

February 27, 2015

**THE PHILIPPINE STOCK EXCHANGE, INC.**  
3<sup>rd</sup> Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention : ***MS. JANET A. ENCARNACION***  
Head-Disclosure Department

**Gentlemen:**

Please be informed that the Board of Directors of Union Bank of the Philippines ("UnionBank") at its meeting held on February 27, 2015 approved the recommendation of its Compensation and Remuneration Committee to increase the per diem of Non-Executive and Independent Directors for attending Regular Board of Directors' meetings and Board Committee meetings, and the retainer fees of Independent Directors. The board approval was made in recognition of the performance of board functions and tasks for the bank by its non-executive directors and independent directors.

The increase of per diems as stated below will, however, take effect upon confirmation or approval by the stockholders of the bank to be held on May 22, 2015.

**A. PER DIEM FOR NON-EXECUTIVE AND INDEPENDENT MEMBERS OF THE UNIONBANK'S BOARD OF DIRECTORS:**

- P120,000.00 per Director for attending the Regular Board of Directors Meetings; and
- P60,000.00 per Director for attending as Member of a Board Committee.

Note: Php 80,000.00 per diem for the Director who is the Chairman or acts as the Presiding Chairman of a Board Committee is unchanged.

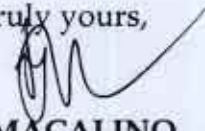
**B. INDEPENDENT DIRECTOR'S RETAINER FEES**

P1,700,000.00 per Independent Director per year.

The Independent Director's retainer's fee was increased to align to market.

For your information and guidance. Thank you.

Very truly yours,



**FE B. MACALINO**

*Senior Vice-President,*

*General Counsel &*

*Corporate Secretary*

