

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

Held on 25 June 2010, at 2:00 PM
Vitarich Board Room, Vitarich Compound
MacArthur Highway, Abangan Sur
Marilao, Bulacan

PRESENT:

	Number of Shares	Percentage
Total Shares Present	301,249,051	73.48%
Total Outstanding Shares	409,969,764	100.00%

I. CALL TO ORDER

The Chairman of the meeting, Mr. Rogelio M. Sarmiento, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Tadeo F. Hilado, recorded the minutes of the proceedings.

II. PROOF / CERTIFICATION OF NOTICE OF MEETING

The Corporate Secretary certified that written notices of the annual meeting of the stockholders of the Corporation were sent to the stockholders of record as of 25 May 2010.

The Corporate Secretary certified that a quorum existed for the transaction of business. Out of a total of 409,969,764 issued and outstanding shares, 301,249,051 shares, or 73.48% of the outstanding capital stock, were present in person or by proxy during the meeting.

**III. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD
ON 26 JUNE 2009**

Upon motion duly made and seconded, the reading of the minutes of the annual meeting of the stockholders of the Corporation held on 26 June 2009 was dispensed with and the said minutes were approved.

IV. REPORT OF THE MANAGEMENT

The Chairman presented his report on the result of the operations of the Corporation for the year 2009. Quoted below is the report made by the Chairman:

"Members of the Board, Business Partners, Creditors, Suppliers - and my Fellow Stakeholders. Good afternoon.

Three major factors greatly affected the operations of your company:

- 1 - Worldwide economic slowdown
- 2 - Natural calamities
- 3 - Animal diseases

1 - The financial meltdown had seen many companies, even the old and the big ones, folding up, leaving thousands unemployed even in developed countries. Relentless economic shocks had been felt worldwide. The uncertainty caused volatility in the prices of most commodities that we need. To take stock of things and avoid the risk of being blinded by the global financial crisis, management confronted the issues at hand and drew out concrete plans.

The financial meltdown made sourcing of our materials difficult as the meltdown affected the world's leading banks. Opening of letter of credit was harder and payment terms much more stringent. We felt this by the payment terms from our usual suppliers.

We felt that we should choose the customers that we can afford to support. We told ourselves that we can only afford payment terms that fit the resources that we have. These decisions reflect themselves in the volume sold for 2009.

2 - Typhoon Ondoy hit the country in September and the damage it wrought affected the Marilao Feedmill and Dressing Plant Operation which resulted in significant income-opportunity loss. Never before has your Company suffered a calamity of such magnitude as Ondoy. Nevertheless, employees and volunteers rose above it all as soon as the floods settled and began immediate repair and rehabilitation work.

We filed a P300 million insurance claim. The first part was for the inventory of finished goods and raw materials that were damaged by the flood waters that had to be condemned. The typhoon stopped electricity

so that our stocks in the cold storage was also beyond saving after a week of no electricity.

The second part of our insurance claim was damage for plant, equipment and supplies. Our electronic based equipment was reached by the flood waters and had to be replaced as they are modular systems that could not be repaired. The ground floor of our offices were completely flooded destroying the computers in the area and our communication systems. Many of our fences collapsed when the waters intruded.

3 - The Ebola-Reston virus scared the public and this affected several farms. The presence of the Ebola-Reston virus and hog pneumonia outbreak in pigs in commercial and backyard farms in the country was found by accident in laboratory tests in the United States in September, when samples were sent for another disease. Aqua feeds operations were affected by fish kills due to sudden changes of temperature, which have become more rampant. This is the reason why raisers controlled and reduced their feeding consumption to arrest mortality rate.

With this scenario, we shifted towards high margin products and cost efficiency in an effort to boost margins. On account of this, margins rose from P122 million last year compared to P196 million this year with lower sales volume. Despite these difficulties, the Company still managed to post an operating income of P11.6 million for the period ended December 31, 2009.

The Company was able to adapt and adjust to prevailing economic and market conditions to ensure survival and reduced selling and administrative expenses by almost 18% versus the same period last year. Continuous strategic activities implemented by the Company to further lower the level of operating expenses included optimization of salesmen's route and reduced work-week schedule.

Programs to optimize the use of its resources as well as generate savings included continuous adoption of TOU (Time of Use) that charges lower rate per kilowatt hour during night time as well as improvement in plant utilization which reduced the Company's cost of power consumption by P6 million. Repairs and maintenance expenses for both aqua and animal were lower than budget by P11 million while inventory level of parts were reduced by 27%.

Part of the Company's growth strategy is the selling and distribution of Pangasius (Dory) products. Dory fish has evolved into a very well diversified product. Initially known as fillet in the market, the Company also introduced the dory as live, gutted and chilled for the people to know the original appearance of the fish. But, since there are still many products seen to add more value for the fish, the Company pursued to develop the value-added products such as sausage, franks with cheese, dory balls and dory rolls.

Another source of growth is the Company's animal health subsidiary, Gromax Inc. Aside from catering to its internal breeders and growers, it had expanded its animal health products to include hog and dairy products from cattle, goats and carabaos.

The Company's plans include improvement in production despite damages to equipment brought about by the floods. The acquisition of Norvidan programmable logic controller will provide automated batching and palletizing in the system. Current product lines will continue to be rationalized vis-a-vis their profitability and new market for dairy, pigeon, quail and ostrich feeds will be developed.

It is expected that raw material prices will be volatile. The challenge for the Company is to continue to source materials that will enhance quality and performance and at the same time maintain profitability and keep the customers happy.

For 2010, we are projecting a modest income of P39M before amortization charges. However, we shall with the Rehab Court's approval undertake a program of reducing our debts via sale of identified non-core assets.

This year, we are celebrating the Company's 60th anniversary. No other company in the industry has survived this long. It is only fitting to thank you, our shareholders, for your continued support and understanding. We also wish to express our gratitude to our employees and particularly our suppliers and creditors for their faith in the company and its management.

On behalf of the Board of Directors, thank you and good afternoon."

Upon motion duly made, the Chairman's report on the operations of the Corporation was noted.

V. CONFIRMATION AND RATIFICATION OF THE ACTS OF DIRECTORS AND OFFICERS

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

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

VI. ELECTION OF DIRECTORS

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

1. Jose Vicente C. Bengzon III; and
2. Manuel Q. Lim.

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

The following were nominated as members of the Board of Directors of the Corporation for the ensuing year:

Rogelio M. Sarmiento;
Lorenzo M. Sarmiento, Jr.;
Angelito M. Sarmiento;
Benjamin I. Sarmiento Jr.;
Ma. Socorro S. Gatmaitan;
Ma. Luz S. Roxas-Lopez;
Ma. Victoria M. Sarmiento;
Jose M. Sarmiento;
Cesar L. Lugtu;
Jose Vicente C. Bengzon III¹; and
Manuel Q. Lim.¹

¹ Independent Directors.

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

Rogelio M. Sarmiento;
Lorenzo M. Sarmiento, Jr.;
Angelito M. Sarmiento;
Benjamin I. Sarmiento, Jr.;
Ma. Socorro S. Gatmaitan;
Ma. Luz S. Roxas-Lopez;
Ma. Victoria M. Sarmiento;
Jose M. Sarmiento;
Cesar L. Lugtu;
Jose Vicente C. Bengzon III; and
Manuel Q. Lim.

VII. APPOINTMENT OF EXTERNAL AUDITORS

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

"RESOLVED, that the Corporation appoints PUNONGBAYAN AND ARAULLO as its external auditor for the ensuing year and to serve as such until its successor shall have been appointed and qualified."

VIII. APPOINTMENT OF THE CORPORATION'S STOCK AND TRANSFER AGENT

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

"RESOLVED, that the Corporation appoints STOCK TRANSFER SERVICES, INC. as the Corporation's stock and transfer agent for the ensuing year and to serve as such until its successor shall have been appointed and qualified."

IX. EXTENSION OF CORPORATE TERM

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

"RESOLVED, as it is hereby resolved, that the corporate term of the Corporation be extended for another fifty (50) years from 31 July 2012, and for this purpose, Article Fourth of the Articles of Incorporation of the Corporation be amended to read as follows:

"FOURTH: That the term of which said Corporation is to exist is for FIFTY (50) YEARS from and after 31 July 2012;"

X. ISSUANCE OF THE REMAINING 90,030,236 COMMON SHARES FROM THE UNISSUED AUTHORIZED CAPITAL STOCK

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

"RESOLVED, that the stockholders of the Corporation hereby approve and authorize the issuance of the remaining unissued 90,030,236 common shares of the Corporation, either by cash or by the conversion of the Corporation's debts to equity;

RESOLVED, FURTHER, that the stockholders hereby approve the listing with the Philippine Stock Exchange ("PSE") of the abovementioned shares to be issued out of the remaining unissued shares of the Corporation."

XI. INCREASE IN THE AUTHORIZED CAPITAL STOCK

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

"RESOLVED, as it is hereby resolved, that the authorized capital stock of the Corporation be increased by another Five Hundred Million Pesos (P500,000,000.00), or from Five Hundred Million Pesos (P500,000,000.00), divided into Five Hundred Million (500,000,000) Common Shares

with a par value of One Peso (P1.00) each, to One Billion Pesos (P1,000,000,000.00), divided into One Billion (1,000,000,000) Common Shares with a par value of One Peso (P1.00) each, and that Article SEVENTH of the Corporation's Articles of Incorporation be amended to read as follows:

"SEVENTH: That the authorized capital stock of the Corporation is ONE BILLION (P1,000,000,000.00) PESOS, divided into ONE BILLION (1,000,000,000) COMMON SHARES, with a par value of P1.00 per share;"

"RESOLVED, FURTHER, that the stockholders hereby approve the listing of the new common shares to be issued pursuant to the increase in the authorized capital stock of the Corporation with the Philippine Stock Exchange, subject to the approval of the Securities and Exchange Commission of the increase in the authorized capital stock."

XII. ADJOURNMENT

There being no other business to discuss, and upon motion duly made and seconded, the meeting was adjourned at 2:30 p.m.

ATTEST:

ROGELIO M. SARMIENTO
Chairman of the Meeting

TADEO F. HILADO
Secretary of the Meeting