

**MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
FAR EASTERN UNIVERSITY, INC.**

Multi-purpose Room, 4/F Administration Building
FEU Main Campus, Nicanor Reyes Street, Sampaloc, Manila
21 October 2017

The Annual Meeting of Stockholders of The Far Eastern University, Incorporated doing business under the name and style Far Eastern University (FEU or the University) was held at the Multi-Purpose Room, 4/F Administration Building, FEU Main Campus, Nicanor Reyes Street, Sampaloc, Manila on 21 October 2017 at 3:00 p.m., in accordance with Section III (Meetings) of FEU’s Amended By-Laws.

I. CALL TO ORDER

The Chairman of the Board of Trustees, Mr. Aurelio R. Montinola III, presided over and called the meeting to order at 3:00 p.m. The Corporate Secretary recorded the minutes of the meeting.

The Chairman welcomed the Stockholders to the newly renovated Multi-purpose Room and Administration Building. He mentioned that this is also the first time that FEU’s Annual Stockholders’ Meeting is being held in October due to the change in academic year and fiscal year.

II. NOTICE OF MEETING AND QUORUM

The first item in the Agenda was the certification of the notice of meeting and determination of quorum.

The Corporate Secretary reported to the Chairman and informed the assembly that in accordance with the Amended By-Laws of FEU and applicable laws and regulations, written notice of the date, time, place and purpose of the annual meeting was sent to all stockholders of record as of 02 October 2017, the record date of the meeting. Notice of the meeting was submitted to the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC), and it was also posted on the University’s website.

The Chairman then asked if there was a quorum at the meeting to transact all the matters in the Agenda. The Corporate Secretary reported to the Chairman and the assembly that there were present at the meeting, in person and by proxy, Stockholders owning and representing 13,682,925 shares or 83.04% of the 16,477,023 total outstanding Common shares of the capital stock of FEU entitled to vote and be voted at the meeting.

Thereupon, the Chairman declared that a quorum was present and that the meeting was duly convened.

The following members of the Board of Trustees were likewise present in person or represented by proxy at the meeting:

①	Dr. Lourdes R. Montinola	Trustee and Chair Emeritus
②	Mr. Aurelio R. Montinola III	Trustee and Chairman of the Board of Trustees, Executive Committee Chairman, and Remuneration Committee Chairman

③	Dr. Michael M. Alba	Trustee and President, Executive Committee Member, and Risk Management Committee Member
④	Dr. Edilberto C. De Jesus	Independent Trustee, Audit Committee Member, and Corporate Governance Committee Chairman
⑤	Ms. Angelina P. Jose	Trustee, Executive Committee Member, and Corporate Governance Committee Member
⑥	Mr. Robert F. Kuan	Independent Trustee, Audit Committee Member, Corporate Governance Committee Member, Risk Management Committee Chairman, and Remuneration Committee Member
⑦	Mr. Antonio R. Montinola*	Trustee, and Nomination Committee Member
⑧	Ms. Sherisa P. Nuesa	Independent Trustee, Audit Committee Chairman, Nomination Committee Chairman, and Risk Management Committee Member
⑨	Dr. Paulino Y. Tan	Trustee, Executive Committee Member, Audit Committee Member, Nomination Committee Member, and Remuneration Committee Member

*Represented by proxy.

Also present during the meeting were the following representatives of FEU’s External Auditor (Punongbayan & Araullo), and FEU’s Stock Transfer Agent (Stock Transfer Service, Inc.):

Punongbayan & Araullo	
Christopher M. Ferareza	Audit Partner
Mark Ian M. Carrasco	Audit Manager
Jerome O. Ona	Audit Manager
Michael Victor G. Sy	Audit Manager

Stock Transfer Service, Inc.	
Richard D. Regala, Jr.	General Manager
Marites F. Yumol	Securities Processor
Zaldy A. Adana	Securities Processor

III. MINUTES OF ANNUAL MEETING OF STOCKHOLDERS ON 27 AUGUST 2016

The Chairman then proceeded to the next order of business, which was the approval of the minutes of the Annual Stockholders’ Meeting held on 27 August 2016. Copies of the minutes were provided to the Stockholders upon their registration for the meeting and were posted at the entrance of the meeting room. An electronic copy had been available on the University’s website since 31 August of last year, 2016.

On motion made by Ms. Yolanda Bello and duly seconded, the Stockholders adopted and approved the following resolution:

Stockholders’ Resolution No. 01-2017



“RESOLVED, That the reading of the minutes of the Annual Meeting of Stockholders held on 27 August 2016 be dispensed with and that said minutes be approved as presented, in as much as the same have been posted on the Investors Website of Far Eastern University, Inc. since 31 August 2016 and copies were provided to all the Stockholders present.”

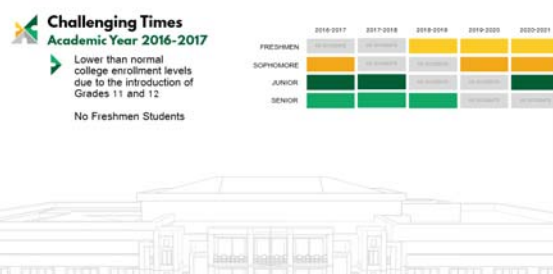
Voting Results	Voted in Favor	Voted Against	Abstained
Number of Shares Voted	13,682,925	0	0
Percent of Shares Voted	100%	0%	0%

IV. ACADEMIC REPORT OF THE PRESIDENT

The next item in the Agenda was the Academic Report of the President for the academic year 2016-2017.

At this point, the President presented his 2016-2017 Academic Report to the Stockholders.

	Good afternoon, ladies and gentlemen. I am pleased to deliver my annual report for 2017.
	First, to paint the big picture, I will start with the challenges facing the Philippine higher education sector and particularly the private higher education institutions.



Academic Year (or AY) 2016-2017, our reference school year in this report, was the first of the five-year period during which colleges and universities in the country are projected to have lower than normal college enrollment levels due to the introduction of Grades 11 and 12 to the basic education cycle. Note, specifically, that there were virtually no college freshmen in AY 2016-2017, because Grade 10 graduates had to proceed to senior high school instead of going to college.



For the same reason – because last school year’s Grades 10 and 11 students had to attend Grades 11 and 12 this year – there were virtually no college freshmen and sophomores in AY 2017-2018 (that is, in the current academic year).


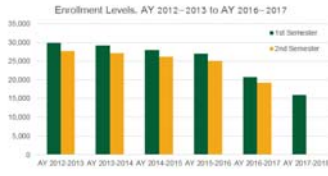




Moreover, it is expected that the current school year will experience the largest drop in overall college enrollment levels, because the college population is usually pyramidal with freshmen and sophomore students constituting the majority of the student body.



But, in addition, colleges and universities are facing at least 2 other challenges in AY 2017-2018:



First, they have to extensively overhaul the curriculums of their program offerings in AY 2018-2019 to conform to new CHED requirements.





Second, private HEIs have to brace for the adverse consequences of RA 10931 or the Universal Access to Quality Tertiary Education Act, which provides for free tuition and other fees in state universities and colleges and local-government-administered universities and colleges. The first challenge requires HEIs to incur program-development costs at a time when they are financially strapped.



The second challenge, unless set up with adequate safeguards in the implementing rules and regulations, may ultimately result in enrollment declines in private HEIs (which will heighten their risk of financial unsustainability) and in congestion in SUCs and LUCs (which will lower their quality).

<div><div>Challenging Times</div><div><p>In FEU-Manila, the enrollment decline was very much in evidence.</p></div><div></div></div>	<p>But to return to the impact of the K-12 transition period on college enrollment, in FEU Manila these declines were very much in evidence in AYs 2016-2017 and 2017-2018.</p>
<div><div>Aspiration 2020 <small>FEU's guide in this turbulent period</small></div><div><p>Institutional goals supported by policy and action strategies</p><p>Primary strategy: make the necessary changes during the K-12 transition period to become a much better institution of higher learning by 2020.</p></div></div>	<p>Fortunately, FEU Manila has Aspiration 2020 to guide it during this turbulent period for Philippine HEIs. A set of institutional goals backed up by policy and action strategies, Aspiration 2020's primary strategy is to undertake the necessary changes during the K-12 transition period, so that FEU Manila will be a much improved institution of higher learning by 2020.</p>
<div><div>FEU Manila's achievements vis-à-vis Aspiration 2020</div><div><p>Regulatory Excellence</p><p>Matched Excellence</p><p>Adaptive Excellence</p></div></div>	<p>Aspiration 2020 has 3 components: Regulatory excellence or the aspiration that FEU Manila meets the highest standards set by education regulators and accreditors. Matched excellence or the aspiration that FEU Manila's graduates will thrive in the rapidly changing needs of their workplaces and careers. And adaptive excellence or the aspiration that FEU Manila's graduates will be equipped with the life-skills so that they can live fulfilling and meaningful lives. In what follows, my report assesses FEU Manila's achievements vis-à-vis Aspiration 2020.</p>
<div><div>Aspiration 2020 Regulatory Excellence</div><div><p>FEU Manila meets the highest standards set by education regulators and accreditors</p></div></div>	<p>How well does FEU Manila meet the standards set by education regulators and accreditors?</p>
<div><div>Aspiration 2020 - Regulatory Excellence Accreditation & Recognition</div><div><div><p>Conferred by CHED Autonomous University status</p><p>Apr 1, 2016 to May 31, 2019</p></div><div><p>COE: teacher education programs</p><p>Apr 1, 2016 to Dec 31, 2018</p></div><div><p>COD: business administration program</p><p>Jan 1, 2016 to Dec 31, 2018</p></div></div></div>	<p>On accreditations and recognitions, it is my pleasure to remind everyone that FEU Manila has autonomous university status, that its teacher education programs are a CHED center of excellence, and that its business administration program CHED is a center of development.</p>

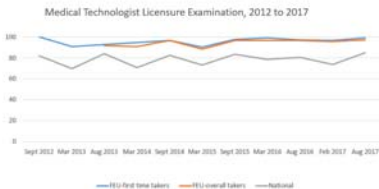
<div>  Aspiration 2020 – Regulatory Excellence Accreditation & Recognition </div> <div>  PACUCOA- and PAASCU-Accredited Programs </div> <div> <table> <tr> <th colspan="2">Level IV STATUS</th> </tr> <tr> <td>BA Communication</td> <td>BS Applied Mathematics with I.T.</td> </tr> <tr> <td>Bachelor of Elementary Education</td> <td>BS Biology</td> </tr> <tr> <td>Bachelor of Secondary Education</td> <td>BS Business Administration (FEU Manila)</td> </tr> <tr> <td>BS Accountancy (FEU Manila)</td> <td>BS Psychology</td> </tr> </table> </div>	Level IV STATUS		BA Communication	BS Applied Mathematics with I.T.	Bachelor of Elementary Education	BS Biology	Bachelor of Secondary Education	BS Business Administration (FEU Manila)	BS Accountancy (FEU Manila)	BS Psychology	<p>Moreover, 8 of its academic programs have PACUCOA Level 4 – or the highest – accreditation status.</p>
Level IV STATUS											
BA Communication	BS Applied Mathematics with I.T.										
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<div>  Aspiration 2020 – Regulatory Excellence Accreditation & Recognition </div> <div>  PACUCOA- and PAASCU-Accredited Programs </div> <div> <table> <tr> <th>Level I Status</th> <th>Level II – Reaccredited Status</th> </tr> <tr> <td>AB English Language</td> <td>BS Nursing (PAASCU)</td> </tr> <tr> <td>AB International Studies</td> <td>MA Psychology</td> </tr> <tr> <td>AB Literature</td> <td>Master of Education</td> </tr> <tr> <td>AB Political Science</td> <td>Doctor of Education</td> </tr> <tr> <td>Bachelor of Fine Arts</td> <td></td> </tr> <tr> <td>BS Hotel and Restaurant Management</td> <td></td> </tr> <tr> <td>BS Medical Technology</td> <td></td> </tr> <tr> <td>BS Tourism Management</td> <td></td> </tr> </table> <table> <tr> <th>Candidate Status</th> </tr> <tr> <td>BS Accountancy (FEU Makati)</td> </tr> <tr> <td>BS Accounting Technology (FEU Makati)</td> </tr> <tr> <td>BS Architecture</td> </tr> <tr> <td>BS Business Administration (FEU Makati)</td> </tr> </table> </div>	Level I Status	Level II – Reaccredited Status	AB English Language	BS Nursing (PAASCU)	AB International Studies	MA Psychology	AB Literature	Master of Education	AB Political Science	Doctor of Education	Bachelor of Fine Arts		BS Hotel and Restaurant Management		BS Medical Technology		BS Tourism Management		Candidate Status	BS Accountancy (FEU Makati)	BS Accounting Technology (FEU Makati)	BS Architecture	BS Business Administration (FEU Makati)	<p>And its other programs are on their way to getting ever higher accreditation levels, so that it is only a matter of waiting out the time-requirements of the accreditation process before these programs reach the highest levels as well.</p>
Level I Status	Level II – Reaccredited Status																							
AB English Language	BS Nursing (PAASCU)																							
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AB Literature	Master of Education																							
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<div>  Aspiration 2020 – Regulatory Excellence International Recognition </div> <div>  ASEAN University Network – Quality Assurance (AUN-QA), associate member </div> <div>  Association to Advance Collegiate Schools of Business (AACSB), member </div> <div>  International Centre of Excellence in Tourism and Hospitality Management (THE-ICE), associate member </div>	<p>On international recognitions, what is new is that FEU Manila is now an associate member of the ASEAN University Network – Quality Assurance (or AUN-QA). In the Philippines, less than 10 universities enjoy this distinction.</p> <p>In addition, FEU Manila is a member of the Association to Advance Collegiate Schools of Business (AACSB) and an associate member of the International Centre of Excellence in Tourism and Hospitality Management (THE-ICE).</p>
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<div>  Aspiration 2020 – Regulatory Excellence Performance in professional licensure examinations </div> <div>  </div>	<p>On performance in professional licensure exams, my statistical analysis of the data of the last 5 years indicates that, in general, the passing rates of FEU examinees are significantly higher than the national passing rates, but there is still wide variability in the outcomes (which reflects a lack of consistency and is something we have to focus on) and overall performance is weighed down by repeaters.</p>
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Medical Technologist Licensure Examination, 2012 to 2017



Aspiration 2020 – Regulatory Excellence
Performance in professional licensure examinations

Among programs with licensure exams, medical technology stands out for consistently excellent performance.

Since 2015 with its first batch of medical technology graduates, FEU Manila has been recognized as a top-performing school by the Professional Regulations Commission (PRC) because the passing rates of its medical-technology examinees tend to be among the highest in the country.

Aspiration 2020 – Regulatory Excellence
Performance in professional licensure examinations

NOTABLE EXAMINEES 2016–2017

NAME	LICENSURE EXAM	RANK	MONTH/YEAR TAKEN
Vanessa Leslie Rivera	Medical Technology	1st	February 2017
Titus Roland Tagan	CPA	5th	October 2016
Jesmar Concepcion	CPA	6th	October 2016
Paul Anthony Sudara	LET	10th	September 2016
Anelle Gam Soreja	Psychometrician	Shared 4th	August 2016
Kristina Angelica Uda	Psychometrician	Shared 4th	August 2016
Allen James Tamara	Psychometrician	7th	August 2016
Arabelle Manzano	Psychometrician	8th	August 2016
Clarissa Estorques	Psychometrician	Shared 10th	August 2016
Princess Najera	Psychometrician	Shared 10th	August 2016

A bonus on our licensure-exam performance is that FEU does get its share of top-notchers in board exams.

Aspiration 2020 – Regulatory Excellence
Academic credentials of the faculty

Tenured faculty with master's and doctorate degrees

Institute	Tenured Faculty	PhD/DBA/EdD	MA/MS/MBA
IABF	54	19	34
IARFA	27	3	23
IAS	88	20	68
IE	28	9	19
INI	29	9	20
ITHM	13	5	8
Total	239	65	172
%	100.0	27.2	72.0

On the academic credentials of the faculty, the data show that 27.2% of our tenured faculty have doctorate degrees, and 72% have master's degrees.

Aspiration 2020 – Regulatory Excellence
Academic credentials of the faculty

Faculty who graduated their doctorates in AY 2016-2017

NO.	NAME OF FACULTY	INSTITUTE	DEGREE	DEGREE	DEGREE
1	Arnel B. Cruz	IE	PhD Education	FEU	
2	Benito B. Cruz	IABF	DBA	Concordia San Antonio College	
3	Stephen Jay Cui	IE	PhD Education	FEU	
4	Narciso C. Cordero	IE	PhD Education	FEU	
5	Benito Cordero	IE	PhD Education	FEU	
6	Benito Cordero	IE	PhD Education	FEU	
7	Benito Cordero	IE	PhD Education	FEU	
8	Benito Cordero	IE	PhD Education	FEU	
9	Benito Cordero	IE	PhD Education	FEU	
10	Benito Cordero	IE	PhD Education	FEU	
11	Benito Cordero	IE	PhD Education	FEU	
12	Benito Cordero	IE	PhD Education	FEU	
13	Benito Cordero	IE	PhD Education	FEU	

As further evidence that FEU Manila is beefing up our faculty resources, I am proud to report that 13 of our tenured faculty members have newly minted doctorate degrees.





Aspiration 2020 – Regulatory Excellence
Academic credentials of the faculty



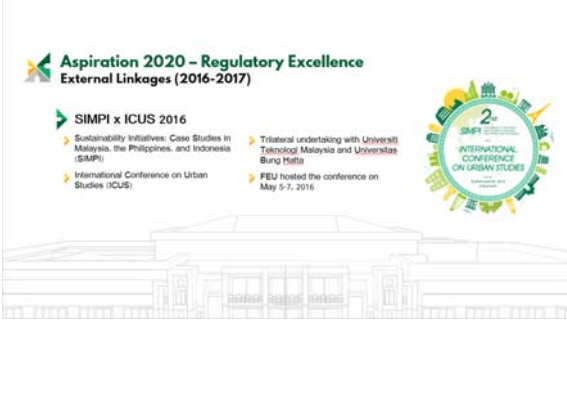
Faculty scholars who are pursuing their graduate studies




34 faculty scholars		
33 – doctoral degrees	29 – CHED grantees	5 – studying abroad
1 – master's degree	3 – FEU funded	29 – Philippines
	2 – DOST & DAAD	

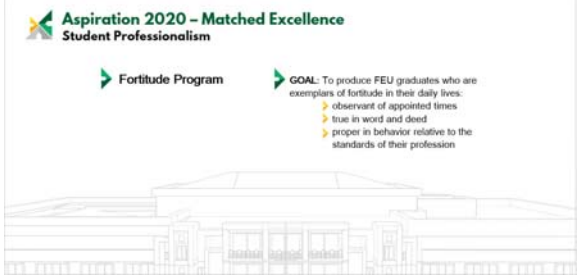

In addition, FEU Manila is taking advantage of reduced teaching loads during the K-12 transition period and investing to improve the faculty's academic credentials.


34 faculty members have been sent to pursue their doctorate degrees. (What this implies is that, among all HEIs in the Philippines, FEU Manila probably has the highest number of faculty members who are pursuing advanced academic degrees.)

<div><div> Aspiration 2020 – Regulatory Excellence Academic credentials of the faculty</div><div><div>➤ Research Fellows</div><table><thead><tr><th></th><th>Degree</th><th>University</th></tr></thead><tbody><tr><td>Arnel Concepcion</td><td>Deep, Applied and Synthetic Chemistry</td><td>Nagoya University</td></tr><tr><td>Pydmani Perez</td><td>PhD, Anthropology</td><td>Leiden University</td></tr><tr><td>Jonathan Peralta</td><td>PhD, Mathematics</td><td>Rector Magnifico de Universidade de Santiago de Compostela</td></tr><tr><td>Marcos Valdez</td><td>DAgSci, Animal Genetics</td><td>Nagoya University</td></tr><tr><td>Sandra Yap</td><td>PhD, Ecology and Evolutionary Biology</td><td>University of Michigan</td></tr></tbody></table></div></div>		Degree	University	Arnel Concepcion	Deep, Applied and Synthetic Chemistry	Nagoya University	Pydmani Perez	PhD, Anthropology	Leiden University	Jonathan Peralta	PhD, Mathematics	Rector Magnifico de Universidade de Santiago de Compostela	Marcos Valdez	DAgSci, Animal Genetics	Nagoya University	Sandra Yap	PhD, Ecology and Evolutionary Biology	University of Michigan	<p>The University has also recruited 5 research fellows to help beef up its research capabilities.</p>																
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<div><div> Aspiration 2020 – Regulatory Excellence Research</div><div><div>➤ Tenured faculty involved in research activities</div><table><thead><tr><th rowspan="2">Institute</th><th rowspan="2">Tenured Faculty</th><th colspan="2">Researchers</th></tr><tr><th>Number</th><th>%</th></tr></thead><tbody><tr><td>IABP</td><td>54</td><td>12</td><td>22.2</td></tr><tr><td>IARFA</td><td>27</td><td>6</td><td>22.2</td></tr><tr><td>IAS</td><td>88</td><td>30</td><td>34.1</td></tr><tr><td>IE</td><td>28</td><td>17</td><td>60.7</td></tr><tr><td>IN</td><td>29</td><td>15</td><td>51.7</td></tr><tr><td>ITHM</td><td>13</td><td>2</td><td>15.4</td></tr><tr><td>Total</td><td>259</td><td>82</td><td>34.3</td></tr></tbody></table></div></div>	Institute	Tenured Faculty	Researchers		Number	%	IABP	54	12	22.2	IARFA	27	6	22.2	IAS	88	30	34.1	IE	28	17	60.7	IN	29	15	51.7	ITHM	13	2	15.4	Total	259	82	34.3	<p>Indeed, FEU Manila is making significant headway in academic research. In AY 2016–2017, 34.3% of the tenured faculty were involved in systematic investigations of interest to their disciplines.</p>
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<div><div> Aspiration 2020 – Regulatory Excellence Research</div><div><div>➤ 22 publications (9 Scopus- or ISI-indexed)</div><div>➤ 22 completed research projects</div><div>➤ 11 on-going research projects</div></div></div>	<p>And the publications list, while still relatively short at 22 items, has been growing in number year by year as well as improving in quality (as may be inferred from the number published in journals indexed by either the Institute for Scientific Information (ISI) or Scopus).</p> <p>The number of completed studies has also increased, as has the number of ongoing research projects.</p>																																		
<div><div> Aspiration 2020 – Regulatory Excellence Research</div><div><div>➤ Milestone Events</div><div><div>➤ Research writing workshops</div><div>➤ Institute-sponsored research colloquia</div><div>➤ Paper presentations in national and international academic conferences</div></div></div></div>	<p>Milestone events include research writing workshops, Institute-sponsored research colloquia, and paper presentations in national and international academic conferences.</p> <p>The ultimate goal is of course getting these papers published in prestigious academic journals.</p>																																		

 <p>Aspiration 2020 – Regulatory Excellence Community Extension Services</p> <p>➤ Focus Areas</p> <ul style="list-style-type: none">➤ Urban studies and renewal➤ Biodiversity and sustainability➤ Cultural preservation and dissemination	<p>As universities should be brain trusts for their cities and countries, FEU Manila reoriented its Community Extension Services office, charging it with overseeing research-based community extension programs of the University, for which three focus areas were identified:</p> <p>urban studies and renewal, biodiversity and sustainability, and cultural preservation and dissemination.</p> <p>Programs and projects under each focus areas are being organized.</p>
 <p>Aspiration 2020 – Regulatory Excellence External Linkages (2016-2017)</p> <p>➤ MOUs doubled to 22 from 11 in previous year</p> <p>➤ In Progress:</p> <ul style="list-style-type: none">Rutgers University (USA)OCAD University (Canada)Instituto Tecnológico Autónomo de MéxicoQilu University (China)Universitas Pendidikan and University of Surabaya (Indonesia)University of Brunei DarussalamYalaya Akademi University and Vithaks University (Thailand)	<p>Linkages with other HEIs expose both faculty and students to cross-cultural activities through exchange programs and enhance their opportunities for collaborative research projects, usually as a derivative of participation in joint lectures, seminars, and conferences.</p> <p>In AY 2016–2017, FEU Manila’s such formal arrangements (i.e., those covered by memorandums of understanding) doubled in number to 22 from 11 in the previous year.</p> <p>Discussions are also in progress to formalize collaboration activities with a number of universities from other countries.</p>
 <p>Aspiration 2020 – Regulatory Excellence External Linkages (2016-2017)</p> <p>➤ SIMPI x ICUS 2016</p> <ul style="list-style-type: none">➤ Sustainability Initiatives: Case Studies in Malaysia, the Philippines, and Indonesia (SIMPI)➤ International Conference on Urban Studies (ICUS)➤ Trilateral undertaking with Universiti Teknologi Malaysia and Universitas Bung Hatta➤ FEU hosted the conference on May 5-7, 2016	<p>In AY 2016–2017, notable among the academic events hosted by FEU was SIMPI x ICUS 2016.</p> <p>Held on 5 – 7 May 2016 with some 200 local and international participants, Sustainability Initiatives: Case Studies in Malaysia, the Philippines, and Indonesia (SIMPI) and International Conference on Urban Studies (ICUS) 2016 was a trilateral initiative with Universiti Teknologi Malaysia and Universitas Bung Hatta.</p>

 <p>Aspiration 2020 Matched Excellence The graduates of FEU Manila thrive in their careers and workplaces</p>	<p>Now we turn to the second component of Aspiration 2020.</p> <p>Recall that on matched excellence, we want to know how well FEU Manila is preparing its graduates for the world of work.</p>
 <p>Aspiration 2020 – Matched Excellence Industry Linkages (2016-2017)</p> <p>➤ 627 industry partners with whom FEU Manila has formal student-internship arrangements</p>	<p>In AY 2016–2017, FEU Manila had 627 industry partners with whom it had formal student-internship arrangements.</p> <p>In other words, students could choose from a long list of firms where they could satisfy the on-the-job training requirements of their programs.</p>
 <p>Aspiration 2020 – Matched Excellence Placement Services</p> <p>➤ Placement Learning and Understanding Sessions (PLUS)</p> <p>➤ Formal placement contracts with 125 industry partners</p> <ul style="list-style-type: none">➤ 25% increase from last year➤ 15% of the firms in the Top 1000 Corporations in the Philippines <p>Quality jobs for FEU graduates and alumni</p>	<p>Given the fast changing landscape of the world of work, it is no longer enough for a school to simply focus on preparing its students to be employable. Rather the expectation is that the school’s placement services are able to open doors to quality jobs.</p> <p>Thus the range of activities includes acquainting students about the world of work and possible career trajectories to directing them to choice jobs in select firms.</p> <p>For graduating students, 14 Placement Learning and Understanding Sessions (PLUS) were conducted where industry experts from prestigious companies gave career-pathing advice.</p> <p>The graduates also benefited from the University’s formal placement contracts with 125 industry partners, 15% of which belonged to the Top 1000 Corporations in the country.</p>

 <p>The slide features the title "Aspiration 2020 - Matched Excellence Student Professionalism" at the top left. Below it, the "Fortitude Program" is introduced. A "GOAL" section states: "To produce FEU graduates who are exemplars of fortitude in their daily lives," followed by three bullet points: "observant of appointed times," "true in word and deed," and "proper in behavior relative to the standards of their profession." The background shows a faint architectural drawing of a university building.</p>	<p>An important aspect of preparing students for the world of work is the development of proper values.</p> <p>On this focus area, an initial project that the University has adopted is the Fortitude Program, which fosters fortitude, a core value of FEU, by highlighting punctuality, precision, and professionalism in daily academic conduct.</p> <p>The goal of the program is to produce FEU graduates who are exemplars of fortitude in their daily lives: observant of appointed times, true in word and deed, and proper in behavior relative to the standards of their profession</p>
 <p>The slide displays the title "Aspiration 2020 Adaptive Excellence" prominently. Below the title, a subtitle reads: "The graduates of FEU Manila are equipped with the skills to flourish in life." The background is a faint architectural rendering of a modern university building.</p>	<p>The third component of Aspiration 2020 is Adaptive Excellence.</p> <p>Recall that Adaptive Excellence asks how well FEU Manila graduates are equipped with life-skills that will allow them to flourish in life.</p>

	<p>As mentioned in my introduction, a challenge that HEIs face is to realign the curriculums of their academic programs with new CHED requirements.</p> <p>Specifically, the new set of core or general education subjects is specified to adopt an interdisciplinary frame of reference, and the major subjects in each of the programs are directed to be outcomes-based.</p> <p>To address this CHED-prescribed paradigm shift, FEU Manila adopted two interrelated initiatives: the GE Curriculum Framework Formation Project and the Digital Literacy, Effective Communication, and Critical Thinking (DLECCT) Program.</p> <p>The GE Curriculum Project is based on CHED prescriptions but adds subjects that will make the core curriculum distinctly FEU.</p> <p>It is powered by the DLECCT Program, a teaching and learning style that is student-centered and research-based.</p> <p>DLECCT will imbue the GE subjects with education-technology-enabled digital learning resources and with pedagogical strategies that build up communication and critical thinking skills in students.</p> <p>The hope is that, with DLECCT, FEU students will be equipped with the soft skills that will transform them into lifelong learners as well as the life skills that will allow them to navigate post-college life as future-ready individuals.</p>
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	<p>On the major courses of the academic programs, the Departments are working to comply with CHED requirements and provide outcomes-based curriculums.</p> <p>One noteworthy initiative is the BS Accountancy Curriculum Standardization Project, which aims to provide a uniform curriculum in all FEU schools.</p> <p>Using a curriculum-mapping approach, the project hopes to develop a curriculum that will consistently produce the best accountancy graduates in the country.</p>
	
	<p>To sum up the main points of this presentation: AY 2016-2017, the reference year of this report, ushered in the 5-year transition period of K-12 reform and brought with it financial difficulties for Philippine HEIs.</p> <p>Thankfully for FEU Manila, its Aspiration 2020 is helping it to maintain its focus on institutional goals.</p> <p>It is exploiting the silver linings brought by the dark clouds of the reform by investing in its faculty, inculcating a research culture in the university, and developing a new student-centered and technology-enabled learning ecology so that it will emerge as an even better institution of higher learning in 2020.</p>
	

On motion made by Mr. Cyrus DL. De Guzman and duly seconded, the Stockholders unanimously adopted and approved the following resolution:

Stockholders’ Resolution No. 02-2017

“RESOLVED, That the Academic Report on Far Eastern University, Inc. of the President, Dr. Michael M. Alba, for the academic year 2016-2017 be, as it is hereby, noted.”

Voting Results	Voted in Favor	Voted Against	Abstained
Number of Shares Voted	13,682,925	0	0
Percent of Shares Voted	100%	0%	0%

V. ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The next order of business was the notation of the Annual Report and approval of the Audited Financial Statements.

At this juncture, the Chairman stood up to deliver his Message to the Stockholders.

“Thank you, Dr. Alba, for a thorough and uplifting Academic Report.

Strategic Plan

Two years ago, we conceived a Five Year Strategic Plan which we detailed in our 2015 Annual Report. Our 90th Anniversary is next January, and we are pleased to report that despite challenges from the K-12 implementation and free tuition for State Colleges, we are on track towards achieving our Roadmap 2020.

We believe that we are now a Top Five Philippine University from a combined academic, job creation, and financial point of view. We are enhancing our Value Education experience through technology aided Learning Management Systems and improved campus Wi-Fi capability. We produce Employable Graduates by teaching them the skills of Digital Learning, Effective Communication, and Critical Thinking (DLECCT), and this has paid off with Top Five rankings in Job Street Surveys and superior scores relative to the national average in the external licensure examinations. We provide Meaningful Careers for our Faculty and Administrative staff through continuous faculty development training, integration of Research work into faculty duties, and promotion from within combined with selective recruitment for Specialist positions from the outside.

Best of all, 98% of our Administrators and Faculty are capable professionals, and we will continue our Founder’s vision of a business model that keeps FEU financially sustainable and a Corporate Governance leader in the Education sphere.

Financial Results

Three significant events contributed to the Academic Year 2016-2017 Financial Results. The educational reform K-12 implementation temporarily removed freshman year of tertiary operations.

This was partially offset by the inaugural year of our Senior High School (SHS), and the consolidation of the newly acquired Roosevelt College, Inc. (RCI) into FEU's accounts.

Consolidated student population grew 6.6%, as new students from SHS and RCI of 6225 students offset the tertiary drop of 4230 students due to K-12.

Consolidated revenues however dropped 7% due to the substitution difference between higher tertiary tuition and lower basic education tuition levels. Correspondingly, Consolidated Expenses increased 9% primarily due to the addition of the cost bases of SHS and RCI. Existing entities with drops in student population reduced expenses partially through Voluntary Retirement programs and stringent budgeting. Fittingly, FEU preferred to safeguard as best as possible its Human Talent in these difficult times.

After a record ₱1.2 billion Net Income in 2015-2016, Consolidated Net Income dropped to ₱806 million in AY 2016-2017. Comprehensive Income likewise fell to ₱786 million.

Consolidated assets grew by 10% to ₱12 billion, primarily due to the addition of Roosevelt College.

Thinking long term, our building programs continue - we expect new completed buildings in Roosevelt College Rodriguez and FEU Alabang in 2018, and additional facilities in FEU Main, FEU Diliman, FEU Cavite, and RCI Marikina in 2019.

In short, FEU remains financially sustainable with ₱12 billion in Assets, only ₱2 billion in loans, and almost ₱9 billion in Stockholders Equity, and a clean Auditor's Opinion by Punongbayan and Araullo.

Other Subsidiaries

Allow me to close with a few statements about our other subsidiaries. FEU Tech has had another banner year, inclusive of three students in the top 10 and one topnotcher in a national engineering examination.

FEU Cavite is slowly rationalising its course offerings, while FEU Alabang is in the process of construction for a 2018 school opening. Roosevelt College, with its 5 campuses has smoothly transitioned into the FEU system. We also have a management relationship with FERN Diliman, and we are also rationalising its offerings. Effectively, we impact around 38,000 students in 10 campuses in and around Metro Manila.

Looking Forward

We approach our 90th Year with Fortitude, Excellence, and Uprightness. This year will be a busy year as we host the UAAP Season 80, search for 28 Outstanding Alumni, and celebrate our 90th Anniversary in 2018.

Once again, we thank you, our Shareholders and Stakeholders, for your continuing and appreciated support for FEU's Founder's principles. Hopefully, your presence in these newly renovated Administration Building premises will be the start of another 90 years of Educational Leadership in a Philippine setting.

Thank you."

The Chairman then opened the floor for questions or comments from the Stockholders on the Annual Report or the Audited Financial Statements.

Mr. Edgar Ngo asked about the drop in the profit and the increased financial cost as reflected in the 2017 annual report.

The Chairman replied that though the total number of students for AY 2016-2017 is more or less the same compared to the previous year, the tuition level for basic education is lower than the tertiary tuition.

The Chief Finance Officer (CFO) further explained that FEU was in the past mainly providing tertiary education. Due to the implementation of the K-12 program, income dropped. To mitigate the situation, FEU established the Senior High School (SHS) and acquired Roosevelt College, Inc., (RCI). Both schools are into basic education. However, the revenue loss due to K-12 was greater than the income gained from the SHS and RCI.

In response to the query on additional financial cost, the CFO confirmed that the entire cost was primarily due to SHS and RCI.

Mr. Stephen Soliven inquired about the difference in the total assets figures which were recorded at ₱8 billion and ₱12 billion. The CFO clarified that the ₱8 billion total assets refer to the parent company or FEU alone, while the ₱12 billion refer to the consolidated assets of FEU and its subsidiaries.

Regarding Mr. Soliven's question on revaluation reserve, FEU Comptroller Glenn Z. Nagal replied that the revaluation reserve refers to the increase in the fair market value (FMV) of our investments in securities, such as equities, over the acquisition cost.

The Chairman described this year as the toughest year from the K-12 point of view considering that there are no freshmen and sophomore students. This will continue until 2021 when FEU will be able to get all four years populated with students. In addition, we will have SHS, RCI and FEU Alabang by then, and the number of students and associated revenues will go back to normal.

Mr. Edgar Ngo also inquired about the lower cash dividend this year from ₱12.00 per share to ₱8.00 and on the possibility of a stock dividend declaration next year.

The CFO reiterated that this year is a tough year and results of operations will not be as good as before. On top of this, the University continues to work towards academic excellence and growth goals, and it has invested in other facilities. The University is tempering its ability to pay out, and plowing the cash back to investments. On the positive side, FEU was fortunate to be able to declare cash dividend despite the difficulties though lower. Moving forward, the University shall diligently observe what happens in the future and shall distribute income accordingly.

Relative to the possibility of declaring a stock dividend next year, the Chairman responded that to comment at this time is premature. An evaluation shall be done next year. At present, the University is focusing on running operations smoothly and remaining profitable.

The Chairman added that the Finance people will be willing to answer any questions after the meeting.

Ms. Esperanza Lopez asked about the percentage of holdings of the SM Group. The Chairman replied that the SM Group holds about 22.3% of outstanding shares. He added that in 1989, the SM group came in and has since been helpful both from the professional and financial point of view.

In reply to Mr. Guillermo Gili, Jr.'s comment on shareholders, the Chairman reiterated that the Montinolas have been long term shareholders of FEU and will continue to do so. The University likewise enjoys an excellent relationship with the SM Group, which has contributed greatly to what FEU is today.

Since there were no more questions or comments, the Chairman thanked the Stockholders and asked for a motion for the notation of the Annual Report and approval of the Audited Financial Statements.

On motion made by Mr. Arnualdo B. Macapagal and duly seconded, the Stockholders adopted and approved the following resolution:

Stockholders’ Resolution No. 03-2017

“RESOLVED, That the Annual Report covering the operations of Far Eastern University, Inc. (FEU) for the fiscal year 2016-2017 be noted, and that the Audited Consolidated Financial Statements of FEU and its Subsidiaries and the Audited Separate Financial Statements of FEU as of and for the periods ended 31 May 2017, 31 May 2016 and 31 March 2016 be approved.”

Voting Results	Voted in Favor	Voted Against	Abstained
Number of Shares Voted	13,682,925	0	0
Percent of Shares Voted	100%	0%	0%

VI. ACTS AND RESOLUTIONS DURING THE PAST YEAR OF THE BOARD OF TRUSTEES, BOARD AND MANAGEMENT COMMITTEES, AND MANAGEMENT AND OTHER OFFICERS

The next item in the Agenda was the approval, ratification and confirmation of all Acts and Resolutions during the past year.

Thereupon, on motion made by Ms. Ma. Carmencita A. Sayo and duly seconded, the Stockholders adopted and approved the following resolution:

Stockholders’ Resolution No. 04-2017

“RESOLVED, That all the acts and resolutions of the Board of Trustees, Board and Management Committees, and Management and other Officers of Far Eastern University, Inc. taken or adopted since the Annual Meeting of Stockholders last 27 August 2016 until today, 21 October 2017, be approved, ratified and confirmed.”

Voting Results	Voted in Favor	Voted Against	Abstained
Number of Shares Voted	13,682,925	0	0
Percent of Shares Voted	100%	0%	0%

VII. ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES

The next order of business was the election of nine (9) members of the Board of Trustees for the ensuing year.

At the request of the Chairman, Atty. Gianna R. Montinola, a member of the Nomination Committee, reported that in accordance with the University’s Amended By-Laws and applicable rules and regulations, the following Stockholders were duly nominated for election as members of the Board of Trustees of FEU for the term 2017-2018 and until their respective successor is duly elected and qualified:

①	Dr. Lourdes R. Montinola
②	Mr. Aurelio R. Montinola III
③	Dr. Michael M. Alba
④	Dr. Edilberto C. De Jesus
⑤	Ms. Angelina P. Jose
⑥	Mr. Robert F. Kuan
⑦	Mr. Antonio R. Montinola
⑧	Ms. Sherisa P. Nuesa
⑨	Dr. Paulino Y. Tan

Of the above-named nominees, three (3) were nominated as Independent Trustees, namely: ① Dr. Edilberto C. De Jesus, ② Mr. Robert F. Kuan, and ③ Ms. Sherisa P. Nuesa.

Atty. Montinola further stated that there were nine (9) members for the nine (9) Board seats to be filled up. The Nomination Committee, at a meeting called for the purpose had reviewed the qualifications of all the nominees and concluded that all the nine (9) nominees have met all the requirements to be elected as Trustee and are, therefore, qualified to serve as FEU Trustees. All the nominees have given their consent to their nomination.

On motion made by Ms. Fe V. Canilao and duly seconded, the Stockholders adopted and approved the following resolution:

Stockholders’ Resolution No. 05-2017

“RESOLVED, That there being only nine (9) nominees, all votes be cast, as they are hereby cast equally, and that the nine (9) nominees named below be henceforth declared as elected members of the Board of Trustees of Far Eastern University, Inc. for the ensuing term 2017-2018 or until their successors are duly elected and qualified:

①	Dr. Lourdes R. Montinola	Trustee
②	Mr. Aurelio R. Montinola III	Trustee
③	Dr. Michael M. Alba	Trustee
④	Dr. Edilberto C. De Jesus	Independent Trustee
⑤	Ms. Angelina P. Jose	Trustee
⑥	Mr. Robert F. Kuan	Independent Trustee
⑦	Mr. Antonio R. Montinola	Trustee
⑧	Ms. Sherisa P. Nuesa	Independent Trustee
⑨	Dr. Paulino Y. Tan	Trustee

As tabulated by the Office of the Corporate Secretary - with the assistance of Stock Transfer Services, Inc. and in the presence of the representatives of the External Auditor, Punongbayan & Araullo - the votes received by the nominees and their percentages to total shares voted, in person or by proxy, were as follows:

Trustee		Voted in Favor		Voted Against	Abstained
①	Dr. Lourdes R. Montinola	13,682,909	99.99%	0	16
②	Mr. Aurelio R. Montinola III	13,682,909	99.99%	0	16
③	Dr. Michael M. Alba	13,682,909	99.99%	0	16
④	Dr. Edilberto C. De Jesus	13,682,909	99.99%	0	16
⑤	Ms. Angelina P. Jose	13,682,909	99.99%	0	16
⑥	Mr. Robert F. Kuan	13,682,909	99.99%	0	16
⑦	Mr. Antonio R. Montinola	13,682,909	99.99%	0	16
⑧	Ms. Sherisa P. Nuesa	13,682,909	99.99%	0	16
⑨	Dr. Paulino Y. Tan	13,682,909	99.99%	0	16

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The next item in the Agenda was the appointment of External Auditor for the fiscal year 2017-2018.

The Chairman requested Ms. Sherisa P. Nuesa, the Chairman of the Audit Committee, to explain the item. Ms. Nuesa informed the Stockholders that the Audit Committee (AuditCom) evaluated the performance of FEU’s present independent auditor, Punongbayan & Araullo, and stated that the AuditCom is satisfied with their performance.

Hence, the AuditCom and the Board of Trustees have agreed to endorse to the Stockholders, for their approval, the reappointment of Punongbayan & Araullo, Certified Public Accountants and the Philippine member firm of Grant Thornton International, Ltd., as the External Auditor of FEU for the fiscal year 2017-2018. The fees to be negotiated by Management.

On motion made by Ms. Marites G. Dacayanan and duly seconded, the Stockholders adopted and approved the following resolution:

Stockholders’ Resolution No. 06-2017

“RESOLVED, That Punongbayan & Araullo, Certified Public Accountants and the Philippine member firm of Grant Thornton International, Ltd., be reappointed as the External Auditor of Far Eastern University, Inc. for the fiscal year 2017-2018, and that the fees shall be negotiated by Management.”

Voting Results	Voted in Favor	Voted Against	Abstained
Number of Shares Voted	13,682,837	0	88
Percent of Shares Voted	99.999%	0%	0.001%

IX. OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING

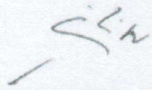
After confirming that there were no other matters that require consideration by the Stockholders, the Chairman then opened the floor for questions and comments from the Stockholders.

Mr. Marco P. Gutang expressed his appreciation to the members of the Board of Trustees, Management Committee, academic directors, non-academic managers, faculty and employees for continuously upholding the thrust of the University and warmly supporting Aspiration 2020.

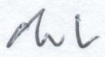
The Chairman, on behalf of the Board of Trustees and Management, extended his thanks to all the Stockholders for their continuing support and confidence in Far Eastern University.

X. ADJOURNMENT

There being no further business to transact, the Annual Stockholders' Meeting was, on motion made by Ms. Elena F. Gemzon and duly seconded, adjourned at 4:00 p.m.


SANTIAGO L. GARCIA JR.
Corporate Secretary

Attested by:


AURELIO R. MONTINOLA III
Chairman of the Board