MINUTES OF THE 2017 ANNUAL MEETING
OF THE STOCKHOLDERS OF
RFM CORPORATION

The Annual Meeting of the Stockholders of RFM CORPORATION was held at the Auditorium of the Corporation at Pioneer corner Sheridan Streets, Mandaluyong City on 25 July 2017 at 11:00 A.M. pursuant to the By-laws of the Corporation and in accordance with the notice of the meeting to all stockholders.

The Chairman, Mr. Jose Concepcion, Jr., presided and called the meeting to order after an invocation by Ms. Melanie C. Cervo. Atty. Jufil E. Siquian, the Corporate Secretary, recorded the minutes of the meeting.

I. NOTICE OF MEETING

The Corporate Secretary confirmed that notice of the meeting was published in the Philippine Star, a newspaper of general circulation on June 17, 2017 and individual notices were sent to all stockholders by mail in accordance with the By-laws of the Corporation.

II. CERTIFICATION ON THE PRESENCE OF A QUORUM

The Corporate Secretary certified that of the total outstanding shares of the Corporation, there were present at the meeting in person and by proxy, at least 2,730,464,819 (78.06%) percent of the outstanding capital stock.

III. APPROVAL OF PREVIOUS MINUTES

Copies of the minutes of the Annual Stockholders' Meeting held on 29 July 2016 and were made available to the stockholders.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLUTION ASM NO. 2017-07-01

RESOLVED, that the minutes of the Annual Stockholders' Meeting held on 29 July 2017 be as it is hereby approved and ordered filed.

IV. PRESENTATION OF THE PRESIDENT'S 2016 ANNUAL REPORT/2016 AUDITED FINANCIAL STATEMENTS

The President's 2016 Annual Report was presented by Mr. Enrique Oliver I. Rey-Matias, Vice-President and Chief Finance Officer of the Corporation. *(Copies of the slide presentation is hereto attached).*

Thereafter, the President and CEO, Mr. Jose Ma. Concepcion III, shared a few words with the stockholders, highlighting that the year 2016 has been a fairly good year with a corporate net income of Php1 Billion Pesos and the whole point is how to sustain the income level. He reported that the company's ice cream brand, Selecta, is doing very well and continues to post relatively high growth even during the present quarter wherein there was a lot of rain. He mentioned that the strategy has worked especially on new products that were developed. However, the President and CEO observed that prices of flour have gone down in the last two (2) years tremendously and the cost of high protein wheat have gone up unexpectedly. Nonetheless, he reported that the company have continued to integrate forward by using more of its flour for its pasta business, both Fiesta and Royal, which continued to be dominant brands in the market.

The President and CEO likewise reported that the company's milk business is doing good, especially the fortified milk, and hopes to sustain the growth this year.

He further stressed that the economy in general is doing well as evidenced by the expansion of various companies, the real estate boom, and the continued OFW remittances of dollars and other foreign exchange which help sustain and propel economic growth. He expressed confidence in Philippine President Rodrigo Duterte's promise to bring peace during his term. While the Marawi conflict has led to the demise of many soldiers, the President and CEO pointed out that the real tragedy is the cost of war and that should peace be achieved in Mindanao, the latter's economic potential would be phenomenal. He also expressed optimism for the future of the country's economy and pointed out that by increasing the income of the Filipinos, they will be able to consume more.

Finally, the President and CEO also reported that he is involved part-time with the Government as Presidential Adviser for Entrepreneurship which he has been doing for the past year since his appointment, and that the Government's goal is to bring prosperity for all. He explained that large companies like RFM Corporation, together with the others in the private sector, has the goal to practice inclusive growth. In other words, RFM cannot grow alone without helping the smaller entrepreneurs which comprise about 99.6% of the entire business community. He thereby encouraged the company to start practicing inclusive growth and one of the ways of which is to consider hiring a social entrepreneur who will look into how the company may be able to help its smaller suppliers and develop them to become bigger suppliers.

The President and CEO likewise imparted that the strategy is to focus on the company's core business and expressed confidence on the company's potential.

After the presentation of the President's Report, the table was then opened for questions from the floor.

On the inquiry made by a stockholder on how many total RFM shares have been bought back from the equities market, the corporation's Vice-President and CEO, Mr. Enrique Oliver I. Rey-Matias reported that as of date, a total of more than Php330 Million worth of RFM shares or equivalent to more or less 70 Million shares have been bought back, and which were also sold to several long-term investors who wanted to acquire RFM shares from the equities market and from the company's treasury shares.

In response to the inquiry of another stockholder whether RFM's products are all Halal-certified for the ASEAN market such as Indonesia and Malaysia, Mr. Rey-Matias discussed that the company's pasta products are halal but not the sauces. In addition, Ms. Ma. Victoria Herminia C. Young explained that the company's sauces do not contain any meat products and that to get a Halal certification there is a whole process of accreditation including the process in the way the equipment is set up. She added that currently, and since the sauce is a new line, it does not have a Halal-certification although the company's pasta and flour products have Halal certification.

Meanwhile, a shareholder commented that Swift Foods, Inc., which scheduled its own Annual Stockholders' Meeting last month, should have notified its stockholders in advance of the cancellation of the said meeting and not on the same day of the meeting. She lamented the plight of inconvenienced stockholders who have travelled from afar and who have spent money and have exerted time and effort just to attend the scheduled meeting but only to find out of its cancellation on the day itself. Mr. Nacino explained that while the stockholder's concern is understandable, neither RFM nor its directors and officers are involved with Swift Foods, Inc. He further said that the company's management will find a way for the said sentiment will be relayed to Swift Foods, Inc.

Finally, on another stockholder's query on whether the company has considered expanding to baking cakes and breads like the brand Gardenia, Ms. Young explained that company used to be involved in the business of making breads and cake but one of the challenges in baking breads like those of Gardenia is the very short shelf life and requires a very good logistics company to be able to meet the average of four (4)-day shelf life. Hence, the company has decided to focus its energy and strength to its core competence of manufacturing good-value products that it currently serves to its consumers such as milk and pasta.

After the question and answer portion, the President's Annual Report and the Audited Financial Statements for the year 2016 as prepared by Sycip Gorres Velayo & Co. were presented to the stockholders for approval.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLUTION ASM NO. 2017-07-02

RESOLVED, that the Annual Report of the President of the Corporation for the period starting 01 January 2016 to 31 December 2016 be and the same is hereby noted and a hard copy of the same be appended to the minutes of this meeting.

RESOLUTION ASM NO. 2017-07-03

RESOLVED, that the Audited Financial Statements for 2016 of RFM Corporation as well as the Auditor's Report prepared by Sycip Gorres Velayo & Company, be as they hereby are noted and approved.

V. RATIFICATION OF ACTS OF MANAGEMENT

The Chairman then presented to the stockholders the matter of the confirmation of the acts of the Corporation's Board of Directors and corporate officers for the period

between the 2016 Annual Stockholders' Meeting until the current meeting. After due discussion, and upon motion made, seconded and unanimously approved, it was:

RESOLUTION ASM NO. 2017-07-04

RESOLVED, that the minutes of all meetings of the Board of Directors of the Corporation covering the period between the 2016 Annual Stockholders' Meeting until the current meeting, be, and the same are hereby ratified, approved and confirmed.

RESOLVED FURTHER, that all resolutions adopted by the Board of Directors at the said meetings be ratified and adopted by the stockholders and that any and all acts and proceedings of the Corporation's Board of Directors and Corporate Officers since the 2016 Annual Stockholders' Meeting until the current meeting, pursuant to and in conformity with such resolutions, be and the same are hereby ratified, approved and confirmed.

VI. ELECTION OF DIRECTORS

The meeting then proceeded with the election of the members of the Board of Directors of the Corporation for the year 2016-2017. The Chairman called for nominations for the eleven (11) seats available at the Board. Pursuant thereto, the following were nominated and elected:

Jose S. Concepcion, Jr.
Jose Ma. A. Concepcion III
John Marie A. Concepcion
Ma. Victoria Herminia C. Young
Felicisimo M. Nacino, Jr.
Raissa Hechanova Posadas
Francisco A. Segovia
Ernest Fritz Server
Joseph D. Server, Jr.
Romeo L. Bernardo as Independent Director
Lilia R. Bautista as Independent Director

No other nominations having been made, the Chairman thereupon announced that the foregoing nominees were unanimously elected directors of the Corporation for the year 2016-2017 effective upon their qualification and until their successors are duly elected and qualified.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLUTION ASM NO. 2017-07-05

RESOLVED, that the following:

Jose S. Concepcion, Jr.
Jose Ma. A. Concepcion III
John Marie A. Concepcion
Ma. Victoria Herminia C. Young
Felicisimo M. Nacino, Jr.
Raissa Hechanova Posadas
Francisco A. Segovia
Ernest Fritz Server
Joseph D. Server, Jr.
Romeo L. Bernardo as Independent Director
Lilia R. Bautista as Independent Director

are elected directors of the Corporation for the year 2016-2017 effective upon their qualification and their successors are duly elected and qualified.

VII. APPOINTMENT OF AUDITOR

The Chairman then opened the table for the proposal to delegate to the Board of Directors the appointment of the External Auditor. Upon motion duly made, seconded and unanimously approved, it was:

RESOLUTION ASM NO. 2017-07-06

RESOLVED, that the appointment of External Auditor of the Corporation be delegated to the Board of Directors.

VIII. ADJOURNMENT

There being no further matters to discuss, the meeting thereupon adjourned.

ATTY. JUFIL E. SIQUIAN
Corporate Secretary

ATTEST:

JOSE S. CONCEPCION, JR.
Chairman

