

MINUTES OF THE 2020 SPECIAL MEETING OF STOCKHOLDERS OF CHINA BANKING CORPORATION

Held via Remote Communication at <https://www.chinabank.ph/asm2020/ssm2020>

October 1, 2020 at 4:08 P.M.

Directors Present:

Mr. Hans T. Sy	- Chairman of the Board, Chairman of the Executive and Compliance Committees, and Member of the Risk Oversight and Remuneration Committees
Mr. Gilbert U. Dee	- Vice Chairman of the Board, and Member of the Executive Committee
Mr. William C. Whang	- Director, President, and Member of the Executive and Trust Investment Committees
Mr. Peter S. Dee	- Director, Member of the Executive Committee, and Chairman of the Trust Investment Committee
Mr. Joaquin T. Dee	- Director, and Member of the Executive, Audit, and Compliance Committees
Mr. Harley T. Sy	- Director, and Member of the Trust Investment Committee
Mr. Herbert T. Sy	- Director, and Member of the Remuneration Committee
Mr. Jose T. Sio	- Director, and Member of the Trust Investment Committee
Mr. Alberto S. Yao	- Lead Independent Director, Chairman of the Audit Committee, and Member of the Corporate Governance, Risk Oversight, Related Party Transactions, Nominations, Compliance, and Remuneration Committees
Ms. Margarita L. San Juan	- Independent Director, Chairman of the Corporate Governance Committee, Related Party Transactions, Nominations, and Remuneration Committee, and Member of the Audit Committee
Mr. Philip S.L. Tsai	- Independent Director, Chairman of the Risk Oversight Committee, and Member of the Corporate Governance, Related Party Transactions, Nominations, and Remuneration Committees

Director Absent:

None

Also Present:

Mr. Ricardo R. Chua	- Advisor to the Board
Atty. Corazon I. Morando	- Corporate Secretary
Ms. Claire Ann T. Yap	- Nominee for Independent Director
Mr. Romeo D. Uyan, Jr.	- Chief Operating Officer
Mr. Patrick D. Cheng	- Chief Finance Officer
Mr. Alexander C. Escucha	- Head of the Investor and Corporate Relations Group
Mr. Christopher Ma. Carmelo Y. Salazar	- Treasurer
Ms. Aileen Paulette S. De Jesus	- Chief Compliance Officer
Ms. Katrina Quiambao	- SyCip Gorres Velayo & Co. (SGV), External Auditor
Mr. John Chrysler L. Gutierrez	- SyCip Gorres Velayo & Co. (SGV), External Auditor
Mr. Racez Jay G. Gabon	- SyCip Gorres Velayo & Co. (SGV), External Auditor

Stockholders present by remote communication, voting *in absentia* and by proxy:

2,103,579,207 shares (See Annex A for the list of stockholders and other attendees)

I. CALL TO ORDER

After the Bank Centennial Celebration and frontliners appreciation videos were shown, and the Philippine National Anthem was played, Investor and Corporate Relations Group (ICRG) Head Alexander C. Escucha introduced the current members of the Board and Advisor to the Board Ricardo R. Chua. He then gave the floor to the Chairman.

Mr. Hans T. Sy, Chairman of the Board, welcomed the stockholders and guests to the Bank's special stockholders' meeting, an online-only event because of the current circumstances. He called the meeting to order and presided over the same. Atty. Corazon I. Morando, Corporate Secretary, took the minutes of the meeting.

The list of the stockholders present by remote communication, voting *in absentia* and by proxy, with their respective number of shares is hereto attached as Annex "A".

II. PROOF OF NOTICE OF MEETING

The Chairman inquired from the Corporate Secretary about the sending of the required notice of meeting to the stockholders.

Atty. Morando reported that the stockholders were notified about the meeting in accordance with the Securities and Exchange Commission's (SEC) Memorandum Circular No. 6, Series of 2020, and Section 49 of the Revised Corporation Code. She also mentioned that the Bank has asked the SEC to allow the Bank to resort to the alternative mode of distributing and providing documents in connection with the holding of special stockholders' meeting in view of the declaration of quarantine conditions similar to the circumstances present during the annual stockholders' meeting held on June 18, 2020. Further, the Notice of Meeting was published in The Philippine Star and Philippine Daily Inquirer, in print and online formats, on September 2, 3, and 4, 2020. Finally, electronic copies of the Notice of Meeting with Explanation of Agenda Items and the Information Statement (SEC Form 20-IS) and Management Report, were made available in the Bank website and the Philippine Stock Exchange's (PSE) EDGE Submission System.

The Corporate Secretary certified that the required notice of meeting via remote communication was sent in compliance with the Bank's By-Laws and the law and rules and regulations of the *Bangko Sentral ng Pilipinas* (BSP), SEC and PSE.

III. CERTIFICATION OF QUORUM

The Chairman asked the Corporate Secretary about the presence of quorum.

Atty. Morando announced that, out of 2,685,899,812 total subscribed and outstanding shares of the Bank, the holders of 2,103,579,207 shares representing 78.319%, or more than 2/3, of the outstanding capital stock of the Bank are present through remote communication, by proxy, or *in absentia*. The Corporate Secretary certified and declared the existence of a quorum competent to transact business.

The Guidelines for participation via remote communication and voting *in absentia* was included as Schedule "A" of the Bank's Definitive Information Statement.

IV. ELECTION OF INDEPENDENT DIRECTOR

For the next item in the agenda, which is the election of independent director, the Chairman called on the Chairman of the Nominations and Corporate Governance Committees, Ms. Margarita L. San Juan, to announce the nominee for election.

Ms. San Juan stated that based on the determination by the Nominations and Corporate Governance Committees, and as confirmed by the Board of Directors, the nominee for the vacant independent director position, Ms. Claire Ann T. Yap, was found to possess all the qualifications and none of the disqualifications of an independent director, and her capabilities are aligned with the Bank's strategic directions.

The Chairman then asked the Corporate Secretary, Atty. Morando, to present the results of the election. Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast, as confirmed by the Bank's transfer agent, Stock Transfer Service, Inc., and by SyCip Gorres Velayo & Co., the independent party tasked to count and validate the votes at the meeting:

"The nominee for independent director mentioned by the Chairman of the Nominations and Corporate Governance Committees, and also listed in the Definitive Information Statement, Ms. Claire Ann T. Yap, was declared duly elected independent director."

The percentage of votes garnered is as follows:

Name of Director	Type of Director	Votes Cast		
Claire Ann T. Yap	Independent Director	For	-	2,102,023,009
		Against	-	-
		Abstain	-	1,556,198

V. CENTENNIAL STOCK GRANT

The Chairman next called on the President, Mr. William C. Whang, to provide a brief background and details on the recommended Centennial Stock Grant Plan of the Bank, which was taken up and approved by the Board of Directors on August 5, 2020 and further on September 2, 2020.

The President mentioned that the generous gesture originated from the Chairman and was supported by the Board of Directors as part of the 100th anniversary of the Bank. The Board approved the stock grant plan in its meeting on August 5, 2020 and the intent was further clarified in its meeting on September 2, 2020. The President further mentioned that the stock grant will involve the issuance of up to 5.6 million shares, valued at ₱115.36 Million based on the closing price as of August 26, 2020. About 8,400 employees are qualified to the stock grant.

On motion duly made and seconded, the following resolutions were unanimously approved –

'WHEREAS, on August 5, 2020, the Board of Directors of the Corporation approved the following resolution/s:

“EMPLOYEE STOCK GRANT –
BD-8-5-2020-(20)

x x x

After discussion, the Board, on motion duly made and seconded, approved a Centennial Stock Grant Plan to issue common shares to eligible grantees with the following key details:

Grantee Eligibility Requirements	<ul style="list-style-type: none"> • All regular employees (officers and rank & file employees) and certain recently retired employees retained as consultant (as specified by the Chairman of the Board) of the China Banking Corporation Group (CBC, and its subsidiaries CBC Properties and Computer Center, Inc., China Bank Insurance Brokers, Inc., China Bank Capital Corporation, China Bank Securities Corporation, and China Bank Savings, Inc.) as of 16 August 2020. • Minimum service tenure of at least 1 year as of 16 August 2020. • No future service or performance condition is required. • Grantees who resign, retire, or otherwise leave the CBC group after 16 August 2020 will still qualify to receive the shares.
Number of Shares to be issued to each Grantee	<ul style="list-style-type: none"> • 100 shares per year of service, based on tenure as of 16 August 2020. • For China Bank Savings, Inc. (CBSI) employees, only CBSI tenure will be counted. • Tenure will not be rounded up. Any fraction of a year will be dropped from the computation.
Holding Period	<ul style="list-style-type: none"> • Minimum holding period of two years from 16 August 2020. The shares may only be sold, encumbered, or disposed after 16 August 2022.
Costs	<ul style="list-style-type: none"> • Taxes and other costs for the issuance of the shares to the grantees and the listing thereof in the Philippine Stock Exchange shall be for the account of the Bank. The issue price for the shares shall be determined by the authorized officers.

The Board further approved to delegate to the President, Chief Operating Officer and Chief Finance Officer the authority to prepare and approve the comprehensive plan consistent with the Board approval, apply for and comply with the requirements of the regulatory agencies, and perform other actions necessary in connection with the approval.

The foregoing shall be subject to the approval and ratification of the stockholders at a meeting called for the purpose, and the approval of the relevant regulatory agencies.”

‘WHEREAS, on September 2, 2020, the Board of Directors of the Corporation approved the following resolution/s in order to further clarify its intent relative to the stock grant:

“CENTENNIAL STOCK GRANT –
BD-9-2-2020-(40)

“In accordance with the memorandum dated 02 September 2020, after discussion, in order to further clarify the intent of the Board, specifically on grantee eligibility requirements and on the number of shares to be issued to each grantee, all the members of the Board present, upon motion duly made and seconded, unanimously approved the following amendments on key terms of the Centennial Stock Grant Plan, thereby amending the approval of the Board on 05 August 2020:

Grantee Eligibility Requirements	<ul style="list-style-type: none">• All regular employees (officers and rank & file employees) and certain other officers and contractual employees, (as specified by the Chairman of the Board) of the China Banking Corporation Group (CBC and its subsidiaries CBC Properties and Computer Center, Inc., China Bank Insurance Brokers, Inc., China Bank Capital Corporation, China Bank Securities Corporation, and China Bank Savings, Inc.) as of 16 August 2020.• Minimum service tenure of at least one (1) year as of 16 August 2020.• No future service or performance condition is required.
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	<ul style="list-style-type: none"> Grantees who resign, retire, or otherwise leave the CBC group after 16 August 2020 will still qualify to receive the shares, provided that any grantee whose employment or contract with a CBC group entity is terminated for cause effective after 16 August 2020 (whether such cause or case arises or occurs before or after 16 August 2020 but prior to the actual issue date of the grant shares) shall not be entitled to any grant shares (subject to such rules as may be approved by the Designated Officers).
No. of Shares to be issued to each Grantee	<ul style="list-style-type: none"> 100 shares per year of service, based on tenure as of 16 August 2020. For China Bank Savings, Inc. (CBSI) employees, only CBSI tenure will be counted. For China Bank Securities Corporation (CBSEC) employees, only CBSEC tenure will be counted. Tenure will not be rounded up. Any fraction of a year will be dropped from the computation.
Holding Period	<ul style="list-style-type: none"> Minimum holding period of two years from 16 August 2020. The shares may only be sold, encumbered, or disposed after 16 August 2022.
Costs	<ul style="list-style-type: none"> Taxes and other costs for the issuance of the shares to the grantees and the listing thereof in the Philippine Stock Exchange shall be for the account of the Bank. The issue price for the shares shall be determined by the Designated Officers.

The Board reiterated its approval to delegate to the President, Chief Operating Officer, and Chief Finance Officer (“Designated Officers”) the authority to perform the following for and on behalf of the Bank:

- (a) to prepare and approve a comprehensive stock grant plan consistent with the key terms and conditions above (including authority to issue supplemental terms, conditions, and guidelines in relation to the foregoing);
- (b) to apply for and obtain confirmation of exemption from registration with the Securities and Exchange Commission for the grant and issuance of the contemplated shares;
- (c) to apply for and, as applicable, obtain approval (or statement of no objection) from the Bangko Sentral ng Pilipinas on the stock grant;
- (d) to apply for and obtain approval of listing of such shares with the Philippine Stock Exchange, Inc.; and
- (e) to negotiate, execute, and deliver such agreements, instruments, and/or other documents, and perform such other actions or deeds, in each case as they may deem necessary or desirable in connection with and in furtherance of the foregoing.”

‘NOW, THEREFORE, BE IT RESOLVED, that the Stockholders of this Corporation approve, as they hereby approve *en toto*, the resolutions of the Board of Directors during their regular meeting on September 2, 2020, further clarifying the Board’s intent in the resolutions during their regular meeting on August 5, 2020, as above-quoted, approving the Centennial Stock Grant Plan of the Bank.

‘BE IT RESOLVED FINALLY, that the Board of Directors is hereby fully empowered and authorized to do such other act/s as may be necessary or required by the regulatory agency/ies concerned to carry into effect the stock grant plan.’”

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)		Percentage (based on total outstanding shares)	
For	-	2,103,258,284	-	99.985%	-	78.307%
Against	-	257,932	-	0.012%	-	0.010%
Abstain	-	62,991	-	0.003%	-	0.002%

VI. OTHER MATTERS

The Chairman stated that it is time to address the questions and comments from the stockholders sent via e-mail. He gave the floor to the Head of Investor and Corporate Relations Group, Mr. Alexander C. Escucha, to read aloud the questions and comments.

Mr. Escucha stated that no questions were received. He undertook to reply by e-mail to any questions which may be sent after the meeting.

VII. ADJOURNMENT

There being no other business to transact or matter to be taken up, Chairman Hans Sy, on behalf of the Board of Directors and Management of the Bank, expressed gratitude to all those who participated in the meeting. He thanked everyone for their continued support. Thereafter, the meeting was adjourned at 4:20 P.M.

Prepared by:

Attested by:

(Signed)

ATTY. CORAZON I. MORANDO

Corporate Secretary
and Secretary of the Meeting

(Signed)

HANS T. SY

Chairman of the Board
and Chairman of the Meeting