

**MINUTES OF THE REGULAR ANNUAL MEETING OF STOCKHOLDERS OF  
FAR EASTERN UNIVERSITY, INC.  
ARCHIVES ROOM, 3<sup>rd</sup> FLOOR, ADMINISTRATION BUILDING  
FAR EASTERN UNIVERSITY, MANILA  
22AUGUST 2015**

Upon written notice issued by the Corporate Secretary, the regular annual meeting of stockholders was held on 22 August 2015.

The meeting was called to order at 3:00 p.m. by the Chair, Mr. Aurelio R. Montinola III.

**Trustees Present at the Meeting:**

Dr. Lourdes R. Montinola	(Trustee and Chair Emeritus)
Mr. Aurelio R. Montinola III	(Trustee and Chair; Executive Committee Chair; Compensation Committee Chair)
Dr. Michael M. Alba	(Trustee and President; Executive Committee Member; Risk Management Committee Member)
Ms. Angelina P. Jose	(Trustee and Corporate Secretary; Executive Committee Member)
Mr. Antonio R. Montinola	(Trustee; Nominations Committee Chair)
Dr. Edilberto C. de Jesus	(Independent Trustee; Corporate Governance Committee Chair; Audit Committee Member)
Ms. Sherisa P. Nuesa	(Independent Trustee; Audit Committee Chair, Nomination Committee Member; Risk Management Committee Member)

**External Auditor Present at the Meeting:** Punongbayan and Araullo

Christopher M. Ferarezza, Partner  
Pamela M. Hernandez, Audit Senior Manager

**Independent Party Assigned to Verify Ballot Count at the Meeting:** Stock Transfer Service, Inc.

Richard D. Regala, Jr., Manager

Voting was done through ballots.

**I. DECLARATION OF QUORUM**

Corporate Secretary Angelina P. Jose announced that there were present, in person and by proxy, 14,008,510 representing 85.02% of the total issued and outstanding capital stock of the Corporation entitled to vote. Thereupon, the Chair declared that there was a quorum and that the body may proceed to transact business.

**II. PROOF OF NOTICE**

The Secretary reported that pursuant to the provisions of Sections VII and VIII of the By-Laws of Far Eastern University Inc. (FEU), the regular annual meeting of stockholders would be held on 22 August 2015 at 3:00 p.m. at the Archives Room, Third Floor, Administration Building, Far Eastern University, Nicanor Reyes Street, Sampaloc, Manila.

Copies of the notice of the meeting were sent to all stockholders on record as of 03 August 2015. For stockholders in Metro Manila the notices were sent via courier, and for stockholders in the provinces, notices were sent by mail. All notices were sent starting 03 August 2015.

**III. APPROVAL OF MINUTES OF PREVIOUS MEETING**

The Chair announced that the minutes of the 23 August 2014 annual stockholders’ meeting were posted on FEU’s investor website last October 2014 and that copies were made available to all stockholders present. A copy of the said minutes was likewise posted at the entrance of the meeting room.

Upon motion of Mr. Renato Calma, duly seconded, it was

- (1) RESOLVED, That the reading of the minutes of the regular annual meeting of stockholders held on 23 August 2014 be dispensed with and that said minutes be approved as presented, in as much as the same has been posted on FEU’s Investors website and copies were made available to all stockholders present.

Vote breakdown:

Opinion	Votes Cast (one vote per share)	Percentage of shares represented at the ASM with balloting rights
In favor	14,007,885	85.02%
Against	0	0.00%
Abstention	625	0.00%

**IV. ACADEMIC REPORT OF THE PRESIDENT**

FEU President Michael M. Alba reported that in Academic Year 2014–2015, the Board of Trustees of FEU approved an Institutional Aspiration Statement “To be among the top five universities in the Philippines in 2020” that was developed with the senior management team. Highlights of his report are as follows:

1. FEU aims to provide quality higher education through
  - a. Industry-responsive and outcomes-based curriculums
  - b. Complemented by distinctive research and development in select disciplines and public policy
  - c. Which will open to graduates opportunity in careers that contribute to economic development of the country
  - d. Deliver the educational mission with operational excellence and financial soundness.
2. Pathways to achieve the Institutional Aspiration are as follows :
  - a. Regulatory excellence - as Higher Education Institution (HEI), FEU exhibits the highest standards set by CHED and accrediting agencies in its academic programs. FEU remains an autonomous university.
  - b. Relevant excellence - FEU curriculum prepares graduates for the world of work.
  - c. Adaptable excellence - FEU college experience empowers graduates with life skills in a fast-changing, globalizing world.
3. Support structures are the following :
  - a. Talent development
    - There has been continuous improvement in academic credentials as well as engendering a research culture.
    - Organization and staffing were rationalized. Human Resource Information Systems (HRIS) was enhanced to include timekeeping and payroll functions. Competency development programs were conducted for the staff.
    - Seminars and workshops to ensure faculty familiarity with university policies, FEU culture of teaching and service, and be updated on pedagogy were conducted.

- b. Program and services development – Institutional Excellence
  - An autonomous university since July 2012, FEU submitted itself to an Institutional Sustainability Assessment exercise conducted by CHED in November 2014. This was done to retain institutional autonomy even by the new and stricter criteria of CHED Memorandum Order Series 46 of 2012.
  - The Academic Development office has set an aggressive schedule to increase the number of accredited programs and upgrade accreditation levels through 2016.
  - Institute of Hotel Management (ITHM) received international accreditation for its BS Hotel and Restaurant Management and BS Tourism from Australia's International Centre on Excellence in Tourism and Hospitality Education. This implies that ITHM's programs meet international standards – a much desired status in view of the coming ASEAN Economic Community
  - Performance in professional passing rates show generally improving trend. BS Medical Technology program has received 4 consecutive awards for garnering passing rates that are among the highest nationally, while BS Architecture programs had topnotchers in the recent examinations.
  - AY 2014-2015 curriculum were updated following CHED outcomes based templates to meet accreditation requirements and current professional and industry standards.
  - Embarked on a major research initiative to explore the impact of the college experience on Filipino students. FEU initiated the College Freshman Survey covering 9 schools. The preliminary report generated a lot of buzz in the media on the Filipino millennial as a college freshman after its public presentation.
- c. Programs and services development - Student Development
  - Students are engaged in activities outside the regular classes as FEU understands that the more engaged a student is, the more transformative and life-changing his educational experience is likely to be.
- d. Programs and services development – Partnerships and Placement
  - In AY 2014-2015, Alumni Relations and Placement Services (ARPS) office continued to deepen relationships with various alumni groups as well as widened its network of industry partners to improve its placement services.
  - The office developed a database – sort of LinkedIn facility – that would allow alumni to update their resumes that partner firms could look at to fill up their vacancies.
- e. Programs and services – Research and Linkages
  - Research remains a work in progress being traditionally a teaching university. The University Research Center is taking the lead in a research initiative of the U-Belt Consortium.
  - Faculty members are presenting papers in international and national conferences of professional societies and a few even published in peer reviewed journals.
  - International linkages and research collaborations are being forged as well as conducting workshops, conferences and symposiums.

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- f. Programs and services - Community Extension and Outreach Services
  - Project TAMS2, a three way partnership with World Wildlife Fund for Nature-Philippines and the Department of the Environment and Natural Resources to raise the number of tamaraws in Mindoro and save them from extinction.
  - The FEU Public Policy Center (FPPC) was the institutional initiative to take a leadership role in clarifying important national issues and be a resource for the country. FPPC held two forums on high-profile issues and adopted 4 themes as the focus of its research and advocacy.
- g. Operational Excellence in Execution and Streamlining – Academic Support Services
  - New admissions test was developed that is K-12 ready. More testing centers were opened across the country. Financial assistance programs were rationalized.
  - A plethora of programs were developed by Guidance and Counselling office to keep students on track in their academic work and to prepare them for the world of work.
  - University Library is well-stocked and updated. It provide access to online databases of journal articles. Its Special Collections Section also holds the permanent exhibit of Nick Joaquin's Works and World.
  - Tamaraw Interactive Education Services (TIES), a web-based learning management system was developed as FEU is moving to learner-centered and constructive models of pedagogy adopting more technology-enabled resources.
- h. Operational Excellence in Execution and Streamlining – President's Committee on Culture; FEU has a distinct mission to expose its students and the public to art and culture.
  - Major cultural season events included the staging of the play Urbana at Feliza to commemorate the 150<sup>th</sup> death anniversary of the author Fr. Modesto de Castro, staging of 3 concerts involving 3 topnotch US-based Filipino pianists and the performance of the folk dance groups from Estonia and Indonesia.
  - FEU has 5 cultural groups: the Bamboo Band, Chorale, Dance Company, Drum and Bugle Corps and Theater Guild. In AY 2014-2015, the FEU Dance Company won the National Folk Dance competition in the CCP and were invited to the Cheonan World Folk Dance Competition in South Korea this October. The Theater Guild had record-braking audiences in various venues.

The President concluded his report informing the body about the FEU High School which is set to open in AY 2016–2017. The school's curriculum will be student centered ensuring that students acquire the required competencies and as well as technology enabled. The learning activities will be project based so that the students will acquire critical thinking, problem solving, and creative or innovation skills. It will be a high-school that is uniquely FEU.

The Chair opened the table for comments on the President's Report.

On motion of Mr. Edgardo Rocas, duly seconded, it was

- (2) RESOLVED, That the Academic Report of the President, Far Eastern University, Inc. for the Academic Year 2014-2015 be, as it is hereby noted.

**V. APPROVAL OF THE ANNUAL REPORT**

Chairman Aurelio R. Montinola III presented the Annual Report, copies of which were made available to the stockholders present.

Mr. Montinola informed the body that with the help of the Board of Trustees and management, a five year strategic plan has been formulated. He stressed that the university's vision is to be a university of choice in Asia and the immediate goal is to be a top five university in the Philippines. FEU will provide value education for students by offering affordable tuition, quality education and a conducive learning environment. The main aim is to produce employable graduates who are critical thinkers, English proficient, technologically enabled and to significantly exceed national averages in external examinations and to place in the top percentile in some of them. An active cultural and sports program is also offered to enhance students' campus experience.

Furthermore, meaningful careers for faculty and administrative staff are in place. FEU actively recruits promising individuals, pay competitive wages, promote from within and invest in staff training programs. Research efforts have been increased and a public policy center to discuss national issues was formed.

Finally, the university believes in professionals to handle management jobs and will continue with a business model that keeps FEU financially sustainable and among the top 50 listed companies from a Corporate Governance's point of view.

On the financial side, the Chair reported that the consolidated revenues grew by 13.5% to ₱2.78 billion. Consolidated expenses were kept in check at a much lower rate of increase of 9.5% to ₱1.77 billion. As a result, net income after other contributions closed at ₱1.08 billion or 19.4% increase over the previous year. Enrollment grew by 4% primarily as a result of the operation of the newest school in the FEU group, the FEU Institute of Technology. On a consolidated asset level of ₱9 billion, return on assets is 12%. Equity level is ₱7.5 billion resulting in a return on equity of 14%.

The university likewise continues to reinvest significantly in facilities, safety and security each year.

The Chair mentioned that the academic side has been extensively reported by Dr. Alba and recapped the university's progress, not only in retaining its autonomous university status, but also the future plans to have center of development and center of excellence institutes.

Mr. Montinola was pleased to report that on the external front, FEU exceeds the national average in almost all the areas which have external licensure exams, if not all. The second point is that the university is beginning to have quite a few topnotchers. On the employability side, the job street survey ranks FEU students among the top six most preferred schools for prospective employees. In fact, the two schools, FEU Institute of Technology and FEU Cavite have 95% student graduate employability.

As earlier stated, FEU continues to expound best practices and is currently run among the top 50 Philippine corporations in Corporate Governance. Next year will be the year of K to 12 and the ASEAN Economic Integration, so focus is on setting up senior high schools in FEU Main, Diliman and Cavite in time for the 2016 opening.

On behalf of the Board of Trustees, Mr. Montinola thanked the shareholders for their continuing support to FEU.

The Chair then welcomed questions from stockholders. In the absence of such queries, he asked if there is a motion to approve the Annual Report.

On motion of Ms. Marites G. Dacayanan, duly seconded, it was

- (3) **RESOLVED**, That the Annual Report of Far Eastern University, Inc. covering the operations for the Fiscal Year 2014-2015 be approved, ratified and confirmed.

Vote breakdown:

Opinion	Votes Cast (one vote per share)	Percentage of shares represented at the ASM with balloting rights
In favor	14,007,900	85.02%
Against	0	0.00%
Abstention	610	0.00%

**VI. RATIFICATION AND CONFIRMATION OF THE ACTIONS OF THE BOARD OF TRUSTEES AND OFFICERS**

The Chair informed the body that all the resolutions approved by the Board of Trustees for the Fiscal Year 2014-2015 are included in the Definitive Information Statement (SEC form 20 IS) sent to all stockholders.

On motion of Ms. Lydia O’ Hara, duly seconded, the following resolution was passed:

- (4) **RESOLVED**, That the acts of the officers and Trustees of Far Eastern University, Inc. in the furtherance of the matters covered by the annual report for the Fiscal Year 2014-2015 be approved, ratified and confirmed.

Vote breakdown:

Opinion	Votes Cast (one vote per share)	Percentage of shares represented at the ASM with balloting rights
In favor	14,008,393	85.02%
Against	0	0.00%
Abstention	117	0.00%

**VII. ELECTION OF TRUSTEES AND INDEPENDENT TRUSTEES**

The Chair declared the table open for nominations for the positions of Trustees and Independent Trustees of Far Eastern University, Inc. for the Fiscal Year 2015-2016.

Upon motion of Sr. Victorina D. Palanca, ICM, duly seconded, the following were nominated:

As Trustees:

Dr. Lourdes R. Montinola  
Mr. Aurelio R. Montinola III  
Dr. Michael M. Alba  
Mrs. Angelina P. Jose  
Dr. Paulino Y. Tan  
Mr. Antonio R. Montinola

As Independent Trustees:

Ms. Sherisa P. Nuesa  
Dr. Edilberto C. de Jesus  
Mr. Robert F. Kuan

The Chair asked if there are other nominations. There being none, the Chair suggested that all votes be cast equally among the nine nominees for the nine seats on the Board.

Upon motion of Mr. Arnualdo B. Macapagal, duly seconded, it was

(5) RESOLVED, That there being only nine nominees, all votes be cast, as they are hereby cast equally, and that the nine nominees be henceforth declared as elected members of the Board of Trustees of Far Eastern University, Inc. for the Fiscal Year 2015-2016 or until their successors are duly elected and qualified:

As Trustees:

Dr. Lourdes R. Montinola  
Mr. Aurelio R. Montinola III  
Dr. Michael M. Alba  
Mrs. Angelina P. Jose  
Dr. Paulino Y. Tan  
Mr. Antonio R. Montinola

As Independent Trustee:

Ms. Sherisa P. Nuesa  
Dr. Edilberto C. de Jesus  
Mr. Robert F. Kuan

Vote breakdown for each Trustee:

Opinion	Votes Cast (one vote per share)	Percentage of shares represented at the ASM with balloting rights
In favor	14,008,002	85.02%
Against	0	0.00%
Abstention	508	0.00%

**VIII. APPOINTMENT OF EXTERNAL AUDITOR**

In response to the query of the Chair, Independent Trustee and Audit Committee Chair Sherisa P. Nuesa confirmed that the appointment of Punongbayan and Araullo as external auditor of Far Eastern University was recommended.

Upon motion of Ms. Elena F. Gemzon, duly seconded, it was

(6) RESOLVED, That the firm PUNONGBAYAN and ARAULLO be appointed External Auditor of Far Eastern University, Inc. for the Fiscal Year 2015-2016.

Vote breakdown:

Opinion	Votes Cast (one vote per share)	Percentage of shares represented at the ASM with balloting rights
In favor	14,008,002	85.02%
Against	0	0.00%
Abstention	508	0.00%

**IX. CHANGE OF FISCAL YEAR AND DATE OF ANNUAL STOCKHOLDERS’ MEETING AND DELEGATION OF AUTHORITY TO DETERMINE NEW FISCAL YEAR, NEW DATE OF ANNUAL STOCKHOLDERS’ MEETING AND AMENDMENT OF BY LAWS TO THE BOARD OF TRUSTEES**

Chief Finance Officer Juan Miguel R. Montinola explained that management is presently deliberating on the start date of Academic Year 2016-2017. He added that at present, FEU’s academic year is on the traditional month of June while other schools in the Philippines have already shifted. To properly reflect the financials of the university, the fiscal year will have to be correspondingly moved together with any change in the academic year.

The Chair further clarified that there has been no decision yet but management wanted to inform the shareholders that if indeed there will be a change in the academic year, the fiscal year will have to be changed so that the proper accounting will be more in tune with the new academic year. Mr. Montinola also said that he does not think there is going to be a decision until sometime next year, if at all. There are arguments for and against the change in academic year. The primary argument in favor of the change is for students who wish to go to international schools. However, FEU is primarily known to be a school for domestic or local students. The Chair assured the shareholders that the Board of Trustees will extensively discuss this issue and that immediate disclosure will be made about the eventual decision, if any.

Therefore, the promulgation of the following resolutions was proposed:

- (1) A resolution authorizing Far Eastern University, Inc. to effect a change in its fiscal year to such period, and date of its annual stockholders’ meeting to such date, as may be determined by the Board of Trustees of the Corporation;
- (2) A resolution delegating to the Board of Trustees of Far Eastern University, Inc. the authority to:
  - a) Determine the new fiscal year of the corporation
  - b) Determine the new date of annual stockholders’ meeting of the Corporation
  - c) Amend the By-Laws of the Corporation in order to effect such changes in the fiscal year and date of annual stockholders’ meeting of the Corporation.
- (3) A resolution authorizing the Board of Trustees of Far Eastern University, Inc. to file the amended by-laws of the Corporation with the Securities and Exchange Commission and other government agencies and bodies, and to perform such further acts and deeds as may be necessary, convenient or appropriate to give force and effect to the above resolutions, with full authority to delegate such authority to such person or persons as the Board of Trustees may deem appropriate.

The Chair asked the body if there are comments or objections. There having no objection to the said proposal and upon motion of Ms. Fe V. Canilao, duly seconded, the following resolutions were approved:



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(7) RESOLVED, That Far Eastern University, Inc. be authorized to effect a change in its fiscal year to such period, and date of its annual stockholders' meeting to such date, as may be determined by the Board of Trustees of the Corporation;

RESOLVED, That the Board of Trustees of Far Eastern University, Inc. be delegated the authority to:

- a) Determine the new fiscal year of the corporation
- b) Determine the new date of annual stockholders' meeting of the Corporation
- c) Amend the By-Laws of the Corporation in order to effect such changes in the fiscal year and date of annual stockholders' meeting of the Corporation.

RESOLVED, That the Board of Trustees of Far Eastern University, Inc. be authorized to file the amended by-laws of the Corporation with the Securities and Exchange Commission and other government agencies and bodies, and to perform such further acts and deeds as may be necessary, convenient or appropriate to give force and effect to the above resolutions, with full authority to delegate such authority to such person or persons as the Board of Trustees may deem appropriate.

Vote breakdown:

Opinion	Votes Cast (one vote per share)	Percentage of shares represented at the ASM with balloting rights
In favor	14,007,900	85.02%
Against	0	0.00%
Abstention	610	0.00%

**X. ADJOURNMENT**

The Chair remarked that there were no queries or comments raised though he encouraged the shareholders to ask questions on the agenda items.

On behalf of the Board of Trustees and the administration, the Chair extended his thanks to all stockholders for their continuing support and confidence in Far Eastern University. There being no further business to transact and on motion of Mr. Glenn Z. Nagal, duly seconded, the meeting was adjourned at 4:20 p.m.



ANGELINA P. JOSE  
Secretary

Noted:



AURELIO R. MONTINOLA III  
Presiding Officer