

**MINUTES OF THE  
ANNUAL MEETING OF STOCKHOLDERS**

**BDO LEASING AND FINANCE, INC.**

**HELD ON MONDAY, MAY 31, 2010, AT 9:30 A.M.  
AT THE BALLROOM, 3<sup>RD</sup> FLOOR, MANDARIN ORIENTAL MANILA  
MAKATI AVENUE, MAKATI CITY**

Number of shares held by shareholders:

Present In Person or Represented By Proxy, and Participant Brokers	-	1,841,222,218
Number of Total Outstanding Shares	-	2,162,475,312
Percentage of the Total Shares Represented By Proxies & In-Person	-	85.14%

**I. Call to Order**

Mr. Nestor V. Tan was requested to act as Chairman of the Meeting. In that capacity, Mr. Tan called the Annual Stockholders' meeting to order at 9:34 in the morning and presided over the same.

Atty. Richard Anthony D. Alcazar, Corporate Secretary, recorded the minutes of the meeting.

**II. Certification of Notice and Quorum**

The Chair verified whether notices of the annual meeting of the stockholders had been sent to the corporation's shareholders. Atty. Richard Anthony D. Alcazar, Corporate Secretary, replied that notices of the meeting were sent to stockholders of record as of 05 April 2010 in accordance with Article II, Section 2 of the By-Laws in relation to Paragraphs 3 and 11 of SRC Rule 20 of the Amended Implementing Rules and Regulations of the Securities Regulation Code.

The Corporate Secretary reported that there was a quorum present and that the meeting was regularly and lawfully convened for the transaction of business.

**III. Reading and Approval of the Minutes of the Previous Stockholders' Meeting**

The Chairman of the Meeting stated that the next item in the agenda was the reading and approval of the minutes of the annual meeting of shareholders held last June 1, 2009.

A motion was made to dispense with the reading of the minutes of the annual stockholders' meeting held last June 1, 2009, and that the said minutes as appearing in the minutes book of BDO Leasing and Finance, Inc. be approved by the stockholders.

On the basis of the motion made, which was duly seconded, the reading of the minutes of the annual stockholders' meeting held last June 1, 2009 was dispensed with, and the said minutes as appearing in the minutes book of BDO Leasing and Finance, Inc. were approved by the stockholders.

**IV. Consideration of the President's Report on the Results of the Corporation's Operations for the Year Ended December 31, 2009, and the 2009 Financial Statements of the Corporation**

Mr. Roberto E. Lapid, President, rendered his report to the Stockholders. The report is hereto attached as Annex "A" and made an integral part hereof.

The Chairman opened the table for questions regarding the report of the President and the Company's financial statements. The following matters were taken up in the course of the discussions:

Mr. Philip Turner, stockholder, inquired on the reason for the significant increase in occupancy and related expenses. Mr. Lapid answered that the increase was attributable to the depreciation of the operating lease assets of BDOLF. Because of the BIR Ruling obtained by BDOLF, it was allowed to apply accelerated depreciation for its operating lease assets and this was the reason for the increase. Mr. Turner expressed his concern that the significant amount going to depreciation might adversely affect the income of the company. Mr. Lapid assured Mr. Turner that the company earned income on a per transaction basis. He added that using a straight line depreciation might result to a situation where BDOLF would still be depreciating the asset in its books despite the expiration of the lease term. Mr. NV Tan added that the transactions yielded profits for BDOLF. He explained that previously, the BIR did not allow BDOLF to depreciate the asset co-terminus with the lease term so all the profits were recorded in the earlier years. Since accelerated depreciation has been allowed by the BIR only recently, the new method resulted to the unusually high occupancy and related expenses. Management expected this to normalize in the current and succeeding fiscal years with the depreciation being co-terminus with the term of the lease.

Mr. Turner then asked why there was no note in the Audited Financial Statements of the corporation regarding the accelerated depreciation on operating lease assets. Mr. NV Tan replied that the external auditor followed the accounting reporting standards in the preparation of the audited financial statements. Nonetheless, he said that they would discuss this with the external auditors.

After the discussions were concluded, Mr. Manny O. Diaz, proxy holder, moved for the notation and approval of the President's Report on the result of the operations of the corporation for the year ended December 31, 2008 and the audited financial statements for the same period.

Ms. Ma. Aurora R. Purugganan, proxy holder, seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

**Stockholders' Resolution No. 2010-01**

**"RESOLVED,** That the President's Report on the result of the operations of BDO Leasing and Finance, Inc. and the Audited Financial Statements for the year ended December 31, 2009 be, as they are hereby, noted and approved."

**V. Ratification of Actions Taken by the Board of Directors, the Duly Constituted Committees, the Management and the Officers of the Corporation Since the Last Annual Meeting of the Stockholders**

Ms. Retz C. Lopez, proxy holder, moved that all the acts and proceedings of the Board of Directors, the acts of the duly constituted committees, the acts of the Management and the acts of the officers of the Corporation up to the date of this meeting be, in all respects, confirmed, ratified and approved and that the directors, officers and employees of the corporation be commended for the satisfactory results of the corporation's operations for the year 2009.

Thereafter, Ms. Vernie C. Dela Cruz, proxy holder, seconded the motion.

Mr. Turner sought clarification on the promotion of the name and image of BDOLF. He said that confusion might result if the name BDO would be used in the promotional materials instead of the corporate name of BDOLF. If Management would want to really promote the name

and image of the company then it should promote BDOLF. Mr. NV Tan replied that BDO is the name and symbol used for all the members of the BDO group which would include BDO Unibank, Inc., BDOLF, BDO Private Bank and BDO Capital among others. Mr. Turner said that they were confused on the real name of BDOLF because of this strategy. He suggested that Management should decide on which name it would use for the corporation and how to establish or promote this name. Mr. NV Tan explained that the use of the name BDO was being used for marketing purposes. He explained that branding would be different from the corporate name of the entity. The branding name of BDO is being used to market the leasing company and other members of the BDO group to take advantage of the good image and strength of the BDO group but its corporate name will remain BDO Leasing and Finance, Inc. Ms. Teresita T. Sy, Chairperson, manifested that Management would take the suggestion of Mr. Turner under advisement and study the matter further.

There being no further questions or objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2010-02

**RESOLVED**, That all the acts and proceedings of the Board of Directors, the acts of the duly constituted committees, the acts of the Management and the acts of the officers of BDO Leasing and Finance, Inc. (the "Corporation") in carrying out and promoting the purposes, objects, and interests of the Corporation, are confirmed, ratified and approved and hereby made the acts and deeds of the Corporation.

**RESOLVED FURTHER**, That the Directors, Officers and Employees of the Corporation be commended for the satisfactory results of the Corporation's operations for the year 2009.

**VI. Election of the Board of Directors**

The Chairman then announced that the next item on the agenda was the election of the regular and independent members of the Board of Directors for the ensuing year and until the next succeeding annual stockholders meeting of the Corporation. The Chairman also informed all the stockholders in attendance of the mandatory requirement of electing independent directors.

The Corporate Secretary informed the Chairman that the following nominations have been received and passed upon by the *Corporate Governance, Nomination and Compensation and Remuneration Committee* (Committee) of the corporation, and that the Committee found the following nominees to possess the qualifications necessary to be regular and independent directors, respectively, of the corporation:

Nominees for Regular Directors

1. Gerard Lee B. Co
2. Antonio N. Cotoco
3. Fulgencio S. Factoran, Jr.
4. Antonio A. Henson
5. Roberto E. Lapid
6. Teresita T. Sy
7. Edmundo L. Tan
8. Nestor V. Tan
9. Rolando C. Tanchanco
10. Exequiel P. Villacorta, Jr.
11. Evelyn L. Villanueva
12. Walter C. Wassmer

Nominees for Independent Directors:

13. Jesse H. T. Andres
14. Ma. Leonora V. De Jesus
15. Jesus G. Tirona

Ms. Ma. Aurora R. Purugganan observed that since the nomination period has expired and closed, and there are fifteen (15) nominees for the fifteen (15) seats in the corporation's Board of

Directors, she moved that the Corporate Secretary be directed to cast all votes in favour of the foregoing individuals respectively nominated as regular and independent directors.

Mr. Jonathan C. Pollante seconded the motion.

There being no objection, the Chairman ordered the Corporate Secretary to cast all votes in favor of all those nominated.

Thereafter, the stockholders adopted the following resolution:

Stockholders' Resolution No. 2010-03

**"RESOLVED**, That the following are elected directors of BDO Leasing and Finance, Inc., to act as such until their successors are elected and qualified:

Regular Directors:

1. Gerard Lee B. Co
2. Antonio N. Cotoco
3. Fulgencio S. Factoran, Jr.
4. Antonio A. Henson
5. Roberto E. Lapid
6. Teresita T. Sy
7. Edmundo L. Tan
8. Nestor V. Tan
9. Rolando C. Tanchanco
10. Exequiel P. Villacorta, Jr.
11. Evelyn L. Villanueva
12. Walter C. Wassmer

Independent Directors:

13. Jesse H. T. Andres
14. Ma. Leonora V. De Jesus
15. Jesus G. Tirona

**VII. Appointment of External Auditor**

The next item in the agenda was the appointment of the external auditor of BDOLF for the year 2010.

Mr. Jonathan Pollante moved that the Accountancy and Auditing Firm of Punongbayan & Araullo, CPA's, be appointed as the external auditor of BDOLF for 2010, and that the Board of Directors be authorized to determine the terms of said external auditor's professional engagement.

Ms. Retz C. Lopez seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2010-04

**RESOLVED**, That the Accountancy and Auditing Firm of Punongbayan & Araullo, CPA's, be appointed as the external auditor of BDOLF for 2009;

**RESOLVED FURTHER**, That the Board of Directors of BDOLF or such person or persons duly authorized by the Board, be, as it/he is hereby authorized to determine the terms of engagement of the external auditor, to sign, execute and deliver the agreement and other documents pertaining to such engagement, and generally, to perform all acts necessary or appropriate to carry out the foregoing resolution and the intent hereof.

**VIII. Other Matters**

1. Declaration of Cash Dividends

Mr. NV Tan informed the stockholders that the Board of Directors of BDO Leasing and Finance, Inc., at its regular meeting held earlier, 31 May 2010, resolved to declare a cash dividend of Php 0.05 per share. The record date and payment date will be set after approval by the regulatory agencies of the dividend declared. The declaration of cash dividends by the Board Directors was duly noted by the stockholders.

A stockholder of the corporation inquired if BDOLF had accounts in the aviation or airline industry. Mr. NV Tan replied that BDOLF had no client in the aviation industry yet, but would take the suggestion of the stockholder into consideration.

**IX. Adjournment**

There being no further business to transact, Mr. Elmer J. Cruz moved to adjourn the meeting.

Mr. Manolo O-Diaz seconded the motion.

There having been no objection to the motion, the meeting was thereupon adjourned at 10:10 in the morning.

CERTIFIED CORRECT:



**RICHARD ANTHONY D. ALCAZAR**  
CORPORATE SECRETARY

ATTESTED:



**NESTOR V. TAN**  
CHAIRMAN OF THE MEETING