

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF UNION BANK OF THE PHILIPPINES  
HELD ON MAY 27, 2016, FRIDAY  
1:00 P.M. - 9/F ALOE A & B FUNCTION ROOM  
MARCO POLO ORTIGAS HOTEL  
MERALCO AVENUE AND SAPPHIRE STREET  
ORTIGAS CENTER, PASIG CITY**

<b>Stockholders Present:</b>		
Total No. of Shares Outstanding	:	1,058,343,929
No. of Shares of Stockholders Present in Person	:	12,441,267
No. of Shares of Stockholders Represented by Proxy	:	936,250,016
Total No. of Shares Present in Person & Represented by Proxy	:	948,691,283
Percentage of Shares Present & Represented by Proxy	:	89.64%
Total No. of Shares Not Represented	:	
Percentage of Shares Not Represented	:	

**Directors Present:**

- |                          |  |
|--------------------------|--|
| Mr. Justo A. Ortiz       | - Chief Executive Officer/ Chairman, Board of Directors/ Member, Executive Committee/ Member, Risk Management Committee/ Member, Market Risk Committee/ Member, Nominations Committee/ Member, Compensation and Remuneration Committee/ Member, Corporate Governance Committee |
| Mr. Jon Ramon M. Aboitiz | - Vice Chairman, Board of Directors/ Chairman, Executive Committee/ Chairman, Risk Management Committee/ Chairman, Nominations Committee/Vice Chairman, Compensation and Remuneration Committee/ Vice Chairman, Corporate Governance Committee                                 |
| Mr. Edwin R. Bautista    | President and Chief Operating Officer/ Member of the Trust Committee and Market Risk Committee   |
| Mr. Erramon I. Aboitiz   | - Member, Executive Committee/ Member,   |

- Risk Management Committee/ Chairman, Market Risk Committee/Member, Nominations Committee/ Member, Compensation and Remuneration Committee/ Member, Corporate Governance Committee
- Mr. Stephen G. Paradies - Member, Executive Committee/ Member, Risk Management Committee/ Vice Chairman, Audit Committee/ Chairman, Operations Risk Management Committee
- Mr. Juan Antonio E. Bernad - Chairman, Trust Committee
- Mr. Luis Miguel O. Aboitiz - Member, Operations Risk Management Committee/ Member, Technology Steering Committee
- Mr. Sabin M. Aboitiz - Member, Operations Risk Management Committee
- Ms. Nina D. Aguas - Member of the Trust Committee, Nomination Committee, Corporate Governance Committee and Compensation and Remuneration Committee
- Ms. Mona Lisa B. Dela Cruz - Vice Chairman, Executive Committee/ Vice Chairman, Risk Management Committee/ Member, Audit Committee/ Member, Market Risk Committee/ Member, Operations Risk Management Committee (*Outgoing*)
- Mr. Emilio S. De Quiros, Jr. - Member, Risk Management Committee/ Vice Chairman, Trust Committee/ Member, Market Risk Committee/ Member, Compensation and Remuneration Committee/ Member, Corporate Governance Committee
- Mr. Carlos B. Raymond, Jr. - Independent Director/ Member, Risk Management Committee/ Chairman, Audit Committee/Member, Compensation and Remuneration Committee/ Member, Corporate Governance Committee
- Ret. Chief Justice Reynato S. Puno - Independent Director/ Member, Audit

Committee/ Member, Market Risk  
Committee/ Member, Nominations  
Committee/ Chairman, Compensation and  
Remuneration Committee/ Chairman,  
Corporate Governance Committee

Dr. Francisco S.A. Sandejas

- Independent Director/ Member, Executive  
Committee/ Chairman, Technology Steering  
Committee

**Officers Present:**

Mr. Eugene S. Acevedo

- Senior Executive Vice President

Mr. Edwin R. Bautista

- Senior Executive Vice President

Mr. Jesus Roberto S. Reyes

- Senior Executive Vice President

Mr. Genaro V. Lapez

- Executive Vice President

Ms. Beatriz B. Romulo

- Executive Vice President

Mr. Angelo Dennis L. Matutina

- Executive Vice President

Ms. Mary Joyce S. Gonzalez

- Executive Vice President

Mr. Ramon G. Duarte

- Senior Vice President

Atty. Cesar G. Ilagan

- Senior Vice President, Controller

Atty. Joselito V. Banaag

- Senior Vice President/General Counsel /  
Corporate Secretary

Mr. Paolo Eugenio E. Baltao

- Senior Vice President

Ms. Michaela Sophia E. Rubio

- Senior Vice President

Mr. Feliciano A. Angue

- Senior Vice President

Ms. Julie C. Go

- First Vice President

Ms. Raquel P. Palang

- First Vice President

Mr. Robert Rol B. Ramos

- First Vice President

Ms. Joyvalerie B. Gatdula

- Vice President

Ms. Ma. Christina P. Maceren

- Vice President

Mr. Derrick J. Nicdao

- Vice President

Ms. Marie Aimee S. Tumao

- Vice President

Ms. Myrna E. Amahan

- Vice President, Head - Internal Audit  
Division

Mr. Edzel S. Babas

- Vice President

Ms. Rosalina Phamela B. Galoyo

- Assistant Vice President

Ms. Ma. Eloisa Jovita M. Mariano

- Assistant Vice President

Atty. Mary Joyce M. Sasan

- Assistant Vice President, Chief Compliance  
and Corporate Governance Officer

Ms. Christine D. Babas

- Processor - Loans Services (Auto Loans  
Servicing)

**Others:**

Mr. Romeo C. Kagalingan	- President – First Union Plans, Inc.
Mr. Peter Ismael F. Quiambao	- President – Union Properties, Inc.
Mr. Leonardo D. Cuaresma	- Partner – Punongbayan & Araullo
Mr. Anton L. Ng	- Senior Manager - Punongbayan & Araullo

**PROCEEDINGS OF THE MEETING**

**I. Call to Order**

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Mr. Justo A. Ortiz, Chairman of the Board, presided and called the Annual Meeting of the stockholders to order. Atty. Joselito V. Banaag, Corporate Secretary, recorded the minutes of the proceedings.

**II. Proof of Notice of Meeting**

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Upon the Chairman’s request, the Corporate Secretary certified that notices of the Annual Stockholders’ Meeting of Union Bank of the Philippines (“UnionBank”) were duly served by personal delivery and by registered mail to all stockholders of record as of record date of April 15, 2016 in accordance with UnionBank’s By-Laws and the Securities Regulation Code of the Philippines and UnionBank has caused the publication of the Notice of the meeting in three (3) newspapers of general circulation, namely: BusinessWorld, The Philippine Star, and Philippine Daily Inquirer on April 27, 2016.

**III. Determination of Existence of Quorum**

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Upon the Chairman’s request, the Corporate Secretary certified that as of 1:00 P.M., there was a quorum to conduct business, there being a total of Twelve Million Four Hundred Forty One Thousand Two Hundred Sixty Seven (12,441,267) shares present in person and Nine Hundred Thirty Six Million Two Hundred Thirty Thousand Sixteen (936,250,016) shares represented by proxy, or a total of Nine Hundred Forty Eight Million Six Hundred Ninety One Thousand Two Hundred Eighty Three (948,691,283) shares which constitute at least a majority of, or Eighty Nine and 64/100 Percent (89.64%) of the total outstanding shares of One Billion Fifty Eight Million Three Hundred Forty Three Thousand Nine Hundred Ninety Nine (1,058,343,929) entitled to vote, or more than 2/3 of the total outstanding shares entitled to vote.

\* *It was initially announced during the meeting that 90.18% of the issued and outstanding stock was present or represented by proxy, but subsequently a validation error was discovered and corrected.*

#### **IV. Approval of the Minutes of the Previous Stockholders' Meeting Held on May 22, 2015**

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The Chairman noted that the next item in the Agenda is the reading and approval of the minutes of the previous stockholders' meeting held on May 22, 2015. The stockholders have been furnished with copies of the minutes of the Annual Stockholders' Meeting held on May 22, 2015. Upon motion duly made by stockholder Julie C. Go and seconded by stockholder Ramon Matias, the stockholders approved the minutes of the previous stockholders' meeting. The Corporate Secretary recorded the following votes for this agenda item:

<b>Vote</b>	<b>Number of Votes (One Share - One Vote)</b>	<b>Percentage of Shares Represented</b>
Yes	948,691,283	100%
No	0	0
Abstain	0	0
<b>Total</b>	<b>948,691,283</b>	<b>100%</b>

Thereafter, the Chairman asked if there are any questions on the minutes of the previous stockholders' meeting. Since none was raised, the Chairman proceeded with the next item in the agenda.

#### **V. Chairman and CEO's Report to Stockholders**

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The Chairman and CEO presented before the shareholders and guests the Bank's visions and accomplishments for the year 2016, highlighting the following matters:

- 5.1. Financial Value
- 5.2. Operational Excellence
- 5.3. UnionBank Brand
- 5.4. Superior Innovation

The Chairman ended his Statement with acknowledging the accomplishments of the outgoing directors and the former President and Chief Operating Officer, Mr. Valdepenas for steering the Bank to its success in 2015.

#### **VI. Annual Report of Management on Operations for 2015**

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The Chairman and CEO informed the stockholders that the next item in the agenda is the approval of the 2015 Annual Report of the Bank. Upon motion duly made by stockholder Mr. Edzel Babas and seconded by stockholder Ms. Cristina Maceren, the stockholders noted the Bank's Annual Report for 2015 and approved the following resolution:

### **Resolution No. 2016 - 1**

“RESOLVED, that the stockholders of Union Bank of the Philippines (UnionBank) approve, as they hereby approve, the 2015 Annual Report of UnionBank.”

Upon the Chairman’s request, the Corporate Secretary recorded the following votes for this agenda item:

<b>Vote</b>	<b>Number of Votes (One Share - One Vote)</b>	<b>Percentage of Shares Represented</b>
Yes	948,691,283	100%
No	0	0
Abstain	0	0
<b>Total</b>	<b>948,691,283</b>	<b>100%</b>

There being no objections, the Chairman then proceeded with the next item in the agenda.

### **VII. Presentation of President’s Report**

The Chairman called on UnionBank’s President and Chief Operating Officer, Mr. Edwin R. Bautista to present his report to the stockholders. Mr. Bautista presented the Bank’s financial and operating results for the year 2015, particularly on the following matters:

- 7.1. Domestic and International Banking Industries
- 7.2. UnionBank’s Financial Highlights
- 7.3. Strategic Imperatives
- 7.4. Application

After the presentation of the President’s report, the Chairman asked the stockholders present if they have any questions on the report. Since no question was raised on the floor, the Chairman proceeded with the next item in the agenda.

*(A copy of the President’s report to the stockholders is included in the 2015 Annual Report uploaded in UnionBank’s website, and attached hereto and made an integral part of these minutes.)*

### **VIII. Ratification of the Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers and Management in 2015**

The Chairman advised the stockholders that the next item on the agenda is the ratification of all contracts, investments and resolutions issued, and all other acts and proceedings of the Board of Directors, Corporate Officers and Management in the general exercise of their

duties for the year 2015, together with all related party transactions disclosed in the Notes to Financial Statements, Note 33, pages 149-153.

Upon motion duly made by stockholder Mr. Enrique Santos and seconded by stockholder Mr. Andres Alcantara, the stockholders approved the following resolution:

**Resolution No. 2016 - 2**

“**RESOLVED**, that the stockholders of Union Bank of the Philippines (UnionBank) approve, ratify and confirm, as they hereby approve, ratify and confirm, all contracts, investments and resolutions issued and all other acts and proceedings of the Board of Directors, Corporate Officers and Management in the general exercise of their duties for the year 2016, together with all related

party transactions disclosed in the Notes to Financial Statements, Note 33, pages 149-163.”

The Corporate Secretary recorded the following votes for this agenda item:

<b>Vote</b>	<b>Number of Votes (One Share - One Vote)</b>	<b>Percentage of Shares Represented</b>
Yes	948,691,283	100%
No	0	0
Abstain	0	0
<b>Total</b>	<b>948,691,283</b>	<b>100%</b>

The Chairman then proceeded with the next item in the agenda.

**IX. Appointment of External Auditor**

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The Chairman announced that the next order of business was the appointment of UnionBank’s external auditor for the year 2016-2017. Upon motion duly made by stockholder Julie C. Go and seconded by stockholder Ms. Benedicta Jimenez, the stockholders approved the following resolution:

**Resolution No. 2016 - 3**

“**RESOLVED**, that the stockholders of Union Bank of the Philippines (UnionBank) approve, as they hereby approve, the reappointment of the accounting firm of Punongbayan & Araullo as the external auditor of UnionBank for 2016-2017.”

The Corporate Secretary recorded the following votes for this agenda item:

<b>Vote</b>	<b>Number of Votes (One Share - One Vote)</b>	<b>Percentage of Shares Represented</b>
Yes	948,691,283	100%
No	0	0
Abstain	0	0
<b>Total</b>	<b>948,691,283</b>	<b>100%</b>

Stockholder Esmeralda Lopez asked Chairman Ortiz how much audit and other fees were paid to Punongbayan & Araullo in 2015. The Chairman responded that this information was disclosed in pages 25 and 26 of the Definitive Information Statement, which was confirmed by Senior Vice President and Controller, Atty. Cesar Ilagan.

**X. Amendment of Article X, Section 2 of Union Bank of the Philippines' By-Laws**

There being no objections, the Chairman thereafter submitted for the stockholders' approval the next item in the agenda -- the Amendment of Article X, Section 2 of the Bank's By Laws as approved in a Special Board Meeting held on March 10, 2016 with Board Resolution No. 2016-114. The Corporate Secretary read the amendment made in the By-Laws to implement the Profit-Sharing Policy of the Bank. The Plan is issued to align the interests of management and shareholders for the long term success of Union Bank.

Article X, Section 2 of the By-Laws is proposed to read as follows:

"SECTION 2. Profit Sharing. Subject to existing laws and regulations of the Central Bank as well as other applicable laws, rules and regulations and contractual obligations of the Corporation, the profits or net earning resulting from the operation of the Corporation after deducting the expenses of administration and after making proper provisions for the tax liabilities thereof, loan loss reserves or such reserves to be determined by the Board of Directors as the laws and regulations or the exigencies of the business may require, shall be disposed in a manner to be determined at the full discretion of the Board of Directors to the Board of Directors, Officers, and permanent Rank and File Employees upon endorsement by the Corporation's Compensation and Remuneration Committee or its successor body, considering the paramount interest of the Corporation at any particular time. The profits or net earning to be disposed may be in the form of cash, or shares of stock, or a combination of both. (As amended on May 27, 2016)."

Upon motion duly made by stockholder Ms. Christina Maceren and seconded by stockholder Ms. Rosana Dailo, the stockholders approved the following resolution:



#### **Resolution No. 2016 - 4**

**“RESOLVED**, that the stockholders of Union Bank of the Philippines (UnionBank) approve, as they hereby approve, Board resolution no. 2016-114 on the amendment of Article X, Section 2 of the Union Bank By-Laws as endorsed by the Board of Directors.”

#### **XI. Union Bank Stock Option Plan**

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The Chairman thereafter presented for the stockholders’ approval the next item in the agenda -

Union Bank’s Employee Stock Option Plan approved by the Board of Directors in its meeting on March 10, 2016. The Chairman asked the Corporate Secretary to read the features of the plan as follows:

“Under the ESP, UnionBank shall grant to the employee a total number of shares of common stock at a price per share subject to the terms and conditions, definitions and provisions of the ESP. The ESP is exclusively granted to selected employees as may be determined by the Compensation and Remuneration Committee and approved by the Board of Directors. The Bank's Human Resources Group will administer the ESP.

The Plan shall be issued to the Grantee in the form of stock certificates and shall be kept under the Bank custody for a period of 3 years. In case of separation, whether voluntary or involuntary, provided that involuntary separation is for reasons other than just cause under existing labor laws, the 3-year period shall remain in effect. In the event of the Grantee’s death or permanent disability, the 3-year holding period shall be waived and the shares of stock of the Grantee shall be released to his/her successors in interest.

The Plan also entitles the Grantee to all cash and stock dividends from the shares kept in his/her name under custody. The custodian shall be determined by the Bank with the endorsement of the Compensation and Remuneration Committee and approval by the Board of Directors. While the holding period is in effect, no ownership certificate under the Plan shall be assigned, transferred, sold, exchanged, pledged, encumbered or disposed of by the Grantee.

The Plan is issued to align the interests of management and shareholders for the long-term success of UnionBank.”

Upon motion duly made by stockholder Mr. Derrick Nicdao and seconded by stockholder Ms. Christine Babas, the stockholders approved the following resolution:

**Resolution No. 2016 - 5**

“**RESOLVED**, that the stockholders of Union Bank of the Philippines (UnionBank) approve, as they hereby approve, Board resolution no. 2016-115 as on the Union Bank Employee Stock Option Plan as presented by the Board of Directors.”

**XI. Election of Members of the Board of Directors**

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The Chairman informed the stockholders that the next item in the agenda is the election of members of UnionBank’s Board of Directors for the year 2016-2017.

The Chairman then declared that the table was open for nominations to the position of members of the Board of Directors of the Bank, to serve as directors of the Bank under the new term. Fifteen (15) seats in the Board are to be filled up. They were and screened and qualified by the Nomination Committee for a period of one year, or until their successors shall have been duly elected and qualified.

Thereupon, the following were nominated by stockholder Ma. Cecilia Theresa Bernad as members of UnionBank’s Board of Directors for the year 2016-2017:

1. JON RAMON M. ABOITIZ
2. ERRAMON I. ABOITIZ
3. STEPHEN G. PARADIES
4. JUAN ANTONIO E. BERNAD
5. SABIN M. ABOITIZ
6. LUIS MIGUEL O. ABOITIZ
7. JUSTO A. ORTIZ
8. NINA D. AGUAS
9. MONA LISA B. DELA CRUZ
10. EMILIO S. DE QUIROS, JR.
11. MICHAEL VICTOR N. ALIMURUNG; and
12. EDWIN R. BAUTISTA

The foregoing nomination was seconded by stockholder Derrick Nicdao.

Thereafter, stockholder Enrique Santos nominated CARLOS B. RAYMOND, JR as Independent Director of UnionBank. Stockholder Julie C. Go seconded the nomination.

Stockholder Christine Babas, meanwhile, nominated CHIEF JUSTICE REYNATO S. PUNO (Ret.) as Independent Director of UnionBank, which nomination was seconded by stockholder Ramon Matias.

Finally, DR. FRANCISCO S.A. SANDEJAS was nominated as Independent Director of UnionBank by stockholder Edzel S. Babas. The nomination was seconded by stockholder Cristina Maceren.

There being no further nominations made and upon motion duly made by stockholder Benedicta Jimenez, which motion was seconded by stockholder Rosanna Dailo and carried on the necessary votes, the above-named nominees were all declared duly elected members of the Board of Directors of the Bank to hold office in accordance with the Bank's by-laws for a period of one (1) year, or until their successors shall have been duly elected and qualified.

Upon the request of the Chairman, the Corporate Secretary applied all the votes of stockholders present represented at the meeting in favor of the fifteen (15) nominees who were all duly elected.

The Corporate Secretary recorded the following votes for this agenda item:

	<b>Vote</b>	<b>No. of Votes (One Share - One Vote)</b>	<b>Percentage of Shares Represented*</b>
1. JON RAMON M. ABOITIZ	Yes	944,069,692	99.51%
	No	784,386	0.08%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
2. ERRAMON I. ABOITIZ	Yes	944,730,163	99.58%
	No	123,915	0.01%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
3. STEPHEN G. PARADIES	Yes	944,854,078	99.60%
	No	0	0.00%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
4. JUAN ANTONIO E. BERNAD	Yes	944,854,078	99.60%
	No	0	0.00%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
5. SABIN M. ABOITIZ	Yes	944,854,078	99.60%

	No	0	0.00%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
6. LUIS MIGUEL O. ABOITIZ	Yes	944,854,078	99.60%
	No	0	0.00%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
7. JUSTO A. ORTIZ	Yes	948,691,283	100.00%
	No	0	0.00%
	Abstain	0	0.00%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
8. NINA D. AGUAS	Yes	944,069,692	99.51%
	No	784,386	0.08%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
9. MONA LISA B. DELA CRUZ	Yes	944,854,078	99.60%
	No	0	0.00%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
10. EMILIO S. DE QUIROS, JR.	Yes	944,854,078	99.60%
	No	0	0.00%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
11. MICHAEL VICTOR N. ALIMURUNG	Yes	944,854,078	99.60%
	No	0	0.00%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
12. EDWIN R. BAUTISTA	Yes	944,854,078	99.60%
	No	0	0.00%
	Abstain	3,837,205	0.40%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
13. CARLOS B. RAYMOND, JR.	Yes	948,691,283	100.00%
	No	0	0.00%
	Abstain	0	0.00%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
14. CHIEF JUSTICE REYNATO S. PUNO	Yes	948,691,283	100.00%

(Ret.)	No	0	0.00%
	Abstain	0	0.00%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>
15. DR. FRANCISCO S.A. SANDEJAS	Yes	948,691,283	100.00%
	No	0	0.00%
	Abstain	0	0.00%
	<b>Total</b>	<b>948,691,283</b>	<b>100%</b>

*\*Rounded off to the nearest two (2) decimal points.*

## **XII. Adjournment**

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The Chairman asked whether there are other questions from the floor. None was raised. There being no further business to transact or any other question from the stockholders present, and upon motion duly made by stockholder Julie C. Go and seconded by stockholder Derrick J. Nicdao, the meeting was adjourned.

CERTIFIED CORRECT:

**(Sgd.) Atty. Joselito V. Banaag**  
*Corporate Secretary*

ATTESTED BY:

**(Sgd.) DR. JUSTO A. ORTIZ**  
*Chairman and CEO*