



VICTORIAS MILLING COMPANY, INC.

**DRAFT MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF VICTORIAS MILLING COMPANY, INC.**

*(subject to approval by the Stockholders in the next ASM)*

**Held on February 6, 2019, 8:00 a.m., at the Victorias Golf & Country Club  
Victorias City, Negros Occidental**

**1. CALL TO ORDER**

Before proceeding with the Meeting, an invocation was done followed by the singing of the Philippine National Anthem.

Mr. Wilson T. Young, Chairman of the meeting, presented the Directors and Officers of the corporation. After the presentation, the Chairman called the 2019 Annual Stockholders' Meeting ("Meeting") of Victorias Milling Company, Inc. ("VMC") to order at 8:15 o'clock in the morning and presided over the conduct of the same.

Atty. Eva A. Vicencio-Rodriguez, the Acting Corporate Secretary of the Meeting, took the Minutes.

**2. CERTIFICATION OF NOTICE TO STOCKHOLDERS AND PRESENCE OF QUORUM**

Upon inquiry by the Chairman, the Acting Corporate Secretary certified that written notices of the Meeting were sent to stockholders by mail at their respective addresses as indicated in the books of VMC, at least two (2) weeks prior to the day of the Meeting.

The Acting Corporate Secretary also stated that the Notice of the Meeting was published in the Philippine Daily Inquirer on November 19, 2018 and January 10, 2019; and Visayan Daily Star on November 19, 2018 and January 10, 2019, respectively, as evidenced by the Affidavits of Publication dated January 28, 2019 (Visayan Daily Star), as well as January 30, 2019, and January 23, 2019 (Philippine Daily Inquirer).

The Acting Corporate Secretary then certified that based on the tabulations, the required quorum existed for the Meeting, there being present or represented by proxy shareholders holding at least Two Billion One Hundred Twenty Five Million Two Hundred Fifty One Thousand Nine Hundred Nine (2,125,251,909) shares out of the total number of outstanding shares of the Corporation of Two Billion Seven Hundred Forty Two Million Fifty Thousand Five Hundred Sixty Four (2,742,050,564) shares, or equivalent to 77.50% of VMC's outstanding capital stocks.

**3. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD ON FEBRUARY 6, 2018**

The Chairman announced that the first item on the Agenda is the approval of the Minutes of the Stockholders' Meeting held last February 6, 2018.

As copies of the Minutes of the previous Annual Stockholders' Meeting (ASM) held last February 6, 2018 were earlier distributed to the stockholders of record, there was a motion that the reading of the said minutes be dispensed with, and the said motion was seconded and approved by 77.50% of the stockholders in attendance voting in favor, with zero (0) against and zero (0) in abstention, thus -

**STOCKHOLDERS' RESOLUTION NO. 02-06-2019-0001**

*"RESOLVED, that the Minutes of the Stockholders' Meeting held last February 6, 2018 is hereby approved as presented."*

**4. ANNUAL REPORT FOR CROP YEAR 2017-2018**

The next item on the agenda is the presentation of the Annual Report for the period ending August 31, 2018.

Copies of the Annual Report for the period ending August 31, 2018 were provided to the stockholders prior to the scheduled ASM. There was a motion that the presentation of the same be dispensed with and the said motion was seconded and approved by 77.50% of the stockholders in attendance voting in favor, with zero (0) against and zero (0) in abstention, thus -

**STOCKHOLDERS' RESOLUTION NO. 02-06-2019-0002**

*"RESOLVED, that the Annual Report of the Corporation for the period ending August 31, 2018 is hereby approved as presented."*

A stockholder then noticed that the Financial Statements of the Company has shown that the Board of Directors as well as the Corporate Officers have been doing an impressive job in ensuring the continuous operations of the Company and keeping it in good financial condition in accordance with the approved Rehabilitation Plan. She then commended the Board and the Officers for their good work and moved that the 2018 Board and Officers of VMC be granted incentives in an amount commensurate to their efforts. There was no objection to the said recommendation and the said motion was seconded and approved by 77.50% of the stockholders in attendance voting in favor, with zero (0) against and zero (0) in abstention.

## **5. RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS**

The Chairman moved to the next item of the agenda, which is the approval, confirmation, and ratification of all acts, resolutions, and proceedings of the Board of Directors and Corporate Officers.

There was a motion duly seconded to ratify all acts, resolutions and proceedings of the Board of Directors and Corporate Officers from February 6, 2018 to February 6, 2019 and the said motion was seconded and approved by 77.50% of the stockholders in attendance voting in favor, with zero (0) against and zero (0) in abstention, thus -

### **STOCKHOLDERS' RESOLUTION NO. 02-06-2019-0003**

*"RESOLVED, that all the acts, resolutions, and proceedings of the Board of Directors and Corporate Officers from February 6, 2018 up to February 6, 2019, are hereby approved, confirmed, and ratified by the stockholders of the Corporation."*

## **6. APPOINTMENT OF EXTERNAL AUDITORS**

There was a motion to approve the appointment of the auditing firm of Reyes Tacandong & Co., to be the external auditor of VMC for the crop year 2018-2019. The said motion was seconded and approved by 77.50% of the stockholders in attendance voting in favor, with zero (0) against and zero (0) in abstention, thus -

### **STOCKHOLDERS' RESOLUTION NO. 02-06-2019-0004**

*"RESOLVED, that the engagement of the auditing firm of Reyes Tacandong & Co. to act as the external auditor of VMC for the crop year 2018-2019 is hereby approved."*

## **7. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS**

The Chairman then requested to proceed with the election of the new Board of Directors for 2019.

A stockholder, Mr. Antonio Ferrolino, queried if the corporation's board has the required independent directors.

The Chairman requested the Securities and Exchange Commission (SEC) appointed Receiver to address the query. Atty. Luis Ma. G. Uianza then clarified that under a SEC letter, all the members of the Board of Directors of Victorias Milling Company, who have been elected pursuant to the Rehabilitation Plan of the corporation, are all considered as independent directors.

After the query was sufficiently clarified, the Chairman proceeded to the next agenda, which is the election of the members of the Board of Directors. He said that pursuant to the Alternative Rehabilitation Plan (ARP) and the Debt Restructuring Agreement (DRA), the following are the nominees for the election of the Board of Directors for the year 2019:

Representing the Secured Creditors with one (1) seat allocated:

1. Anna Rosario V. Paner

Representing the Creditors with Debt Conversion with seven (7) seats allocated:

1. Minnie O. Chua
2. William Y. Chua
3. Peter Y. Ong
4. Lucio K. Tan, Jr.
5. Alvin C. Yu
6. Martin C. Yu
7. Victor T. Yu

Representing the Existing Stockholders with three (3) seats allocated:

1. Reggie Hannah Y. Lorenzo
2. Michael G. Tan
30. Wilson T. Young

The Chairman stated that there was exactly the same number of nominees for each category of board seat classification, three (3) for the existing category, one (1) for the secured category and seven (7) for the creditors with debt conversion, hence the said nominees may be elected to the Board with at least one (1) vote each.

Stockholder Arnel P. Kho then cast one (1) vote each for the following:

1. Anna Rosario V. Paner
2. Minnie O. Chua
3. William Y. Chua
4. Peter Y. Ong
5. Lucio K. Tan, Jr.
6. Alvin C. Yu
7. Martin C. Yu
8. Victor T. Yu
9. Reggie Hannah Y. Lorenzo
10. Michael G. Tan
11. Wilson T. Young

With one (1) vote cast for each of the eleven (11) nominees to the Board of Directors of VMC, the Chairman declared the election of the following as the new members of the Board of Directors of VMC for the ensuing year and until their successors shall have been duly elected for the category to which they have been respectively nominated:

1. Anna Rosario V. Paner
2. Minnie O. Chua
3. William Y. Chua
4. Peter Y. Ong
5. Lucio K. Tan, Jr.
6. Alvin C. Yu
7. Martin C. Yu
8. Victor T. Yu
9. Reggie Hannah Y. Lorenzo
10. Michael G. Tan
11. Wilson T. Young

## **8. OTHER MATTERS**

8.1 Stockholder Minnie O. Chua moved to pass a resolution to commend Mr. Eduardo V. Concepcion, Mr. Terence D. Son Keng Po, Atty. Brian Keith F. Hosaka and Ms. Teresita V. Ilagan for their valuable service to the Corporation as members of the Board of Directors and Officers.

### **STOCKHOLDERS' RESOLUTION NO. 02-06-2019-0005**

*"RESOLVED, that the Corporation extends a commendation to Mr. Eduardo V. Concepcion, Mr. Terence D. Son Keng Po, Atty. Brian Keith F. Hosaka and Ms. Teresita V. Ilagan for their valuable service to the Corporation as members of the Board of Directors and Officers."*

8.2 Atty. Anna Rosario V. Paner, a stockholder, mentioned that during the last stockholders' meeting, the stockholders approved the amendment of Article IV of the Articles of Incorporation, to extend the corporate term of the Corporation for an additional period of fifty (50) years effective 25 April 2019. However, in view of the legislation which has been submitted to the Office of the President for signature, that originated from Senate Bill No. 1280 and House Bill No. 8374 of the 17<sup>th</sup> Congress allowing a perpetual existence of the corporation unless its certificate of incorporation provides otherwise, she moved that the previous stockholders' resolution amending the Fourth Article of the Articles of Incorporation extending the corporate term of the corporation for an additional period of fifty (50) years effective 25 April 2019, be further amended, to allow VMC to have perpetual existence based on any new law that may be passed anytime soon. Thus -

**STOCKHOLDERS' RESOLUTION NO. 02-06-2019-0006**

*"RESOLVED, as it is hereby resolved, to amend STOCKHOLDERS' RESOLUTION NO. 02-06-2018-0004, to allow VMC to have perpetual existence based on any new law that may be passed anytime soon, in view of the legislation which has been submitted to the Office of the President for signature, that originated from Senate Bill No. 1280 and House Bill No. 8374 of the 17<sup>th</sup> Congress, which allows a perpetual existence of the corporation unless its certificate of incorporation provides otherwise;*

*RESOLVED FURTHER, that the stockholders representing at least 2/3 of the outstanding capital stock of the Corporation, approve the amendment of the said Stockholders' Resolution;*

*RESOLVED FURTHERMORE, that the President and/or the Corporate Secretary be authorized to sign, execute and deliver all documents necessary to effect the foregoing."*

8.3 Stockholder Antonio Ferrolino asked about some operational matters such as sources of cane supply, cane campaign strategies and volume of canes being delivered to the corporation, which Mr. Eduardo V. Concepcion, upon the request of the Chairman, specifically answered and clarified.

Mr. Ferrolino also asked about some concerns on Canetown Development Corporation (CDC) wherein the Chairman advised him to refer the same to the management of CDC, which is a VMC subsidiary and a separate entity.

On Mr. Ferrolino's other concern as to when the corporation will declare dividends, the Chairman answered that the matter will be subject of a study by management.

**9. ADJOURNMENT**

There being no further matters to be discussed, upon motion duly made, the meeting was adjourned.

The Chairman announced that an organizational meeting of the newly elected members of the Board will be held immediately after the adjournment.

Prepared By:

**EVA A. VICENCIO-RODRIGUEZ**  
*Acting Corporate Secretary*

Attested By:

**WILSON T. YOUNG**  
*Chairman of the Board*