

## **PLAN OF MERGER**

This Plan of Merger executed and entered into on this 27<sup>th</sup> day of November 2018 at Makati City, by and among:

**RIZAL COMMERCIAL BANKING CORPORATION**, a universal banking corporation duly organized and existing under the laws of the Republic of the Philippines, with the principal place of business at Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City, represented herein by its President, Gil A. Buenaventura, hereinafter referred to as "**RCBC**";

And

**RCBC SAVINGS BANK, INC.**, a thrift banking corporation duly organized and existing under the laws of the Republic of the Philippines, with the principal place of business at RCBC Savings Bank Corporate Center, 26<sup>th</sup> and 25<sup>th</sup> Streets, Bonifacio Global City, Taguig City, represented herein by its President, Rommel S. Latinazo, hereinafter referred to as "**RSB**".

(RCBC and RSB are hereinafter referred to as the "Constituent Corporations")

WITNESSETH: That:

**WHEREAS**, the respective Board of Directors of the Constituent Corporations deemed it prudent and in the best interests of each bank and its respective stockholders that RCBC and RSB engage in a business combination in order to advance their long-term strategic business interest;

**WHEREAS**, the respective Board of Directors of the Constituent Corporations have determined that the business combination of RCBC and RSB shall be effected through a merger, which merger ("the Merger") is in furtherance of and consistent with their respective business strategies and is in the best interest of their respective stockholders;

**NOW THEREFORE**, for and in consideration of the foregoing premises, the parties have mutually agreed and hereby agree to accomplish the Merger as follows:

### **ARTICLE 1 MERGER**

- 1.1 Upon the terms and subject to conditions of this Plan of Merger and on the Effective Date (as hereinafter defined), RSB shall merge with and into RCBC. RCBC shall be the

surviving corporation of the Merger and shall continue its corporate existence under the laws of the Republic of the Philippines. On Effective Date, the separate existence of RSB shall terminate.

- 1.2 The Merger shall become effective on 1 July 2019 following the issuance by the Securities and Exchange Commission ("SEC") of a Certificate of Merger subject to compliance with Article 1.4 of this Plan of Merger ("Effective Date").
- 1.3 At and after the Effective Date, all of the legal consequences set forth in Section 80 of the Corporation Code shall take effect with respect to the Merger, including the following:
  - (a) RCBC and RSB shall become a single corporation, with RCBC as the surviving corporation and RSB shall cease to exist and its legal personality shall be terminated.
  - (b) RCBC shall continue to possess all its rights, privileges, immunities and powers and shall continue to be subject to all its duties and liabilities prior to the Merger.
  - (c) All the rights, privileges, immunities, and powers of RSB shall be deemed transferred to and possessed by RCBC, in addition to those originally belonging to RCBC.
  - (d) All the properties of RSB, real or personal, tangible or intangible, and all receivables due on whatever account, including subscription to shares and choses in action, and all and every interest of, belonging to, or due to RSB as of the Effective Date shall be deemed transferred to RCBC without further act or deed; and
  - (e) All liabilities and obligations of RSB as of the Effective Date shall be transferred to and become the liabilities and obligations of RCBC in the same manner as if RCBC has itself incurred such liabilities and obligations and in order that the rights and interest of creditors of RSB or liens upon the property of RSB shall not be impaired by the Merger.
- 1.4. The effectivity of this Plan of Merger shall be subject to the approval of the Bangko Sentral ng Pilipinas (the "BSP"), the SEC and the Philippine Deposit Insurance Corporation. The Constituent Corporations will file an application with the Bureau of Internal Revenue ("BIR") for the issuance of a ruling that the Merger qualifies as a tax-free merger under Section 40(c)2 of the National Revenue Code of 1997, as amended.



## ARTICLE 2 EXCHANGE OF SHARES

As of the Effective Date, the shares of RSB shall, without any other action on the part of the respective holders of the shares, become and be converted into the common shares of RCBC, as follows:

- 2.1. RSB shall transfer its net assets to RCBC in exchange for common shares of RCBC. The number of RCBC common shares that will be issued pursuant to the Merger shall be determined using the respective Net Asset Value ("NAV") per common share of the Constituent Corporations as of December 31, 2018 as reflected in their respective Audited Financial Statements. The results of operations of RSB from 1 January 2019 shall not affect the determination of the number of RCBC common shares that will be issued pursuant to the merger and adjustments shall not be made in the NAV per share of the Constituent Corporations after 31 December 2018. Any net income earned by RSB from 1 January 2019 until the Effective Date shall be declared and paid as dividends to RCBC and any net loss incurred by RSB during the same period shall be absorbed and for the account of RCBC.
- 2.2. The procedure for determining the number of RCBC common shares that will be issued pursuant to the merger shall be as follows:

- (a) The Constituent Corporations shall determine the exchange ratio based on the following formula:

$\text{Ratio} = \frac{\text{RSB NAV / No. of outstanding RSB shares}}{\text{RCBC NAV / No. of outstanding RCBC shares}}$
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- (b) The number of RCBC common shares to be issued is equivalent to the number of outstanding RSB common shares multiplied by the Ratio.
- (c) Any fractional shares resulting from the application of the formula provided in Clause 2.2(b) above shall be disregarded and rounded down to the nearest whole number of RCBC common shares.
- 2.3. The RCBC common shares issued in accordance with Clause 2.2 above shall be acquired and recorded as treasury shares by RCBC in exchange for RCBC's investment in RSB common shares.

## ARTICLE 3 UNDERTAKINGS AND ADDITIONAL AGREEMENTS

- 3.1. The Constituent Corporations hereby undertake to:

- (a) Secure the conformity and approval of this Plan of Merger by their respective stockholders representing at least two-thirds (2/3) of their respective outstanding capital stock at their respective stockholders' meetings called for such purpose.
  - (b) Obtain any and all required consents, approvals, or waivers of other parties, including their respective creditors, to the Plan of Merger.
  - (c) Jointly exert their best efforts to secure the approval of the Merger and its related transactions from the government authorities as provided for in Article 1.4 hereof.
- 3.3. Prior to Effective Date, the Constituent Corporations shall conduct their respective business in substantially the same manner as previously conducted and shall continue to preserve said business as a going concern. However, each of RCBC and RSB shall give each other immediate notice of any claim, event or transaction which could or does materially and adversely affect their respective businesses, properties or financial condition.
- 3.4. The Amended Articles of Incorporation and By-Laws of RCBC approved as of the Effective Date shall continue to be the Articles and By-Laws of RCBC until thereafter changed or amended in accordance with law.
- 3.5. The directors of RCBC as of the Effective Date shall continue to be the directors of RCBC, each to hold office in accordance with the Articles of Incorporation and By-Laws of RCBC and applicable law, and until their respective successors are duly elected and qualified.
- 3.6. The Constituent Corporations shall execute and deliver, or cause to be executed and delivered, all deeds and other instruments and shall take, or cause to be taken, all such other and further acts desirable in order to fully carry out the intent and purposes of this Plan of Merger.
- 3.7. Unless otherwise required by law or regulation or as may be agreed upon by the parties, each of the Constituent Corporations will use its best efforts to keep confidential any information obtained from the other party, and in the event the Merger is abandoned or not consummated, RCBC and RSB shall return all documents and other written information and materials obtained in connection herewith.
- 3.8. All fees, costs and expenses relating to the merger shall be borne by RCBC.

#### ARTICLE 4 SPECIAL PROVISIONS

- 4.1. This Plan of Merger has been approved by the respective Boards of Directors of the Constituent Corporations and shall be submitted to their respective stockholders for approval in accordance with law and the respective By-Laws of RCBC and RSB;



provided, that the approval of this Plan of Merger by the stockholders of RCBC and RSB will constitute an authorization to their respective Board of Directors by majority vote to amend, modify or supplement this Plan of Merger; provided further, that such amendment, modification or supplement shall not substantially change the terms of the Merger.

- 4.2. As soon as practicable after the Effective Date, RCBC shall take such steps or measures as it may deem necessary or advisable to substitute itself in all suits and proceedings where RSB is a party and to substitute its name for RSB in all titles and registers.
- 4.3. As soon as practicable after the approval of this Plan of Merger by the required votes of stockholders of RCBC and RSB during their respective stockholders' meetings called for the purpose, RCBC shall apply for and avail itself of the merger incentives or other similar incentives granted by the BSP and other government agencies, as may be applicable or allowed under existing law, rules and regulations.
- 4.4. Upon approval of this Plan of Merger by the required votes of stockholders of RCBC and RSB during their respective stockholders' meetings called for the purpose, the attached Articles of Merger marked as Annex "A" hereof and made as an integral part of this Plan of Merger shall be executed by RCBC and RSB, to be signed by the President and certified by the Corporate Secretary of each of RCBC and RSB setting forth this Plan of Merger, the number of shares outstanding of RCBC and RSB and the number of shares voting for and against this Plan of Merger, respectively.
- 4.5. In the event that the Merger is not consummated for whatsoever reason, each of RCBC and RSB, their respective stockholders, directors and agents, successors and assigns shall hold each other free and harmless from any and all liabilities and damages arising from or incurred by reason of the non-consummation of the Merger.

**IN WITNESS WHEREOF**, the Constituent Corporations have signed this Plan of Merger at the place and on the date above written.

**RIZAL COMMERCIAL BANKING  
CORPORATION**

By:



**GIL A. BUENAVENTURA**  
President

**RCBC SAVINGS BANK, INC.**

By:



**ROMMEL S. LATINAZO**  
President

Annex A  
Form of the Articles of Merger

**ARTICLES OF MERGER**

Pursuant to Section 78 of Batas Pambansa Blg. 58, otherwise known as the Corporation Code of the Philippines, this Articles of Merger is executed and entered into, this 27<sup>th</sup> day of November 2019, at Makati City, by and between:

**RIZAL COMMERCIAL BANKING CORPORATION**, a universal banking corporation duly organized and existing under the laws of the Republic of the Philippines, with the principal place of business at Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City, represented herein by its President, Gil A. Buenaventura, hereinafter referred to as "RCBC";

**and**

**RCBC SAVINGS BANK, INC.**, a thrift banking corporation duly organized and existing under the laws of the Republic of the Philippines, with the principal place of business at RCBC Savings Bank Corporate Center, 26th and 25th Streets, Bonifacio Global City, Taguig City, represented herein by its President, Rommel S. Latinazo, hereinafter referred to as "RSB".

(RCBC and RSB are hereinafter referred to as the "Constituent Corporations")

**NOW THEREFORE**, the parties have mutually agreed to the following Articles of Merger:

1. The merger of RCBC and RSB, with RCBC as the surviving corporation, shall be pursuant to the Plan of Merger, attached hereto as Annex "A", dated [●] November 2018, approved by the majority vote of each of the board of directors of the RCBC and RSB at the meetings duly called for the purpose on 26 November 2018 and 27 November 2018, respectively. The copies of the respective Board of Directors' Certificates of RCBC and RSB are attached hereto as Annexes "B-1" and "B-2".
2. As of the date of this Articles of Merger, the respective authorized capital stock, total number of outstanding and issued shares, the par value of each share and the total paid-up capital for RCBC and RSB are as follows:

RCBC		
	Number of Shares	Amount (at ₱10.00 per share)
Authorized Capital Stock	2,800,000,000	₱28,000,000,000.00
Outstanding Capital Stock	[●]	[●]
Total Paid-up Capital	[●]	[●]



RSB		
	Number of Shares	Amount (at P100.00 per share)
Authorized Capital Stock	50,000,000	P5,000,000,000.00
Outstanding Capital Stock	[•]	[•]
Total Paid-up Capital	[•]	[•]

3. The stockholders of RCBC, in their special meeting held on 26 February 2019 at Makati City, at which quorum was present and acting throughout, representing at least 2/3 of its outstanding capital stock voted and approved the Plan of Merger, and [insert fractional no. of shares] voted against it. The copies of the Minutes of the Special Stockholders' Meeting and the Secretary's Certificate are attached hereto as Annexes "C-1" and "C-2".
4. The stockholders of RSB, in their special meeting held on [insert date of meeting] at Makati City, at which quorum was present and acting throughout, representing at least 2/3 of its outstanding capital stock voted and approved the Plan of Merger, and [insert fractional no. of shares] voted against it. The copies of the Minutes of the Special Stockholders' Meeting and the Secretary's Certificate are attached hereto as Annexes "D-1" and "D-2".
5. The respective stockholders of RCBC and RSB, at their separate Special Stockholders' Meeting as stated above, authorized their respective Presidents and [Vice-Presidents] to sign, execute, and deliver this Articles of Merger and the Plan of Merger. They likewise authorized their respective Corporate Secretaries to certify this Articles of Merger.

IN WITNESS WHEREOF, the parties hereto have signed these presents on the date and at the place first abovementioned.

**RIZAL COMMERCIAL BANKING  
CORPORATION**

By:

**RCBC SAVINGS BANK, INC.**

By:

**NAME OF AUTHORIZED SIGNATORY**  
(Position Title)

**NAME OF AUTHORIZED SIGNATORY**  
(Position Title)

**Certified Correct by:**

**RIZAL COMMERCIAL BANKING  
CORPORATION**

By:

**RCBC SAVINGS BANK, INC.**

By:

**GEORGE GILBERT G. DELA CUESTA**  
Corporate Secretary

**GEORGE GILBERT G. DELA CUESTA**  
Corporate Secretary

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES)  
Makati City ) S.S.

BEFORE ME, a Notary Public in and for Makati City, on this 27<sup>th</sup> day of November 2019 personally appeared:

Name	Identification	Place and Date Issued
<b>Rizal Commercial Banking Corporation represented by</b>		
<b>RCBC Savings Bank</b>		

known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed as well as the free and voluntary act and deed of the corporation which they represented.

This Articles of Merger consists of nine (9) pages including Annexes and this page where the acknowledgment is written, signed by the parties and their instrumental witnesses, and sealed with my notarial seal.

WITNESS MY HAND AND SEAL, on the date and at the place first above written.

NOTARY PUBLIC

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2019.



REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY ) S S.

**SECRETARY'S CERTIFICATE**

I, **GEORGE GILBERT G. DELA CUESTA**, of legal age, with postal address at Rizal Commercial Banking Corporation, 46/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue corner Sen. Gil Puyat Avenue, Makati City, do hereby depose and say:

1. I am the Corporate Secretary of Rizal Commercial Banking Corporation (the "Bank"), a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal place of business at Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue corner Sen. Gil Puyat Avenue, Makati City.

2. As Corporate Secretary, I have custody of the minutes book of the Bank, which contains the minutes of the meetings of the Board of Directors and the Executive Committee.

3. The Board of Directors in its regular meeting held on November 26, 2018, wherein a quorum was present and acting throughout, issued the following resolutions:

***Resolution No. BR-18-281***

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Board of Directors of the Bank confirms its approval of the merger between the Bank and RCBC Savings Bank Inc. ("RSB") following the terms and conditions set forth in the Plan of Merger between RSB and the Bank, a copy of which is attached hereto as Annex "A"; and, for this purpose, any one of the Bank's President and Chief Executive Officer, Mr. Gil A. Buenaventura, and/or the Bank's Senior Executive Vice President for Strategic Initiatives and Asset Management & Remedial Group, Mr. John Thomas G. Deveras be, as they are hereby, authorized and empowered to do any and all acts, for and on behalf of the Bank for the purpose of implementing the aforementioned merger, upon such terms and conditions as they may deem beneficial to the Bank; and in connection with the foregoing to: (a) sign, execute, and deliver the aforementioned Plan of Merger and such other related documents, agreements and instruments, including but not limited to the Articles of Merger; (b) act for and on behalf of the Bank before any relevant regulatory agencies; and (c) perform such other duties as may be incidental or related to the foregoing;

"BE IT RESOLVED FURTHER, AS IT IS HEREBY RESOLVED, that the foregoing resolution be submitted to the stockholders of record of the Bank as of 25 January 2019 for their approval."

***Resolution No. BR-18-282***

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Board of Directors of the Bank approves, as it hereby approves, the setting of the special meeting of the stockholders of the Bank on 26 February 2019 with record date on 25 January 2019 for purposes of approving the merger between the Bank and RCBC Savings Bank Inc. and the terms and conditions set forth in the Plan of Merger."

IN WITNESS WHEREOF, I have hereunto signed this Certificate this  
NOV 28 2018 at Makati City, Philippines.

  
GEORGE GILBERT G. DELA CUESTA  
*Corporate Secretary*



## SECRETARY'S CERTIFICATE

I, **GEORGE GILBERT G. DELA CUESTA**, of legal age, Filipino and with office address at Rizal Commercial Banking Corporation, 46/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue corner Sen. Gil Puyat Avenue, Makati City, Metro Manila after subscribing under oath, hereby state that:

1. I am the duly elected and incumbent Corporate Secretary of RCBC SAVINGS BANK, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at RCBC Savings Bank Corporate Center, 26<sup>th</sup> and 25<sup>th</sup> Streets, Bonifacio Global City, Taguig City, Metro Manila (the "Bank"):

:

2. During the regular meeting of the Board of Directors of the Bank held on **27 November 2018** wherein a quorum was present, the following resolutions were discussed, unanimously adopted and approved:

### BOARD RESOLUTION NO. BD 2018 – 11 – 25A

"RESOLVED, that the Board of Directors of the Bank confirms its approval of the merger between the Bank and Rizal Commercial Banking Corporation ("RCBC") following the terms and conditions set forth in the Plan of Merger between the Bank and RCBC, a copy of which is attached hereto as Annex "A"; and, for this purpose, the Bank's President and Chief Executive Officer, Mr. Rommel S. Latinazo, and/or the Bank's First Vice President and Head of the Operations and Technology Group, Mr. Claro A. Pineda III, be, as they are hereby, authorized and empowered, for and in behalf of the Bank, to sign, execute, and deliver the aforementioned Plan of Merger and such other related documents, agreements and instruments, including but not limited to the Articles of Merger, which are necessary to implement the aforementioned merger, upon such terms and conditions as they may deem beneficial to the Bank; and in connection with the foregoing to: (a) sign, execute, and deliver the aforementioned Plan of Merger and such other related documents, agreements and instruments, including but not limited to the Articles of Merger; (b) act for and on behalf of the Bank before any relevant regulatory agencies; and (c) perform such other duties as may be incidental or related to the foregoing;

"RESOLVED, FURTHER, that the foregoing resolution be submitted to the stockholders of record of the Bank as of 21 January 2019 for their approval."

### BOARD RESOLUTION NO. BD 2018 – 11 – 25B

"RESOLVED, that the Board of Directors of the Bank approve, as it hereby approves, the setting of the special meeting of the stockholders of the Bank on 18 February 2019 with record date on 21 January 2019 for purposes of approving the merger between the Bank and RCBC and the terms and conditions set forth in the Plan of Merger."

3. The foregoing resolution/s is/are in accordance with the records of the Corporation in my possession and the same has not been amended nor superseded.

IN WITNESS WHEREOF, I have hereunto affixed my signature this DEC 03 2018, at Makati City.

  
**GEORGE GILBERT G. DELA CUESTA**  
Corporate Secretary