

VITARICH CORPORATION
MINUTES OF THE ANNUAL GENERAL MEETING
OF THE STOCKHOLDERS
held on Friday, 30 June 2023, 2:00 PM
at Royal Woods Resort, Ilang-Ilang Extension, Sta. Rosa II
Brgy. Patubig, Marilao, Bulacan

PRESENT:

	Number of Shares	Percentage
Total Shares Present in Person or by Proxy	2,268,683,982	74.28%
Total Outstanding Shares	3,054,334,014	100.00%

- MR. JOSE VINCENTE C BENGZON, III
MR. ROGELIO M. SARMIENTO
MR. RICARDO MANUEL M. SARMIENTO
MS. STEPHANIE NICOLE S. GARCIA

- Director/Chairman of the Board
- Director/Chairman Emeritus
- Director/President/CEO
- Director/Treasurer/EVP/Corporate
Management Services Director/
Chief Sustainability Officer/
Treasurer
- MR. LORENZO VITO M. SARMIENTO, III
MR. BENJAMIN I. SARMIENTO, JR.
ATTY. JUAN ARTURO ILUMINADO C. DE CASTRO
MR. PIERRE CARLO C. CURAY
MR. VICENTE J. A. SARZA
ATTY. AISON BENEDICT C. VELASCO
ATTY. MARY CHRISTINE DABU-PEPITO

- Director
- Director
- Director
- Independent Director
- Independent Director
- Corporate Secretary
- Assistant Corporate Secretary and
Compliance Officer

OTHER OFFICERS OF THE CORPORATION
REPRESENTATIVES FROM REYES TACANDONG AND CO.
REPRESENTATIVES FROM STOCK TRANSFER SERVICES, INC.
REPRESENTATIVES FROM THE MEDIA
MS. RACHELLE PAUNLAGUI OF ONWARD IR, THE CORPORATION’S INVESTOR
RELATIONS CONSULTANT

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 2023, Chairman Bengzon introduced the members of the Board of Directors, the Corporate Secretary and Assistant Corporate Secretary. He also informed the stockholders that the profiles of the incumbent directors and their attendance and compensation reports are contained in the Annual Report, Definitive Information Statement and Integrated Annual Corporate Governance Report submitted to the Securities Exchange Commission (“SEC”) and posted on the Corporation’s website and on the Philippine Stock Exchange (“PSE”) Edge.

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

Upon the request of Chairman Bengzon, Atty. Velasco certified that the stockholders of record as of 30 May 2023 were duly notified of the annual general meeting in accordance with law and the By-laws of the Corporation. The notice of this meeting was submitted to the SEC and was published in the newspapers and posted on the PSE's EDGE system as well as on the Corporation's website.

He further certified that based on the certification of the stock transfer agent which is attached as Annex "A" hereof, a quorum existed for the transaction of business considering that out of a total of 3,054,334,014 issued and outstanding shares, the stockholders holding 2,268,683,982 shares or 74.28% of the total number of outstanding shares were present in person or by proxy.

III. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF THE STOCKHOLDERS HELD ON 24 JUNE 2022

Chairman Bengzon informed the stockholders that copies of the minutes of the annual general meeting of the stockholders held on 24 June 2022 were made available to the stockholders in the Information Statement filed with the SEC and PSE, and posted online on the Corporation's website.

One of the stockholders moved to dispense with the reading of the minutes and to approve the same as presented considering that copies thereof had been made available to the stockholders. The said motion was duly seconded.

Chairman Bengzon asked the stockholders if they have questions or objections to the motion. Considering that the stockholders present neither asked questions nor objected to the motion as duly seconded, and upon the affirmative vote of the stockholders holding 2,268,683,982 shares, representing 74.28% of the outstanding capital stock of the Corporation, the reading of the minutes of the annual general meeting of the stockholders of the Corporation held on 24 June 2022 was dispensed with and the said minutes were approved as presented.

IV. REPORT BY THE PRESIDENT/CEO AND AUDITED FINANCIAL STATEMENTS

Moving to the next item on the agenda, Chairman Bengzon informed the stockholders that copies of the annual report and the audited financial statements have been submitted to the SEC and were also posted on the PSE's website and the Corporation's website.

Thereafter, Mr. Ricardo Manuel M. Sarmiento, President and Chief Executive Officer, reported on the results of the operations of the Corporation for the year 2022, including the audited financial statements for the year ending 31 December 2022.

Mr. Sarmiento welcomed the stockholders present in the meeting and expressed his gratitude towards them as well as the Corporation's employees across the country. Thereafter, he reported on the Corporation's performance in 2022.

Revenue Summary

Mr. Sarmiento discussed that 2022 was the first time in the Corporation's history that it exceeded P10 billion in revenues. Overall, the Corporation's revenues reached P12 billion, up 23% from 2021, with all business segments being profitable.

Foods revenue amounted to P6.2 billion, which was an all-time high after growing 48% year-on-year. This reflects the Corporation's strengthened capabilities in this segment coupled with a strong recovery in food services and restaurants which lifted demand. The total volume was up 22% led by demand in Luzon and Mindanao while average prices increased by 19% on higher input cost inflation.

Meanwhile, feeds revenue grew 11% to P5.2 billion driven by better pricing, which increased by 18% compared to 2021, and versus input costs, there was an increase of 23%. As expected, this price adjustment had some unfavorable impact on volume, which decreased by 6%.

Lastly, farms revenue was down 32% to P529 million due to the shortage of day-old chicks.

Financial Highlights

Cost of goods rose 23% to P10.9 billion following higher sales volumes and input costs. Key raw materials, including wheat, soybean meal, and corn, which comprised about 70% of feed costs, increased by an average of 25%. Price increases in fuel, energy, and labor also exerted further pressure on handling costs and the return of some post-pandemic operating costs, such as travel costs.

Gross profit grew 24% to P1.1 billion and operating profit increased 21% to P223.2 million, which benefited from volume growth, pricing changes, and efficiencies. As a result, net income reached P129 million, up 44% over the previous year. At the same time, the Corporation invested a total of P257 million in capital expenditures, including expansion costs of P190 million.

Progress on Strategy

Continuing his report, Mr. Sarmiento discussed the highlights on the Corporation's strategies in 2022.

He discussed that in the feeds segment, the Corporation increased its number of distributors, megadealers, and retail feed outlets in Visayas, such as in Capiz, Aklan, and Central Negros. The Corporation also began a multiyear campaign that will establish its brand as "The Specialist in Animal Nutrition". As part of its approach to sustainability, the Corporation also transitioned to reusable woven feed sacks from laminated bags to manage product lifecycle.

In the foods segment, the Corporation expanded its operations in various areas nationwide, which include Catanduanes, Isabela, Sorsogon, and Greater Manila Area in Luzon, Samar and Leyte in Visayas, and Zamboanga City, Bukidnon, Marawi, Sultan Kudarat, and Saranggani in Mindanao. The Corporation also added several hotel, restaurant, and institutional customers, including some leading fast-food chains, which underscore the demand for joint product development and customization. Finally, the Corporation launched Cook's Flavor Origins in November 2022 as part of its strategy to differentiate its chicken products at the retail level.

Mr. Sarmiento also reported that some of the main uncertainties around the African Swine Fever remained in 2022 and even spilled into 2023. According to the Food and Agriculture Organization of the United Nations, the disease continues to affect many countries across Asia, including the Philippines, which is why the growth prospects for pork production are limited and less robust prior its expected recovery by 2024. In view of this, the Corporation delayed its diversification into hog growing and production until the ongoing threats of the disease have been fully resolved. In the meantime, the Corporation focused on biosecurity measures by initiating information campaigns to raise awareness and to support effective on-farm biosecurity practices.

To manage the fluctuations in prices and availability of raw materials, the Corporation continuously optimized efficiency between different core ingredients for feeds as well as expanded its supplier base for key raw materials. The Corporation also worked with strategic alliances to bring in dry bulk commodities by aggregating the requirements with other parties to benefit from economies of scale and achieve sourcing efficiencies. Alongside this, the

Corporation completed the construction of a new warehouse in Davao, which is the Corporation's largest nationwide, primarily for the higher inventory requirement.

Over the course of the year, the Corporation invested in transformative technologies and processes aimed at enhancing risk management and building relevant digital capabilities in the areas of supply chain management, innovation, and brand building. Examples of the initiatives implemented across the Corporation include digitization of processes and workflows, automation of the distributor management system for sales order validation and inventory management, and deployment of the Oracle Process Manufacturing, and the Advanced Supply Chain Planning application as well as the integration of other modules.

To benefit from its integrated business model, the Corporation pursued a growth strategy that will allow it to continue improving. Specifically, for Bulacan, the Corporation installed a new machinery and additional facilities for blast freezing and cold storage. The Corporation also developed a comprehensive dressing plant management system to improve the accuracy of reporting and product inventory – from receiving of live birds to inventory management and further processing. In Iloilo, the Corporation has been able to commission its solar energy project within the feed mill plant. It now produces approximately 16% of the site's total annual power consumption. In 2023, the Corporation will be evaluating proposals for solar power in its Davao feed mill plant.

Mr. Sarmiento also reported that to improve business resilience, the Corporation makes sure that its way of working is in a manner that creates value for its customers and stakeholders. Thus, the Corporation maintains certifications to international food safety management systems for all its owned properties. Its ISO 22000 certifications in the Iloilo and Davao feed mills were renewed on schedule. Said certifications are now valid until 2025. For the dressing plants in Bulacan and Davao, the yearly audits against HACCP standards were also successfully completed by an independent third party as well as by the National Meat Inspection Service of the Department of Agriculture. These dressing plants were also certified to Halal standards.

Mr. Sarmiento concluded by amplifying that the Corporation is looking confidently to the future as it is entering a new phase of growth and profitability not only in 2023 but also beyond. This is because the Corporation has the right strategy and the right team in working towards a sustainable food system for Filipinos and in continuing to live its purpose to forge livelihood and nourish lives.

Thereafter, Mr. Sarmiento opened the floor for questions or comments from the stockholders.

There being no questions, a motion for the approval of the President's report and the audited financial statements for 2022 was made and seconded.

Chairman Bengzon inquired if there are any questions or objections from the stockholders. There being none and with the affirmative vote of the stockholders holding 2,268,683,982 shares, representing 74.28% of the outstanding capital stock of the Corporation, the President's report and the audited financial statements of the Corporation for the period ending 31 December 2022 were approved.

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

Chairman Bengzon informed the stockholders that the list of all the acts of the Board of Directors and officers of the Corporation since the last annual general meeting is included in the Information Statement submitted to the SEC and PSE.

Thereafter, a motion was made to ratify all acts, contracts, or deeds performed, entered into, or executed by the Board of Directors and the officers of the Corporation since the last annual general meeting.

After the motion was seconded, Chairman Bengzon asked if there are any questions or objections from the stockholders. Since there were no questions raised or objections made, and with the affirmative vote of the stockholders holding 2,268,683,982 shares, representing 74.28% of the outstanding capital stock of the Corporation, all acts, contracts, or deeds performed, entered into, or executed by the Board of Directors and officers of the Corporation from the last annual general meeting to this day were approved, confirmed, and ratified.

VI. ELECTION OF DIRECTORS

Chairman Bengzon informed the body of the mandatory requirement of electing at least two (2) independent directors. Pursuant to SEC Regulations, the Amended By-Laws 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. He also informed the stockholders that the profiles of the nominees for directors are indicated in the Definitive Information Statement submitted to the SEC and posted on the website and on the PSE Edge.

Such Final List of Candidates for independent and regular directors was made available to all stockholders through the distribution of the information statement and the ballot form.

The Assistant Corporate Secretary, Atty. Mary Christine C. Dabu-Pepito, announced that as pre-screened and listed by the Nominations Committee and as indicated in the Definitive Information Statement submitted to the SEC and posted on the PSE's website and the Corporation's website, the following were nominated as members of the Board of Directors of the Corporation for the succeeding 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. Lorenzo Vito M. Sarmiento III;
6. Atty. Juan Arturo Iluminado C. De Castro;
7. Mr. Benjamin I. Sarmiento, Jr.;
8. Mr. Vicente Julian A. Sarza (Independent Director); and
9. Mr. Pierre Carlo C. Curay (Independent Director).

Considering that there are only nine (9) nominees for the nine (9) Board seats, a motion to dispense with the balloting and to direct the Corporate Secretary to cast all the votes of the stockholders equally among the nominees was made and seconded. Chairman Bengzon inquired if there are any questions or objections to the motion.

None of the stockholders raised questions or made objections. Thus, with the affirmative vote of the stockholders holding 2,268,683,982 shares, representing 74.28% of the outstanding capital stock of the Corporation, the motion was carried and Atty. Velasco was directed to cast all the votes equally in favor of all the nominees.

Atty. Velasco casted all the votes equally in favor of all the nominees for the Board of Directors. Thereafter, Chairman Bengzon announced that the following nominees have been elected as directors of the Corporation to serve as such for a term of one (1) year or until their successors are duly elected and qualified:

NAME	NO. OF VOTES RECEIVED	
Mr. Jose Vicente C. Bengzon, III	2,268,683,982	74.28%
Mr. Ricardo Manuel M. Sarmiento	2,268,683,982	74.28%
Ms. Stephanie Nicole S. Garcia	2,268,683,982	74.28%
Mr. Rogelio M. Sarmiento	2,268,683,982	74.28%
Mr. Benjamin I. Sarmiento, Jr.	2,268,683,982	74.28%
Mr. Lorenzo Vito M. Sarmiento, III	2,268,683,982	74.28%
Atty. Juan Arturo Iluminado C. De Castro	2,268,683,982	74.28%
Mr. Vicente Julian A. Sarza	2,268,683,982	74.28%
Mr. Pierre Carlo C. Curay	2,268,683,982	74.28%

VII. APPOINTMENT OF THE EXTERNAL AUDITOR

Proceeding to the next item on the agenda, a motion was made to ratify and confirm the appointment of Reyes Tacandong and Co. as the Corporation's external auditor for the fiscal year 2023. The said appointment was approved by the Board of Directors upon the favorable recommendation of the Audit, Risk Oversight, and Related Party Transactions Committee.

After the said motion was seconded, Chairman Bengzon asked if there are any questions or objections from the stockholders. There being none, and upon the affirmative vote of the stockholders holding 2,268,683,982 shares, representing 74.28% of the outstanding capital stock of the Corporation, the appointment of **Reyes Tacandong and Co.** as the Corporation's external auditor for the fiscal year 2023 was ratified and confirmed.

VIII. APPOINTMENT OF THE STOCK TRANSFER AGENT

Continuing with the next item on the agenda, a motion was made to appoint Stock Transfer Service, Inc. as the Corporation's stock transfer agent for the following year to serve as such until its successor shall have been appointed and qualified. The said motion was, thereafter, seconded.

Chairman Bengzon asked if there are any questions or objections from the stockholders. There being none, and upon the affirmative vote of the stockholders holding 2,268,683,982 shares, representing 74.28% of the outstanding capital stock of the Corporation, **Stock Transfer Services, Inc.** was appointed as the Corporation's stock transfer agent for the ensuing year and to serve as such until its successor 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 2:30 pm.

AISON BENEDICT C. VELASCO
Corporate Secretary

ATTESTED BY:

JOSE VICENTE C. BENGZON III
Chairman of the Board

Vitarich Corporation

Annual Stockholders' Meeting

30 June 2023 at 2:00 P.M.


Royal Woods Resort, Ilang Ilang Extension, Sta. Rosa II
Marilao, Bulacan

ATTENDANCE REPORT

	<u>No. of Shares</u>	<u>Percentage</u>
PROXIES (Tabulated by CORSEC)	<u>2,186,198,610</u>	<u>71.58%</u>
ATTENDANCE	<u>82,485,372</u>	<u>2.70%</u>
TOTAL PROXIES AND ATTENDANCE	<u>2,268,683,982</u>	<u>74.28%</u>
TOTAL ISSUED & OUTSTANDING SHARES	:	<u>3,054,334,014</u>

Certified by:

STOCK TRANSFER SERVICE, INC.


RICARDO D. REGALA, JR.
General Manager