

Board of Governors of the Federal Reserve System



# Annual Report of Holding Companies—FR Y-6

## Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, David S. Silverman  
 Name of the Holding Company Director and Official  
President and Chief Executive Officer  
 Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

[Signature]  
 Signature of Holding Company Director and Official  
3/29/2018  
 Date of Signature

For holding companies not registered with the SEC—  
 Indicate status of Annual Report to Shareholders:

is included with the FR Y-6 report  
 will be sent under separate cover  
 is not prepared

For Federal Reserve Bank Use Only

RSSD ID \_\_\_\_\_  
 C.I. \_\_\_\_\_

Date of Report (top-tier holding company's fiscal year-end):  
December 31, 2017

Month / Day / Year  
N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Union Bankshares, Inc.  
 Legal Title of Holding Company  
P.O. Box 667

(Mailing Address of the Holding Company) Street / P.O. Box  
Morrisville Vermont 05661  
 City State Zip Code

20 Lower Main Street  
 Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:  
Carrie R. Locklin VP - Finance Officer  
 Name Title

802-888-0462  
 Area Code / Phone Number / Extension

802-522-2950  
 Area Code / FAX Number

clocklin@unionbankvt.com  
 E-mail Address

www.ublocal.com  
 Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? .....  0=No  1=Yes

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report .....

2. a letter justifying this request has been provided separately ...

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

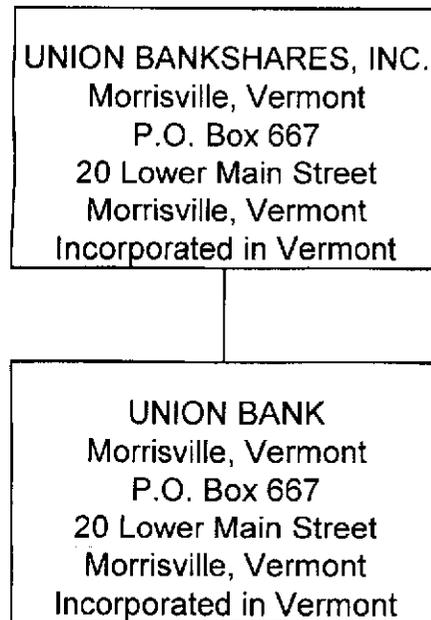
Form FR Y-6

Union Bankshares, Inc.  
Morrisville, Vermont  
Fiscal Year Ending December, 31, 2017

Report Item:

1: Union Bankshares, Inc. is a publicly traded company registered with the Securities and Exchange Commission (SEC).

2a: Organizational Chart



Union Bankshares, Inc. is the holding company for Union Bank, which it owns 100%. Union Bank is Union Bankshares' only subsidiary. Union Bank and Union Bankshares, Inc. are located in Morrisville, Vermont.

LEI for Union Bank is 549300I3PFIO81O8JD40.

2b: Submitted via email on 3/23/2018.

Prepared 3/27/2018

UNION BANKSHARES, INC.  
Form FR Y-6  
December 31, 2017

Report Item 3: Shareholders

(1)(a) (1)(b) (1)(c) (2)(a) (2)(b) (2) (c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12-31-2017

| (1)(a)<br>Name & Address<br>(City, State, Country)   | (1)(b)<br>Country of Citizenship<br>or Incorporation | (1)(c)<br>Number and Percentage of<br>Each Class of Voting<br>Securities |
|--|--|--|
| <b>Group of Shareholders Affiliated with Richard C. Sargent</b>  |  |  |
| Walter M. Sargent Revocable Trust<br>Morrisville, VT<br>Co-Trustee: Richard C. Sargent<br>Co-Trustee: Stella Sargent<br>Co-Trustee: Hometown Trust | USA  | 281,904 ***<br>6.313%  |
| Richard C. Sargent<br>Morrisville, VT  | USA  | 53,360<br>1.195%   |
| Heather W. Sargent<br>Morrisville, VT  | USA  | 10,147.968<br>0.227%   |
| Copley Fund<br>Morrisville, VT<br>Co-Trustee: Richard C. Sargent   | USA  | 162,000 **<br>3.628%   |
|  |  | 507,411.968<br>11.363%   |
| <b>Group of Shareholders Affiliated with Susan Hovey Mercia</b>  |  |  |
| Susan Hovey Trust<br>Morrisville, VT<br>Co-Trustee and Beneficiary: Susan Hovey Mercia<br>Co-Trustee: Hometown Trust                               | USA  | 173,625<br>3.888%  |
| Susan Hovey Mercia Revocable Trust<br>Hinesburg, VT<br>Settlor and Co-Trustee: Susan Hovey Mercia<br>Co-Trustee: William Mercia                    | USA  | 218,634<br>4.896%  |
|  |  | 392,259<br>8.784%  |
| <b>Group of Shareholders Affiliated with Stella Bialecki Sargent</b>   |  |  |
| Stella Bialecki Sargent Revocable Trust<br>Morrisville, VT 05661<br>Co-Trustee: Stella Bialecki Sargent  | USA  | 10,950<br>0.245%   |
| Walter M. Sargent Revocable Trust<br>Morrisville, VT<br>Co-Trustee: Richard C. Sargent<br>Co-Trustee: Stella Sargent<br>Co-Trustee: Hometown Trust | USA  | 281,904 ***<br>6.313%  |
|  |  | 292,854<br>6.558%  |
| CEDE & Co.<br>New York, NY   | USA  | 3,410,504 *<br>76.373%   |

\* Total includes Susan Hovey Trust, Susan Hovey Mercia Revocable Trust and Walter M. Sargent Revocable Trust listed above

\*\* Richard C. Sargent disclaims beneficial ownership of shares.

\*\*\* The Walter M. Sargent Revocable Trust is listed for both Richard C. Sargent and Stella Bialecki Sargent.

Shareholders not listed in (3)(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2017

| (2)(a)<br>Name & Address<br>(City, State, Country) | (2)(b)<br>Country of Citizenship<br>or Incorporation | (2)(c)<br>Number and Percentage of<br>Each Class of Voting<br>Securities |
|--|--|--|
| None   |  |  |

Prepared 3/27/2018

UNION BANKSHARES, INC.  
Form FR Y-6  
December 31, 2017

Report Item 4: Directors and Officers

(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)

| (1)<br>Names &<br>Address<br>(City, State,<br>Country) | (2)<br>Principal<br>Occupation if other<br>than with Bank<br>Holding Company | (3)(a)<br>Title & Position<br>with Bank Holding<br>Company | (3)(b)<br>Title & Position<br>with Subsidiaries<br>(include names<br>of subsidiaries) | (3)(c)<br>Title & Position<br>with Other<br>Businesses<br>(include names<br>of other<br>businesses)   | (4)(a)<br>Percentage of<br>Voting Shares in<br>Banking Holding<br>Company | (4)(b)<br>Percentage of<br>Voting Shares in<br>Subsidiaries<br>(include names<br>of subsidiaries) | (4)(c)<br>List names of<br>other companies<br>(Includes<br>partnerships)<br>if 25% or more of<br>voting securities are<br>held (List names<br>of companies and<br>percentage of<br>voting securities are<br>held) |
|--|--|--|---|---|---|---|---|
| Steven J. Bourgeois<br>Swanton, VT USA                 | Consultant   | Director   | Director - Union Bank   | CEO<br><u>Strategic Initiatives for Business, LLC</u><br>Executive Vice President & Treasurer<br><u>W. J. Greenough Co., Inc.</u><br>Manager<br><u>Milton Funding LLC</u> | 0.045   | N/A   | N/A   |
| Dawn D. Bugbee<br>South Hero, VT USA                   | Chief Financial Officer  | Director   | Director - Union Bank   | Vice President and CFO<br>Green Mountain Power Corporation  | 0.005   | N/A   | N/A   |
| Kenneth D. Gibbons<br>Hyde Park, VT USA                |  | Chairman &<br>Director                                     | Chairman &<br>Director - Union Bank   | N/A   | 1.258   | N/A   | N/A   |
| John M. Goodrich<br>Lyndonville, VT USA                |  | Director   | Director - Union Bank   | CEO<br>Superior Technical Ceramics  | 0.025   | N/A   | N/A   |
| Timothy W. Sargent<br>Stowe, VT USA                    | Attorney   | Director   | Director - Union Bank   | Attorney At Law<br>Sargent Law Office   | 0.038   | N/A   | N/A   |
| David S. Silverman<br>Morrisville, VT USA              |  | President & CEO<br>& Director                              | President & CEO<br>& Director -Union Bank   | N/A   | 0.265   | N/A   | N/A   |
| John H. Steel<br>Stowe, VT USA                         | Construction   | Director   | Director - Union Bank   | Owner<br>Steel Construction, Inc.   | 0.179   | N/A   | N/A   |

Report Item 4: Directors and Officers

(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)

| (1)<br>Names &<br>Address<br>(City, State,<br>Country) | (2)<br>Principal<br>Occupation if other<br>than with Bank<br>Holding Company | (3)(a)<br>Title & Position<br>with Bank Holding<br>Company | (3)(b)<br>Title & Position<br>with Subsidiaries<br>(include names<br>of subsidiaries) | (3)(c)<br>Title & Position<br>with Other<br>Businesses<br>(include names<br>of other<br>businesses) | (4)(a)<br>Percentage of<br>Voting Shares in<br>Banking Holding<br>Company | (4)(b)<br>Percentage of<br>Voting Shares in<br>Subsidiaries<br>(include names<br>of subsidiaries) | (4)(c)<br>List names of<br>other companies<br>(Includes<br>partnerships)<br>if 25% or more of<br>voting securities are<br>held (List names<br>of companies and<br>percentage of<br>voting securities are<br>held) |
|--|--|--|---|---|---|---|---|
| Schuyler W. Sweet<br>Littleton, NH USA                 | Equipment Leasing/<br>Property Management                                    | Director   | Director - Union Bank   | Owner/Manager<br>Stony River Properties, LLC  | 0.101   | N/A   | N/A   |
| Cornelius J. Van Dyke<br>Stowe, VT USA                 | Search and Rescue  | Vice Chairman &<br>Director                                | Vice Chairman &<br>Director - Union Bank  | Search and Rescue Coordinator<br>Vermont Department of Public Safety                                | 0.049   | N/A   | N/A   |
| Jeffrey G. Coslett<br>Jeffersonville, VT USA           |  | Vice President   | Sr. Vice President<br>Union Bank  | N/A   | 0.139   | N/A   | N/A   |
| Karyn J. Hale<br>Lyndonville, VT USA                   |  | Chief Financial Officer                                    | Sr. Vice President<br>Chief Financial Officer<br>Union Bank                           | N/A   | 0.018   | N/A   | N/A   |
| Richard C. Sargent<br>Morrisville, VT USA              |  | N/A  | N/A   | N/A   | 11.363  | N/A   | N/A   |