents in the handling of legal and tax matters related to the Corporation's trust and other fiduciary business.

Section 4. **Trust Officer** – The Bank shall appoint one or more trust officers, who shall be responsible for the operations management of the Trust Department, in accordance with the policy, guidelines and directives of the Trust Committee, the Board of Directors, Bangko Sentral ng Pilipinas rules and regulations, and laws in general;

If there are two or more trust officers, one of them shall be designated by the Board as head of the Trust Department.

- a) The administration of trust and other fiduciary accounts;
- b) The implementation of the policies and instructions of the Board of Directors and the Trust Committee;
- c) The submission of reports on matters which require the attention of the Trust Committee and the Board of Directors;
- d) The maintenance of adequate books, records and files for each trust or other fiduciary account;
- e) The maintenance of necessary controls and measures to protect assets under his custody and held in trust or other fiduciary capacity; and

Such other responsibilities as the Board or the Trust Committee may specify, or regulations the Bangko Sentral may require.

Limitations

- a) The trust officer shall be directly responsible to the Trust Committee, and shall not concurrently occupy any other operational position in the Corporation nor be a member of an audit committee of the same Corporation.

ARTICLE VIII

(As amended on April 24, 1998)

AMENDMENTS

Section 1. This by-laws may be amended or repealed by the affirmative vote of majority of the member of the Board of Directors and the stockholders representing at least two-thirds (2/3) of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new By-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new By-laws may be revoked only by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock at a regular or special meeting.

ARTICLE IX

(As amended on April 24, 1998)

SEAL

Section 1. Form and Inscriptions – The corporate seal shall be in such form as may be adopted by the Board of Directors.

ARTICLE X
(As amended on April 24, 1998)
ADOPTION CLAUSE

The foregoing by-laws was adopted by all the stockholders of the bank on September 16, 1996 at the principal office of the bank.

IN WITNESS WHEREOF, we the undersigned stockholders present at said meeting and voting thereat in favor of the adoption of said by-laws, have hereunto subscribed our names this 4th day of December, 1996 at Las Pinas, Metro Manila

(SGD.) CESAR T. LEE

(SGD.) ALFREDO M. YAO

(SGD.) FERNANDO C. CASTRO

(SGD.) RICARDO R. LARA

(SGD.) ARMANDO R. BONIFACIO

DIRECTORS' CERTIFICATE

We, the Secretary and members of the Board of Directors of the Philippine Business Bank, Inc., A Savings Bank, do hereby certify that during its Annual Stockholders' meeting held on 25 May 2018 at Diamond Hotel, Roxas Boulevard corner Dr. J. Quintos Street, Manila, at least two-thirds (2/3) of all the outstanding capital stock of the bank and a majority of the Directors approved the proposed amendment/s of the bank's By-Laws (BL):

A. By-Laws


- a.) Article III, Section 1(a) – Composition of the Board of Directors – The Board of Directors shall be composed of FROM "ten (10) members" TO "eleven (11) members" (as amended on May 25, 2018).
- b.) Article III, (b) - Change of the Independent Directors' qualifications FROM "b.) He shall be at least a college graduate and he shall have been engaged or exposed to the business of the bank for the last five (5) years" TO "b.) He shall have relevant education/experience and financial literacy". (as amended on May 25, 2018).

The amendment to Article THREE, Section 1(a) and ARTICLE III, (b) has been duly incorporated in the proposed amended By-Laws of the bank, a true and correct copy of which is hereto attached.

IN WITNESS WHEREOF, we hereunto set our hands this 04 JUL 2018 day of _____ in Calocan City, Philippines.



JEFFREY S. YAO
Vice Chairman


ROLANDO R. AVANTE
President / CEO


HONORIO O. REYES-LAO
Director


LETICIA M. YAO
Director

ROBERTO A. ATENDIDO^x
Director


DANILO A. ALCOSEBA
Director


PATERNO H. DIZON
Independent Director

Attested & Approved by:


ATTY. ROBERTO S. SANTOS
Corporate Secretary

04 JUL 2018

SUBSCRIBED AND SWORN TO before me this ___ day of _____, affiant exhibiting to me their competent/valid identifications.

DOC. NO. 278
PAGE NO. 57
BOOK NO. 15
SERIES OF 2018.

ATTY. NIÑO CHRISTOPHER R. PURA
Notary Public (MC-348 Valid Until Dec. 31, 2019)
Roll of Attorney's No. 53986
PTR No. 9405066; 01.03.18, Calocan
I&P No. 034127; 03.01.18, Calmana
MC/E Cert. No. V-0023535; 08.16.18
350 Rizal Ave. Cor. 8th Ave. Grace Park, Calocan