

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

held on Friday, 28 June 2019 at 2:00 PM
at Marilao, Bulacan

PRESENT:

	Number of Shares	Percentage
Total Shares Present in Person or by Proxy	2,244,115,102	73.47%
Total Outstanding Shares	3,054,334,014	100.00%

ALSO PRESENT:

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

OTHER OFFICERS OF THE CORPORATION

I. CALL TO ORDER

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

Before proceeding to the agenda for the stockholders' annual general meeting for 2019, the Chairman introduced the members of the Board of Directors, the Corporate Secretary and Assistant Corporate Secretary who were all present during the meeting.

II. CERTIFICATION OF NOTICE TO STOCKHOLDERS AND EXISTENCE OF A QUORUM

The Corporate Secretary certified that written notices of the 2019 stockholders' annual general meeting were sent to all stockholders of record as of 28 May 2019 in accordance with law and the By-laws of the Corporation.

He further certified that out of a total of 3,054,334,014 issued and outstanding shares, the stockholders holding 2,244,115,102 shares or 73.47% of the total outstanding capital stock were present in person or by proxy. Therefore, a quorum existed for the transaction of business.

III. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF THE STOCKHOLDERS HELD ON 29 JUNE 2018

Upon motion duly made and seconded, the reading of the minutes of the annual general meeting of the stockholders of the Corporation held on 29 June 2018 was dispensed with after copies thereof were distributed earlier to the stockholders, and the said minutes were approved as presented.

IV. REPORT BY THE PRESIDENT/CEO

Mr. Ricardo Manuel M. Sarmiento, the President and Chief Executive Officer, reported on the results of the operations of the Corporation for the year 2018.

He reported that from a fresh start in 2016 after an early exit from corporate rehabilitation, the Corporation steadily grew in the succeeding years, delivering commendable results in 2017 and 2018.

What Went Well in 2018

In 2018, Vitarich invested in additional breeder facilities, recruitment of new tunnel ventilated broiler farms, and new partners in the livestock feeds business had a huge contribution in improving the Corporation's market share for poultry and livestock business from 3% to 5%. These additional infrastructures and new partnerships ensure sustainable growth of the segment.

The Corporation launched specific product lines for animal feeds to complement its route-to-market program. The Professional product line caters to commercial hog raisers, the Premium Plus product line caters to semi-commercial hog raisers, while the Advantage Plus product line are for the backyard hog raisers. On the other hand, game fowl and aqua feeds businesses were put on hold as the Corporation concentrated in animal feeds and animal health products.

Vitarich likewise partnered with a world-class management consultancy firm, Renoir Consulting, Inc., and created "Project Punla". Through the project, the Corporation was able to identify opportunities, provide and execute solutions resulting in improved efficiency and productivity in procurement, growing operations and dressing plant operations, feeds sales, sales & operations, and over-all management control system.

Furthermore, the Corporation upgraded its Enterprise Resource Planning (ERP) system from Oracle as part of its Digital Transformation Program. This resulted in the generation of more comprehensive reports needed for analysis and making informed decisions.

Project Rebuild

President Sarmiento also reported that the Corporation started its transformation agenda, which was called "Project Rebuild", to enable it to become a world-class organization. Through this project, the Corporation invested in its people with a series of training and personnel development seminars such as management training, feedmilling school, 7 basic habits seminar, among others. Vitarich also continuously enhanced its process and control. The project also enabled the Corporation to operate Plant 2 of Davao Feedmill. This feedmill gives the Mindanao operations an additional 74,000 bags/month. The Corporation was also able to open additional bank lines and improved data-based decision making process.

Increase in Gross Sales

Continuing his report, President Sarmiento reported that the Corporation's gross sales improved by 27% in 2018 at P8.3B coming from P6.5B in 2017. Foods and livestock contributed 39% to this growth, while feeds by 16%. The Corporation generated a net income of P65M.

Plans for 2019 Onwards

He likewise discussed Project S.I.B.O.L. or System Improvement and Business Opportunity Leaders, which is a continuation of Project Punla. President Sarmiento reported that the Corporation is now spearheading this endeavor independent of Renoir consultants. SIBOL shares almost the same objective as that of Project Punla but specifically to maintain already established processes and controls, drive continuous improvement across all departments in all levels of management and identify new opportunities.

Vitarich shall also expand its infrastructure in order to sustain its business growth. This includes additional feedmill, dressing plant, hatcheries and farms through investment and partnership. He added that the Corporation is currently renovating its dressing plant in Marilao in order to cater to high end HRI accounts.

For 2019, the Corporation is focused on digital collaboration, enabling employees and management from different locations, to share a common venue to discuss and execute plans as well as resolve issues quickly. President Sarmiento also explained that the Corporation will complete the upgrade of its ERP system from Oracle, in order to integrate its Supply Chain processes to the system through Phase 2 Implementation.

President Sarmiento concluded his report by expressing gratitude to Vitarich's shareholders, Board of Directors, suppliers, business partners and employees for the Corporation's 69 years of existence and continuous sustainable growth.

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

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

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

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

VI. ELECTION OF DIRECTORS

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

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

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

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

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

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

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

VII. APPOINTMENT OF THE EXTERNAL AUDITOR

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

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

VIII. APPOINTMENT OF THE STOCK AND TRANSFER AGENT

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

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

IX. ADJOURNMENT

There being no other matters to discuss, and upon motion duly made and seconded, the meeting was adjourned at 2:25 o'clock in the afternoon.

AISON BENEDICT C. VELASCO
Corporate Secretary

ATTESTED BY:

JOSE VICENTE C. BENGZON III
Chairman of the Board