

April 27, 2017

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

Attention : **MR. JOSE VALERIANO B. ZUÑO III**  
*OIC- Head, Disclosure Department*

**Gentlemen:**

Please be informed that the Board of Directors of Union Bank of the Philippines (“UnionBank”) at its regular meeting held on April 27, 2017, approved the following actions:

- 1) Amendment of Article XII of UnionBank’s By-Laws as follows:

**“ARTICLE XII**

**AMENDMENTS**

The power to repeal or amend the by-laws, in whole or in part, shall be delegated to the Board of Directors in accordance with law; provided, however, that such delegation of power to the Board of Directors to repeal or amend the by-laws maybe revoked by stockholders owning or representing at least a majority of the subscribed capital at any meeting called for the purpose. (As amended on May 26, 2017)”

The delegation of authority to the Board of Directors to amend and repeal the By-Laws will allow flexibility in making timely modifications or adopting new provisions which may be required by laws and regulations or which may be necessary or beneficial for the Bank’s business.

- 2) Recommendation of its Compensation and Remuneration Committee to increase the per diem of Committee Chairman for chairing a Board

Committee, the per diem of Board Chairman for chairing a regular board meeting and the annual retainer fee of an Independent Director.

The per diems of the Board of Directors and Independent Director's retainer fee were increased to align to at least the 80<sup>th</sup> percentile of the market.

The Board of Directors endorsed the foregoing corporate actions to amend the By-Laws and to increase the per diems of Committee and Board Chairmen and the retainer fees of Independent Directors for approval of the stockholders of the Bank at the forthcoming Annual Stockholders' Meeting on May 26, 2017.

For your information and guidance. Thank you.

Very truly yours,

  
**ATTY. JOSELITO V. BANAAG**  
*Senior Vice-President,  
General Counsel &  
Corporate Secretary*