

COVER SHEET

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S.E.C. Registration Number

[illegible]

(Company's Full Name)

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R	O	S	A	I	,	M	A	R	I	L	A	O	,	B	U	L	A	C	A	N								

(Business Address: No. Street City / Town / Province)

Atty. Mary Christine Dabu-Pepito
Contact Person

843-30-33 connecting all dept.
Company Telephone Number

Integrated Annual Corporate
Governance Report

**Last Friday of
June**

1	2	-	3	1
Month			Day	

SEC Form I-ACGR
Form Type

Month Day

Fiscal Year

Secondary License Type. If Applicable

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Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

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Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

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Document I. D.

Cashier

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STAMPS



SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) "Recommendations" - derived from the CG Code for PLCs;</p> <p>(2) "Supplement to Recommendation" - derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) "Additional Recommendations" - CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) "Optional Recommendation" - practices taken from the ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) - (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.</p>	<p>The company shall indicate compliance or non-compliance with the recommended practice.</p>	<p>The company shall provide additional information to support their compliance with the recommended CG practice</p>	<p>The PLCs shall provide the explanations for any non-compliance, pursuant to the "comply or explain" approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p> <p>**"Not Applicable" or "None" shall not be considered as sufficient explanation</p>

C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE:**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.

All reports shall comply with the full disclosure



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2018**
2. SEC Identification Number **21134**
3. BIR Tax Identification No. **000-234-398-000**
4. Exact name of issuer as specified in its charter **VITARICH CORPORATION**
5. **BULACAN, PHILIPPINES**
Province, Country or other
jurisdiction of incorporation or
organization
6. (SEC Use Only)
Industry Classification Code:
7. **MARILAO-SAN JOSE ROAD, STA. ROSA I, MARILAO, BULACAN**
Address of principal office
- 3019**
Postal Code
8. **(632) 843-30-33 connecting all departments**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Please see pages 21 to 23 regarding Part III, Item 9 of the Company's SEC 17-A for 2018 posted at https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Out of the 11 directors, only Directors Ricardo Manuel M. Sarmiento (CEO/President) and Stephanie Nicole S. Garcia (EVP & Corporate Management Services Director/ Treasurer) are Executive Directors of the Company. Please see pages 21 to 23 regarding Part III, Item 9 of the Company's SEC 17-A for 2018 posted at https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	

Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Please see page 7 regarding Part III, Section B.4. of the Amended Manual on Corporate Governance of the Company posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
2. Company has an orientation program for first time directors.	Compliant	<p>Please see page 7 regarding Part III, Section B.4. of the Amended Manual on Corporate Governance of the Company posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Please note, however, that for the year 2018, there are no first-time directors. All the elected directors during the Annual General Meeting of the Stockholders on June 29, 2018 had served already for at least six (6) months to a year at the time of said election.</p>	
3. Company has relevant annual continuing training for all directors.	Non-Compliant		<p>While there is a policy regarding the annual continuing training for all directors, the Company's directors were unable to attend any relevant training for the year 2018 because they had a difficulty in finding an interesting seminar that is highly interactive and of great help to further improve the operations of the Company and is very cost beneficial to the Company.</p> <p>As an alternative measure, the Company engaged the services of a consultant to</p>

		help them in achieving its targeted revenues in the most cost-efficient and sustainable means.	
1. Board has a policy on board diversity.	Compliant	<p>Please see page 5, Item III, Part A, paragraphs 1, 2, 4 of the Amended Manual on Corporate Governance of the Company posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>As can be seen in pages 21 to 23 regarding Part III, Item 9 of the Company's SEC 17-A for 2018 posted at https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf, the Board is composed of one (1) female and ten (10) male directors, with diverse backgrounds and areas of expertise.</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	xxx	<p>Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	xxx
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Pages 24-25 regarding Part III, Item 9 of the Company's SEC 17-A for 2018 posted at	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		

3. Corporate Secretary is not a member of the Board of Directors.	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf Page 6 of the Company's General Information Sheet for 2018 posted at https://vitarich.com/sites/default/files/documents/disclosure/gis2018.pdf	
4. Corporate Secretary attends training/s on corporate governance.	Non-Compliant		While there is a policy regarding the annual continuing training for the Corporate Secretary, he was unable to attend any relevant training for the year 2018 because the Company was unable to find an interesting seminar that is highly interactive and of great help to further improve the operations of the Company and is very cost beneficial to the Company. As an alternative measure, he kept himself abreast with the latest SEC and PSE Memoranda and he attended seminars and workshops that kept him abreast with the latest developments in the legal profession even if not necessarily related to corporate governance.
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Page 25 regarding Part III, Item 9 of	

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	the Company's SEC 17-A for 2018 posted at https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
3. Compliance Officer is not a member of the board.	Compliant	Page 6 of the Company's General Information Sheet for 2018 posted at https://vitarich.com/sites/default/files/documents/disclosure/gis2018.pdf	
4. Compliance Officer attends training/s on corporate governance.	Compliant	Please see attached Certificate of Participation in the 2018 Annual Listing Disclosure Rules Seminar (Annex "A")	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Please see pages 28 to 31 of the Definitive Information Statement posted on May 31, 2018 (https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf) which shows, among others, the Board Resolutions approved by the Board of Directors from January to March 2018.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The results of the monthly operations of the Company are reported to the	

2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>Board of Directors during its regular monthly meetings for the year 2018.</p> <p>In addition to this, from time to time, the different department heads of the Company report to the Board during the latter's regular meetings to update the Board on the various aspects of the Company's operations – from sales, supply chain, feeds quality, legal and research and development projects. However, the Company may not possibly attach or submit the relevant Minutes of the Board meetings because the said Minutes contain confidential information such as business strategies or trade secrets.</p> <p>Furthermore, most of the directors visited the office in Davao City and had dialogues with the department heads in said office last October 2018.</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	https://vitarich.com/mission-vision-and-core-values	

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>The Company is conducting a monthly operations and sales meeting and a trimester performance review every year.</p> <p>The results of the monthly operations of the Company are being reported to the Board during its regular monthly meetings and, as mentioned above, from time to time, the different department heads of the Company report to the Board during the latter's regular meetings to update the Board on the various aspects of the Company's operations – from sales, supply chain, feeds quality, legal and research and development projects. However, the Company may not possibly attach or submit the relevant Minutes of the Board meetings because the said Minutes contain confidential information such as business strategies or trade secrets.</p>	
<p>Recommendation 2.3</p>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Page 21 regarding Part III, Item 9 of the Company's SEC 17-A for 2018 posted at https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p>	

Recommendation 2.4

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>As regards the succession planning program for the directors, the Company adheres and follows Section 7, Article II of its By-Laws. Please see page 5 of https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</p> <p>With respect to the executive officers, the Company adheres and follows Section 20, Article IV of the By-Laws. Please see page 11 of https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</p> <p>As regards key officers and management, please see attached (Annex "B").</p>	
2. Board adopts a policy on the retirement for directors and key officers.	<p>Non-Compliant as to Directors</p> <p>Compliant as to Key Officers</p>	<p>As regards key officers, please see attached (Annex "C")</p>	<p>The Board has not adopted yet a policy on the retirement of the directors because the directors are not considered as employees of the Company and the Board recognizes that the directors serve only by election of the stockholders and their term of office is only for one year. The over-all principle that directors should know their fiduciary roles and rights are achieved through the orientation program for first-time directors where the rights and obligations of directors are discussed. It was made clear upon the directors that the Company has not adopted yet a policy on the retirement of the directors.</p>

Recommendation 2.5

1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Page 14 of the Amended Manual on Corporate Governance regarding duties and responsibilities of Nominations, Remunerations and Corporate Governance Committee posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Pages 25 to 26 of Item 10, SEC Form 17-A posted at https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf Page 9, Section 12, Article II of the By-Laws posted at https://vitarich.com/sites/default/files/documents/140964833358252100.pdf	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.		Provide proof of board approval	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	Compliant	Pages 15 and 26 of the Amended Manual on Corporate Governance regarding duties and responsibilities of	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Nominations, Remunerations and Corporate Governance Committee and Part VI posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Page 5, Section 7, Article II and pages 23 to 26, Sections 41 to 51, Article XII of the Company's By-Laws posted at https://vitarich.com/sites/default/files/documents/140964833358252100.pdf	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Page 6 of https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Non-Compliant		The Company was unable to comply yet because the Company is still in the process of setting the parameters for the assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director as the new Code of Corporate Governance did not provide any parameters to use for the assessment. As an alternative measure, the Company adheres and follows the processes set forth in the By-Laws, Amended Manual on Corporate Governance and existing laws and regulations to ensure transparency and to protect the integrity of the nomination and election processes.

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p>Page 15 of the Amended Manual on Corporate Governance regarding duties and responsibilities of Nominations, Remunerations and Corporate Governance Committee as provided in the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>In addition to this, the Company asks for and keeps the Curriculum Vitae of nominees and even incumbent directors to ensure that the Board has the right mix of competent and qualified directors.</p>	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Page 13 regarding the Specific Duties and Functions of the Audit, Risk Oversight and Related Party Transactions Committee (https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>Page 4, letters K and L regarding the definition of Related Party and Related Party Transactions in the Amended Manual on Corporate Governance (https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)</p> <p>Pages 28 to 30 of SEC Form 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)</p> <p>https://vitarich.com/sites/default/files/documents/disclosure/relatedpartytransactionsolicy.pdf</p>	
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>Page 13 of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>As can be seen, all RPTs must be subjected for approval of the Board, regardless of amount involved.</p>	

<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Non-Compliant</p>		<p>The Company did not anymore provide for a voting system for the approval of certain types of RPTs by majority of non-related party shareholders during shareholders' meetings because the law already provided for certain types of actions or transactions to be approved by the shareholders, regardless of whether or not they were between related parties or not, and considering that material transactions, whether by related parties or not, are regularly disclosed as provided by and in compliance with the PSE Rules on Disclosure.</p> <p>As an alternative, the Company strictly complies with the PSE Rules on Disclosure and with the Corporation Code regarding the requirement of shareholders' approval on certain types of transactions, whether between related parties or not.</p>
<p>Recommendation 2.8</p>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Page 10 of the Amended Manual on Corporate Governance regarding the duties and responsibilities of the directors posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>See Article IV of the By-Laws, pages 10 to 17 of https://vitarich.com/sites/default/files/documents/14096483358252100.pdf</p>	

		<p>Part III, Item 9 of SEC Form 17-A, page 21 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p> <p>See also page 3 of SEC 17-C on the Results of the Organizational Meeting of the Board of Directors held on June 29, 2018 https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf.pdf)</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Pages 10 and 11 of the Amended Manual on Corporate Governance regarding duties and responsibilities of the directors https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)</p>	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>Page 10, Item III, C.2.10 of the Amended Manual on Corporate Governance https://vitarich.com/sites/default/files/documents/disclosure/amended</p>	

2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>manualoncorporategovernance2017.pdf)</p> <p>In addition, the results of the monthly operations are reported to the Board of Directors during the latter's regular monthly meetings and, as mentioned above, the department heads make regular reports to the Board of Directors.</p> <p>The Company likewise conducts a trimester review of the performance of each department.</p>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Page 4, Letter H, Page 10, C.5, Item III and page 11, C.3.1, Item III of the Amended Manual on Corporate Governance	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	(https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)	
3. Board approves the Internal Audit Charter.	Compliant	<p>Page 10, C.2.12, Item III and Pages 20 to 22, Item V, Parts A and B of the Amended Manual on Corporate Governance</p> <p>(https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)</p> <p>Please note, however, that while the Board has the responsibility to approve the Internal Audit Charter, the Company, as of present time, has no separate Internal Audit Charter yet other than the above-cited provisions</p>	

		of the Amended Manual on Corporate Governance of the Company.	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Page 10, C.2.6, Item III and pages 22 to 23, Part V, C and D of the Amended Manual on Corporate Governance (https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Pages 5 to 15, Item III, Parts A to C of the Amended Manual on Corporate Governance (https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Please note that the recommended contents of the Board Charter are in the above-mentioned pages of the Amended Manual on Corporate Governance and per phone verification with SEC's Ms. Sheila Pañares last May 9, 2018, the Company need not have a separate Board Charter in order to be compliant with the recommendation IF the contents of the Board Charter are already in the Amended Manual on Corporate Governance.	
3. Board Charter is publicly available and posted on the company's website.	Compliant		

Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p>Pages 19 to 20, Part IV A of the Amended Manual on Corporate Governance (https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)</p> <p>In addition, the Compliance Officer/Corporate Information Officer or the Alternate Corporate Information Officer reminds and informs the directors and officers by way of announcements during Board meetings, e-mails, SMS messages that they are not supposed to trade shares for 2 to 3 trading days (black-out period), as the case may be, specifying the dates, whenever the Company discloses a material information as required under the SRC Code and Implementing Rules.</p>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>Please see page 3 of https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf.pdf</p> <p>https://vitarich.com/corporate-governance/board-committees</p>	
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Recommendation 3.2

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>https://vitarich.com/corporate-governance/board-committees</p> <p>As can be seen in paragraph 10, the Audit, Risk Oversight and Related Party Transactions Committee is responsible for the recommendation of the appointment and removal of the Company's external auditor.</p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	<p>Compliant as to at least 3 non-executive directors and that Chairman is independent</p> <p>Non-Compliant as to majority should be independent</p>	<p>https://vitarich.com/corporate-governance/board-committees</p> <p>Pages 21 to 23, Part III, Item 9 of SEC 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)</p>	<p>Please note, however, that while all the members are non-executive directors and that the chairman of the committee is an independent director, the majority is not an independent because there are only two independent directors and the committee has seven members.</p> <p>The over-all principle is still being achieved by the directors' freedom and ability to give insights and inputs to further improve the</p>

			Company's performance.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Pages 21 to 23, Part III, Item 9 of SEC 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Page 4 of https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf.pdf https://vitarich.com/corporate-governance/board-committees	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Paragraph 7 of https://vitarich.com/corporate-governance/board-committees Pages 19 to 20 regarding External Audit Fees and Services and Audit, Risk Oversight and Related Party Transactions Committee (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	For the year 2018, the Audit Committee met with the external auditor on the following dates: 13 March 2018 10 August 2018 05 November 2018	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Page 4 of https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf.pdf https://vitarich.com/corporate-governance/board-committees	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant as to number of members Non-compliant as to all should be independent directors	https://vitarich.com/corporate-governance/board-committees Pages 21 to 23, Part III, Item 9 of SEC 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)	Please note, however, that not all members independent directors because there are only two independent directors and the committee has seven members. The over-all principle is still being achieved by the directors' freedom and ability to give insights and inputs to further improve the Company's performance.

3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	https://vitarich.com/corporate-governance/board-committees Page 22 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	https://vitarich.com/corporate-governance/board-committees	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant as to at least 3 members and that Chairman is independent Non-Compliant as to majority should be independent	https://vitarich.com/corporate-governance/board-committees Pages 21 to 23, Part III, Item 9 of SEC 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)	Please note, however, that the majority are regular directors because there are only two independent directors and the committee has seven members. The over-all principle is still being achieved by the directors' freedom and ability to give insights and inputs to further improve the Company's performance.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	https://vitarich.com/corporate-governance/board-committees https://vitarich.com/board-directors Page 4 of https://vitarich.com/sites/default/files/d	

		documents/disclosure/2018.06.29sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf.pdf	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Pages 21 to 23, Part III, Item 9 of SEC 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	https://vitarich.com/corporate-governance/board-committees	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	https://vitarich.com/corporate-governance/board-committees Pages 21 to 23, Part III, Item 9 of SEC 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	https://vitarich.com/corporate-governance/board-committees Pages 11 to 15, Part III C.3. of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance201	

		7.pdf	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-Compliant		<p>The Amended Manual on Corporate Governance does not contain yet standards for evaluating the performance of the Committees as the Code of Corporate Governance for PLCs did not provide for sample standards or parameters for the Company to use as a guideline and the Company is still in the process of setting the parameters or standards for evaluating performances of the Committees.</p> <p>The over-all principle is still being achieved by having regular committee meetings and adhering strictly to the functions set forth for each committee in the Amended Manual on Corporate Governance.</p>
3. Committee Charters were fully disclosed on the company's website.	Compliant	https://vitarich.com/corporate-governance/board-committees Pages 11 to 15, Part III C.3. of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>Compliant</p>	<p>Pages 7 and 8, Part III, B.4 of the Amended Manual on Corporate Governance (https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf)</p> <p>For the year 2018, all directors were present during the regular meetings of the Board of Directors held on 22 February 2018, 17 May 2018, and 24 August 2018.</p> <p>During the regular meetings of the Board of Directors on 19 January 2018, 06 April 2018, 24 April 2018, 29 June 2018, 23 July 2018, 06 October 2018, 31 October 2018, and 17 December 2018, as well as during the organizational meeting of the Board of Directors held on 29 June 2018, ten (10) out of the eleven (11) directors were present. On the other hand, during the regular meeting of the Board of Directors held on 28 November 2018, eight (8) out of eleven (11) directors were present.</p> <p>As regards the attendance of the directors during the Annual General Meeting of the Stockholders, please see page 1 of https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29minutesofannualgeneralmeeting.pdf</p>	
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2. The directors review meeting materials for all Board and Committee meetings.	Compliant	The Minutes of previously held meetings are sent to the directors by e-mail at least 3 days before the scheduled meeting for them to review the same prior to the meeting.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	The directors, prior to approving a particular resolution, asks more details from the proponent as to the purpose or consequences/effects of the resolution. An example would be the questions or clarifications made during the regular board meeting on 06 October 2018 (Please see attached Minutes of Meeting held on 06 October 2018, marked as Annex "D").	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	<p>Second paragraph, page 8 of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Pages 21 to 23, Part III, Item 9 of SEC 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)</p>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Please see page 8 on Item III, B.4. of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amende	

		<p>dmanualoncorporategovernance 2017.pdf</p> <p>Please note, however, that for the year 2018, none of the directors accepted a directorship in another company except in the company where they concurrently serve as incumbent directors and were only re-elected as such directors. There was no need to inform the Board prior to accepting such position because the same had already been disclosed to the Board prior to the re-election.</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3.			
4. Board of directors meet at least six times during the year.	Compliant	<p>The Board of Directors held twelve (12) regular meetings, and one (1) organizational meeting for the year 2017. They dates of the meetings were as follows:</p> <ol style="list-style-type: none"> 1. January 19, 2018 2. February 22, 2018 3. April 6, 2018 4. April 24, 2018 5. May 17, 2018 	

		6. June 29, 2018 (regular) 7. June 29, 2018 (organizational) 8. July 23, 2018 9. August 24, 2018 10. October 06, 2018 11. October 31, 2018 12. November 28, 2018 13. December 17, 2018	
5. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant		<p>Out of the eleven (11) directors, only two (2) are independent.</p> <p>The reason for this was because during the last Annual General Meeting of the Stockholders, only eleven (11) directors were nominated to be elected. Out of these 11 nominees, only two were nominated as independent directors and 9 were nominated as regular directors.</p> <p>The independence of the Board is still achieved because each director act independently from each other. Each director participates in each and every discussion and gives his/her insights and even dissents on a particular matter. Each director is able to objectively perform his/her functions as a director.</p>
Recommendation 5.2			
1. The independent directors possess all the	Compliant	Pages 208-211 of Definitive	

qualifications and none of the disqualifications to hold the positions.		<p>Information Statement 2018 https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf</p> <p>Pages 22 and 23, https://vitarich.com/sites/default/files/documents/disclosure/2019.04.1sec17-a2018.pdf</p>	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<p>Pages 24 to 26, Part VI of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Please also see the Company's By-Laws at https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</p>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>Pages 208-211 of Definitive Information Statement 2018 https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf</p>	

2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Page 9 of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p>Page 9 of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>However, please note that as of 2018, there was no need yet to justify the re-election of the independent directors because they have not yet exhausted the maximum term of 9 years.</p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Jose Vicente C. Bengzon III- Chairman of the Board Ricardo Manuel M. Sarmiento- Chief Executive Officer	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Pages 15 to 16 and 18 of the Amended Manual on Corporate Governance posted at https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
Recommendation 5.5			

1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant – Chairman is not an independent director Non-Compliant – board designates a lead director among the independent directors	See page 5 of the 2018 General Information Sheet at https://vitarich.com/sites/default/files/documents/disclosure/gis2018.pdf	There is no lead director yet among the independent directors because there are only two independent directors and each independent director chairs only one (1) committee. The over-all principle is still being achieved because both independent directors have different fields of expertise – one is expert in accounting and one is expert in marketing – thus, their opinions or inputs on different matters affecting the Company are all geared to further improving the Company.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Please see attached copies of Secretary's Certificates on Resolution Nos. 2018-16 and 2018-34 (Annexes "E" and "F")	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant		The non-executive directors were unable to meet separately with the auditors and those in-charge with compliance and risks because to do so would be redundant already considering that the members of the Audit, Risk Oversight and Related Party Transactions Committee are all non-executive directors already. This was the alternative measure done by the Company. In addition, the committees are both chaired by independent directors.
2. The meetings are chaired by the lead independent director.	Non-Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant		While the Company intends to comply with the provisions on self-assessment of the Board and its members, it was unable to do so because the Code of Corporate Governance for PLCs did not provide specific standards or parameters to be used in making the assessments.
2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		
3. The individual members conduct a self-assessment of their performance.	Non-Compliant		
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		<p>The Company is still in the process of setting its own parameters and standards to be used in evaluating its performance as a body as well as the performance of its members.</p> <p>As an alternative, the Board and its directors continuously gave inputs on how they can better monitor the performance of the Company, management and personnel and regularly tries different means and methods of monitoring the performance of the Company, management and personnel.</p>

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-Compliant		While the Company intends to comply with the provisions on a system that provides a criteria and process to determine the performance of the Board, individual directors and committees and such system allows for a feedback mechanism from the shareholders because the Code of Corporate Governance for PLCs did not provide specific standards or parameters to be used in making the assessments.
2. The system allows for a feedback mechanism from the shareholders.	Non-Compliant		

		<p>However, the Company is still in the process of setting its own parameters and standards to be used in evaluating its performance as a body as well as the performance of its members.</p> <p>As an alternative, the Board and its directors gave inputs on how they can better monitor the performance of the Company, management and personnel and regularly tries different means and methods of monitoring the performance of the Company, management and personnel.</p> <p>Moreover, during the annual stockholders' meeting, the Company welcomes feedback from the stockholders and addresses them accordingly.</p>
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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Code and any updates were disseminated to the directors through orientation right after election as member of the Board of Directors and updates during board meetings. As regards senior management and employees, the same were disseminated	

		through pre-employment orientation.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Everyone is required to comply. The Company ensures strict implementation of our rules and regulations pertaining to violations of any provisions of any code of business conduct and ethics. However, we may not possibly attach a proof because the records pertain to confidential information.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Page 19 of https://vitarich.com/sites/default/files/documents/disclosure/amendementmanualoncorporategovernance2017.pdf https://vitarich.com/disclosures/sec	

		<p>-filings</p> <p>https://vitarich.com/disclosures/notice-annual-stockholders-meetings</p> <p>https://vitarich.com/disclosures/minutes-generalspecial-stockholders-meetings</p> <p>https://vitarich.com/disclosures/other-disclosures-sec-pse-and-other-pertinent-agencies</p>	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	<p>Non-Compliant as to Annual Report</p> <p>Compliant as to Quarterly Report</p>	Quarterly reports containing interim financial statements are published within 45 days from end of reporting period or within the requested period of extension, which is usually 5 days.	As regards the Annual Report containing the consolidated financial statements, the same is usually published more than 90 days from end of reporting period because the same are usually completed and approved every April of the succeeding year.
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	Please see pages 27 to 29 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
Recommendation 8.2			

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Page 19 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Page 19 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf https://vitarich.com/sites/default/files/documents/disclosure/sec17-q1q2018.pdf https://vitarich.com/sites/default/files/documents/disclosure/2018.08.17sec17-qq2.pdf https://vitarich.com/sites/default/files/documents/disclosure/sec17-q3q2018.pdf Page 28 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	

Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Pages 21 to 23 and 28 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Pages 21 to 23 and 28 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Page 19 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf Page 9, Section 12, Article II of the By-Laws (https://vitarich.com/sites/default/files/documents/140964833358252100.pdf)	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Page 19 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf Pages 22 to 23 of https://vitarich.com/sites/default/files	

		/documents/disclosure/2019.04.15sec17-a2018.pdf	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Page 26 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Pages 13 and 19 of https://vitarich.com/sites/default/files/documents/disclosure/amendmanualoncorporategovernance2017.pdf Please also see Annexes "E" and "F"	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Page 29 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf Please see Annexes "E" and "F"	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Please see Annexes "E" and "F"	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.		Provide link or reference where this is disclosed, if any	

Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<p>Page 19 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>https://vitarich.com/disclosures/sec-filings/sec-form-17-c-current-report</p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<p>During the year 2017, Isla Lipana & Co. evaluated the fairness of the conversion rate/price of the debt to equity transaction between the Company and Kormasinc, Inc.</p> <p>However, for 2018, there was no need for the appointment of an independent third party as there was no new transaction for the acquisition or disposal of assets.</p>	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Please see pages 2 to 30 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	

2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	<p>Please see attached copy of the Amended Manual on Corporate Governance with stamped received by SEC and PSE (Annex "G")</p> <p>Please note that there were no amendments made in 2018.</p>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			

g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.		Provide link or reference to where this is contained in the Annual Report	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.		Provide link or reference to where this is contained in the Annual Report	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.		Provide link or reference to where this is contained in the Annual Report	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).		Provide link or reference to where these are contained in the Annual Report	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Please see pages 12 and 20 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	

2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	During the Annual General Meeting of the Stockholders held on June 29, 2018, 72.62% of the stockholders ratified the appointment of the external auditor. Please see pages 1 and 4 of the Draft Minutes of the 2018 Annual General Meeting of the Stockholders posted at https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29minutesofannualgeneralmeeting.pdf	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	<p>Please see pages 18 to 20 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>The Company need not disclose any removal of external auditor for the year 2018 because it did not remove nor pre-terminated its contract with its former external auditor. Rather, the contract with the former external auditor ended through expiration of term.</p>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	While there is no more written policy as regards the rotation of the lead audit partner because the Code of Corporate Governance for PLCs no longer required this, the Company still complied with this because this is a requirement under SRC Rule 68, paragraph 3(b)(iv). Since this is a provision of law, it is deemed written	

		<p>into the Amended Manual on Corporate Governance.</p> <p>Please see paragraphs 1 and 2 of Item 8 of SEC Form 17-A, page 19 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p>	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<p>Please see pages 11 to 12 and 20 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Please also see pages 19 to 20 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>Please see pages 11 to 12 and 20 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Please also see pages 19 to 20 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p>	
Supplement to Recommendations 9.2			

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	<p>Please see pages 11 to 12 and 20 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Please also see pages 19 to 20 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	<p>Please see pages 11 to 12 and 20 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Please also see pages 19 to 20 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p>	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	<p>Page 20, Item 8 on External Audit Fees and Services of SEC Form 17-A posted at https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	<p>Please also see pages 19 to 20 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf</p> <p>Page 12 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p>	
Supplement to Recommendation 9.3			

1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Page 20, Item 8 on External Audit Fees and Services of SEC Form 17-A posted at https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>The Company's External Auditor's details are as follows:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner – Mr. Roel E. Lucas; 2. Accreditation number – 0012-FR-5 (Group A); 3. Date Accredited – November 6, 2018; 4. Expiry date of accreditation – November 5, 2021; and 5. Name, address, contact number of the audit firm – Sycip Gorres Velayo & Co. / 6760 Ayala Ave., Makati City/ 891-0307 	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Non-Compliant		This is the first year of SOAR implementation. Thus, no audit firm has been subjected to SOAR yet. Their first review might be by May 2018.
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>Page 20 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf (Item IV, C of the Amended Manual on Corporate Governance)</p> <p>Pages 7 to 10 of http://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf (SEC Form 17-A)</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-Compliant		<p>For the year 2018, the Company was still in the process of adopting a framework suitable to its business. As an alternative measure, the Company complied with the requirements of the law, existing rules and regulations, its Amended Manual on Corporate Governance, and SRC rules as to the disclosures or reporting of sustainability and non-financial issues.</p> <p>However, with the SEC's Memorandum Circular on Sustainability Reporting, the Company intends to adopt the guidelines in the said Memorandum.</p>

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p>Website: https://vitarich.com</p> <p>Quarterly reports:</p> <p>https://vitarich.com/sites/default/files/documents/disclosure/sec17-q3q2018.pdf</p> <p>https://vitarich.com/sites/default/files</p>	
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		/documents/disclosure/2018.08.17sec17-qq2.pdf https://vitarich.com/sites/default/files/documents/disclosure/sec17-q1q2018.pdf	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	https://vitarich.com	
a. Financial statements/reports (latest quarterly)	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/sec17-q1q2018.pdf https://vitarich.com/sites/default/files/documents/disclosure/2018.08.17sec17-qq2.pdf https://vitarich.com/sites/default/files/documents/disclosure/sec17-q3q2018.pdf Pages 35 to 117 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf	
b. Materials provided in briefings to analysts and media	Non-Compliant		Since no media and analysts briefing was held last 2018, there was no need to provide materials for the same.
c. Downloadable annual report	Compliant	https://vitarich.com/disclosures/sec-filings/sec-form-17-annual-report	

d. Notice of ASM and/or SSM	Compliant	https://vitarich.com/disclosures/notice-annual-stockholders-meetings	
e. Minutes of ASM and/or SSM	Compliant	https://vitarich.com/disclosures/minutes-general-special-stockholders-meetings	
f. Company's Articles of Incorporation and By-Laws	Compliant	https://vitarich.com/sites/default/files/documents/articles_of_incorporation.pdf https://vitarich.com/sites/default/files/documents/140964833358252100.pdf	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	https://vitarich.com	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	1. Inventory Management Compliance – quarterly compliance 2. Production Maintenance Compliance – predetermined compliance date 3. Proper Warehousing and QA process compliance – predetermined compliance date 4. Farm Audit Compliance – predetermine compliance date AR validation for big accounts – predetermine compliance date 5. Cash Count – monthly Review of payment requisition, petty cash voucher and cash advances –	

		<p>monthly</p> <p>6. Review of Haulers contract – yearly</p> <p>7. Yearend inventory audit compliance – yearly</p> <p>8. Risk Base Audit – as scheduled</p> <p>9. Policy review – as scheduled</p> <p>Page 45 of</p> <p>https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf</p> <p>Pages 11 to 12 of</p> <p>http://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf (SEC Form 17-A)</p> <p>Pages 39 to 40 of</p> <p>https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf</p>	
Supplement to Recommendations 12.1			

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf Pages 7 to 12 of http://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf (SEC Form 17-A) Pages 37 to 40 of https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.		Provide information on IT governance process	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Internal audit is in-house.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-Compliant		The Company has not found yet a qualified Chief Audit Executive to date but is still looking for a qualified Chief Audit Executive. As an alternative, the internal audit function

2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Non-Compliant		was performed by Mr. Raul N. Rivera, Jr.
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.			

Recommendation 12.4

1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant		<p>While the Company's Amended Manual on Corporate Governance provided that the Company may establish a separate risk management function (please see pages 22 to 23 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf), the Company has not yet seen the need to establish a separate risk management office in 2018.</p> <p>As an alternative, risks are managed, monitored and reviewed by the Company's internal audit function and the Audit, Risk Oversight and Related Party Transactions Committee and Ms. Carmen Policarpio, QA Manager, who manages, monitors and reviews production process and quality issues.</p> <p>Important risks are submitted to the directors and discussed during the regular monthly Board meetings.</p>
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Supplement to Recommendation 12.4

1. Company seeks external technical support in risk management when such competence is not available internally.	Non-Compliant		<p>While the Company's Amended Manual on Corporate Governance provided that the Company may establish a separate risk management function (please see pages 22 to 23 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf), the Company has not yet seen the need yet to establish a separate risk management office.</p> <p>As an alternative, risks are managed, monitored and reviewed by the Company's internal audit function and the Audit, Risk Oversight and Related Party Transactions Committee and Ms. Carmen Policarpio, QA Manager, who manages, monitors and reviews production process and quality issues.</p> <p>Important risks are submitted to the directors and discussed during the regular monthly Board meetings.</p>
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-Compliant		<p>While the Company's Amended Manual on Corporate Governance provided that the Company may establish a separate risk management function (please see pages 22 to 23 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf), the Company has not yet seen the need to establish a separate risk management office.</p> <p>As an alternative, risks are managed, monitored and reviewed by the Company's</p>
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		<p>As an alternative, risks are managed, monitored and reviewed by the Company's</p>

			<p>internal audit function and the Audit, Risk Oversight and Related Party Transactions Committee and Ms. Carmen Policarpio, QA Manager, who manages, monitors and reviews production process and quality issues.</p> <p>Important risks are submitted to the directors and discussed during the regular monthly Board meetings.</p>
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-Compliant		As mentioned above, the Company has not yet appointed a CAE last 2018.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Pages 24 to 26, Item VI of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Pages 24 to 26, Item VI of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p>Page 3, Section 5, Article I of the By-Laws (https://vitarich.com/sites/default/files/documents/140964833358252100.pdf)</p> <p>Page 14 of SEC Form 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-</p>	

		a2018.pdf)	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>As can be seen in page 4 of the Company's GIS for 2018 (https://vitarich.com/sites/default/files/documents/disclosure/gis2018.pdf), all shares of the Company are common shares and all shares are entitled to vote.</p> <p>Page 14 of SEC Form 17-A (https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf)</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	Pages 3, 23 to 28 of the By-Laws (https://vitarich.com/sites/default/files/documents/140964833358252100.pdf)	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p>The current voting system, found on pages 3, 23 to 28 of the By-Laws (http://vitarich.com/sites/default/files/documents/140964833358252100.pdf), is an effective shareholder voting mechanism as it is able to protect minority shareholders.</p> <p>Other than the procedures laid down in the By-Laws, the Board has no other voting mechanism.</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>Section 2, Article I of the By-Laws, page 1 of https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</p> <p>Item VI, part 4 of the Amended</p>	

		Manual on Corporate Governance, page 25 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Item VI of the Amended Manual on Corporate Governance, pages 24 to 26 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
7. Company has a transparent and specific dividend policy.	Compliant	Item VI, part 5 of the Amended Manual on Corporate Governance, page 25 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf Section 36 Article VI page 21 of the By-Laws (http://vitarich.com/sites/default/files/documents/140964833358252100.pdf) The Company has not declared dividends since 1996.	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			

1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant as to posting in the website Non-Compliant as to information statement	The notice and agenda for the Annual General Meeting of the Stockholders held last June 29, 2018 were announced via PSE and the Company's website at least 63 days prior to the said meeting. Please see page 5 of https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf	The same were sent to the stockholders via the Information Statement at least 15 business days before the meeting in compliance with SRC Rule 20.
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Pages 9 to 14 of https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf	
b. Auditors seeking appointment/re-appointment	Compliant	Page 16 of https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf	
c. Proxy documents	Compliant	Pages 32 to 33 and 46 of https://vitarich.com/sites/default/files/documents/disclosure/2018.05.31definitiveinformationstatement2018.pdf	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
Recommendation 13.3			

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29minutesofannualgeneralmeeting.pdf	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29minutesofannualgeneralmeeting.pdf As indicated in page 3 of https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29minutesofannualgeneralmeeting.pdf , shareholders did not ask questions during the Annual General Meeting of the Stockholders last June 29, 2018 and the same were adequately answered.	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The Company's external auditor, Sycip Gorres Velayo & Co., as well as the key officers of the Company, were present during the Annual General Meeting of the Shareholders held last June 29, 2018	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Please see page 26 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf (Item VI, part 7 of the Amended Manual on Corporate Governance)	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Please see page 26 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf (Item VI, part 7 of the Amended Manual on Corporate Governance)	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-Compliant		Considering that per experience, very few shareholders call the Company for inquiries and there were also only very instances when Company receives inquiries, the Board did not establish yet a separate Investor Relations Office.
2. IRO is present at every shareholder's meeting.	Non-Compliant		As an alternative, the Board opted to continue with the present practice for the Company's Corporate Information and Alternate Corporate Information Officers to perform the functions of an Investor Relations Officer. Any or both of these officers answer any and all questions from shareholders. As a matter of fact, in 2018, one shareholder clarified from the Corporate Information Officer the new stock certificates that were issued pursuant to the approved decrease in the par value of the company's shares. Kindly see also https://vitarich.com/sites/default/files/documents/investor_relation_programs_0.pdf
Supplemental Recommendations to Principle 13			

1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant		The Board has not adopted any anti-takeover measures or similar devices, and adopts a strict adherence to the laws, rules, and regulations as well as utmost transparency to the Company's stakeholders.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		Public Float as of December 31, 2018 is 26.55%.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Item VII, Parts A and B of the Amended Manual on Corporate Governance, pages 26 and 27 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf Pages 10 to 11 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15se	

		c17-a2018.pdf (SEC Form 17-A)	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>Item VII, Parts A and B of the Amended Manual on Corporate Governance, pages 26 and 27 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Pages 10 to 11 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf (SEC Form 17-A)</p> <p>Please also see https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf</p>	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	<p>Compliant – Policy;</p> <p>Non-Compliant – Process</p>	<p>Lilibeth R. Carao, HRAD Manager and Control and Compliance Officer Contact No. -09188482184</p> <p>The Company's whistle-blowing policy may be found in Item VII, Part B of the Amended Manual on Corporate Governance, page 27 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance201</p>	<p>As regards the procedures for whistle-blowing, the Board is still in the process of its draft of the process for whistleblowing to effectively carry-out its whistle blowing policy.</p> <p>During the annual stockholders' meeting, the Company welcomes any feedback from the stockholders and addresses them accordingly.</p>

		7.pdf	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	As regards the employees, the Company follows the two notices and a hearing required by the existing labor laws and regulations in addressing grievances of employees. As regards third parties, the Company talks to and/or enters into compromise agreements with concerned persons to thresh out issues or disagreements.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	Please see https://vitarich.com/sites/default/files/documents/disclosure/secform17-lforq12018.pdf and https://vitarich.com/sites/default/files/documents/disclosure/secform17-lforq22018.pdf for the instances when the Company requested for extension from submission of the Quarterly Report for the period ended on March 31, 2018 and June 30, 2018. This is akin to an exemption from compliance with	

		the due date as the Company requested for extension.	
2. Company respects intellectual property rights.	Compliant	<p>To show the Company's respect for and high regard to intellectual property rights, it registered its devices and logos with the Intellectual Property Office.</p> <p>Please see page 8 of https://vitarich.com/sites/default/files/documents/disclosure/2019.04.15sec17-a2018.pdf (SEC Form 17-A)</p>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Item VII, Part B of the Amended Manual on Corporate Governance, page 27 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf Please also see https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf and Annex "H" on the programs, procedures and trainings conducted for employees in 2017.	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Please see attached (Annex "I") regarding the Company's Merit System	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Please see attached HR Policy (Annex "J")	
3. Company has policies and practices on training and development of its employees.	Compliant		
Recommendation 15.2			

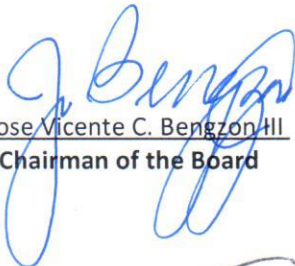
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Policy - Item VII, Part B of the Amended Manual on Corporate Governance, page 27 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The board disseminated the policy and program to employees through the HR Department , who in turn conducts orientation and updates to employees	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Policy - Item VII, Part B of the Amended Manual on Corporate Governance, page 27 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Please also see https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf</p> <p>The Company complies with the procedures required by existing labor laws, rules and regulations in case of violation of the Company's anti-corruption policies.</p>	
Recommendation 15.3			

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Policy - Item VII, Part B of the Amended Manual on Corporate Governance, page 27 of https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</p> <p>Please also see https://vitarich.com/sites/default/files/documents/disclosure/whistle-blowingpolicy_1.pdf</p> <p>Any whistle blower may directly approach the President, the Chairman of the Board, any of the independent directors, the legal counsel, HR Manager.</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Any whistle blower may directly approach the President, the Chairman of the Board, any of the independent directors, the legal counsel, HR Manager.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	While a policy is in place, there was no whistleblower in 2018, which necessitated the enforcement of the policy.	
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p> <p>Recommendation 16.1</p>			

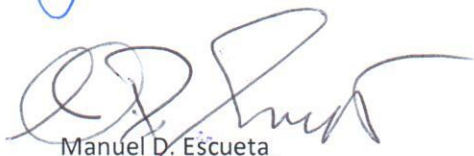
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Please see Annex "K" regarding the Company's CSR Activities	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	
2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	

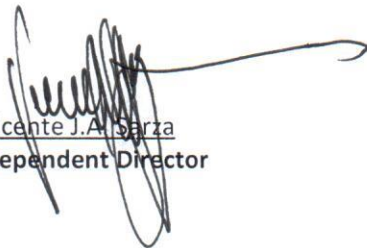
Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of _____ on _____, 2019.


Signatures

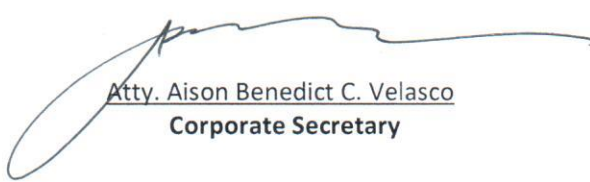

Jose Vicente C. Bengzon III
Chairman of the Board


Ricardo Manuel M. Sarmiento
President/Chief Executive Officer

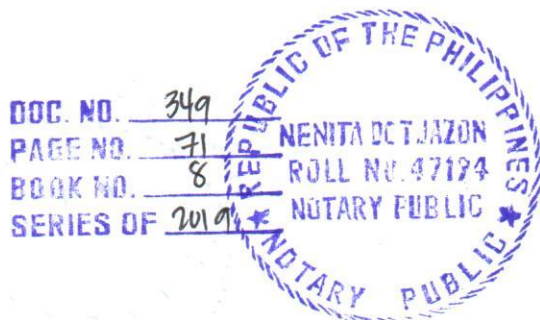

Manuel D. Escueta
Independent Director

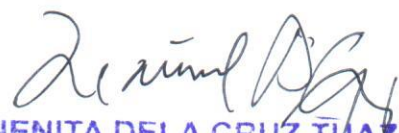

Vicente J. A. Sarza
Independent Director


Atty. Mary Christine Dabu-Pepito
Asst. Corporate Secretary/ Compliance Officer/
Corporate Information Officer


Atty. Aison Benedict C. Velasco
Corporate Secretary

SUBSCRIBED AND SWORN to before me this day of MAY 27 2019, 2019, affiant(s) exhibiting to me their identification, as follows:




NENITA DELA CRUZ TUAZON
NOTARY PUBLIC
PNC-58-MB-2018 UNTIL DEC. 31 2020
SANDICO ST. POBLACION, MARILAO BULACAN
IBP LIFE NO. 591042/ BULACAN/ 5/19/2003
PTR NO. 0005589/ MARILAO BULACAN/ 1/4/19
TIN 170-907-684-000
ATTORNEYS ROLL NO. 47194
MCLE COMPLIANCE NO. VI-061862 UNTIL APRIL 14 2022

ANNEX “A”

PSE CERTIFICATE OF PARTICIPATION



The Philippine Stock Exchange, Inc.

presents this

CERTIFICATE OF PARTICIPATION

to


MARY CHRISTINE PEPITO

for attending the

2018 ANNUAL LISTING AND DISCLOSURE RULES SEMINAR

held on December 4-5, 2018 at the PSE Tower, 5th Avenue corner 28th Street

Bonifacio Global City, Taguig City.


JANET A. ENCARNACION
Head, Disclosure Department


ROEL A. REFRAN
Chief Operating Officer

ANNEX “B”

**SUCCESSION
PLAN**



Building
Partnerships.



Growing
Business.

PROGRAM DESCRIPTION

In the fast paced and robust environment of the agricultural industry, the pipeline of leaders are driven by market expansion, attrition, internal mobility etc. Management development programs help address succession plans to generate future leaders within the organization.

This Leadership Acceleration Program is designed to develop a cadre of skilled leaders who will be ready to take on the responsibilities and contribute effectively towards the growth of Vitarich. This aims to strengthen their capabilities and make them more efficient leaders than before. The program will enable managers to drive One Vitarich to higher levels of performance and propel the organization's future success.



Building
Partnerships.



Growing
Business.

PROGRAM DESCRIPTION

The 6 month program contains various tracks that will expose the managers in the different facets of the business. Methodologies will be a mix of classroom-based, instructor led learning, group workshops, experiential activities, case studies, OJT and a technical project.

Sessions will be held in various sites of the organization.

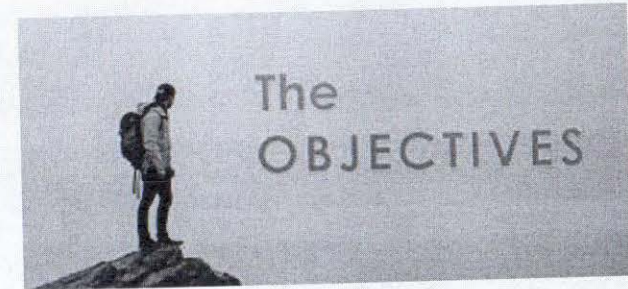
The tracks will be composed of topics that addresses the competency requirements of a Vitarich leader.



Building
Partnerships.



Growing
Business.



At the end of the course, participants will be able to:

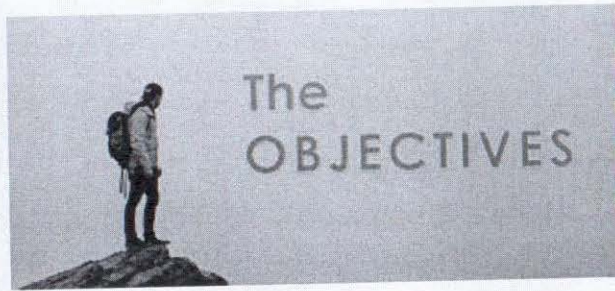
1. Enhance self-awareness, develop their own effective leadership style while strengthening interpersonal relations.
2. Sharpen business management skills from developing plans to operationalizing strategic initiatives.
3. Apply critical thinking in problem solving and making sound business decisions
4. Develop innovative solutions that will contribute to business growth



Building
Partnerships.



Growing
Business.



5. Create and maintain an efficient, effective, and motivated team to attain exceptional performance
6. Apply effective communication, influencing and negotiation techniques with the team, customers and other stakeholders.



Building
Partnerships.



Growing
Business.

PROGRAM OUTLINE

Self Mastery

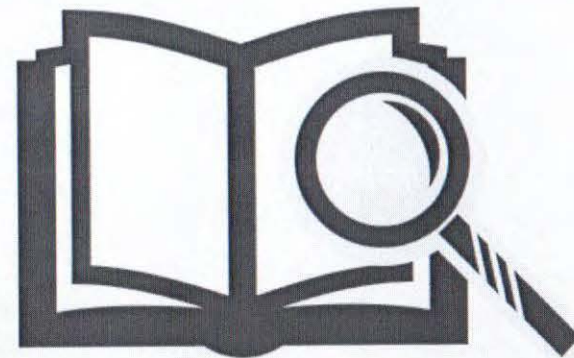
- Values Clarification
- Personal Effectiveness
- Presentation and Influencing Skills

Technical Skills Devt

- Production Management
- Farm Management & Livestock Operations
- Research & Devt
- Nutrition and Quality Control

Management Development

- PLOC
- HR Management Essentials
- Problem Solving and Decision Making
- Managing Customer Satisfaction
- Marketing and Selling
- Budgeting and Fundamentals of Accounting



Others/ Special Projects

- OJT (cross training program)
- Case Studies (new / innovative project and proposal)
- Technical Project
- Group Defense



ANNEX “C”

**RETIREMENT
PLAN**



VITARICH CORPORATION RETIREMENT PLAN

Policy Number - 020 rev. 0

Policy Dated 05/22/2018

Policy Group - HR Rev. 0

Contact: HR MANAGER

PURPOSE: To provide, through a retirement fund to be established by the participating companies, an

employee's retirement benefit program, for all their regular salaried employees.

POLICY AND PROCEDURE: The Retirement Benefit shall be lump sum amount equivalent to 1/4 month's salary for every year of continuous service based on the final monthly salary of the retiree at the time of retirement.

A) NORMAL RETIREMENT

--- Any participant upon the attainment of age 60, shall retire and shall be entitled to full retirement benefit.

B) EARLY RETIREMENT

--- Upon reaching age 50, and after rendering at least ten (10) years of faithful and continuous employment, a participant may at the option of the Company retire and shall be entitled to the benefit as provided below:

YEARS OF SERVICE	PERCENTAGE OF NORMAL RETIREMENT BENEFIT
10	75.00%
11	76.67%
12	78.34%
13	80.00%
14	81.67%
15	83.34%
16	85.00%
17	86.67%
18	88.34%
19	90.00%
20	91.67%
21	93.34%
22	95.00%
23	96.67%
24	98.34%
25	100.00%

C) OPTIONAL RETIREMENT

After rendering at least 25 years of faithful and continuous employment and upon reaching age 50 a participant may, at his option, retire and shall be entitled to the full retirement benefit.

D) DEATH BENEFIT

If a participant should die before the retirement date, his heirs shall be entitled to receive special company benefit equivalent to the benefits provided under SGC Joint Retirement Plan, it being understood that the benefit shall be equivalent to 1 1/4 months' pay for every year of continuous service up to the time of death, based on the last monthly salary.

E) DISABILITY BENEFIT

If a participant should be disabled before retirement date, he shall be entitled to receive special company benefits provided by SGC Joint Retirement Plan, it being understood that the benefit shall be equivalent to 1 1/4 month's pay for every year continuous service up to the time of disablement based on the last monthly salary.

F) RESIGNATORY/SEPARATION BENEFIT

If a participant with at least 10 years of continuous employment is separated due to organizational changes, he shall be entitled to the benefit under the New Labor code of the Republic of the Philippines as amended, or Section 1 hereof, whichever is higher.

Should as a result of organizational changes, the [participant with at least 10 years of continuous employment is offered another position in the company, the participant shall have the option of either accepting such new position or availing of the benefits under this section, provided, however, that the right /option herein granted to the employee shall be exercised within the probationary period of his new appointment but in no case shall it be more than three (3) months from his acceptance of the new position.

G) FORFEITURE OF BENEFITS

A participant who is dismissed for cause shall forfeit all his rights and privileges under the plan.

H) INTER-FUND TRANSFER

A participant who is transferred from and to any of the Sarmiento Group of Companies shall be credited with his corresponding past service credits relative to a previous trust fund amount as determined by an independent actuary. such amount corresponding to his past service credits from present company's trust fund, reduced by the ratio of the fund to the past service liability of the previous company using the same actuarial assumptions and method of funding.

PROCEDURES:

1. Qualified employee writes a letter of request for Retirement citing the reasons.
2. Department/Division Head endorses to Personnel the employee's request for Retirement.
3. Personnel Department accomplishes Application for Retirement Form, certifies as to accuracy of employment/salary/computation data. Routes Application to signatories.
4. Upon approval, Personnel forwards

ANNEX “D”

MINUTES OF OCTOBER 6, 2018

**VITARICH CORPORATION
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS**

held on Saturday, 06 October 2018, at 3:00 p.m.
at Palawan-Sumatra Room, Marco Polo Hotel, Davao City

PRESENT: MR. JOSE VICENTE C. BENGZON, III
MR. ROGELIO M. SARMIENTO
MR. RICARDO MANUEL M. SARMIENTO
MS. STEPHANIE NICOLE S. GARCIA
MR. JOSE M. SARMIENTO
MR. BENJAMIN I. SARMIENTO, JR.
MR. LEVI F. DIESTRO
DR. JUAN ARTURO ILUMINADO C. DE CASTRO
MR. MANUEL D. ESCUETA
MR. VICENTE J.A. SARZA

ALSO PRESENT: ATTY. TADEO F. HILADO
ATTY. MARY CHRISTINE C. DABU-PEPITO
OTHER OFFICERS OF THE CORPORATION

I. CALL TO ORDER

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

II. CERTIFICATION OF QUORUM

There being present 10 out of the 11 members of the Board, Atty. Hilado certified that there was a quorum for the valid transaction of business.

III. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON 24 AUGUST 2018

Upon motion made and duly seconded, the minutes of the regular meeting of the Board of Directors held on 24 August 2018 were approved as presented.

IV. PROPOSED RESOLUTIONS

Upon motion made and duly seconded, the following resolutions were approved and adopted:

RESOLUTION NO. 2018-38

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation approve as it hereby approves the withdrawal of Criminal Case No. 2282-M-1993 for Violation of Batas Pambansa 22 titled *People of the Philippines v. Josefino Villaroman* pending before the Municipal Trial Court of Marilao, Bulacan;

“RESOLVED, further that the Corporation authorize as it hereby authorizes Mr. Marlowe C. Mediante or Mr. Benedict J. Mogarte to execute and sign an *Affidavit of Desistance* in the above-mentioned case, and to move for the dismissal of the said case.”

Atty. Mary Christine Dabu-Pepito explained that the foregoing resolution involved an old case for violation of BP22 or the bouncing checks law. It was filed sometime in the 1990s and was archived because the accused (Mr. Villaroman) cannot be located. Recently, Mr. Villaroman approached President Ricardo Manuel Sarmiento and sought help on how he can settle the case. Thus, the subject resolution authorizes the withdrawal of the case through the execution of an Affidavit of Desistance.

RESOLUTION NO. 2018-39

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation amend as it hereby amends Resolution No. 2018-02 approved last 19 January 2018, to authorize the following Credit and Collection Personnel:

1. Mr. Ralph Adrian Aruj or Ms. Lorelai Acuzar – Mindanao;
2. Mr. Rey Deloso – Visayas.

to file, execute, and sign Complaints, Affidavits, Answers, Petitions, Memoranda, Counter-affidavits, Statement of Claims, and all other pleadings for and in behalf of the Corporation in their respective areas as indicated opposite their names, and for this purpose, to sign the Verification and Certification on Non-Forum Shopping;

“RESOLVED, FURTHER, that the Corporation authorize as it hereby authorizes any one (1) of them to appear for and in behalf of the Corporation in cases filed by or against the Corporation in their respective areas, including small claims cases, during all stages of trial, including preliminary conference, pre-trial, mediation and judicial dispute resolution stages, with power to enter into stipulations of facts, enter into compromise agreements, submit to alternative modes of dispute resolution, to execute Affidavits of Desistance for settled civil obligations and all other powers under the Rules of Court.”

Atty. Hilado explained that Resolution No. 2018-39 sought only to widen the area of coverage of the authority given to Mr. Aruj, which, at present, excludes Northern Mindanao. With the new resolution, Mr. Aruj may appear in cases filed by or against the Corporation in the entire Mindanao island.

RESOLUTION NO. 2018-40

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation amend as it hereby amends Resolution No. 2016-09 approved last 21 March 2016 to authorize Mr. Marlowe C. Mediente or Mr. Benedict J. Mogarte to file, execute, and sign Complaints, Affidavits, Answers, Petitions, Memoranda, Counter-affidavits, Statement of Claims, and all other pleadings for and in behalf of the Corporation, and for this purpose, to sign the Verification and Certification on Non-Forum Shopping;

“RESOLVED, FURTHER, that the Corporation authorize as it hereby authorizes either Mr. Mediente or Mr. Mogarte to appear for and in behalf of the Corporation in cases filed by or against the Corporation, including small claims cases, and to testify for and in behalf of the Corporation;

“RESOLVED, FINALLY, that Mr. Marlowe C. Mediente, Mr. Benedict J. Mogarte, Atty. Mary Christine C. Dabu-Pepito, Atty. Carmencita C. Dabu, or Atty. Nenita C. Tuazon-Dela Cruz to act as the representative of the Corporation during preliminary conference, pre-trial, mediation and judicial dispute resolution stages, with power to enter into stipulations of facts, enter into compromise

agreements, submit to alternative modes of dispute resolutions, to execute Affidavits of Desistance for settled civil obligations and all other powers under the Rules of Court.”

Atty. Dabu-Pepito explained that the foregoing resolution was requested in order to add Mr. Benedict J. Mogarte as one of the authorized representatives of the Corporation to appear in cases filed by or against the Corporation, thereby lessening the court appearances of Mr. Marlowe C. Mediante so that the latter can focus on the Renoir Project.

RESOLUTION NO. 2018-41

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be as it is hereby authorized to open an account with Security Bank Corporation (“the Bank”), in the name and for the use of the Corporation; that all moneys, checks, or other funds of the Corporation be deposited in said Bank and that until otherwise ordered, said Bank be and it hereby is authorized to make payments from the funds of this Corporation on deposit with it upon and according to the check of this Corporation, or allow withdrawal of funds therefrom in case of savings accounts by way of withdrawal slips, in either case signed by any two (2) of the following officers, provided that at least one of them is a principal signatory:

NAME	POSITION	SPECIMEN SIGNATURE
<i>Principal:</i>		
Mr. Ricardo Manuel M. Sarmiento	President/ CEO	_____
Ms. Stephanie Nicole S. Garcia	EVP Corporate Management Services/ Treasurer	_____
<i>Secondary:</i>		
Mr. Reynaldo D. Ortega	Senior Vice President/ General Manager – Poultry and Foods Division	_____
Ms. Rowena M. Hocson	Comptroller	_____

that said Bank is authorized to receive for deposit or collection any items purporting to be endorsed in the name of the Corporation; that all such checks, drafts, notes, or other negotiable papers endorsed to or signed by this Corporation, as aforesaid, including checks drawn to cash or bearer or to the individual order of any officer of this Corporation, shall be honored and paid by said Bank without inquiry as to whether the same be drawn or required for this Corporation’s business or benefit; and all such payments shall be charged to the Corporation’s account; that the above-mentioned signatory/ies be authorized as authority is hereby given to designate or further authorize a representative to receive the proceeds of funds withdrawn from the Corporation’s account; hereby ratifying and approving all that said Bank may do or cause to be done by virtue hereof;

“RESOLVED, FURTHER, that said signatories be as they are hereby authorized to renew, roll-over, amend, revise, convert or substitute, as may be necessary and/or applicable, the above-mentioned deposits, placements, investments, banking/treasury transactions and other banking services, obtained from Security Bank Corporation;

“RESOLVED, LIKEWISE, that the above-mentioned signatories be as they are hereby authorized to apply for and obtain from the Bank, in the name of the Corporation, any of its banking services such as Telebanker and Mobilebanker Products, enroll the corporate bank account(s) in Fund Transfer Facilities (Security Check Protector, Security Maximizer and Security Scheduler), and obtain such other services including, but not limited to, Deposit Pick Up, Cash Delivery and Bills Payment Services, under such terms and conditions as are or may be required by the Bank; to apply for, invest in and/or obtain from the Bank any of its Treasury Products such as, but not limited to, Fixed Income Security, Money Market, Foreign Exchange, and Derivatives (hereinafter referred to as banking/treasury transactions) in the name of the Corporation, subject to such terms and conditions and collateral agreements, if any, as are or may be required by the Bank, consistent with the risk management techniques and systems which the Corporation has in place, sufficient to manage and monitor the risk that the Corporation will take in engaging in derivative transactions;

“RESOLVED, FURTHER, that upon enrollment to Funds Transfer Facility, the Bank is hereby authorized to allow and to effect transfers of funds from the Corporation’s deposit account to other accounts within enrolled accounts indicated on the Funds Transfer Application and Maintenance Form or such other documents as may be required by the Bank;

“RESOLVED, ALSO, that the Corporation warrants to the Bank that the transfer of funds emanates from valid and legal transactions, and hereby holds the Bank, its officers, employees, agents, assigns, and other authorized representatives, free and harmless from any and all claims which may arise as a result of the authority hereinabove given; hereby ratifying and approving all that the Bank may do or cause to be done by virtue hereof;

“RESOLVED, ALSO, that said signatories be as they are hereby authorized to execute, sign and deliver any and all such agreements, contracts and other documents as are or may be necessary to implement the foregoing authorities;

“RESOLVED, FINALLY, that the foregoing resolutions shall continue and remain in full force and effect until repealed and/or amended by subsequent resolutions of the Board of Directors and appropriate copies thereof served upon and received by the Bank.”

RESOLUTION NO. 2018-42

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation authorize as it hereby authorizes its Cashier in its Cagayan De Oro Office, Ms. Dolly V. Jiz, to receive from the National Labor Relations Commission Regional Arbitration Branch No. X – Cagayan De Oro City the amount of FORTY SEVEN THOUSAND SIX HUNDRED TWENTY SEVEN & 37/100 PESOS (Php47,627.37), whether in the form of cash or manager’s check, representing the refund or release of the cash bond posted by the Corporation in the case of Joenel M. Talan v. Vitarich Corporation, with NLRC Case No. RAB-10-01-00037-2016.”

Atty. Dabu-Pepito explained that the foregoing resolution involved a labor case wherein the Labor Arbiter, while dismissing the illegal dismissal case filed against the Corporation, awarded the complainant the monetary claims prayed for. On appeal to the NLRC, the Corporation posted a cash bond in the amount of Php61,900.00, more or less. The final decision was that there was no illegal dismissal but the Corporation was directed to pay the unpaid salary of the complainant. Part of the posted cash bond was applied to the awarded claim and the remaining Php47,627.37 will be returned to the Corporation. Thus, the requested resolution.

RESOLUTION NO. 2018-43

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be as it is hereby authorized to purchase a parcel of land, together with the improvements thereon, if any, located at Poblacion, Sulop, Davao Del Sur, consisting of seventy seven thousand nine hundred sixty (77,960 sq. m.) square meters, more or less;

“RESOLVED, FURTHER, that the Corporation authorize as it hereby authorizes its Senior Vice President and General Manager, Poultry and Foods Division, Mr. Reynaldo D. Ortega, to negotiate and agree to the terms of the purchase of the above-mentioned property, and to sign, execute, and deliver the Deed of Absolute Sale and any and all documents necessary to implement the purchase of the said property and the transfer of title to the property in the name of the Corporation.”

It was explained that the purchase of this property is for the future Dressing Plant of the Corporation in Davao.

RESOLUTION NO. 2018-44

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be as it is hereby authorized to purchase a parcel of land, together with the improvements thereon, if any, located at Bontoc, Lambunao, Iloilo, consisting of forty nine thousand eight hundred fifty six (49,856) square meters, more or less, and covered by Transfer Certificate of Title No. CLOA T-14629;

“RESOLVED, FURTHER, that the Corporation authorize as it hereby authorizes its Senior Vice President and General Manager, Poultry and Foods Division, Mr. Reynaldo D. Ortega, to negotiate and agree to the terms of the purchase of the above-mentioned property, and to sign, execute, and deliver the Deed of Absolute Sale and any and all documents necessary to implement the purchase of the said property and the transfer of title to the property in the name of the Corporation.”

It was explained that the purchase of this property is for the Broiler Farm to be built by the Corporation.

RESOLUTION NO. 2018-45

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be as it is hereby authorized to purchase a parcel of land, together with the improvements thereon, if any, located at Callos, Peñaranda, Nueva Ecija containing an area of twenty eight thousand seven hundred sixty nine (28,769) square meters, more or less, covered by Transfer Certificate of Title CLOA (Vos) 6112;

“RESOLVED, FURTHER, that the Corporation authorize as it hereby authorizes its Senior Vice President and General Manager, Poultry and Foods Division, Mr. Reynaldo D. Ortega, to negotiate and agree to the terms of the purchase of the above-mentioned property, and to sign, execute, and deliver the Deed of Absolute Sale and any and all documents necessary to implement the purchase of the said property and the transfer of title to the property in the name of the Corporation.”

RESOLUTION NO. 2018-46

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be as it is hereby authorized to purchase a parcel of land, together with the improvements thereon, if any, located at Callos, Peñaranda, Nueva Ecija containing an area of forty thousand one hundred twelve (40,112) square meters, more or less, covered by Transfer Certificate of Title NT-68730;

“RESOLVED, FURTHER, that the Corporation authorize as it hereby authorizes its Senior Vice President and General Manager, Poultry and Foods Division, Mr. Reynaldo D. Ortega, to negotiate and agree to the terms of the purchase of the above-mentioned property, and to sign, execute, and deliver the Deed of Absolute Sale and any and all documents necessary to implement the purchase of the said property and the transfer of title to the property in the name of the Corporation.”

It was explained that Resolution Nos. 2018-45 and 2018-46 involve adjacent lands owned by different persons and that the purpose of the acquisition of the properties is to have a site where the Corporation’s Hog Farm will be built.

V. REPORT ON THE RESULTS OF OPERATIONS FOR THE MONTH OF, AND AS OF, AUGUST 2018

The President and Chief Executive Officer, Ricardo Manuel M. Sarmiento, reported on the performance of the Corporation for the month of, and as of, August 2018.

Performance Overview

As an overview of the Corporation’s performance, President Sarmiento reported that the NIBT for the month of August was higher compared to that in July. This was brought about by the favorable selling price of chicken, and good chicken growing efficiency/performance contributed a significant improvement in IFO versus the previous month. The net sales was also higher than July. This improvement was driven by higher sales volume of chicken, feeds tie-up and commercial feeds. Trade receivables increased due to equivalent high revenue in feeds tie-up and commercial feeds. Inventory increased while accounts payable decreased due to the continuous updating of payments to some suppliers and business partners, among others. Ending cash in bank balance was lower versus that in July.

Performance versus strategies

The animal feeds sales volume for August was 111% versus budget, higher than July volume by 7%. August performance enabled feed sales to be at par with the year-to-date budget at 100%. This growth was due to the big improvement in hog feeds as the team continues to improve.

Livestock feeds volume achieved 89% of the budget, which was 8% higher compared to that in July. To date, the sales volume registered 96% versus budget despite conversion of contract of one of Vitarich's customers.

Aqua feeds sales volume was 62% of the budget, which was slightly at par versus July.

Meanwhile, AHP sales volume for August was 81% of the budget and 3% higher than July.

Titan achieved 33% of the budget, which was 20% higher versus July sales volume.

Chicken sales volume for August was 99% versus budget while the year-to-date sales volume was 94% of the budget.

Financial Highlights

President Sarmiento reported that the sales revenue in August was higher than the revenue in July. Gross profit was 60% of the budget due to continuous higher cost of raw materials which affect the feed cost. On the other hand, higher selling price of chicken and lower direct cost due to good harvest efficiency contributed P18M in operating profit for August. Overhead expenses for August was almost the same level versus budget and lower versus July. Common expenses, on the other hand, was within the budgeted expenditure for the month.

Continuing his report, President Sarmiento said that "as of" August performance showed a 92% attainment versus budgeted sales revenue, which was 30% higher than the same period last year. The gross profit was 82% of the budget, but slightly lower by 1% on budget in terms of gross profit rate. Poultry group contributed 94% income from operations. Overhead expenses were higher than budget while common expenses were favorable. As of August, the NIBT was 61% attainment versus budget.

Raw Material Price Movement

President Sarmiento reported that August raw material prices were generally higher than budget and that of July. He likewise showed the forecasted raw material prices for the next three months which were based on the current trend positioning.

Raw Materials Inventory

Low inventory level of energy materials was due to limited supply of wheat and corn. Wheat supply was affected by delays in pull-out from port brought about by congestion and inclement weather condition. All other categories are within acceptable range.

Days Receivables

President Sarmiento reported that for Luzon, animal feeds, DOC, Foods, and Titan had higher days AR in August versus budget. For Visayas, animal feeds, aqua feeds, Titan, DOC and CTB/TU failed to hit days AR in August. In Mindanao, animal, CTB/TU, DOC, and Titan had higher days AR in August versus budget.

The Chairman said that considering the Company's high cash flow requirements, days receivables should be reduced.

Cash Flow

For the month of August, there was an increase in cash inflow. Payment to suppliers also increased due to increase in hatching egg and raw materials importations.

VI. OTHER MATTERS

A. Finance Report

Mr. RJ Rivera presented the baseline analysis of the historical P&L structures, “as of” August income from operations analysis, and the Philippines’ economic forecast for the remainder of 2018 and 2019 “as of” October outlook.

Total Company P&L structure from 2015 to 2018 latest forecast

Mr. Rivera reported that the highest net sales growth was recorded in 2016 at 49% while moving forward, the Company sustained a 27%-28% year on year growth. However, for the NIBT, the analysis showed a downward trend from 5% in 2015 to a projected 2% in 2018. This downward trend was attributed to the declining contribution margin from 15% in 2015 to 6% in 2018.

For the selling and common expenses, the analysis showed that from 2016 to 2018, these expenses remained at 4%. In 2018, selling expenses’ growth is the same as the rate of net sales growth at 28% while common expenses recorded 13% growth.

As regards the percentage to net sales ratio of contribution margin, selling expenses and IFO, the analysis showed that aqua and Titan feeds were a challenge to the Company and affected the company’s profitability for 2018.

Income from Operations Analysis

Mr. Rivera reported that the GP rate of chicken sales volume is about 9% to 12%, depending on whether there is a CG mark up or none. He also reported that aside from chicken, AHP and DOC proved to be profitable contributing a GP of 27% and 4%, respectively. He also discussed that as of August 2018, volume from chicken and poultry grew by double digits versus August 2017 while the income from animal feeds also grew by 28% versus August 2017. He also noted that for 2018, prices for chicken and tie-up increased by 1% while the price for DOC increased by 17%. On the other hand, the price for animal feeds did not increase while Titan and aqua feeds’ prices increased by 1% and 3%, respectively.

Mr. Rivera likewise reported that as of August 2017, the IFO was at 7.9% net sales. However, as of August 2018, the IFO is at 5.5% net sales. Thereafter, he discussed the major drivers of the IFO which include, among others, volume growth, price, inflation, and direct costs.

Latest Outlook on Economy

Continuing his report, Mr. Rivera described the different factors driving the depreciation of the Philippine Peso, which include, among others, stronger US Dollar, and weakening Philippine economic fundamentals. Based on the banks’ USD to Php forecast as of October 2018, 1USD is forecasted to be equal to or somewhere between Php53.50 to Php55.00 by end of 2018. For 2019, the forecasted worst case scenario is that the USD to Php exchange rate will be 1USD to Php55.50. He added that in 2019, it is forecasted that the GDP, borrowing costs and inflation will increase.

2019 Management Action Plans

Based on the financial analysis of the Company’s operations from 2015 to the present, and on the economic forecasts as of October 2018, Mr. Rivera presented and discussed one by one the 2019 Management Action Plans of the Company in order to hit the targets in 2019.

Director Escueta said that each brand or product line should have an assigned profit analyst who should regularly make P&L analysis, per region. A model P&L for 2019 should be prepared. He observed that since the Company's market share is currently small, the potential to increase sales is big, ideally with the same level of expenses.

The Board discussed the plans for Aqua Feeds. It was the consensus that Aqua Feeds, the production of which is being tolled out, can be discontinued and can possibly be resumed once the Company has purchased the feedmill which can produce the same.

With respect to Titan, it was reported there are requests to further study and consider the plans for the same.

It was agreed that the Company should focus on Poultry.

The Chairman suggested that the possibility of mixing the nutrients and medicines with the feeds before selling them to customers be looked into. He said that customers can also be combined or organized into cooperatives, and the Company can consider purchasing raw materials for certain customers for a fee.

B. Dates of the Next Regular Board Meetings

It was reiterated that the next regular meetings of the Board of Directors will be held on the following dates and venues:

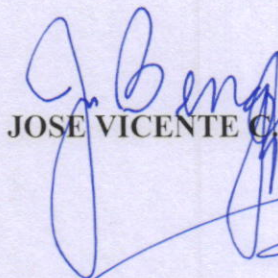
- | | | |
|--------------------------|---|---|
| 31 October 2018 at 9 am | - | Units 6 and 7, 16 th Floor, IBP Tower, Julia Vargas Ave., Ortigas Center, Pasig City |
| 28 November 2018 at 9 am | - | Units 6 and 7, 16 th Floor, IBP Tower, Julia Vargas Ave., Ortigas Center, Pasig City |
| 17 December 2018 at 9 am | - | Units 6 and 7, 16 th Floor, IBP Tower, Julia Vargas Ave., Ortigas Center, Pasig City |

VII. ADJOURNMENT

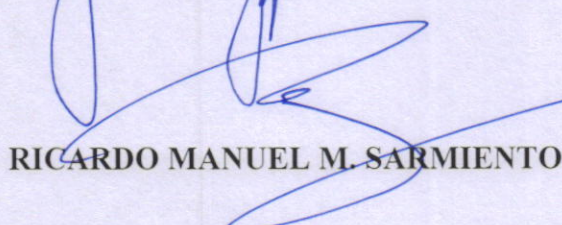
There being no other matters to be discussed, the meeting was adjourned at 5:00 pm.


TADEO F. HILADO
Corporate Secretary

ATTESTED BY:


JOSE VICENTE C. BENGZON, III

ROGELIO M. SARMIENTO


RICARDO MANUEL M. SARMIENTO


STEPHANIE NICOLE S. GARCIA

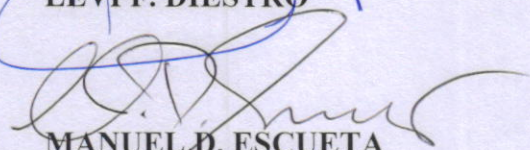
BENJAMIN I. SARMIENTO, JR.

JOSE M. SARMIENTO



LEVI F. DIESTRO

JUAN ARTURO ILUMINADO C. DE CASTRO



MANUEL D. ESCUETA



VICENTE J. A. SARZA

ANNEX “E”

SECRETARY’S

CERTIFICATE

RE: BOARD

RESOLUTION

NO. 2018-16

SECRETARY'S CERTIFICATE

I, MARY CHRISTINE C. DABU-PEPITO, of legal age, Filipino, with postal address at c/o Vitarich Corporation, Marilao-San Jose Road, Sta.Rosa I, Marilao, Bulacan, after having been duly sworn to in accordance with law, hereby depose, state, and certify that:

1. I am the duly elected Assistant Corporate Secretary of VITARICH CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with address at Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan.

2. In my capacity as such, I hereby certify that at the regular meeting of the Board of Directors held on 06 April 2018 at Cameron Room A, Manila Polo Club, McKinley Road, Makati City, during which meeting, a quorum was present and acting all throughout, the following resolution was duly approved by the affirmative vote of 6 directors after Directors Rogelio M. Sarmiento, Ricardo Manuel M. Sarmiento, Stephanie Nicole S. Garcia and Juan Arturo Iluminado C. De Castro abstained from voting:

RESOLUTION NO. 2018-16

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation approve, as it hereby approves, the conversion of the Contract to Buy Agreement between the Corporation and Luzon Agriventure, Inc. ("LAVI") into a Contract Growing Agreement between the same parties;

"RESOLVED, FURTHER, that the Corporation's President and Chief Executive Officer, Mr. Ricardo Manuel M. Sarmiento, be as he is hereby authorized to sign, execute, and deliver the said contract."

MAY 21 2018

IN WITNESS WHEREOF, I have hereunto set my hands this ____ day of May 2018 here at Marilao, Bulacan.



MARY CHRISTINE C. DABU-PEPITO
Assistant Corporate Secretary

ATTESTED:

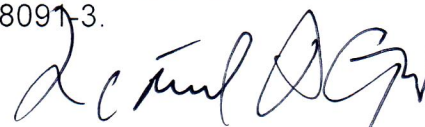


JOSE VICENTE C. BENGZON, III
Chairman of the Board

MAY 21 2018

Subscribed and sworn to before me this ____ day of May 2018 at Marilao, Bulacan, affiant exhibiting to me her SSS ID No. 33-9208091-3.

Doc. No. 310;
Page No. 47;
Book No. 7;
Series of 2018.



NENITA DELA CRUZ TUAZON
NOTARY PUBLIC
SANDICOST. POBLACION, MARILAO, BULACAN
IBP LIFE NO. 591047 / BULACAN 5/19/2008
PTR 0739495 1/3/2018 MARILAO, BUL.
TIN NO. 170-307-664-000
ATTORNEY'S ROLL NO. 47194
NOT EXEMPT NO. V-007622 UNTIL APRIL 14, 2019

ANNEX “F”

SECRETARY’S

CERTIFICATE

RE: BOARD

RESOLUTION

NO. 2018-34

SECRETARY'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

I, **MARY CHRISTINE C. DABU-PEPITO**, of legal age, Filipino, with postal address at c/o Vitarich Corporation, Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan, after having been duly sworn to in accordance with law, hereby depose, state, and certify that:

1. I am the duly appointed Assistant Corporate Secretary of **VITARICH CORPORATION**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office address at Marilao - San Jose Road, Sta. Rosa 1, Marilao Bulacan.

2. At the regular meeting of the Board of Directors on 24 August 2018 held at IBP Tower, Units 6 & 7, 16th Floor, Jade Drive, Ortigas Center, Pasig City, during which meeting, a quorum was present and acting all throughout, the following Board Resolution was approved by the affirmative vote of seven (7) directors after Directors Rogelio M. Sarmiento, Ricardo Manuel M. Sarmiento, Stephanie Nicole S. Garcia and Juan Arturo Iluminado C. De Castro abstained from voting:

RESOLUTION NO. 2018-34

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be as it is hereby authorized to ratify and give Barbatos Ventures Inc. ("BVI"), the right of usufruct over the Corporation's Davao and Marilao Dressing Plants for a period of five (5) years beginning January 2018 in consideration for the capital investment by BVI for the additional dressing line and improvement of said property subject to the condition that the usufruct over the property shall automatically terminate and revert to the Corporation after the 5-year period;

"RESOLVED, FURTHER, that the Corporation approve and ratify as it hereby approves and ratifies the Memorandum of Agreement between the Corporation and BVI and the Tri-Partite Confirmation of Memorandum of Agreement for Usufruct to implement the above grant of usufruct and the conditions for the same;

"RESOLVED, FURTHER, that the Corporation authorize as it hereby authorizes its Chairman of the Board of Directors, Mr. Jose Vicente C. Bengzon, III to sign, execute, and deliver the afore-mentioned Memorandum of Agreement."

"RESOLVED, FINALLY, that the Corporation amend as it hereby amends Resolution No. 2017-29, approved on 14 December 2017, to reflect the foregoing resolutions."

IN WITNESS WHEREOF, I have hereunto set my hands this OCT 09 2018 day of
October 2018 here at Marilao, Bulacan.

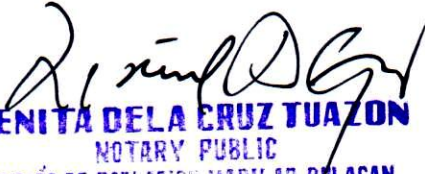

MARY CHRISTINE C. DABU-PEPITO
Assistant Corporate Secretary

ATTESTED:


JOSE VICENTE C. BENGZON, III
Chairman of the Board

Subscribed and sworn to before me this OCT 09 2018 at
Marilao, Bulacan, affiant exhibiting to me her SSS ID No. 33-9208091-3 as competent
proof of her identity.

Doc. No. 518;
Page No. 105;
Book No. 15;
Series of 2018.


NENITA DELA CRUZ TUAZON
NOTARY PUBLIC
SANCED ST. POBLACION, MARILAO, BULACAN
IBP LIFE NO. 591047 / BULACAN 5/19/2008
PTR 0737425 1/3/2018 MARILAO, BUL.
TIN NO. 170-307-664-000
ATTORNEY'S ROLL NO. 47194
MCLE EXEMPT NO. V-001622 UNTIL APRIL 14, 2019

ANNEX “G”
AMENDED MANUAL
ON CODE OF
CORPORATE
GOVERNANCE FOR
PLC’S WITH
STAMPED
“RECEIVED” BY SEC
AND PSE



V I T A R I C H

May 29, 2017

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
Mandaluyong City

Attention: **ATTY. JUSTINA F. CALLANGAN**
Director, Corporate Governance and Finance Department

Attention: **MR. VICENTE GRACIANO P. FELIZMENIO, JR.**
Director, Markets and Securities Regulation Department

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MR. JOSE VALERIANO B. ZUÑO III**
OIC-Head, Disclosure Department

Gentlemen:

Please be informed that the Company filed with the Securities and Exchange Commission on May 29, 2017 its Amended Manual on Corporate Governance, signed by the Chairman of the Board.

Very truly yours,

VITARICH CORPORATION

By:

ATTY. MARY CHRISTINE DABU-PEPITO
Asst. Corporate Secretary/ Compliance Officer/
Corporate Information Officer

Main Office: Marilao- San Jose Road, Sta. Rosa I, Marilao, Bulacan 3019 Philippines
Tel. Nos.: (632) 843-3033 / (6344) 711-2829



COVER SHEET

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S.E.C. Registration Number

[illegible]

(Company's Full Name)

M	A	R	I	L	A	O	-	S	A	N	J	O	S	E	R	O	A	D	,	S	T	A	.		
R	O	S	A	I	,	M	A	R	I	L	A	O	,	B	U	L	A	C	A	N					

(Business Address No Street City / Town / Province)

Atty. Mary Christine Dabu-Pepito
Contact Person

Contact Person

843-30-33 connecting all dept.
Company Telephone Number

Company Telephone Number _____

1	2	.	3	1
<i>Month</i>			<i>Day</i>	

Month Day

Fiscal Year

**Amended Manual on
Corporate Governance**

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Form Type

Last Friday of
June

06
Month Day

Month

Day

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number / Section

Amended Articles Number / Section

11/11/2019

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

[illegible]

Document I. D.

LCU

Cashier

STAMPS

**AMENDED
MANUAL ON CORPORATE GOVERNANCE
VITARICH CORPORATION**

(Approved by the Board of Directors on May 25, 2017)

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

The Board of Directors and Management, i.e. officers and staff, of Vitarich Corporation hereby commit themselves to the principles and best practices contained in this Manual.

I. OBJECTIVES

- A. In line with the objective of the Code of Corporate Governance for Publicly-Listed Companies, this Manual likewise aims to raise the corporate governance standards of Vitarich Corporation to a level at par with its regional and global counterparts.
- B. This Manual shall institutionalize the principles of good corporate governance in the entire organization.
- C. This Manual shall provide a guide to Vitarich Corporation to attain its corporate goals.
- D. This Manual also aims to maximize Vitarich Corporation's long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

II. DEFINITION OF TERMS

- A. Board of Directors ("Board") – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties. As used in this Manual, it also refers to the Board of Directors of Vitarich Corporation.
- B. Conglomerate – a group of corporations that has diversified business activities in varied industries, whereby the operations of such businesses are controlled and managed by a parent corporate entity.
- C. Corporate Governance – system of stewardship and control to guide the corporation in fulfilling their long-term economic, moral, legal and social obligation towards their stakeholders. It is also a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value – to the benefit of all stakeholders and society.

- D. Corporation – refers to “Vitarich Corporation”
- E. Enterprise Risk Management – a process, effected by an entity’s Board of Directors, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify the potential events that may affect the entity, manage risks to be within its risk appetite and provide reasonable assurance regarding the achievement of the Corporation’s objectives.
- F. Executive Director – a director who has executive responsibility of day-to-day operations of a part or the whole of the Corporation.
- G. Independent Director – a person who is independent of management and the controlling shareholder and is free from any business or other relationship which could or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.
- H. Internal Control – a process designed and effected by the Board of Directors, senior management and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations, reliable, complete and timely financial and management information and compliance with applicable laws, regulations and the organization’s policies and procedures.
- I. Management – a group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation.
- J. Non-executive Director – a director who has no executive responsibility and does not perform any work related to the operations of the Corporation.
- K. Related Party – covers: (a) subsidiaries of the Corporation; (b) affiliates of the Corporation; (c) any party (including their subsidiaries, affiliates and special purpose entities) that the company exerts direct or indirect control over or that exerts direct or indirect control over the company; (d) the Corporation’s directors, officers, shareholders and related interests (DOSRI) and their close family members as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Corporation.
- L. Related Party Transactions – a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.
- M. Stakeholders – an individual, organization or society at large who can either affect and/or be affected by the Corporation’s strategies, policies, business decisions and operations in general. This includes, among others, customers,

creditors, employees, suppliers, investors as well as government and community in which it operates.

III. THE BOARD'S GOVERNANCE RESPONSIBILITIES

A. Composition of the Board of Directors

- The Corporation shall be headed by a competent, working board to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.
- 1. The Board shall be composed of directors with a collective working knowledge on the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission and, where applicable, the requirements of other regulatory agencies, as well as collective working knowledge, experience or expertise that is relevant to the Corporation's business.
- 2. The Board shall have an appropriate mix of competence and expertise that its members remain qualified for their positions individually and collectively.
- 3. Majority of the members of the Board shall be non-executive directors who possess the necessary qualifications.
- 4. Membership to the Board shall be open to all competent individuals possessing all the qualifications set forth herein or in the By-Laws and none of the disqualifications listed herein or in the By-Laws regardless of gender, age, ethnicity, religion, and culture.
- 5. The Board shall have at least two (2) independent directors.
- 6. The positions of Chairman of the Board and Chief Executive Officer should be held by separate individuals.

B. Qualifications, Disqualifications and Responsibilities of Directors

B.1. Qualifications

- He/she shall be a holder of at least one (1) share of stock of the Corporation.
- He/she shall be at least a college graduate, or have sufficient experience in managing the business to substitute for such formal education.
- He/she shall be at least twenty one (21) years old.
- He/she shall be assiduous, of good moral character and have been proven to possess integrity and probity.

B.2. Permanent Disqualifications

- Conviction by final judgment or order by a competent judicial or administrative body of any crime that: (a) involves the purchase or sale of securities as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment advisor, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his/her fiduciary relationship with a bank, quasi-bank, trust company, investment house, or as an affiliated person of any of them.
- Enjoined permanently by a final judgment or order of the SEC, Bangko Sentral ng Pilipinas ("BSP") or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.
- (a) Denial, revocation, or suspension by the SEC, BSP or any court or administrative body of any registration, license, or permit issued to him/her under the Corporation Code, Securities Regulation Code, or any other law administered by the SEC or BSP, or under any rule or regulation issued by the Commission or BSP; (b) Being restrained to engage in any activity involving securities and banking; or (c) Suspension or expulsion by an effective order of a self-regulatory organization from membership, participation or association with a member or participant of the organization.
- Conviction by final judgment or order by a court, or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury, or other fraudulent acts or transgressions.
- Being adjudged by final judgment or order of the SEC, BSP, court or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law, rule, regulation, or order administered by the SEC or BSP;
- Judicial declaration of insolvency.
- Conviction by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations, or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs.
- Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

- Other grounds as the SEC may provide.
- In the case of an independent director, if he becomes an officer or employee of the same Corporation.

B.3. Temporary Disqualifications

- Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists.
- Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless such absence is due to illness, death in the immediate family, or serious accident. This disqualification applies for purposes of the succeeding election.
- Dismissal/termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. This disqualification shall be in effect until he/she has cleared himself of any involvement in the cause that gave rise to his/her dismissal or termination.
- Being under preventive suspension by the Corporation.
- If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as independent director is lifted if the limit is later complied with.
- Conviction that has not yet become final referred to in the grounds for the permanent disqualification of directors.

B.4. Duties and Responsibilities of a Director

- Directors elected for the first time shall attend an orientation program designed to introduce to them basic knowledge on the Corporation in general as well as the business of the Corporation.
- Attend relevant annual continuing training for all directors and all other seminars and trainings required by law or regulations. The annual continuing training program involves courses on corporate governance matters relevant to the Corporation, including audit, internal controls, risk management, sustainability, and strategy.
- Devote time and attention necessary to properly and effectively perform his/her duties and responsibilities, including sufficient time to be familiar with the Corporation's business, and attend and actively participate in all meetings of the Board, Committees, and Shareholders in person or through tele-

/videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as illness, death in the immediate family, and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

- The non-executive directors may concurrently serve as directors to a maximum of five (5) publicly listed companies.
- Notify the Board where he/she is an incumbent director before accepting a directorship in another company.
- Conduct fair business transactions with the Corporation, ensure that personal interest does not bias Board decisions, and abstain from taking part in the deliberations of a transaction if he/she has material interest in the transaction.
- Act judiciously and exercise independent judgment.
- Have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies.
- Observe confidentiality and ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment.

B.5. Independent Director

- In addition to the aforementioned qualifications and disqualifications, an independent director is a person who, ideally:
 - Is not an owner of more than two (2%) percent of the outstanding shares of the Corporation, its subsidiaries, associates, affiliates, or related companies.
 - Is not, or has not been, a senior officer or employee of the covered company, unless there has been a change in the controlling ownership of the Corporation, nor is he/she acting as a nominee or representative of any director of the Corporation, or any of its related companies.
 - Is not a relative of a director, officer, or substantial shareholder of the Corporation, or any of its related companies, or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother, or sister.
 - Is not a securities broker-dealer of listed companies and registered issuers of securities. A securities broker-dealer is a person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal, stockholder, nominee of the firm to the

Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer.

- Does not engage or has not engaged, whether by himself or with other persons, or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the Corporation, or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment.
 - Is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial shareholders; neither is he/she employed as an executive officer of another company where any of the Corporation's executives serve as directors.
 - Is not, and has not been in the three years immediately preceding the election: (a) a director of the Corporation; (b) a director, officer, employee of the Corporation's subsidiaries, associates, affiliates, or related companies; (c) a director, officer, employee of the covered Corporation's substantial shareholders and its related Corporations; (d) appointed in the Corporation, its subsidiaries, associates, affiliates, or related companies as Chairman "Emeritus", "Ex-Officio" Director/Officer or member of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities; (e) retained, either in his personal capacity or through a firm, as a professional advisor, auditor, consultant, agent, or counsel of the Corporation, any of its related companies or substantial shareholder.
- The independent directors may serve for a maximum cumulative term of nine (9) years reckoning from 2012. An independent director who has served for 9 cumulative years shall no longer be re-elected as an independent director of the Corporation, but may continue to qualify for nomination and election as a non-independent director.
- In case the Corporation wants to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

C. Duties and Responsibilities of the Board

C.1. General Responsibility

- It is the Board's responsibility to foster the long-term success of the Corporation and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its *stockholders and other stakeholders.*

C.2. Specific Duties and Functions

c.2.1. Install a process of selection to ensure a mix of competent directors and officers.

c.2.2. Determine the Corporation's purpose, vision and mission as well as strategies to carry out its objectives and oversee the development of and approve the Corporation's business objectives and strategies and monitor their implementation.

c.2.3. Ensure that the Corporation complies with all relevant laws, regulations and codes on best business practices and that Board authority is within the powers of the Corporation as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations.

c.2.4. Identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.

c.2.5. Adopt a system of internal checks and balances and oversee that an appropriate internal control system is in place.

c.2.6. Oversee that a sound enterprise risk management framework is in place, identify key risk areas and key performance indicators, and monitor and assess these factors with due diligence.

c.2.7. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly recorded and shall have the corresponding Minutes kept intact by the Corporate Secretary.

c.2.8. Act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the company and all shareholders.

c.2.9. Ensure that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality.

c.2.10. Approve the selection of management and control functions and establish an effective performance management framework that will ensure that the management and personnel's performance are at par with the standards set by the Board and Senior Management.

c.2.11. Appoint the Chief Audit Executive and Chief Risk Officer.

c.2.12. Approve the Internal Audit Charter.

c.2.13. Formulate Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties.

c.2.14. Ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.

c.2.15. Adopt and ensure proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.

c.2.16. Perform all functions assigned to it by law, rules, and regulations.

C.3. Board Committees

- ✓ The Board shall set-up committees to support the effective performance of its functions, especially those involving audit, risk management, related party transactions, and other corporate governance functions, such as nomination and remuneration.
- ✓ Each committee shall have a charter stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources, and other relevant information, and such charter shall be fully disclosed on the Corporation's website.

c.3.1. Audit, Risk Oversight and Related Party Transactions Committee

- It shall be composed of at least three (3) appropriately qualified non-executive directors.
- The Chairman of this committee shall be an independent director, who should not be the chairman of the Board or of any other committees.
- Each member shall have adequate understanding at least or competence at most of the company's financial management systems and environment, and he/she shall have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.
- Duties and Responsibilities:
 - Provide oversight functions over the internal audit department/unit, internal and external auditors, the Corporation's Enterprise Management Framework system, as well as management's activities in managing credit, market liquidity, operational, legal, and other risk exposures of the Corporation.
 - Recommend approval of and oversee the implementation of the Internal Audit Charter (IA Charter).
 - Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system and crisis management, integrity of financial reporting, security of

physical and information assets, and develop a transparent financial management system.

- Recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE).
- Review and monitor management's responsiveness to the Internal Auditor's findings and recommendations and the disposition of the recommendations in the External Auditor's management letter.
- Prior to the commencement of audit, discuss with the External Auditor the nature, scope, and expenses of the audit.
- Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him/her and to the corporation's overall consultancy expenses.
- Disallow any non-audit work that will conflict with duties as an External Auditor or may pose a threat to the auditor's independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report.
- Review and approve Interim and Annual Financial Statements before their submission to the Board.
- Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform: (a) a definitive timetable within which the accounting system of the Corporation will be 100% International Accounting Standard (IAS) compliant; (b) an accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task.
- Recommend to the Board the appointment, re-appointment, removal, and fees of the External Auditor duly accredited by the Commission, and provide an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.
- Develop, oversee and evaluate the implementation a formal enterprise risk management plan and revisit defined risk management strategy, look for emerging or changing material exposures, and stay abreast of significant

developments that seriously impact the livelihood of harm or loss.

- Review the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Corporation; and advise the Board on risk appetite levels and risk tolerance limits
- Conduct regular discussions on the Corporation's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing the risks.
- Assess the probability of each identified risk becoming a reality, estimate its possible significant financial impact and likelihood of occurrence, and report to the Board the Company's material risk exposures, actions taken to reduce the risks, and recommends further action or plans, as necessary.
- Review and monitor all material related party transactions of the Corporation and subsequent changes in relationship with counterparties.
- Evaluate on an ongoing basis existing relations between and among businesses and counterparties, and all material related party transactions.
- Ensure that appropriate disclosure is made and/or information is provided to regulating and supervising authorities relating to the company's related party exposures, and policies on conflicts of interest or potential conflicts of interest.
- Report to the Board of Directors on a regular basis the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties.
- Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.

c.3.2. Nomination, Remuneration and Corporate Governance Committee

- The nomination, remuneration and corporate governance committee shall be composed of at least three (3) members.

- The chairman of this committee shall be an independent director who shall not be chairman of the board or of other committees.
- It shall ensure compliance with and proper observance of corporate governance principles and practices.
- Duties and Responsibilities:
 - Oversee the implementation of and develop the corporate governance framework and periodically review the said framework.
 - Propose, plan, and recommend continuing education/training programs for directors, and assignment of tasks/projects to board committees.
 - Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance.
 - Establish a formal and transparent procedure to develop a policy on executive remuneration and for determining and fixing the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates.
 - Provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the corporation's culture, strategy and control environment.
 - Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully.
 - Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty or perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
 - Disallow any director to decide his or her own remuneration.
 - Provide in the corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.

- Review the Corporation's existing Human Resources Development or Personnel Handbook, if any, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.
- Pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the following qualifications and disqualifications set forth in this Manual and the existing laws, rules, and regulations.
- Determine the nomination and election process for the company's directors.
- Define the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board.
- Consider the following guidelines in the determination of the number of directorships for the Board: (a) the nature of the business of the Corporations which he is a director; (b) age of the director; (c) number of directorships/active memberships and officerships in other corporations or organizations; and (d) possible conflict of interest.

D. Chairman of the Board

- The Board of Directors should be headed by a competent and qualified Chairperson.
- Roles and responsibilities:
 - Make certain that the meeting agenda focuses on strategic matters, including overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.
 - Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.
 - Facilitate the discussion on key issue by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.

- Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.
- Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors.

E. The Corporate Secretary

- The Corporate Secretary should not be a member of the Board of Directors.
- He/she must be a Filipino citizen.
- The Corporate Secretary should annually attend a training on corporate governance.
- Duties and Responsibilities:
 - Assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and the committees to set agenda for those meetings.
 - Safe keep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Corporation.
 - Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Corporation, and advises the Board and the Chairman on all relevant issues as they arise.
 - Work fairly and objectively with the Board, management, and stockholders and contribute to the flow of information between the Board and management, the Board and its committees and the Board and its stakeholders, including shareholders.
 - Advise on the establishment of board committees and their terms of reference.
 - Inform members of the Board in accordance with the by-laws, of the agenda of the meetings at least five (5) working days in advance, and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

- Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so.
- Perform required administrative function.
- Oversee the drafting of the by-laws and ensure that they conform with regulatory requirement.
- Perform such other duties and responsibilities as may be provided by the SEC.

F. The Compliance Officer

- The Board should ensure that it is assisted in its duties by a Compliance Officer, who should have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Corporation.
- The Compliance Officer should not be a member of the Board of Directors and should annually attend a training on corporate governance.
- The Compliance Officer is a member of the Corporation's management team in charge of the compliance function.
- Duties and Responsibilities:
 - Ensure proper onboarding of new directors, such as orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others.
 - Monitor, review, evaluate, and ensure the compliance by the Corporation, its officers and directors with the relevant laws, the Code of Corporate Governance, rules and regulations and all governance issuance of regulatory agencies.
 - Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action.
 - Ensure the integrity and accuracy of all documentary submissions to regulators.
 - Appear before the SEC when summoned in relation to compliance with the Code of Corporate Governance.

- Collaborate with other departments to properly address compliance issues, which may be subject to investigation.
- Identify possible areas of compliance issues and works towards the resolution of the same.
- Ensure the attendance of the board members and key officers to relevant trainings.
- Perform such other duties and responsibilities as may be provided by the SEC.

G. The Chief Executive Officer

➤ Duties and Responsibilities:

- Determine the Corporation's strategic direction and formulate and implement its strategic plan on the direction of the business.
- Communicate and implement the Corporation's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same.
- Oversee the operations of the Corporation and manage human and financial resources in accordance with the strategic plan.
- Has a good working knowledge of the Corporation's industry and market and keeps up-to-date with its core business purpose.
- Direct, evaluate and guide the work of the key officers of the Corporation.
- Manage the Corporation's resources prudently and ensure a proper balance of the same.
- Provide the Board with timely information and interfaces between the Board and the employees.
- Build the corporate culture and motivate the employees of the Corporation.
- Serve as the link between internal operations and external stockholders.

IV. DISCLOSURE AND TRANSPARENCY

A. Enhancing Company Disclosure Policies and Procedures

- The Corporation shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that gives a fair and complete picture of the Corporation's financial condition, results, and business operations.
- All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.
- Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management corporate strategy, and off balance sheet transactions.
- All directors and officers shall disclose/report to the Corporation's Compliance Officer/Corporate Information Officer and Alternate Corporate Information Officer any dealings in the Corporation's shares within three business days.
- The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation's Compliance Officer.
- All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.
- The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.
- The Corporation shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report.
- The material or significant related party transaction reviewed and approved during the year should be disclosed in the Annual Corporate Governance Report.
- The Corporation shall make a full, fair, accurate, and timely disclosure to the public of every material fact or event that occurs particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Furthermore, the Board of the offeree Corporation shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

B. Strengthening the External Auditor's Independence and Improving Audit Quality

- The Corporation shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.
- The appointment, re-appointment, removal, and fees of the external auditor should be recommended by the Audit, Risk Oversight and Related Party Transactions Committee, approved by the Board and ratified by the shareholders.
- The resignation, removal, or cessation from service of the external auditor as well as the date and the reasons for such resignation, removal, or cessation from service shall be reported in the Corporation's annual and current reports and in the Corporation's website. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.
- The Corporation shall disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.
- The external auditor shall not at the same time provide the services of an internal auditor to the Corporation.

C. Increasing Focus on Non-Financial and Sustainability Reporting

- The Corporation shall disclose non-financial information, specifically those relating to the management of economic, environmental, social, and governance (EESG) issues of its business, which underpin sustainability.

D. Promoting a Comprehensive and Cost-Efficient Access to Relevant Information

- The Corporation shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information, including the possibility of using media and analysts' briefings as channels of communication.

V. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK

A. Internal Auditor

- The Corporation shall have a strong and effective internal control system and enterprise risk management framework.
- The Corporation shall have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Corporation's operations.

- The Corporation's internal audit activity may be a fully resourced activity housed within the Corporation or may be outsourced to qualified independent third party service providers.
- If the internal audit activity is housed within the Corporation, the Board shall appoint a qualified Chief Audit Executive (CAE) discussed below.
- Should the Corporation outsource the internal audit activity to qualified independent third party service provider, the Board shall appoint a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity.
- Duties and Responsibilities of the internal auditor:
 - Provide an independent risk-based assurance service to the Board, Audit Committee management, focusing on reviewing the effectiveness of the governance and control processes in: (a) promoting the right values and ethics; (b) ensuring effective performance management and accounting in organization; (c) communicating risk and control information; and (d) coordinating the activities and information among the Board, external and internal auditors, and Management.
 - Perform regular and special audit as contained in the annual audit plan and/or based on the Corporation's risk assessment.
 - Perform consulting and advisory services related to governance and control as appropriate for the organization.
 - Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization.
 - Review, audit, and assess the efficiency and effectiveness of the internal control system of all areas of the Corporation.
 - Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned.
 - Evaluate specific operations at the request of the Board or Management, as appropriate.
 - Monitor and evaluate governance processes.

B. The Chief Audit Executive (CAE)

- The CAE shall be recommended by the Audit, Risk Oversight and Related Party Transactions Committee, and report functionally to the Audit Committee and administratively to the CEO.
- Duties and Responsibilities:
 - Review periodically the internal audit charter and present it to senior management and the Board Audit, Risk Oversight, and Related Party Transactions Committee for approval.
 - Establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the Corporation's goals.
 - Communicate the internal audit activity's plans, resource requirements, and impact of resource limitations, as well as significant interim changes to senior management and the Audit Committee for review and approval.
 - Spearhead the performance of the internal audit activity to ensure it adds value to the Corporation.
 - Report periodically to the Audit Committee on the internal audit activity's performance relative to its plan.
 - Present findings and recommendations to the Audit Committee and give advice to senior management and the Board on how to improve internal processes.

C. Risk Management Function

- The Corporation may establish a risk management office, taking into account its size, risk profile, and complexity of operations.
- The risk management office shall identify, assess and monitor key risk exposures.
- Duties and Responsibilities of the Risk Management Office:
 - Define a risk management strategy.
 - Identify and analyze key risks exposure relating to economic, environmental, social, governance (EESG) factors and the achievement of the Corporation's strategic objectives.
 - Evaluate and categorize each identified risk using the Corporation's predefined risk categories and parameters.

- Establish a risk register with clearly defined, prioritized and residual risks.
- Develop a risk mitigation plan for the most important risks to the Corporation, as defined by the risk management strategy.
- Communicate and report significant risk exposures, including business risks, control issues and risk mitigation plan to the Board Risk Oversight Committee.
- Monitor and evaluate the effectiveness of the Corporation's risk management process.

D. The Chief Risk Officer

- The Board shall appoint a Chief Risk Officer ("CRO"), who shall manage the Corporation's Risk Management System.
- The CRO shall have adequate authority, stature, resources, and support to fulfill his/her responsibilities, subject to the Corporation's size, risk profile, and complexity of operations.
- The CRO shall report functionally to the Audit, Risk Oversight, and Related Party Transactions Committee, and administratively to the CEO.
- Duties and functions of the CRO:
 - Supervise the entire ERM process and spearhead the development, implementation, maintenance, and continuous improvement of ERM processes and documentation.
 - Communicate the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee.
 - Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee.
 - Suggest ERM policies and related guidance, as may be needed.
 - Provide insights on: (a) risk management processes are performing as intended; (b) risk measures reported are continuously reviewed by risk owners for effectiveness; and (c) established risk policies and procedures are being complied with.

VI. CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

- The Corporation shall treat all shareholders fairly and equitably, and also recognize, protect, and facilitate the exercise of their rights.
- The Corporation commits to respect the following rights of shareholders:

1. Pre-emptive Right

- ✓ All stockholders shall have pre-emptive rights, unless the same is denied in the articles of incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

2. Voting Right

- ✓ Shareholders shall have the right to nominate candidates to the Board of Directors in accordance with the Corporation Code and other existing laws, rules, regulations.
- ✓ The shareholders shall likewise have the right to elect, remove, and replace directors and vote on certain corporate acts in accordance with the Corporation Code, such as, the amendment to the Articles of Incorporation and By-Laws, authorization to the increase or decrease in authorized capital stock.
- ✓ A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

3. Right to Inspect

- ✓ All shareholders shall be allowed to inspect corporate books and records, including minutes of Board meetings and stock registries in accordance with the Corporation Code, and shall be furnished with annual reports, including financial statements, without cost or restrictions.

4. Right to Information

- ✓ The Shareholders shall be provided, upon request, with periodic reports, which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporations, relationships among directors and key officers, and the aggregate compensation of directors and officers.

- ✓ The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
- ✓ The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

5. Right to Dividends

- ✓ Shareholders shall have the right to receive dividends, subject to the discretion of the Board, and in accordance with the Corporation Code and other existing laws, rules, and regulations.
- ✓ The Corporation shall declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board; or b) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation such as when there is a need for special reserve for probable contingencies.

6. Appraisal Right

- ✓ The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:
 - In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior or those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
 - In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code.
 - In case of merger or consolidation.

7. Right to Choose Alternative Dispute Resolution Process

- ✓ Shareholders shall have the right to choose any available alternative dispute resolution process under existing laws and regulations in case of intra-corporate dispute with a fellow shareholder, or with a director, or officer of the Corporation, or with the Corporation itself.
- ✓ No intra-corporate case shall be filed in court without exhausting at any available alternative dispute resolution process.
- It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.
- The Corporation shall send a Notice of the Annual and/or Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting or at least 15 business days prior to the meeting, as may be more practicable under the circumstances.
- The results of the votes taken during the most recent Annual and/or Special Shareholders' Meeting shall be publicly available the next working day.
- The Minutes of the Annual and/or Special Shareholders' Meeting should be available on the Corporation's website within five (5) business days from the end of the meeting. The said Minutes shall include:
 - a. Description of the voting and vote tabulation procedures used.
 - b. Opportunity given to shareholders to ask questions, as well as a record of the questions and the answers received.
 - c. The matters discussed and the resolutions reached.
 - d. A record of the voting results for each agenda item.
 - e. A list of the directors, officers, and shareholders who attended the meeting.
 - f. Dissenting opinion on any agenda item that is considered significant in the discussion process.

VII. DUTIES TO STAKEHOLDERS

A. Respecting Rights of Stakeholders and Effective Redress for Violation of Stakeholder's Rights

- The Corporation recognizes that stakeholders in corporate governance include, but are not limited to, customers, employees, suppliers, shareholders,

investors, creditors, the community the Corporation operates in, society, the government, regulators, competitors, and external auditors.

- The Board shall promote cooperation between the stakeholders and the Corporation in creating wealth, growth, and sustainability.
- The Board shall likewise treat the stakeholders fairly and protect their rights.
- The Board shall adopt a transparent framework and process that allow stakeholders to communicate with the Corporation and to obtain redress for the violation of their rights.

B. Encouraging Employees' Participation

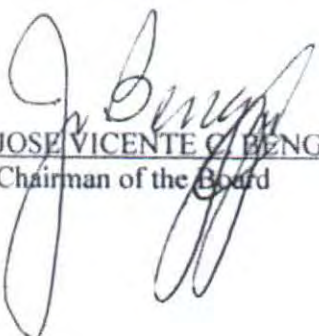
- The Board shall establish policies, programs, and procedures that encourage employees to actively participate in the realization of the Corporation's goals and participate in its corporate governance processes. These policies and programs shall cover, among others, the following: (1) health, safety and welfare; (2) training and development; and (3) reward/compensation for employees, encourages employees to perform better and motivates them to take a more dynamic role in the Corporation.
- The Board adopts a policy against corruption, which are detailed in its Code of Conduct and disseminated properly to its employees across the organization through trainings to embed them in the Corporation's culture.
- The Board shall, after a careful study, establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.
- This manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.
- All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.
- An adequate number of printed copies of this Manual must be reproduced under the supervision of the Human Resources Division, with a minimum of at least one (1) hard copy of the Manual per department.

C. Encouraging Sustainability and Social Responsibility

- The Corporation shall be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

VIII. COMPLIANCE TO THE CODE AND THIS MANUAL

- This Manual substantially complies with the principles and recommendations under the Code of Corporate Governance for Publicly-Listed Companies (SEC Memorandum Circular No. 19, Series of 2016).
- All business processes and practices being performed within any department or business unit of Vitarich Corporation that are not consistent with any portion of this Manual shall be revoked unless measures or policies are adopted to comply with this Manual.
- This Manual shall be subject to review by the Board of Directors.



JOSE VICENTE O. BENGZON, III
Chairman of the Board

ANNEX “H”

PROGRAMS, PROCEDURES AND TRAINING OF EMPLOYEES

Organization Capability Building Program



MANAGERS ▼	DEPARTMENT HEADS ▼	SUPERVISORS ▼	FOREMEN ▼	ANALYST/ STAFF ▼
VITARICH COMPANY ORIENTATION				
VITARICH VALUES FORMATION				
CAREER / LIFE PLANNING				
SELF MANAGEMENT				
MANAGING CUSTOMER SATISFACTION				
WORKING TOWARD A COLLABORATIVE ORGANIZATION				
TEAM PLAYER				
MANAGERIAL SKILLS DEVELOPMENT		SUPERVISORY SKILLS DEVELOPMENT		COMPUTER LITERACY
VITARICH LEADERSHIP		JOB INSTRUCTION		PROJECT MANAGEMENT
COUNSELING SKILLS				
VITARICH TEAM MANAGEMENT & DEVELOPMENT				
MEETING MANAGEMENT				
TECHNICAL SKILLS				
PRESENTATION SKILLS				
PROBLEM SOLVING AND DECISION MAKING SKILLS				
HUMAN RESOURCE MANAGEMENT	LABOR RELATIONS SKILLS			
SPECIAL PROGRAMS				

ASSISTANTS	COMMISSION EARNERS	BLUE COLLARED
▼	▼	▼
VITARICH COMPANY ORIENTATION		
VITARICH VALUES FORMATION		
CAREER / LIFE PLANNING		
SELF-MANAGEMENT		
MANAGING CUSTOMER SATISFACTION		
TEAM PLAYER		
CLERICAL SKILLS	SELLING SKILLS	COMPUTER LITERACY / ORACLE
COMPUTER LITERACY		
TECHNICAL SKILLS		
SPECIAL PROGRAMS		

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OD Consultant
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VITARICH 2018 ACTUAL TRAINING

	TRAINING COURSE	Target Attendees	Month	Venue
INSTITUTIONAL / Self Mastery	NEO- New Employees Orientation	New Employees	Whole year round as need arises	In- house
	Seven Basic Habits of Highly Effective People	All DH and SV - National	Feb / Mar /Apr/Sept	In- house - With consultant
	The WAVE - Work Attitude Values Enhancement	Key personnel - National	Oct/Dec	In- house
	Improve your Circle of Influence Through Proactiveness			
	ACQUIRING HIGH-PERFORMANCE MANAGEMENT SKILLS TO DELIVER BUSINESS VALUE AND INNOVATION	Mancom / Dept. Heads	Mar	National- External w/ consultant
COMPLIANCE	Pollution Control training & accreditation	Pollution Control officer	Apr	National External
	5s and FSMS Orientation	Production / QA	Apr	Visayas & Mindanao - In house
	Environmental Management for Manufacturer	QA / Production Head		
	Data Privacy Act	Data Privacy Officer	May	Luzon - External
	Data Privacy Act	All Employees	May / Jun / Jul	National- Inhouse
	BOSH - Basic Occupational Safety & Health	Safety Officer	Jun	Luzon - External
	First Aid and Life support Training - Red Cross	Assigned First Aider	Sep	National In- house - With consultant
	GMP / GWP Refresher course	Production / QA	Sep	Mindanao - In house
TECHNICAL INPUTS / CPD	Distribution Management	All Feed Sales - National	Jan	Luzon External w/ Consultant
	2018 Asia Trade Mission	National Purchasing Manager	Jan	Thailand - External
	11th Asia Seed / Grain Mission	VISMIN Purchasing Head	Jan	Arkansas-External
	85th PVMA Scientific Coinference	All Technical Vet.	Feb	Iloilo - External
	Feed Techno Asia	QA head	Apr	Bangkok - External
	Updated and New Aqua Feeds Technology	Production Head	May	Luzon - External
	Grievance Handling	SV / Head / Managers	May	National - Inhouse
	Feed Milling Process Update on new Technology	Feemill Plant Manager	May	Luzon - External
	ISO Internal Audit Refresher training	ISO Internal Auditor	May	Visayas - In house
	Compensation & Benefits Management	HRD - ComBen	Jun	Luzon - External
	Chemistry Rising in Challenge	Lab Analyst	Jun	Luzon - External
	Agri-Macro Economics Course	AVP & VP	Jun-Nov	Luzon - External (Univ. of Asia & the Pacific
	Salmonella Monitoring & Process Control	QA/Vet/ Nuutritionist	Jul	Luzon - External
	Poultry Asia - Update on Poultry Farm	Vet	Jul	Thailand - External
	19th POULTRY SCHOOL REDEFINING YOUR OUTCOME: PROFIT OR BUST	Vet & Technical Assistant	Aug	Luzon - External
	Glance of Food Safety Measures to Provide Quality Food Products	QA head / Lab Analyst	Sep	Luzon - External
	Extrusion Technology	Production Head	Sep	Luzon - External
	Complaint Management	Luzon and Mindanao CG group	Oct & Dec	Luzon External w/ Consultant
	Integrated Layer Management and its Impact on layer hens productivity	Dr. Aaron Cruz	Nov	Malaysia - External
	Basic Training Course in Pig Husbandry	Technical Sales - Feed Sales	Oct-Nov	Luzon - External - ATI
	TALENT MANAGEMENT IN THE AGE OF DISRUPTION	HRD SV & Staff	Dec	Luzon - External - ECOP
	Tax Amnesty & Trabaho Train Law	Comptroller & Acctg Sr. Analyst	Dec	Luzon- External
	Application of Expected Credit Losses under PFRS 9 Financial Instrument	C & C SV and Manager	Dec	Luzon- External
	Product review refresher course	Comptroller & Acctg Sr. Analyst		
	Supply Chain Asia	Precision Lab	Dec	Luzon - In house
		Purchasing & QA Mgr	Dec	Indonesia - External
EMPLOYEE ENGAGEMENT				
	Pag-Ibig Talk	All Regular Employees	Feb	National - In house with guest speaker
	Fire Brigade Seminar	All Regular Employees	Mar	National - In house with guest speaker
	Rabies - Animal Population Management	All Employees	Apr	Mindanao with guest speaker

ANNEX
“I” AND
“J”

MERIT AND HR
POLICY

HRD POLICY - DEFINITION OF TERMS

Policy Number - 001 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

FOREWORD

The management of Vitarich Corporation believes that the interests of the Company and that of its employees are one and the same. It also believes that in order to achieve its corporate goals, the Company's human resources must be used to the fullest.

Management therefore makes a commitment to:

- Treat employees with respect and dignity;
- Provide employees with opportunities for training, career growth and job satisfaction;
- Adopt and implement HRD policies, practices and procedures that will motivate employees to do their jobs more efficiently and effectively;
- Ensure that compensation and benefits are fair, just and commensurate to employees' responsibilities and contributions to the Company;
- Encourage a working climate of trust and confidence.

In turn, it expects a similar commitment from its employees to:

- Deliver a high level of work performance;
- Adhere to organizational norms, rules and regulations;
- Show loyalty to the Company;
- Exhibit intellectual honesty.

Section 1. DEFINITION OF TERMS

1. POLICY - A standing decision formulated to guide actions on recurring situations.

2. PROCEDURE - A step-by-step statement on how a policy at work is to be carried out or implemented.

3. EMPLOYEE - Any person in the employ of the company.

3.1 REGULAR EMPLOYEE

One who performs work directly related to the regular operations of the company, has passed the probationary period of at least six (6) months, is placed in the company's regular roll and employed for an indefinite period unless terminated through just cause or as authorized by law.

3.2 TEMPORARY EMPLOYEE

One who is hired to perform work in a specific project or period upon completion of which his employment is terminated.

3.3. CASUAL EMPLOYEE

One who is hired for a few days or a few months at a time to perform a unit of work or to fill a gap in the absence of an employee or to perform seasonal work or a specific project or undertaking.

3.4 PROBATIONARY EMPLOYEE

One who is hired to occupy a regular position in the company for a specified trial period (usually six months) to determine whether or not he is qualified for the position he applied for.

3.5 CONTRACTUAL EMPLOYEE

One who is hired to work on a specific project or projects on an individual employment contract basis. Duration of employment is specified in the contract.

4. STRATEGIC BUSINESS UNIT (SBU) - An independent or separate corporation responsible for profits and all critical aspects of operations including marketing, production, accounting, finance and HRD.

5. SIZE OF SBU - An SBU may be classified as large, medium or small depending on sales volume, assets deployed and number of people managed.

6. DIVISION - A division can be dependent or interdependent with another division within the corporation. It is responsible for profits and the critical functions of production and marketing; it shares responsibility with accounting and HRD.

7. SIZE OF DIVISION - A division may be classified as large, medium or small depending on sales volume, assets deployed and number of people managed.

8. FUNCTION - A function may be classified as critical (primary), major (contributory), or minor (shared/indirect).

8.1. CRITICAL contributes primarily to profitability i.e. Sales, Production.

8.2. MAJOR contributes significantly and directly to profitability i.e. Materials Management, HRD, Accounting, Finance.

8.3. MINOR contributes indirectly to profitability i.e. Insurance, Marketing Services, Auditing.

9. SECTION - A section manages either a single major function or two to three minor functions under a department.

10. UNIT - A unit manages a single minor function under a section.

11. REGULATION - Standards set to implement company policies and to guide the conduct and behavior of employees in relation to these policies.

12. WAGE OR SALARY - The remuneration paid to an employee by the Company for services rendered.

13. SEPARATION - Severance or termination of employment due to the following reasons:

13.1 RESIGNATION - The voluntary termination of employment by an employee.

13.2 TERMINATION - The severance of employment by an employer for causes provided for or sanctioned by law.

13.3 RETIREMENT - The cessation of employment in accordance with a collective bargaining agreement or the Sarmiento Group of Companies (SGC) Joint Retirement Plan of the Company.

13.4 DEATH

13.5 TOTAL PERMANENT DISABILITY - A condition of total inability of an employee to perform his customary employment or work of the same general character or some other similar work permanently.

13.6 PARTIAL PERMANENT DISABILITY - A condition wherein the employee suffers loss or impairment of certain parts of the body so that while he is able and capable to pursue his customary employment, he can no longer work with the same efficiency and competence as before the injury. The duration of impaired competence is permanent.

14. CONFLICT OF INTEREST - An employee, especially in the managerial/supervisory capacity, must act in the best interest of the company and shall not use or put himself in a situation which shall produce a conflict between his self-interest and the interest of the company.

14.1 A conflict of interest situation exists when an employee by virtue of his position, can exert influence over certain decisions which can benefit him personally or others related to him acting in his benefit.

His influence can be by virtue of his own position and the decision-making authority vested in him, or by access to certain information, or by influencing other decision-makers in the company.

An employee who is engaged in businesses with the company and who makes decisions directly affecting his own businesses or those of his

relatives, must refrain from direct decision-making and instead elevate these decisions to the next higher officer for confirmation.

14.2 A conflict of interest situation shall also include acceptance of any gift or favor from other persons of firm or supplier doing business with the company in exchange for preferential treatment or favor.

15. MANAGERIAL EMPLOYEE - His principal function is to lay down and execute managerial policies of the company. He has the authority to hire, terminate employment, transfer, suspend, lay off, recall, discharge, delegate, assign, or discipline employees.

16. TECHNICAL AND STAFF (TS) - Technical and Staff are professionals or management staff who are hired to perform specialized or technical tasks (e.g. Engineers, Chemists, Architects, Cost Accountants, Computer Programmers, etc.). Their work require the use of independent judgment.

17. SUPERVISOR - He supervises at least two people, recommends hiring and termination of employment of his subordinates and other HRD actions related to the performance of his job, and is responsible for the performance/accomplishment of at least two subordinates. His work requires the use of independent judgment.

18. RANK AND FILE - His principal function includes routine, manual and clerical tasks. This classification includes unskilled (e.g. Utilityman, etc.), semi-skilled (e.g. clerks, etc.) and skilled workers (e.g. technicians, data encoders, etc.)

POLICY ON RECRUITMENT, SELECTION AND PLACEMENT

Policy Number - 002 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

I. POLICIES

I.1 PLANTILLA

All positions in the organization shall be covered by an approved plantilla submitted together with the budget every year.

I.2 CREATION OF A NEW POSITION/NEW JOB LEVEL

Any position/job level not included in the approved plantilla may be created in accordance with approved procedures.

I.3 MANNING OF THE APPROVED PLANTILLA

The criteria for recruitment and selection of new employees shall be based on mental and physical fitness, academic background, work aptitude and experience, suitable personality, and potential for future growth in the company.

I.4 APPROVAL, RECOMMENDATION AND CONFIRMATION OF APPOINTMENTS AND TRANSFERS

- a) The Executive Committee shall approve appointments and transfers of Presidents, SVPs, EVPs, and VPs and confirm those of AVPs.
- b) The President shall approve appointments and transfers of AVPs, recommend those of EVPs and confirm those of Department Heads(DHs).
- c) The Executive Vice-President shall approve appointments and transfers of DHs and confirm those below DHs. The SVP/VP shall approve those below DHs.

I.5 REHIRING OF EMPLOYEES

Employees dismissed for cause, retrenched, abolished or retired shall not be re-employed by the company. Employees who resign from the company for other causes may be rehired but will be considered new employees.

I.6 FILLING UP OF POSITIONS

Before a vacant position is filled up, the possibility of adding that position's duties and responsibilities to an existing position shall be explored and if incorporated, the latter position shall be re-evaluated.

II. PROCEDURES

II.1 MANPOWER REQUISITION FOR REGULAR HIRING

- a) When a vacancy occurs due to separation, resignation, termination or retirement, the requesting unit accomplishes the Hiring Request Form (HRF) and attaches a copy of the job description and table of organization.
- b) The department head recommends approval of request.
- c) The HR Assistant and HR Head countercheck and review the request.
- d) The HR Manager evaluates and endorses the request.
- e) The VP approves and the President confirms the request.
- f) The HRF is returned to HRD.
- and g) Three copies are made: 1-forwarded to the requesting unit, 2- master file, 3- recruitment/201 file.
- h) The HR Assistant announces the vacancy through the HR database, e-mail broadcast, bulletin boards and/or scouts for qualified applicants.

II.2 RECRUITMENT/PLACEMENT AND SELECTION FOR REGULAR HIRING

- a) The HRD posts notices of vacancies and circulates them to all departments to give employees the opportunity to apply for the opening.
- b) For vacancies filled from within the company, the employee transferred to the new position shall undergo a trial period (developmental assignment) of at least six (6) months on condition that he shall return to his former position if he does not pass the trial period.
- c) In filling positions from outside the company, the HR Department refer to its resume bank of former applicants and/or scouts for new applicants.

- e) Applicants fill up application forms and submit their resume.
- f) HRD screens the applications and sets the preliminary interview.
- g) Qualified applicants undergo the following tests: Personality; IQ/Mental Ability (Verbal IQ and Non-Verbal), Aptitude, Essay-type, Sales Series and Supervisory index, as applicable.
- h) HRD puts in active file those who pass the test.
- i) HRD interviews applicant and then refers applicant to requisitioning unit for interview.
- j) Requisitioning unit conducts interview(s) and actual trade/skill test, if needed. Notice to hire is then forwarded to HRD for processing.
- k) Qualified candidates submit the following requirements: 2 pcs. ID picture; medical and dental tests; SSS number; TIN; diploma and official transcript of records; NBI, Police and Baranggay clearances; residence certificate, and; clearance(s) from previous employer(s).
- l) Only physically fit applicants shall be considered. All applicants chosen for employment shall undergo medical examination provided by outside medical services.
- m) After he shows satisfactory fitness, a confirmation of appointment shall be issued. A regular employee cannot be assigned in a temporary or casual position.
- n) After reference check by HRD and background investigation on the prospective employee, the newly hired employee undergoes company orientation by HRD.

II.4 HIRING THROUGH AGENCY

- a) HRD coordinates with agency upon receipt of approved HRF.
- b) Agency endorses applicants to HRD.
- c) HRD interviews applicants, then selects and refers qualified applicants to requesting unit.
- d) Requesting unit head interviews and selects from screened applicants.

- e) HRD coordinates with agency regarding pre-employment requirements, physical exam, chest x-ray, urine and stool analysis, dental exam and other tests deemed necessary by the company.
- f) HRD coordinates with requesting unit heads the effectivity and duration of appointment and informs agency.
- g) HRD hires applicant.

POLICY ON EMPLOYEE DEVELOPMENT AND TRAINING

Policy Number - 003 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

I. POLICIES

I.1 HUMAN RESOURCES DEVELOPMENT

Although employee development and training is a line function, the HRD shall take charge of coordinating, recording and processing these activities.

I.2 TRAINING

As part of its human resources development program, the company shall offer its employees in-house training as well as opportunities to attend outside seminars, special training, formal schooling and observation tours here and abroad. Training is the primary responsibility of line managers. To ensure that the programs are up to date, a training survey and analysis is conducted yearly based on the company's corporate directions.

IN-HOUSE TRAINING

- a) Basic training will be given to all new employees by the HRD on company history, organization, benefits, policies, basic procedures, facilities and corporate values.
- b) Special training are available to all employees who need to upgrade and enhance their skills. Programs such as technological, managerial, productivity measurement, analysis, and motivational sessions, and other professional development programs resulting from the Training Needs Analysis (TNA) are available throughout the year.
- c) Technical courses such as skills in motor rewinding or refrigeration and other courses may also be offered by the company in collaboration with outside technical training institutions.
- d) Modern training facilities are available at the Marilao Main Office. The company may also approve in-house training conducted in different training venue as required to meet the objectives and as the training and/or departmental budget permitted to do so.

OUTSIDE TRAINING

Regular employees may be sent yearly to fully subsidized training programs and/or conventions upon the recommendation of the manager and/or immediate superior.

I.3 RECIPROCAL SERVICE COMMITMENT

- An employee who participates in a training that costs P5,000.00 and above is required to sign a Reciprocal Service Commitment Form.
- The employee-participant reciprocates the company through service based on the stated number of months per training investment:

P5,000	to	P14,999	-	Six (6) months
P15,000	to	P24,999	-	Twelve (12) months
P25,000	to	P34,999	-	Eighteen (18) months
P35,000	- above		-	Additional three months.

Employee is liable to pay the pro-rated amount in case the said employee fails to complete the period required in the signed agreement, which amount represents the expenses incurred by the company in providing the necessary training of the employee.

Failure to complete the period under this agreement shall be understood to include abandonment, dereliction of duty, willful violation of company policies, deliberate failure to meet minimum standard set forth in the company and any intentional act with the intention of circumventing the payment of training accountability.

Above amounts are subject to review from time to time. Salaries shall not be included in the computation of the cost of training if the employee regularly reports for work during the training period.

describe The employee-participant is required to impart learning as necessary to co-employees/division within the reciprocal service term.

HRD The employee-participant should submit summary report of training, copy of the certificate of attendance and training manual to for external training attended.

I.4 ORIENTATION

Orientation to company policies and procedures is the primary responsibility of line managers. All new employees must undergo an departmental/divisional orientation not later than one month after probationary appointment.

I. PROCEDURES

II.1 IN-HOUSE SEMINARS

- a) HRD will refer to approved training calendar of the year.
- b) HRD will notify the identified participants during the process of TNA.
- c) In case of changes in the original list of delegates or for additional participants, HRD will notify the Department Head who is most in need of the particular training.
- d) The Department Head will choose among his people based on the requirement of the job for maximum performance and submits his recommendation to HR Assistant for Training who makes sure that there is no duplication of courses attended.
- e) Supervisory level employees who attend in-house seminars after office hours are not entitled to overtime pay. Rank and file will receive overtime pay if the company required the training.
- f) An employee who is required to attend a seminar during office hours shall be considered absent from work if he fails to attend the training and yet fails to report for work.

II.2 OUTSIDE SEMINARS

- a) The advantage of attending the external training is given to regular employees.
- b) In applying for external training, either the employee himself initiates the application that is duly approved by his Department Head or the Department Head chooses delegate(s) to attend the needed training.
- c) External Training Application form with the approval of the Immediate Head is submitted to HRD for approval and/or processing.

- d) The HR Assistant for Training certifies the last seminar attended by the employee and the suitability of the current seminar applying for. He makes sure that there is no duplication of courses attended.
- e) In case the HR Assistant for Training approves external training application, he recommends it to the HR Manager and President with payment requisition.
- f) The employee-participant of the training should abide the policies required in attending external training and that stated in the Reciprocal Service Agreement (if needed).

III.3 SPECIAL TRAINING

- a) The company shall sponsor all the expenses of an employee sent on special training, formal schooling or observation tour.
- b) The cost of training shall be booked in a special account as advances to the employee, to be amortized within the guaranteed period of reciprocal service. The policy on liquidation of cash advances shall not apply to this special account.
- c) An employee who resigns during or after training or before he completes the required period of reciprocal service will reimburse to the company the cost of training remaining un-amortized at the time of his resignation.
- d) The candidate for training and the President shall agree on the terms and conditions and document this agreement.
- e) Training which involves foreign travel need the prior approval of the Chairman of the Board and the President. For travel to US and Europe, the Chairman and President are authorized to approve up to 15 days. For travel to Asia, they are authorized to approve up to 30 days. Foreign travel exceeding the above require prior approval from the Executive Committee.

II.4 MANAGEMENT TRAINING

- a) Employees who have been identified as having the potential to assume positions of greater responsibility shall be subjected to tests and shall undergo the basic training programs to prepare the individual to effectively and efficiently handle the job he will assume. The HRD shall indicate these programs in their specific plans and programs for the year.
- b) To ensure that managers are abreast with the latest trends and

whether techniques within their functional areas, their development
shall in seminars, workshops, on the job training, observation tours
be a continuing activity.

- c) Supervisors must attend basic supervisory training prior to assuming office as supervisor.

POLICY ON WAGES AND SALARIES

Policy Number - 004 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

I. GENERAL POLICY

I.1 It shall be the responsibility of the company:

- a) to compensate its employees equitably and justly.
- b) to recognize the employees' qualification, productivity, seniority and loyalty.
- c) to be competitive within the industry, maintain its leadership in the community while keeping in mind the company's capability to sustain its wage and salary program.
- d) to recognize excellence and quality of work performed.

I.2 The company's compensation program should provide an equitable and systematic method of determining the relative value of each job.

I.3 It should recognize the contribution of each individual employee towards meeting company goals and unit objectives based on his job performance.

II. GENERAL POLICIES

II.1 JOB DESCRIPTION

The immediate superior takes charge of writing the job analysis, which is the detailed examination of the tasks, duties and responsibilities to be performed by a worker or employee in a particular position. He is also responsible in providing the job specification, stating the qualification requirement of the job such as knowledge, skills, abilities and experiences.

A copy must be submitted to HRD for further analysis and duly signed by the particular department and HRD in finalized.

II.2 JOB EVALUATION

A job evaluation committee determines the relative value of an employee's job in relation to the other jobs in the organization based on the job description and the organizational set-up of the unit.

II.3 JOB SALARY RANGE

A salary range, based on internal salary curve and comparative labor market study shall be established for each job.

II.4 JOB PERFORMANCE

Regular administration of performance appraisal shall be conducted to quantify the employee's productivity improvement in relation to previous performance and to the standards of the job. The results of performance appraisal ascertain training needs and the relationship between job satisfaction and performance. It is also a tool to determine eligibility of an employee for merit increase within the job salary range or his movement from one job level to another.

II.5 WAGE AND SALARY ADMINISTRATION

Salary adjustments shall respond to:

- a) exigencies of the times - general increase
- b) government mandate - compliance with government legislation
- c) performance -
 - (1) promotions - upward movement within the organization, from one job level to another; assuming greater responsibility in recognition of good performance in his present job.
 - (2) merit increase - upward movement within the salary range, reflecting the employee's good performance in his present job.

III. JOB DESCRIPTION

III.1 A written job description shall include a summary of general responsibility and accountability; and scope of an employee's job; a detailed listing of responsibilities and accountabilities and the job specifications (course, entry age, special skills, etc).

III.2 The supervisor/manager shall be responsible for preparing a job description based on actual responsibilities and accountabilities. He may

ask for HRD assistance in preparing or updating the description by means of a job questionnaire.

III.3 A completed job description shall be reviewed and approved by two levels of supervision. All job descriptions must be reviewed by HRD.

III.4 The supervisor and the employee shall review the job description annually to ensure that it accurately reflects the responsibilities and accountabilities of the job. A new job description may be prepared if the old one is no longer accurate following the same procedure.

IV. JOB EVALUATION (JE) POLICY

Job evaluation is a system of rating a job using a standardized job evaluation method (the point rating system).

JE PROCEDURE

IV.1 The department/unit submits position(s) for job evaluation (with the attached approved job descriptions) to division head. These position(s) for evaluation usually fall under these categories: a. newly created position; b) enhanced (or decreased) job content caused by merging of positions or absorption of functions.

IV.2 Division head reviews job description and endorses to HRD for evaluation.

IV.3 HRD will review the documents and ascertain if the positions need to be evaluated. For multiple positions to be evaluated, HRD may form a Job Evaluation Committee. HRD and the committee evaluate the position using the point rating system.

IV.4 HRD and/or the committee evaluate each job in terms of four basic factors and determine the extent to which each of the factors is present in the job.

IV.5 Evaluation Factors

A. Supervisory and Professional Jobs:

a) Skills and Knowledge- includes: 1. Education; 2. Experience and Training; and 3. Human Relationship Skills

b) Responsibility - obligations and accountabilities inherent on or assigned to the job. Includes: 1. Supervisory Responsibility (complexity of line and functional supervision and number of line person supervised); 2. Freedom to Act; 3. Consequences of Decisions and Actions, and; 4. Confidential Data.

c) Effort- mental and physical aspects that must be endured on the job; Complexity of Work

d) Job Conditions- Working conditions that must be endured on the job.

B. Technical and Staff Jobs:

a) Skills and Knowledge- includes: 1. Education; 2. Experience and Training; and 3. Human Relationship Skills

b) Responsibility - obligations and accountabilities inherent on or assigned to the job. Sub Factors:

1. Freedom to Act; 2. Consequences of Decisions and Actions, and; 3. Confidential Data.

c) Effort- mental and physical aspects that must be endured on the job; Complexity of Work

d) Job Conditions- Working conditions that must be endured on the job.

C. Clerical and Manual Jobs:

a) Skills and Knowledge- includes: 1. Education; 2. Experience and Training; and 3. Resourcefulness and Ingenuity

b) Responsibility - obligations and accountabilities inherent on or assigned to the job. Sub Factors:

1. For Errors; 2. For Company Resources, Equipment and Materials.

c) Effort- Sub-Factors: 1. Physical Demands, 2. Mental and Visual Demands

d) Job Conditions- Sub- Factors: 1. Working Conditions and 2) Work Hazards

IV.6 HRD and/or committee shall evaluate the job in relation to each of the factors present in the job, and use the rating plan to assign appropriate degrees for each factor.

IV.7 HRD shall assign the appropriate point value for each degree, using the Table of Point Values per Job Classification (i.e., Supervisory and Professional, Technical and Staff, Manual and Clerical)

IV.8 Points for each factor shall be added together resulting in a point total for each job. Note: point totals are not comparable in different job classifications. The corresponding job grade and level shall then be ascertained based on the total points of the job.

IV.9 For Technical and Staff, Clerical and Manual the HRD Manager approves the job grade and level.

IV.10 For Supervisors and Professional jobs, the HRD Manager approves and President confirms.

IV.14 Upon confirmation, HRD prepares employees Appointment And Pay Authorization (APA).

V. JE ADMINISTRATION AND MAINTENANCE

V.1 The requisitioning department head and division manager concerned approves the creation of a new position with a written job description attached to the HRF.

V.2 The new position shall be evaluated in terms of its position in the salary evaluation chart. The HRD and/or committee shall evaluate and classify the job and recommend its proper range using the point rating system.

V.3 The listing of classified jobs shall be reviewed periodically to remove obsolete jobs and update job titles (they should be short, maximum of three words) and content. New job questionnaire forms should be accomplished for the update.

V.4 Use of job titles shall be controlled. A title can be used only if it is in the approved list or is approved by HRD and/or Job Evaluation Committee.

V.5 As jobs go up the salary range, certain levels may have to be deleted in order to streamline the listing.

V.6 Creation of new positions shall always require approval by the President.

VI. JOB SALARY RANGE POLICY

VI.1 The salary range shall express the minimum to maximum Peso-Range that the company pays for a specific job. It shall be directly related to the skills or knowledge required to do a job.

VI.2 The salary range shall be based on the company's objectives in the compensation area, particular and general economic conditions, and its competitive position based on wage and salary surveys.

- VI.3** Salary ranges shall be formulated based on job grades (jobs grouped together as a result of point totals from the job evaluation). Each job grade shall have its own salary range. Jobs that fall under the same job grade shall have the same salary range. The minimum and maximum rates are higher in each succeeding grades. In cases where salary ranges overlap, an experienced employee in one grade may be paid more than a beginner in a higher grade. The peso size of the range also grows in succeeding higher grades because of increased job complexity.
- VI.4** The peso amount assigned to a particular salary range shall change from time to time, as influenced in both internal and external factors.
- VI.5** Non government-decreed salary adjustments shall not necessarily include individual employee salaries except those whose salaries fall below the minimum rate. These adjustments, however, provide employees with a greater opportunity for salary growth within their respective salary ranges.

VII. JOB PERFORMANCE POLICY

The company shall regularly review individual performance based on pre-agreed commitments and performance standards, relative to the goals and objectives of the company in attaining the desired individual and group productivity.

The Performance Planning and Evaluation (PPE) system shall improve individual productivity, plan out individual performance improvement, conduct employee counseling, promote a healthy subordinate-superior relationship, and ensure industrial harmony, job stability and job satisfaction.

Performance Planning and Evaluation will be conducted once a year to quantify the employee's productivity improvement in relation to previous performance and to the standards of the job. Results of this activity will be utilized for the following reasons: training needs analysis, gauging the relationship between job satisfaction and performance, setting the criteria and standards of performance internally for the organization, identifying key performance indicators for maximum performance, determining eligibility for merit increase, career planning and for gauging the effectiveness of supervisory policy.

For training purposes, Performance Planning and Evaluation will be conducted to at least 75% of employees who have had training intervention for the last six months.

PROCEDURES:

VII.1 The PPE program of the company involves several steps.

a) The immediate superior discusses the job description with his subordinates, agrees on the content, scope and accountabilities to the job, and relates this to the objectives of the unit and the goals of the organization.

b) The immediate superior and employee with the help of Competency Focus Team and HRD establish performance standards (measured levels of activity that are deemed reasonable in the accomplishment of a job under normal conditions) through the following steps:

1) Pinpoint Key Performance Indicators (KPIs) under Functional Competencies for maximum job performance in relation with the Job Families.

2) Prepare specific activities of KPIs and expected performance based on the unit's plans and programs, budget, time and motion study, and historical records.

3) Agree on KPIs and specific activities stated and establish the standard incremental level for each activity. The incremental levels shall be subjected to three progressions: basic, intermediate and proficient.

4) Add the KPIs/ Functional Competencies with standard incremental levels to Core Competencies in the Performance Planning and Evaluation Form.

c) Immediate superior and employee record and monitor the progress of performance based on standards, which is in a graphical representation.

d) Immediate superior evaluates employee performance on an annual basis using the Performance Planning & Evaluation Form.

1) HR Assistant for Training schedules the departments for PPE administration.

2) Immediate superior and employee accomplish the PPE form with the assistance of HR Assistant for Training.

3) PPE data are to analyze and summarize in a graphical representation.

4) PPE forms of employees are filed in their respective 201 File.

5) Completion of PPE process should not be later than January 31 covering the January-December of the preceding year

- e) The average of the present PPE results may be compared to the previous performance rate as the basis of merit increase.

VIII. HIRING AND PERMANENCY RATES POLICY

VIII.1 The company shall maintain wage and salary ranges which are equitable for all applicable positions using as guidelines internal position relationships, data obtained from periodic industry and community survey among leading employers, and adjustments for economic salary trends.

VIII.2 All jobs in the company shall be classified into various pay classes, with a minimum and maximum pay for each class.

VIII.3 All wage and salary increases shall follow the graduated fixed steps in the pay class and be within the range of the employee's position.

HIRING RATE PROCEDURES

VIII.4 The hiring rate of a new employee as provided for in the salary range is 10 percent below the minimum rate of the position for which the employee is being hired.

VIII.5 Exceptions are allowed for jobs which require certain qualifications or with market scarcity. The division manager discusses case with HRD for a competitive hiring rate subject to the approval of the next higher authority.

VIII.6 In rare instances, the starting rate of employee may fall below the standard hiring rate. In this case, the salary of the newly hired employee should be adjusted to the minimum rate within a year. Otherwise, his job shall be reclassified after a year.

PERMANENCY SALARY ADJUSTMENTS PROCEDURES

VIII.7 Newly hired employees who successfully pass the six months probationary period are granted a salary adjustment to the minimum rate of his position.

VIII.8 Newly hired employees hired at or beyond the minimum may be recommended for a permanency adjustment:

- a) Outstanding performance may be given two steps of the fixed step increase in the approved salary structure, not exceeding 10 percent of the minimum rate of the job level.

- b) Above average performance may be given one step of the fixed step increase in the approved salary structure, not exceeding 5 percent of the minimum rate.
- c) Satisfactory performance has no permanency adjustment.

IX. INDIVIDUAL SALARY ADMINISTRATION POLICY

- IX.1** The company shall provide incentives to employees who constantly perform at their highest proficiency level and who strive to develop and improve their skills.
- IX.2** The company shall fill up all vacant or newly created higher positions as first priority by transfer or promotion of qualified employees within the company.
- IX.3** As a matter of company policy, demotion is never encouraged and should be avoided because of its demoralizing effect on the worker and the work environment.

PROMOTIONAL ADJUSTMENT

- IX.4** An employee who is promoted or assigned to a new position which is in a higher salary group than the one previously assigned shall undergo a Developmental Assignment wherein employee shall assume the functions of the new job for a period corresponding to a probationary appointment (three to six months). During this phase, no change in salary and benefits shall take effect. The same policy shall apply to an employee whose current position is re-evaluated and moved to a higher position due to an increase in the employee's duties and responsibilities.
- IX.5** Salary adjustments may be granted to the employee after passing the Developmental Assignment period.
 - a) Upon confirmation of promotion, salary is adjusted to minimum rate of the higher job level post only if salary of promotee is below that rate but shall not exceed 20% increase, whichever is lower. Otherwise, no adjustment is necessary.
 - b) Promotional increase in excess of minimum of the grade is considered a merit increase.
- IX.6** An employee may not be promoted from rank and file to supervisory or from supervisory to managerial position without going through the battery of tests required by HRD.

DEMOTIONAL ADJUSTMENT

IX.7 A salary reduction is required in the following cases:

- a) An employee is assigned to a position in a lower salary bracket compared to his present position.
- b) An employee's position is assigned to a lower salary bracket after being re-evaluated.
- c) An employee submits to voluntary demotion. He requests transfer to a lower level position and agrees to a reduction in pay not lower than the minimum rate of the lower level position.
- d) An employee is demoted due to reorganization. Because this is a management action, the employee concerned will not suffer a reduction in actual pay although his position will follow new job classification for purposes of subsequent HRD action.

SPECIAL MERIT INCREASE

IX.8 Subject to budgetary limitations, the company may grant individual merit increases in order to reward deserving employees or compensate employees for added duties and responsibilities.

- a) A special merit increase shall be considered only on the basis of performance and merit, after a review of the employee's service record.
- b) It shall not exceed one fixed step increment (equivalent to at least 10 percent of the minimum rate) of the employees pay class. In highly exceptional and meritorious cases, a wage increase of not more than three fixed steps (equivalent
- c) to at least 15 percent of the minimum rate) within the pay class may be granted.
- c) An employee's salary may not be raised beyond and above the maximum rate of the pay class in which his position belongs unless the employee is promoted to a position belonging to a higher pay class or his position is reclassified to a higher pay class due to added duties and responsibilities.
- d) A merit increase is usually granted only once in 12 months. In highly exceptional cases, an outstanding employee may be recommended for a special merit increase after six (6) months. This shall be justified in writing, recommended by the immediate supervisor, endorsed by the next higher supervisor, and confirmed by the

President. Under the forced distribution policy, not more than 20 percent may qualify for this special increase.

- e) An employee shall not receive total increase of more than 30 percent of his basic pay in one year (inclusive of all increases such as promotion, merit, general, or government-mandated).

SPECIAL MERIT INCREASE PROCEDURES

Salary changes resulting from special merit increase are accomplished as follows:

- a) DH submits recommendation for salary adjustment with justifications and accomplished performance planning and evaluation forms to the HRD.
- b) HRD studies and evaluates the recommendation, analyzes it on the basis of work importance and 201 file of employee, and makes sure that the recommended increase conforms with established policy.
- c) HRD submits results of analysis with comments and recommendations to the division head/President for final action, subject to the president or chairman's confirmation.
- d) Upon approval of the recommendation, the forms shall be returned to HRD for APA preparation.

X. MERIT INCREASE POLICY

- X.1** The company shall review the salaries of all regular employees at least annually to meet changing economic conditions. Salary reviews and any resulting salary action coincide with performance reviews.
- X.2** The company shall reward excellent individual performance through merit increase.
- X.3** The availability of funds may affect the amount and timing of increases from year to year. However, in any given year, the relative size and timing of merit increases depend primarily on employees job performance rating and his position within the unit's performance as a group (i.e. Bell Curve).
- X.4** The company shall immediately comply with government-mandated increases. However, if the increase is greater than the budgeted increase for the year, merit increase shall only be granted to outstanding employees.

X.5 As a general rule, employees shall be entitled to only one salary adjustment in a year, either a merit increase or a general increase unilaterally given by the company or government-mandated.

X.6 All regular employees who have worked for a year shall be entitled to a general merit increase.

MERIT INCREASE PROCEDURES

a) All managers submit to HRD a divisional/departmental merit increase allocation based on the accomplished performance appraisal from and commitment sheet.

b) If the Performance Appraisal (PA) has been properly implemented and evaluation has been done as per schedule then the result should be as such:

(1) All managers submit to HRD a divisional/departmental merit increase allocation based on the accomplished performance appraisal from and commitment sheet.

(2) If the PA has been properly implemented and evaluation has been done as per schedule then the result should be as such:

i. Employees who have complied with more than their commitment in the PA – Excellent or Exceptional (Outstanding and Above Average).

ii. Employees who merely comply with the commitments – Minimum Acceptable (Average)

iii. Non-accomplishment of commitments – Poor (Below Average)

c) Only when the PPE is not properly accomplished or submitted on time will the forced distribution/forced ranking be applied.

d) Line managers have up to 15 days from the deadline to request for reconsideration. After this period, HRD may implement the forced ranking or forced distribution as follows:

20%	-	Outstanding
30%	-	Above Average
45%	-	Average
5%	-	Below Average

e) On a year to year basis, management shall announce its budget for merit increases as well as the percentage increase for all levels of performance from Outstanding down to Below Average in accordance with total

corporate performance, company's ability to pay, and HRD wage surveys.

- f) HRD reviews; AVP and HRD endorse; and President approves all merit increases.
- g) Promotional/permanency adjustments processed within a period of three months or 90 days from the cut-off period of the merit increase shall be considered part of the merit increase.
- h) Merit increases processed within a period of 12 months from the cut-off period of the merit increase shall be considered part of the merit increase.
- i) Deviations may be allowed on a case to case basis. Outstanding employees affected by the foregoing conditions could be recommended for special considerations if justified by the immediate superior and endorsed by the division manager. The president approves or disapproves the deviation.

XI. SALARY CHANGES PROCEDURE

XI.1 All salary adjustments or increases shall be made according to the following procedures.

- a) HRD prepares APA with the following signatories: (DH recommendation), HRD (review), Division Manager (approval), AVP or next higher officer (confirmation).
- b) DH concerned presents justifications subject to the following approval: DH (recommendation, Division Manager (endorsement), HRD (evaluation), AVP or next higher officer (approval), President (confirmation).

XI.2 Management, in its planning session, shall indicate its budget for salary increases. This allocation will be the result of a review of several factors, i.e. capacity of the company, community and industry study, inflation, and other external circumstances.

Government-mandated increases shall become part of management's budgeted increase for the year. If there is a difference, the higher figure will prevail.

POLICY ON THE NON-REHIRING OF DISMISSED, RESIGNED, RETRENCHED OR RETIRED EMPLOYEES

Policy Number - 008 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

RATIONALE

The Company shall only employ people who are equipped with the necessary knowledge, skills, values, and attitudes and on the overall, those that will surely contribute to the profitability and growth of VC. For this reason, it shall deviate from re-hiring dismissed/resigned/retrenched or retired personnel unless otherwise dictated by business conditions or there are no other successor to the resigned individuals.

POLICIES:

1. Former employees dismissed for cause by the Company, shall automatically and permanently be disqualified for re-employment and from recommending friends and relatives for employment in the Company.
2. Rehiring of resigned employees shall be allowed only under the following conditions:
 - a. Directive by the CEO, and/or President
 - b. Expertise is badly needed to the Company and nobody can ably undertake such a responsibility., as approved by the President.
3. Exception on re-hiring shall be approved by the CEO or President, recommended by the Div. Head and HRD Head.

Further, an employee who is due for abolition or retrenchment may seek to apply in any open position where he/she is qualified and must signify his/her intent within the 30-day notice before the effectivity of abolition. However, the application shall have no effect on the status or effectivity of abolition.

ANNEX “K”

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

2018 Corporate Social Responsibilities

Location	Activity
Luzon	Donated worth P2,300.00 chicken to Marilao Municipality for feeding program on December 2018
Mindanao	Donated worth P9,000.00 of construction supplies for building of LSSCI Day Care Center Room on June 2018