MINUTES OF THE 2018 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 2018 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 29, 2018 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 2,740,226,046 (78.39%) percent of the outstanding capital stock.

III. APPROVAL OF PREVIOUS MINUTES

Copies of the minutes of the Annual Stockholders' Meeting held on 25 July 2017 and were made available to the stockholders.

The reading of the minutes of the Annual Stockholders' Meeting held on 25 July 2017 was, upon motion duly made and seconded, and unanimously approved, was dispensed with.

Thereafter, and upon motion duly made, seconded and unanimously approved, it was:

RESOLUTION ASM NO. 2018-07-01

RESOLVED, that the minutes of the Annual Stockholders' Meeting held on 25 July 2018 be as it is hereby approved and ordered filed.

IV. PRESENTATION OF THE PRESIDENT'S 2017 ANNUAL REPORT/2017 AUDITED FINANCIAL STATEMENTS

The President's 2017 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).*

The highlights of the President's Report are as follows:

Last year, 2017, RFM Corporation was able to sustain its net income growth and posted a P1.045B income on the back of P12.7B in net sales.

Despite the continuing challenges in the flour sector brought about by the influx of new millers and imported flour as well as the flat sales of pasta in the first half of 2017, total sales of RFM remained steady at 12.7B as our Selecta Ice Cream business grew 13% in 2017.

The pricing strength of the brands such as Selecta Ice Cream, Royal & Fiesta Pasta, as well as Selecta Milk, as reflected in the gross profit margin, remained solid at the 41% level. With strong Ice Cream sales driving the topline and gross profit margins holding strongly, RFM saw a good improvement in our net income margin from 7.9% to 8.2% in 2017.

The P1B net income for 2017 and steady EBITDA margin of 14.6% translated to more cash generated in the balance sheet. As of end 2017, RFM's cash and near-cash investments amounted to P2.5B already.

On top of the healthy cash position, RFM was able to pay out P450m of dividends in 2017 and also bought back treasury shares numbering 2.9 million shares at end 2017. As of end June 2018, RFM had 4.9 million in treasury shares.

RFM parent company also remains debt-free as of today, shielding the company from the higher cost of borrowing brought about by the sustained increase in US and Philippine interest rates.

The dividend per share continues to grow to 14 centavos/share in 2017 from 13centavos in 2016 and 7 centavos back in 2015.

Behind the robust financial performance of RFM for 2017 are the solid brands of the company.

According to Neilsen data, the Selecta Ice cream business dominated the Philippine total ice cream market with a 76% market share. Added to this is the fact that Selecta Ice Cream is driving the growth of the whole category with double digit rates.

New flavors, affordable price points and nationwide reach and availability drive the growth of RFM's ice cream joint venture with Unilever.

On the pasta side, despite the sluggish 2017 performance of the pasta business, there was a huge turnaround for 2018. This is reflected in the April 2018 Nielsen report that showed RFM overtaking Del Monte as the leading Pasta and pasta sauce company with the Royal and Fiesta brands.

In addition, Royal Macaroni has maintained its number position as the leading brand of Macaroni in the country.

Fiesta, on the other hand, is the Number 1 dish bundle player and RFM as the market leader in dish bundles with Royal and Fiesta dish bundles.

Another important driver of Net Sales for RFM is Selecta Milk. In 2017, RFM's Fortified Filled Milk doubled its market share from 4% to 8% nationwide.

This year 2018, RFM successfully launched a TV campaign of the fast growing Fortified Filled Milk.

To sustain RFM's growth momentum in Ice cream, in pasta, in milk and in flour, the Company has embarked on the following capital expenditure projects:

- Upgrade of 2 mills for Flour (on going as of 2018)
- Expansion capex of Ice cream (on going as of 2018)
    - To support growth in sales over the next 4 years
- Increased Selecta Milk processing and filling capacities
- Form-Fill Seal Machine for Bundling and Silangan warehouse Racking System
- Spaghetti Sauce Line 3
    - New Warehouse in Cabuyao

The financial results of RFM for the first 6 months of 2018 show that total sales reached P6.3B representing a 12% growth from same period 2017. Moreover, despite the higher cost of commodities and peso depreciation that have squeezed profit margins of most manufacturers this 2018, RFM was able to achieve P525M in profits for the 1st half of 2018, which is 3% higher than the income in 2017.

Revenue growth was seen across most of RFM business units including Pasta and Pasta Sauce, Milk, Flour, Bunline and Ice Cream. In turn, higher revenues lifted income 3% despite the squeeze in margins due to higher cost of raw materials.

In light of the strong 2018 1Half financial performance, the following are the highlights of RFM's outlook for 2018.

- Topline Growth Drivers remain to be Ice Cream, Milk and Pasta. RFM shall continue to focus on its core strengths in ice cream, pasta, milk and flour.
- Higher cost of raw materials, peso depreciation to impact bottomline and possibly offsetting the gains in sales growth
- Intensifying price competition in flour to reduce margins in flour although the stronger performance of pasta and milk as well as ice cream and bunline will continue to drive positive income growth
- Strong Balance Sheet and Cashflow to support continuation of the 50% cash dividend policy and the share buyback program

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 the impact of the implementation of the new Tax Reform for Acceleration and Inclusion (TRAIN) Law as far as RFM is concerned, the President & CEO pointed out that the TRAIN Law, particularly as regards the excise taxes imposed on sweetened beverages, has no significant impact on the juice business of RFM which comprises only a small portion of the entire RFM business. He also pointed out that the ice cream and pasta business is not affected at all by the said law.

In response to the inquiry of another stockholder on RFM's stand on the issue on the prohibition on labor contractualization, the President and CEO reported that RFM strictly observes the provisions of labor law on regularization and properly implements the programs of the Department of Labor and Employment (DOLE). He further said that as RFM expands, it plans to automate some of its operations especially packaging in order to remain competitive. He also observes that the government is not keen on a total ban on contractualization such as in the case of the business process outsourcing (BPO) industry which has contributed to the rapid growth of the Philippine economy, especially in the real estate sector. The same also has made the Philippines as one of the world's largest exporters of services, both inbound and outbound.

Meanwhile, on the query of a shareholder on the plans of the company to arrest the scenario of the lower spending power of consumers arising from the record-high inflation rates, Mr. Concepcion commented that RFM has not increased its prices. The price of ice cream was maintained while the prices of pasta was even lowered. He emphasized that the Company is sensitive to the needs of the consumers and it wants to offer quality food

products at decent prices. RFM also continues to maintain its price strategy. Logistics costs have also come down. He also said that while the TRAIN Law may have resulted in higher inflation, the new tax law is necessary to enable the economy to absorb the magnitude of government spending on infrastructure such as bridges and railroads which are all investments to improve the economy. Similarly, RFM has invested in a new flour mill and parts and equipment. He added that new airports under the government's ongoing Build, Build, Build Program will also translate to more tourists and to more micro-entrepreneurs.

Finally, on another stockholder's query on whether RFM has plans to export its products to ASEAN countries in light of the ASEAN economic integration whereby zero-tariffs is seen to be implemented on most exports, Mr. Concepcion stated that non-trade barriers among ASEAN countries are still in place. He explained that there are products imported from Indonesia or even from South Korea are brought about by the demand for such types of products. However, these products does not pose as a challenge to RFM as, for example, Selecta ice cream has dominated about 76% of the market share. Thus, RFM decided to focus in its core businesses and got out of those business where it cannot be a market leader or a strong second and such strategy has paid off. This is also the reason why RFM has become the largest pasta producer in the country today and is also seen to also be the largest producer of pasta sauce. On top of which, the Company will also focus on Milk because Selecta is a strong brand and milk is growing rapidly.

After the question and answer portion, the President's Annual Report and the Audited Financial Statements for the year 2017 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. 2018-07-02

RESOLVED, that the Annual Report of the President of the Corporation for the period starting 01 January 2017 to 31 December 2017 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. 2018-07-03

RESOLVED, that the Audited Financial Statements for 2017 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 2017 Annual Stockholders' Meeting until the current meeting. After due discussion, and upon motion made, seconded and unanimously approved, it was:

RESOLUTION ASM NO. 2018-07-04

RESOLVED, that the minutes of all meetings of the Board of Directors of the Corporation covering the period between the 2017 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 2017 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 2018-2019. 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 2018-2019 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. 2018-07-05

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 2018-2019 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. 2018-07-06

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

VIII. AMENDMENT TO ARTICLE 17.1 OF THE CORPORATION'S BY-LAWS

Copies of the proposed amendments to Article 17.1 of the Corporation's By-Laws were made available to the stockholders.

It was explained that the amendment is necessary to reflect the creation of the Corporate Governance Committee in place of the Nomination Committee pursuant to RFM's New Manual of Corporate Governance, and in compliance with SEC Circular No. 19 or the Code of Corporate Governance for Publicly-Listed Companies.

The reading of the proposed amendments was, upon motion duly made and seconded, and unanimously approved, was dispensed with.

Thereafter, and upon motion duly made, seconded and unanimously approved, it was:

RESOLUTION ASM NO. 2018-07-07

RESOLVED, that Article 17.1 of the Corporation's New By-Laws, as it is hereby, amended to read as follows:

> "17.1 The Corporate Governance Committee shall be composed of three (3) members, all of whom should be independent directors, including the Chairman. It is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It shall have the following duties and functions:
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> "a. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
>
> "b. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
>
> "c. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
>
> "d. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers,

and remuneration packages for corporate and individual performance;

"e. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;

"f. Propose and plan relevant trainings for the members of the Board;

"g. Determine the nomination and election process for the company's directors and has the special duty of defining 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, and;

"h. Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors by considering the guidelines herein set forth. In determining the number of concurrent directorships that a Board member may have, the Committee shall consider the:

"(i) Nature of the business of the Corporation of which he is a director;

"(ii) Number of directorships/active memberships and officerships in other corporations or organizations, and;

"(iii) Such other factors which the Committee may consider from time to time.

"The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

"The executive directors, the independent directors and non-executive directors shall submit themselves to a low indicative limit on membership in other corporate boards of listed companies other than the subsidiaries of the Corporation. The same low limit shall apply to independent,

non-executive directors who serve as full time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised."

IX. ADJOURNMENT

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

ATTY. JUFIL E. SIQUIAN
Corporate Secretary

ATTEST:

JOSE S. CONCEPCION, JR.
Chairman