

**VITARICH CORPORATION
MINUTES OF THE ANNUAL GENERAL MEETING
OF THE STOCKHOLDERS**

held on Friday, 29 June 2018 at 2:00 PM
at Marilao, Bulacan

PRESENT:

	Number of Shares	Percentage
Total Shares Present in Person or by Proxy	2,218,184,769	72.62%
Total Outstanding Shares	3,054,334,134	100.00%

ALSO PRESENT:

MR. JOSE VINCENTE C BENGZON, III	- Chairman of the Board
MR. ROGELIO M. SARMIENTO	- Director
MR. RICARDO MANUEL M. SARMIENTO	- Director/President/CEO
MS. STEPHANIE NICOLE S. GARCIA	- Director/Treasurer/EVP/ Corporate Management Services Director
MR. JOSE M. SARMIENTO	- Director
MR. LORENZO VITO M. SARMIENTO, III	- Director
MR. LEVI F. DIESTRO	- Director
DR. JUAN ARTURO ILUMINADO C. DE CASTRO	- Director
MR. MANUEL D. ESCUETA	- Independent Director
MR. VICENTE J. A. SARZA	- Independent Director
ATTY. TADEO F. HILADO	- Corporate Secretary
ATTY. MARY CHRISTINE DABU-PEPITO	- Ass't. Corporate Secretary and Compliance Officer

OTHER OFFICERS OF THE CORPORATION

I. CALL TO ORDER

The Chairman of the Board, Mr. Jose Vicente C. Bengzon III, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Tadeo F. Hilado, recorded the minutes of the proceedings.

Before proceeding to the agenda for the stockholders' annual general meeting for 2018, the Chairman introduced the members of the Board of Directors, the Corporate Secretary and Assistant Corporate Secretary.

II. CERTIFICATION OF NOTICE AND EXISTENCE OF A QUORUM

The Corporate Secretary certified that written notices of the 2018 stockholders' annual general meeting were sent to all stockholders of record as of 29 May 2018 in accordance with law and the By-laws of the Corporation.

He further certified that out of a total of 3,054,334,014 issued and outstanding shares, the stockholders holding 2,218,184,769 shares or 72.62% were present in person or by proxy. Therefore, a quorum existed for the transaction of business.

III. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF THE STOCKHOLDERS HELD ON 30 JUNE 2017

Upon motion duly made and seconded, the reading of the minutes of the annual general meeting of the stockholders of the Corporation held on 30 June 2017 was dispensed with and the said minutes were approved as presented.

IV. REPORT BY THE PRESIDENT/CEO

Mr. Ricardo Manuel M. Sarmiento, President and Chief Executive Officer, reported on the operations and financial statements of the Corporation for the year 2017.

He reported that the measures that the Corporation undertook following its early exit from corporate rehabilitation in 2016 generated considerable success that allowed Vitarich to work toward sustainable growth.

Key Programs in 2017

In 2017, Vitarich invested in infrastructure for feeds and poultry groups to increase capacity and meet the growing customer demand. A new feed mill was established in Davao and the feed mill in Iloilo was automated. It likewise increased its dressing plant capacities in Davao. In addition, the livestock and foods group expedited the build-up of broiler and breeder capacities with the expansion of current and enlistment of new farm partners in order to serve the increasing market demand. For the year 2017, the Corporation's breeder capacity increased by 79% versus 2016, hatchery capacity grew by 114% versus 2016, and the broiler capacity increased by 112% compared to 2016.

The Corporation likewise implemented the route-to-market program to build a stronger foundation for the feeds sales team. Through the program, Vitarich's feeds were made available in more areas and to more farms. Opportunities under a responsive business portfolio were also extended to Vitarich's customers in line with its Lifetime Profitable Partnership program. In addition, the Supply Chain Department was created to streamline operations, improve efficiencies, responsiveness, and cost structure. Key partnerships were also established with industry experts to transfer technologies, to learn and allow Vitarich to enhance feed designs.

President Sarmiento also reported that the Corporation implemented its second debt-to-equity conversion, which was approved last December 2017, in order to keep the company in firm financial footing. He noted that this move made Vitarich completely debt-free.

Performance in 2017

Vitarich's consolidated gross sales in 2017 increased by 27% compared to 2016, while net income was higher by 599% versus 2016 despite the increase in prices of key raw materials due to better production efficiencies, higher volume, favorable selling prices, and effective route-to-market program.

Food and livestock revenue improved by 46% in 2017. President Sarmiento noted that this segment comprised 49% of total Vitarich's gross sales, higher by 6 share points from 2016. Vitarich also expanded its food business by increasing its broiler contract growing base, dressing plant capacities, and customer distribution method. Vitarich realized a 44% growth in food sales volume versus 2016. The livestock and foods group delivered a 26% growth in operating income versus 2016 despite the avian flu outbreak in Central Luzon in May 2017. The feeds segment delivered a 13% increase in operating income in 2017 due to a more efficient distribution program.

Outlook for 2018

President Sarmiento likewise discussed that Vitarich aims continuous growth of at least 25% increase in sales and 30% increase in operating income in 2018 despite a challenging

environment, where prices of raw materials and other inputs are expected to increase due to lower supply and implementation of the TRAIN law.

First Quarter Performance

He likewise reported that as of the first quarter of 2018, Vitarich's gross sales increased by 26% compared to 2017 due to the strong performance of all business units. In addition, operating income increased by 25% versus the same period in 2017.

Project Rebuild

President Sarmiento also discussed Vitarich's Project Rebuild, which aims to realize the company's objectives for 2018. Vitarich will collaborate with global management consultancy firm to enhance people competency, standardize processes and minimize losses and wastages, thereby increasing profitability. To support the business growth, Vitarich shall invest in infrastructures, such as feed mills, dressing plants, hatcheries, and farms. In order to improve its financial standing, Vitarich started to re-establish bank credit lines and is currently undergoing quasi-reorganization. He reported that the Corporation is, at present, waiting for the approval of the Securities and Exchange Commission. Vitarich also rolled-out Oracle R12, an enterprise resource planning (or ERP) system in order to improve the information systems of the Company. He disclosed that Oracle Phase 2 will be implemented by year-end.

President Sarmiento concluded his report by expressing gratitude to Vitarich's shareholders, Board of Directors, suppliers, business partners and employees.

There being no questions and upon motion duly made and seconded, President Sarmiento's report was noted.

V. CONFIRMATION AND RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND OFFICERS SINCE THE LAST ANNUAL GENERAL MEETING

Upon motion duly made and seconded, the following resolution was unanimously approved by the stockholders:

“RESOLVED AS IT IS HEREBY RESOLVED, that each and every legal act, proceeding, contract, or deed performed, entered into or executed by the Corporation's Board of Directors and Officers, as appearing in the minutes of the meetings of the Board of Directors and other records of the Corporation be, as they are hereby, approved, confirmed, and ratified as if such acts were entered into or executed with the specific and special authorization of the stockholders in a meeting duly convened and held.”

VI. ELECTION OF DIRECTORS

The Chairman informed the body of the mandatory requirement of electing independent directors. As a public company, the Corporation is required to have at least two (2) independent directors. Pursuant to SEC Regulations and the Amended Manual on Corporate Governance, a Nomination Committee was created to screen the qualifications and prepare a final list of all candidates for independent and regular directors. Such final list was made available to all stockholders through the distribution of the Definitive Information Statement, which stated that the candidates nominated by the Nomination Committee for independent directors of the Corporation are:

1. Mr. Manuel D. Escueta; and
2. Mr. Vicente JA Sarza.

Pursuant to SEC regulations, only the said nominees whose names appear on the said final list of candidates shall be eligible for election as independent directors of the Corporation.

Aside from the two independent directors, the following were nominated as members of the Board of Directors of the Corporation for the ensuing year:

1. Mr. Jose Vicente C. Bengzon III;
2. Mr. Rogelio M. Sarmiento;
3. Mr. Ricardo Manuel M. Sarmiento;
4. Ms. Stephanie Nicole S. Garcia;
5. Mr. Benjamin I. Sarmiento, Jr.;
6. Mr. Jose M. Sarmiento;
7. Mr. Lorenzo Vito M. Sarmiento III;
8. Mr. Levi F. Diestro;
9. Dr. Juan Arturo Iluminado C. De Castro

Upon motion duly made and seconded, the nominations were declared closed and the Corporate Secretary casted the votes of all stockholders present in favor of the above nominees, allotting to each of them an equal number of votes cast. Thereafter, the following were declared elected as members of the Board of Directors of the Corporation to serve as such until their successors are duly elected and qualified:

1. Mr. Jose Vicente C. Bengzon III;
2. Mr. Rogelio M. Sarmiento;
3. Mr. Ricardo Manuel M. Sarmiento;
4. Ms. Stephanie Nicole S. Garcia;
5. Mr. Benjamin I. Sarmiento, Jr.;
6. Mr. Jose M. Sarmiento;
7. Mr. Lorenzo Vito M. Sarmiento III;
8. Mr. Levi F. Diestro
9. Dr. Juan Arturo Iluminado C. de Castro
10. Mr. Manuel D. Escueta (Independent Director; and
11. Mr. Vicente J A Sarza (Independent Director).

VII. APPOINTMENT OF THE EXTERNAL AUDITOR

Upon motion duly made and seconded, the following resolution was unanimously approved by the stockholders:

“RESOLVED AS IT IS HEREBY RESOLVED, that, as recommended by the Audit, Risk Oversight, and Related Party Transactions Committee and approved by the Board of Directors, SYCIP GORRES VELAYO AND CO. be as it is hereby appointed as the Corporation’s external auditor for the ensuing year and to serve as such until its successor shall have been appointed and qualified.”

VIII. APPOINTMENT OF THE STOCK AND TRANSFER AGENT

Upon motion duly made and seconded, the following resolution was unanimously approved by the stockholders:

“RESOLVED AS IT IS HEREBY RESOLVED, that STOCK TRANSFER SERVICES, INC. be as it is hereby appointed as the Corporation’s stock and transfer agent for the ensuing year and to serve as such until its successors shall have been appointed and qualified.”

IX. ADJOURNMENT

There being no other matters to discuss, and upon motion duly made and seconded, the meeting was adjourned at 2:20 o'clock in the afternoon.

TADEO F. HILADO
Corporate Secretary

ATTESTED BY:

JOSE VICENTE C. BENGZON III
Chairman of the Board