

# COVER SHEET

2	1	1	3	4				
---	---	---	---	---	--	--	--	--

S.E.C. Registration Number

			V	I	T	A	R	I	C	H		C	O	R	P	O	R	A	T	I	O	N						

( Company's Full Name )

M	A	R	I	L	A	O	-	S	A	N		J	O	S	E		R	O	A	D	,		S	T	A	.		
R	O	S	A		I	,		M	A	R	I	L	A	O	,		B	U	L	A	C	A	N					

( Business Address: No. Street City / Town / Province )

Atty. Mary Christine Dabu-Pepito
----------------------------------

Contact Person

(+632) 8843-30-33
-------------------

Company Telephone Number

1	2	-	3	1
---	---	---	---	---

Month Day

Fiscal Year

Integrated Annual Corporate  
Governance Report

SEC Form I-ACGR
-----------------

Form Type

Last Friday of  
August

0	8		
---	---	--	--

Month Day

--

Secondary License Type. If Applicable

--	--	--

Dept. Requiring this Doc.

--

Amended Articles Number / Section

--

Total No. of Stockholders

Total Amount of Borrowings

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

--	--	--	--	--	--	--	--	--	--

Document I. D.

\_\_\_\_\_  
LCU

\_\_\_\_\_  
Cashier

STAMPS									
--------	--	--	--	--	--	--	--	--	--



**SEC FORM – I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended **December 31, 2019**
2. SEC Identification Number **21134**
3. BIR Tax Identification No. **000-234-398-000**
4. Exact name of issuer as specified in its charter **VITARICH CORPORATION**
5. **BULACAN, PHILIPPINES**  
Province, Country or other jurisdiction of incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **MARILAO-SAN JOSE ROAD, STA. ROSA I, MARILAO, BULACAN**  
Address of principal office
- 3019**  
Postal Code
8. **(632) 8843-30-33 connecting all departments**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

# INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Please see pages 22 to 25 regarding Part III, Item 9 of the Company's SEC Form 17-A for 2019 posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	Page 5 of the Amended General Information Sheet ("Amended GIS") for 2019 posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf</a>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	Out of the 11 directors, only Directors Ricardo Manuel M. Sarmiento (CEO/President) and Stephanie Nicole S. Garcia (EVP & Corporate Management Services Director/ Treasurer) are Executive Directors of the Company.  Please see pages 22 to 25 regarding Part III, Item 9 of the Company's SEC Form 17-A for 2019 posted at	

		<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>  Pages 5 to 6 of the Amended GIS for 2019 posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf</a>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Please see page 7 regarding Part III, Section B.4. of the Amended Manual on Corporate Governance of the Company posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
2. Company has an orientation program for first time directors.	Compliant	Please see page 7 regarding Part III, Section B.4. of the Amended Manual on Corporate Governance of the Company posted at <a href="http://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">http://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>  Please note, however, that for the year 2019, there are no first-time directors. All the elected directors during the Annual General Meeting of the Stockholders on June 28, 2019 had served already for at least six (6) months to a year at the time of said election.	

<p>3. Company has relevant annual continuing training for all directors.</p>	<p>Compliant</p>	<p>The policy regarding the annual continuing training for all directors can be found in page 5 of the Amended Manual of Corporate Governance (<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>)</p> <p>For the year 2019, the annual continuing training for all directors was the in-house training on the Rules on Material Related Party Transactions, which was conducted on 19 July 2019. The training was conducted in-house as the Corporation focused on managing risks and impacts of the effects of the market oversupply of chicken.</p> <p>In addition, Directors Jose Vicente C. Bengzon, III (Chairman of the Board and member of the Audit, Risk Oversight, and Related Party Transactions Committee) and Vicente J.A. Sarza (Independent Director and Chairman of the Audit, Risk Oversight, and Related Party Transactions Committee), attended the SEC-provided training on the Rules on the IOSCO Audit Committee Best Practices and Material Related Party Transactions held sometime in July 2019.</p>	
--	------------------	---	--

1. Board has a policy on board diversity.	Compliant	<p>Please see page 5, Item III, Part A, paragraphs 1, 2, 4 of the Amended Manual on Corporate Governance of the Company posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>As can be seen in pages 22 to 25 regarding Part III, Item 9 of the Company's SEC Form 17-A for 2019 posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>, the Board is composed of one (1) female and ten (10) male directors, with diverse backgrounds and areas of expertise.</p>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	Page 26 regarding Part III, Item 9 of the Company's SEC 17-A for 2019	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>Page 5 of the Company's Amended GIS for 2019 posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.02.1">https://vitarich.com/sites/default/files/documents/disclosure/2020.02.1</a></p>	

		<a href="#">4amendedgis.pdf</a>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	For the year 2019, the annual continuing training for all key officers was the in-house training on the Rules on Material Related Party Transactions, which was conducted on 19 July 2019. The training was conducted in-house as the Corporation focused on managing risks and impacts of the effects of the market oversupply of chicken.	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	As a representative sample, please see attached printed copy of the Corporate Secretary's e-mail dated 16 August 2019 to the directors regarding notice of board meeting for 23 August 2019 and draft minutes of previous meeting.	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Page 26 regarding Part III, Item 9 of the Company's SEC 17-A for 2019 posted at	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
3. Compliance Officer is not a member of the board.	Compliant	Page 6 of the Company's Amended GIS for 2019 posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf</a>	

4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Please see attached Certificate of Participation re the 2019 Annual Listing and Disclosure Rules Seminar held on November 7-8, 2019, and Certificate of Participation to the Applied Sustainability Management in Asia Pacific (ASMAP) 2019 held on October 15-18, 2019 (<b>Annexes "A" and "B"</b>).</p> <p>While she has no copy of the Certificate of Attendance, she likewise attended the PSE-SEC Sustainability Reporting Workshop held on 07 June 2019 at the PSE.</p> <p>For the year 2019, the annual continuing training for all key officers was the in-house training on the Rules on Material Related Party Transactions, which was conducted on 19 July 2019. The training was conducted in-house as the Corporation focused on managing risks and impacts of the effects of the market oversupply of chicken.</p>	
<b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Please see pages 33 to 70 of the Information Statement posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf</a> , which shows, among others, the Board Resolutions approved by the Board of Directors	

		since the election of its members until end of 2019. Please also see the e-mail dated 16 August 2019 attached as <b>Annex "C"</b> .	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The results of the monthly operations of the Company are reported to the Board of Directors during its regular monthly meetings for the year 2019.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	In addition to this, from time to time, the different department heads of the Company report to the Board during the latter's regular meetings to update the Board on the various aspects of the Company's operations – from sales, supply chain, feeds quality, legal and research and development projects. However, the Company may not possibly attach or submit the relevant Minutes of the Board meetings because the said Minutes contain confidential information such as business strategies or trade secrets.	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<a href="https://vitarich.com/mission-vision-and-core-values">https://vitarich.com/mission-vision-and-core-values</a>	

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>The Company is conducting a monthly operations and sales meeting and a trimester performance review every year.</p> <p>The results of the monthly operations of the Company are being reported to the Board during its regular monthly meetings and, as mentioned above, from time to time, the different department heads of the Company report to the Board during the latter's regular meetings to update the Board on the various aspects of the Company's operations – from sales, supply chain, feeds quality, legal and research and development projects. However, the Company may not possibly attach or submit the relevant Minutes of the Board meetings because the said Minutes contain confidential information such as business strategies or trade secrets.</p>	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Pages 22 to 23 regarding Part III, Item 9 of the Company's SEC 17-A for 2019 posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>As regards the succession planning program for the directors, the Company adheres and follows Section 7, Article II of its By-Laws. Please see page 5 of</p>	

		<a href="https://vitarich.com/sites/default/files/documents/140964833358252100.pdf">https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>  With respect to the executive officers, the Company adheres and follows Section 20, Article IV of the By-Laws. Please see page 11 of <a href="https://vitarich.com/sites/default/files/documents/140964833358252100.pdf">https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>  As regards key officers and management, please see attached ( <b>Annex "D"</b> ).	
2. Board adopts a policy on the retirement for directors and key officers.	Non-Compliant as to Directors  Compliant as to Key Officers	As regards key officers, please see attached ( <b>Annex "E"</b> )	The recommendation on policy on retirement of directors cannot be complied with as it may be in conflict with the law providing that directors serve only for 1 year and are elected by the stockholders every year. Their re-election cannot be guaranteed. The directors are not considered as employees of the Company and the Board recognizes that, as mentioned, the directors serve only by election of the stockholders and their term of office is only for one year. The over-all principle that directors should know their fiduciary roles and rights are achieved through the orientation program for first-time directors where the rights and obligations of directors are discussed. It was made clear upon the directors that the Company has not adopted yet a policy on the retirement of the directors.
Recommendation 2.5			

1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Page 14 of the Amended Manual on Corporate Governance regarding duties and responsibilities of Nominations, Remunerations and Corporate Governance Committee posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>Pages 27 to 28 of Item 10, SEC Form 17-A posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p>Page 9, Section 12, Article II of the By-Laws posted at <a href="http://vitarich.com/sites/default/files/documents/140964833358252100.pdf">http://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a></p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.		Provide proof of board approval	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
<b>Recommendation 2.6</b>			

1. Board has a formal and transparent board nomination and election policy.	Compliant	Pages 15 and 26 of the Amended Manual on Corporate Governance regarding duties and responsibilities of	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Nominations, Remunerations and Corporate Governance Committee and Part VI posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanual</a>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">oncorporategovernance2017.pdf</a>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Page 5, Section 7, Article II and pages 23 to 26, Sections 41 to 51, Article XII of the Company's By-Laws posted at <a href="http://vitarich.com/sites/default/files/documents/140964833358252100.pdf">http://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>  Pages 17 to 19, Item 5 of the Information Statement posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf</a>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Non-Compliant		While there is no written policy yet regarding the assessment of effectiveness of the Board's processes in the nomination, election or replacement of a director, the Board reviewed and evaluated its nomination and election processes for the year 2019. In addition, the Company adheres and follows the processes set forth in the By-Laws, Amended Manual on Corporate Governance and existing laws and regulations to ensure transparency and to protect the integrity of the nomination and election processes.

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p>Page 15 of the Amended Manual on Corporate Governance regarding duties and responsibilities of Nominations, Remunerations and Corporate Governance Committee as provided in the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>In addition to this, the Company asks for and keeps the Curriculum Vitae of nominees and even incumbent directors to ensure that the Board has the right mix of competent and qualified directors.</p>	
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Page 13 regarding the Specific Duties and Functions of the Audit, Risk Oversight and Related Party Transactions Committee ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> )	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>See also functions of Audit, Risk Oversight and Related Party Transactions Committee posted at <a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>)</p> <p>Page 4, letters K and L regarding the definition of Related Party and Related Party Transactions in the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Pages 27 to 28 of SEC Form 17-A posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p>See also the Company's Related Party Transactions Policy at <a href="https://vitarich.com/sites/default/files/documents/disclosure/relatedpartytransactionspolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/relatedpartytransactionspolicy.pdf</a></p> <p>See the Material Related Party Transactions Policy at <a href="https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionspolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionspolicy.pdf</a></p>	
---	------------------	---	--

Supplement to Recommendations 2.7

1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	<p>Page 13 of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>See also the Company's Material Related Party Transactions Committee posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionspolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionspolicy.pdf</a></p>	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	<p>Part VI of the Material Related Party Transactions Policy on the Approval of Material Related Party Transactions posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionspolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionspolicy.pdf</a></p>	
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Page 10 of the Amended Manual on Corporate Governance regarding the duties and responsibilities of the directors posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>See Article IV of the By-Laws, pages 10 to 17 of <a href="http://vitarich.com/sites/default/files/documents/140964833358252100.pdf">http://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a></p> <p>Part III, Item 9 of SEC Form 17-A, page 22 of</p>	

		<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>  See also pages 3 to 4 of SEC 17-C on the Results of the Organizational Meeting of the Board of Directors held on June 28, 2019 ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a> )	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Pages 10 and 11 of the Amended Manual on Corporate Governance regarding duties and responsibilities of the directors ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> )	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Page 10, Item III, C.2.10 of the Amended Manual on Corporate Governance ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amended">https://vitarich.com/sites/default/files/documents/disclosure/amended</a>	

2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p><a href="#">manualoncorporategovernance2017.pdf</a>)</p> <p>In addition, the results of the monthly operations are reported to the Board of Directors during the latter's regular monthly meetings and, as mentioned above, the department heads make regular (twice a year at the minimum) reports to the Board of Directors.</p> <p>The Company likewise conducts a trimester review of the performance of each department.</p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Page 4, Letter H, Page 10, C.5, Item III and page 11, C.3.1, Item III of the Amended Manual on Corporate Governance	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>(<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>)</p> <p>See also the Company's Internal Audit Charter (<a href="https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf">https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf</a>)</p>	
3. Board approves the Internal Audit Charter.	Compliant	Page 10, C.2.12, Item III and Pages 20 to 22, Item V, Parts A and B of the Amended Manual on Corporate Governance ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedman">https://vitarich.com/sites/default/files/documents/disclosure/amendedman</a>	

		<a href="https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf">ualoncorporategovernance2017.pdf)</a> <a href="https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf">https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf</a> <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.08.23sec17-capprovalofauditcharterandappointmentofgrs.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.08.23sec17-capprovalofauditcharterandappointmentofgrs.pdf</a>	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Page 10, C.2.6, Item III and pages 22 to 23, Part V, C and D of the Amended Manual on Corporate Governance ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> )	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>  <a href="https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf">https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf</a>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Pages 5 to 15, Item III, Parts A to C of the Amended Manual on Corporate Governance ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> )	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
3. Board Charter is publicly available and posted on the company's website.	Compliant	Please note that the recommended contents of the Board Charter are in the above-mentioned pages of the Amended Manual on Corporate	

		Governance and per phone verification with SEC's Ms. Sheila Pañares last May 9, 2018, the Company need not have a separate Board Charter in order to be compliant with the recommendation IF the contents of the Board Charter are already in the Amended Manual on Corporate Governance.	
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	<p><a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationinsidertradingpolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationinsidertradingpolicy.pdf</a></p> <p>Pages 19 to 20, Part IV A of the Amended Manual on Corporate Governance (<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>)</p> <p>In addition, the Compliance Officer/Corporate Information Officer or the Alternate Corporate Information Officer reminds and informs the directors and officers by way of announcements during Board meetings, e-mails, SMS messages that they are not supposed to trade shares for 2 to 3 trading days (black-out period), as the case may be, specifying the dates, whenever the Company discloses a material information as required under the SRC Code and Implementing Rules.</p>	

Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>Please see page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-resultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-resultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a></p> <p>See also <a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p>	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p><a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p> <p>As can be seen in paragraph 10, the Audit, Risk Oversight and Related Party Transactions Committee is responsible for the recommendation of the appointment and removal of the Company's external auditor.</p>	

<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant as to at least 3 non-executive directors and that Chairman is independent</p> <p>Non-Compliant as to majority should be independent</p>	<p><a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p> <p>Please see page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a></p> <p>Pages 22 to 25, Part III, Item 9 of SEC 17-A  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	<p>Please note, however, that while all the members are non-executive directors and that the chairman of the committee is an independent director, the majority is not an independent because there are only two independent directors and the committee has seven members.</p> <p>The over-all principle is still being achieved by the directors' freedom and ability to give insights and inputs to further improve the Company's performance. All non-executive directors are treated as independent directors.</p>
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>Please see page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a></p> <p>Pages 22 to 25, Part III, Item 9 of SEC 17-A  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingand">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingand</a></p>	

		<a href="#">organizationalmeeting2018.pdf</a> <a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Paragraph 7 of <a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>  Pages 21 to 22 regarding External Audit Fees and Services and Audit, Risk Oversight and Related Party Transactions Committee ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a> )	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	For 2019, the Audit Committee held meetings with the external auditor on 25 March 2019 and 08 April 2019. None of the members of the management team was present during said meetings.	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	See <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.08.23sec17-approvalofauditcharterandappointmentofgrs.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.08.23sec17-approvalofauditcharterandappointmentofgrs.pdf</a>	

### Recommendation 3.3

<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	<p>Compliant</p>	<p>Page 4 of  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a>   <a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>   Pages 11 to 13 of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant as to number of members</p> <p>Non-compliant as to all should be independent directors</p>	<p>Page 4 of  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a>   <a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>   Pages 22 to 25, Part III, Item 9 of SEC 17-A  (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p>	<p>Please note, however, that not all members are independent because the committee has seven members.</p> <p>The over-all principle is still being achieved by the directors' freedom and ability to give insights and inputs to further improve the Company's performance. Also, all non-executive directors are treated the same way as independent directors are treated.</p>

3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>  Page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a>  Page 24 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>  Please see page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a>	

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant as to at least 3 members and that Chairman is independent</p> <p>Non-Compliant as to majority should be independent</p>	<p><a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p> <p>Please see page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a></p> <p>Pages 22 to 25, Part III, Item 9 of SEC 17-A  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	<p>Please note, however, that while all the members are non-executive directors and that the chairman of the committee is an independent director, the majority is not an independent because there are only two independent directors and the committee has seven members.</p> <p>The over-all principle is still being achieved by the directors' freedom and ability to give insights and inputs to further improve the Company's performance. All non-executive directors are treated as independent directors.</p>
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a></p> <p><a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p>	
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>	<p>Page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a></p> <p>Pages 22 to 25, Part III, Item 9 of SEC</p>	

		17-A ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a> )	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>  Please see page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>  Please see page 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a>  Pages 22 to 25, Part III, Item 9 of SEC 17-A ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a> )	

**Recommendation 3.6**

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	<p><a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p> <p>Pages 11 to 15, Part III C.3. of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Please note that the recommended contents of the Board Charter are in the above-mentioned pages of the Amended Manual on Corporate Governance and per phone verification with SEC's Ms. Sheila Pañares last May 9, 2018, the Company need not have a separate Board Charter in order to be compliant with the recommendation IF the contents of the Board Charter are already in the Amended Manual on Corporate Governance.</p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-Compliant		<p>The Code of Corporate Governance for PLCs did not provide for standards or parameters for evaluating performance of the Committees.</p> <p>The over-all principle is still being achieved by having regular committee meetings and adhering strictly to the functions set forth for each committee in the Amended Manual on Corporate Governance. Also, while there is no standards indicated in the committee charters, the Board evaluates the</p>

			performance of the Committees by looking into and assessing the attendance of the members in the meetings, participation of the members in the discussions, the resolutions/decisions that each committee make, the frequency of the meetings, as well as the benefits derived by the Company from each committee's decisions/resolutions.
3. Committee Charters were fully disclosed on the company's website.	Compliant	<a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a>  Pages 11 to 15, Part III C.3. of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
<b>Principle 4:</b> To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
<b>Recommendation 4.1</b>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Pages 7 and 8, Part III, B.4 of the Amended Manual on Corporate Governance ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> )  For the year 2019, all directors were present during the regular meetings of the Board of Directors held on January 23, 2019, February 14, 2019, April 26, 2019, May 16, 2019, June 28, 2019, July 19, 2019, August 23, 2019,	

		<p>September 20, 2019, November 15, 2019 and December 17, 2019 as well as during the organizational meeting of the Board of Directors held on June 28, 2019.</p> <p>During the regular meetings of the Board of Directors on March 20, 2019 and October 10, 2019, ten (10) out of the eleven (11) directors were present. On the other hand, during the regular meeting of the Board of Directors held on April 8, 2019 and special meeting held on October 29, 2019, seven (7) out of eleven (11) directors were present.</p> <p>As regards the attendance of the directors during the Annual General Meeting of the Stockholders held on June 28, 2019, please see page 2 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/vcminutesa gm28june2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vcminutesa gm28june2019.pdf</a></p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>The Minutes of previously held meetings are sent to the directors by e-mail at least 3 to 5 days before the scheduled meeting for them to review the same.</p> <p>Please see <b>Annex "C"</b>.</p>	

3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	The background, nature, and purpose of every resolution is sent to the Board at least 3 to 5 days prior to the meeting. Before and during the meeting, the directors, prior to approving a particular resolution, asks more details from the proponent as to the purpose or consequences/effects of the resolution if necessary. An example would be that during the meeting held on 23 August 2019, the directors clarified certain matters as regards the Material Related Transactions Policy and Internal Audit Charter prior to approving the same (See <b>Annex "C"</b> ).	
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Second paragraph, page 8 of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>  Pages 22 to 25, Part III, Item 9 of SEC 17-A ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a> )	
<b>Recommendation 4.3</b>			

1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>Please see page 8 on Item III, B.4. of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Please note, however, that for the year 2019, none of the directors accepted a directorship in another company except in the company where they concurrently serve as incumbent directors and were only re-elected as such directors. There was no need to inform the Board prior to accepting such position because the same had already been disclosed to the Board prior to the re-election.</p>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meet at least six times during the year.	Compliant	The Board of Directors held twelve (12) regular meetings, one (1) organizational meeting, and one (2) special meeting for the year 2019. They dates of the meetings	

		<p>were as follows:</p> <ol style="list-style-type: none"><li>1. January 23, 2019</li><li>2. February 14, 2019</li><li>3. March 20, 2019</li><li>4. April 8, 2019 (special)</li><li>5. April 26, 2019</li><li>6. May 16, 2019</li><li>7. June 28, 2019 (regular)</li><li>8. June 28, 2019 (organizational)</li><li>9. July 19, 2019</li><li>10. August 23, 2019</li><li>11. September 20, 2019</li><li>12. October 10, 2019</li><li>13. October 29, 2019 (special)</li><li>14. November 15, 2019</li><li>15. December 17, 2019</li></ol> <p>Please see pages 25 to 32 of the Definitive Information Statement regarding the resolutions approved by the Board in its various meetings from January 2019 up to March 2019 (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf</a>)</p> <p>Please also see <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.04.08sec17-capprovalof2018auditedfs.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.04.08sec17-capprovalof2018auditedfs.pdf</a>, <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.04.26sec17-cresignationandappointmentoffthand">https://vitarich.com/sites/default/files/documents/disclosure/2019.04.26sec17-cresignationandappointmentoffthand</a></p>	
--	--	--	--

		<a href="#">atty.velasco.pdf</a> , and <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17resultssofarannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17resultssofarannualgeneralmeetingandorganizationalmeeting2018.pdf</a> for proof of April and June 2019 meetings.  Please see pages 33 to 70 of the Amended Definitive Information Statement regarding the resolutions approved by the Board in its various meetings from July 2019 up to December 2019 ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf</a> )	
5. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	

**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs

**Recommendation 5.1**

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant		<p>Out of the eleven (11) directors, only two (2) are independent.</p> <p>The reason for this was because during the last Annual General Meeting of the Stockholders, only eleven (11) directors were nominated to be elected. Out of these 11 nominees, only two were nominated as independent directors and 9 were nominated as regular directors.</p> <p>The independence of the Board is still</p>
--	---------------	--	--

			achieved because each director act independently from each other. Each director participates in each and every discussion and gives his/her insights and even dissents on a particular matter. Each director is able to objectively perform his/her functions as a director. Moreover, all non-executive directors are treated and act as independent directors even if they are not labeled as "independent director".
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Pages 9 and 10 of Definitive Information Statement 2019  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf</a></p> <p>Part 3 Item 9 of the Annual Report for 2019, pages 24 to 25 of  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<p>Pages 24 to 26, Part VI of the Amended Manual on Corporate Governance posted at  <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Please also see the Company's By-Laws at  <a href="http://vitarich.com/sites/default/files/documents/140964833358252100.pdf">http://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a></p>	
<b>Recommendation 5.3</b>			

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Pages 259-262 of the 2019 Definitive Information Statement ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf</a> )	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Page 9 of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p>Page 9 of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>However, please note that as of 2019, there was no need yet to justify the re-election of the independent directors because they have not yet exhausted the maximum term of 9 years.</p>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Jose Vicente C. Bengzon III- Chairman of the Board Ricardo Manuel M. Sarmiento- Chief Executive Officer</p> <p><a href="https://vitarich.com/board-directors">https://vitarich.com/board-directors</a></p> <p>Page 6 of the Amended General Information Sheet for 2019</p>	

		( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf</a> )	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Pages 15 to 16 and 18 of the Amended Manual on Corporate Governance posted at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	<p>Compliant – Chairman is not an independent director</p> <p>Non-Compliant – board designates a lead director among the independent directors</p>	<p>Page 6 of the Amended General Information Sheet for 2019 (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14amendedgis.pdf</a>)</p>	<p>There is no necessity for a lead director because there are only two independent directors and each independent director chairs only one (1) committee.</p> <p>The over-all principle is still being achieved because both independent directors have different fields of expertise – one is expert in accounting and one is expert in marketing – thus, their opinions or inputs on different matters affecting the Company are all geared to further improving the Company.</p>
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Please see attached copy of Secretary's Certificate on Resolution No. 2019-67 ( <b>Annex "F"</b> )	
<b>Recommendation 5.7</b>			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant		The non-executive directors were unable to meet separately with the auditors and those in-charge with compliance and risks because to do so would be redundant and unnecessary anymore considering that the members of the Audit, Risk Oversight and Related Party Transactions Committee are all non-executive directors already. Moreover, the Board assessed that having different meetings with the same agenda would be inefficient. The alternative measure is that the members of the Audit, Risk Oversight and Related Party Transactions Committee are all non-executive directors. In addition, the committees are both chaired by independent directors.
2. The meetings are chaired by the lead independent director.	Non-Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant		Apart from attendance and participations in the discussions during meetings, the Board has not yet institutionalized its self-assessment process as the Code of Corporate Governance did not provide specific parameters to be used in evaluation of the Board's performance.
2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		
3. The individual members conduct a self-assessment of their performance.	Non-Compliant		
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		As an alternative, as mentioned above, the Board and its directors check their attendance and participations in the

5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		discussions during meetings from time to time, the efficiency of its own processes of approval, and give, from time to time, inputs on how they can better monitor the performance of the Company, management and personnel and regularly tries different means and methods of monitoring the performance of the Company, management and personnel.
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-Compliant		Apart from attendance and participations in the discussions during meetings, the Board has not yet institutionalized its self-assessment process as the Code of Corporate Governance did not provide specific parameters to be used in evaluation of the Board's performance.
2. The system allows for a feedback mechanism from the shareholders.	Non-Compliant		As an alternative, as mentioned above, the Board and its directors check their attendance and participations in the discussions during meetings from time to time, the efficiency of its own processes of approval, and give, from time to time, inputs on how they can better monitor the performance of the Company, management and personnel and regularly tries different means and methods of monitoring the performance of the Company, management and personnel.
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf</a>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Code and any updates were disseminated to the directors through orientation right after election as member of the Board of Directors and updates during board meetings. As regards senior management and employees, the same were disseminated through pre-employment orientation.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf</a>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcodeofbusinessandethics.pdf</a>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Everyone is required to comply. The Company ensures strict implementation of our rules and	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	regulations pertaining to violations of any provisions of any code of business conduct and ethics. However, we may not possibly attach a proof because the records pertain to confidential information.	
---	-----------	---	--

### Disclosure and Transparency

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

#### Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>Page 19 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p><a href="https://vitarich.com/disclosures/sec-filings">https://vitarich.com/disclosures/sec-filings</a></p> <p><a href="https://vitarich.com/disclosures/notice-annual-stockholders-meetings">https://vitarich.com/disclosures/notice-annual-stockholders-meetings</a></p> <p><a href="https://vitarich.com/disclosures/minutes-general-special-stockholders-meetings">https://vitarich.com/disclosures/minutes-general-special-stockholders-meetings</a></p> <p><a href="https://vitarich.com/disclosures/other-disclosures-sec-pse-and-other-pertinent-agencies">https://vitarich.com/disclosures/other-disclosures-sec-pse-and-other-pertinent-agencies</a></p> <p><a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationinsidertradingpolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationinsidertradingpolicy.pdf</a></p>	
--	-----------	--	--

#### Supplement to Recommendations 8.1

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Non-Compliant as to Annual Report  Compliant as to Quarterly Report	Quarterly reports containing interim financial statements are published within 45 days from end of reporting period or within the requested period of extension, which is usually 5 days.	As regards the Annual Report containing the consolidated financial statements, the same is usually published more than 90 days from end of reporting period because the same are usually completed and approved every April of the succeeding year.
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	Please see pages 31 to 36 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-final.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-final.pdf</a>	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Page 19 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendmentmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendmentmanualoncorporategovernance2017.pdf</a>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationinsidertradingpolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationinsidertradingpolicy.pdf</a>	
<b>Supplement to Recommendation 8.2</b>			

<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>Page 19 of  <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p><a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationinsidertradingpolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationinsidertradingpolicy.pdf</a></p> <p>Pages 33 to 35 of  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p><a href="https://vitarich.com/disclosures/sec-filings/sec-form-23-ab-statement-beneficial-ownership">https://vitarich.com/disclosures/sec-filings/sec-form-23-ab-statement-beneficial-ownership</a></p> <p><a href="https://vitarich.com/disclosures/other-disclosures/sec-pse-and-other-pertinent-agencies/list-top-100-stockholders">https://vitarich.com/disclosures/other-disclosures/sec-pse-and-other-pertinent-agencies/list-top-100-stockholders</a></p>	
<p><b>Recommendation 8.3</b></p>			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Pages 22 to 25 of  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p>Pages 18 to 21 of  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf</a></p>	

2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>Pages 25 to 27 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p>Pages 21 to 23 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf</a></p>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p>Page 19 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Page 9, Section 12, Article II of the By-Laws (<a href="http://vitarich.com/sites/default/files/documents/140964833358252100.pdf">http://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>)</p> <p>Pages 27 to 28 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>Page 19 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Pages 27 to 28 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	

		02019sec17-afinal.pdf	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Pages 27 to 28 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Pages 13 and 19 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>  <a href="https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionsolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionsolicy.pdf</a>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Pages 30 to 31 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>  A copy of the Advisement Report is attached as <b>Annex "G"</b> .	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	See Amended Manual on Corporate Governance at <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	

		See also Material Related Party Transactions Policy at <a href="https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionsolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionsolicy.pdf</a> . See also <b>Annexes “F” to “G”</b> .	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.		Provide link or reference where this is disclosed, if any	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Page 19 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>  <a href="https://vitarich.com/disclosures/sec-filings/sec-form-17-c-current-report">https://vitarich.com/disclosures/sec-filings/sec-form-17-c-current-report</a>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant as to material related party transactions  Non-Compliant as to non-material related party transactions and to non-related party transactions	Pages 3 and 4 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionsolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionsolicy.pdf</a>  Please note that only material related transactions need to have the assessment of the transaction price on the acquisition or disposal of assets.  For the year 2019, there is no material related transaction relative to the assets of the company.	With respect to non-material related party transactions and non-related party transactions, to appoint an independent third party to evaluate the fairness of the transaction price of every disposition or acquisition of assets would hamper and hinder the business operations of the Company as it will add longer time before a transaction is consummated.  As an alternative, the Company uses the zonal and fair market values of the asset to be disposed or acquired in evaluating the transaction price. It looks at the transaction price of the adjacent properties, as well as location and accessibility of asset (if real

			property) prior to purchasing and/or disposing of the property.
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Please see pages 17 to 28 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Please see attached copy of the Amended Manual on Corporate Governance with stamped received by SEC and PSE ( <b>Annex "H"</b> )	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives			

b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.		Provide link or reference to where this is contained in the Annual Report	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.		Provide link or reference to where this is contained in the Annual Report	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.		Provide link or reference to where this is contained in the Annual Report	

5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).		Provide link or reference to where these are contained in the Annual Report	
<b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<p>Please see pages 12 and 20 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Pages 25 to 26 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	During the Annual General Meeting of the Stockholders held on June 28, 2019, 73.47% of the stockholders ratified the appointment of the external auditor. See <a href="https://vitarich.com/sites/default/files/documents/disclosure/vcminutesagm28june2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vcminutesagm28june2019.pdf</a>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	While there is an existing policy to this effect (please see page 20 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> ), the Company need not disclose any removal of external auditor for the year 2019 because the external	

		auditor that was appointed during the Annual General Meeting held on June 28, 2019 was the same external auditor appointed during the Annual General Meeting held on June 29, 2018. See <a href="https://vitarich.com/sites/default/files/documents/disclosure/vcminutesagm28june2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vcminutesagm28june2019.pdf</a> and <a href="https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29minutesofannualgeneralmeeting.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2018.06.29minutesofannualgeneralmeeting.pdf</a>	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>While there is no more written policy as regards the rotation of the lead audit partner because the Code of Corporate Governance for PLCs no longer required this, the Company still complied with this because this is a requirement under SRC Rule 68, paragraph 3(b)(iv). Since this is a provision of law, it is deemed written into the Amended Manual on Corporate Governance.</p> <p>Page 21 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	
<b>Recommendation 9.2</b>			

1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	<p>Please see pages 11 to 12 and 20 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Pages 21 to 22 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p><a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
<b>Supplement to Recommendations 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	<p>Please see pages 11 to 12 and 20 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Pages 21 to 22 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p><a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	<p><a href="https://vitarich.com/corporate-governance/board-committees">https://vitarich.com/corporate-governance/board-committees</a></p>	

Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Page 21 on External Audit Fees and Services of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Pages 21 to 22 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>  Page 12 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Page 21 on External Audit Fees and Services of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
Additional Recommendation to Principle 9			

1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>The Company's External Auditor's details are as follows:</p> <ol style="list-style-type: none"> <li>1. Name of the audit engagement partner – Mr. Roel E. Lucas;</li> <li>2. Accreditation number – 1079-AR-3 (Group A);</li> <li>3. Date Accredited – October 17, 2019;</li> <li>4. Expiry date of accreditation – October 16, 2022; and</li> <li>5. Name, address, contact number of the audit firm – Sycip Gorres Velayo &amp; Co. / 6760 Ayala Ave., Makati City/ 891-0307</li> </ol> <p>See Consolidated Audited Financial Statements as attached to the Annual Report (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Non-Compliant		SGV was subjected to SOAR last November 12 to 23, 2018.
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>Page 20 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> (Item IV, C of the Amended Manual on Corporate Governance)</p> <p>Pages 7 to 13 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p>Please see the Company's 2019 Sustainability Report for 2019 as attached to and submitted together with the Annual Report (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>The Company adopted the SEC's framework for PLCs as the same was based on several globally recognized standard/framework in sustainability reporting.</p> <p>Please see the Company's 2019 Sustainability Report for 2019 as attached to and submitted together with the Annual Report (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p>	
<b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			

Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Non-Compliant		<p>For 2019, the Company deemed it unnecessary to hold media and analysts' briefings as it focused on its business operations as well as in managing the effects of the market oversupply of chicken.</p> <p>As an alternative measure, the Company communicated its public, material, and relevant information to its shareholders and other investors through the timely disclosures it made in the PSE Edge (<a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=28">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=28</a>) and through the following channels:</p> <p>Website: <a href="https://vitarich.com">https://vitarich.com</a></p> <p>Quarterly reports: <a href="https://vitarich.com/disclosures/sec-filings/sec-form-17-q-quarterly-report">https://vitarich.com/disclosures/sec-filings/sec-form-17-q-quarterly-report</a></p> <p><a href="https://vitarich.com/disclosures/sec-filings/sec-form-17-c-current-report">https://vitarich.com/disclosures/sec-filings/sec-form-17-c-current-report</a></p>
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	<a href="https://vitarich.com">https://vitarich.com</a>	
a. Financial statements/reports (latest quarterly)	Compliant	<p>See the Consolidated Audited Financial Statement attached to <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p><a href="https://vitarich.com/disclosures/sec-filings/sec-form-17-q-quarterly-report">https://vitarich.com/disclosures/sec-filings/sec-form-17-q-quarterly-report</a></p>	

		<a href="https://vitarich.com/disclosures/other-disclosures-sec-pse-and-other-pertinent-agencies/general-form-financial-statements">https://vitarich.com/disclosures/other-disclosures-sec-pse-and-other-pertinent-agencies/general-form-financial-statements</a>	
b. Materials provided in briefings to analysts and media	Non-Compliant		<p>As mentioned above, for 2019, the Company deemed it unnecessary to hold media and analysts' briefings as it focused on its business operations as well as in managing the effects of the market oversupply of chicken.</p> <p>Moreover, the the Company communicated its public, material, and relevant information to its shareholders and other investors through the timely disclosures it made in the PSE Edge (<a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=28">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=28</a>) and through the following channels:</p> <p>Website: <a href="https://vitarich.com">https://vitarich.com</a></p> <p>Quarterly reports: <a href="https://vitarich.com/disclosures/sec-filings/sec-form-17-q-quarterly-report">https://vitarich.com/disclosures/sec-filings/sec-form-17-q-quarterly-report</a></p> <p><a href="https://vitarich.com/disclosures/sec-filings/sec-form-17-c-current-report">https://vitarich.com/disclosures/sec-filings/sec-form-17-c-current-report</a></p>
c. Downloadable annual report	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	

d. Notice of ASM and/or SSM	Compliant	<a href="https://vitarich.com/disclosures/notice-annual-stockholders-meetings">https://vitarich.com/disclosures/notice-annual-stockholders-meetings</a>	
e. Minutes of ASM and/or SSM	Compliant	<a href="https://vitarich.com/disclosures/minutes-general-special-stockholders-meetings">https://vitarich.com/disclosures/minutes-general-special-stockholders-meetings</a>	
f. Company's Articles of Incorporation and By-Laws	Compliant	<a href="https://vitarich.com/sites/default/files/images/amended_articles_of_inc._2018.pdf">https://vitarich.com/sites/default/files/images/amended_articles_of_inc._2018.pdf</a>  <a href="https://vitarich.com/sites/default/files/documents/140964833358252100.pdf">https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<a href="https://vitarich.com">https://vitarich.com</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>Internal Audit Programs/Control Systems:</p> <p>Inventory Management Compliance – quarterly compliance</p> <p>Production Maintenance Compliance – predetermined compliance date</p> <p>Proper Warehousing and QA process compliance – predetermined compliance date</p> <p>Farm Audit Compliance – predetermined compliance date</p> <p>AR validation for big accounts – predetermined compliance date</p>	

		<p>Cash Count – monthly</p> <p>Review of payment requisition, petty cash voucher and cash advances – monthly</p> <p>Review of Haulers contract – yearly</p> <p>Yearend inventory audit compliance – yearly</p> <p>Risk Base Audit – as scheduled</p> <p>Policy review – as scheduled</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p><a href="https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf">https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf</a></p> <p>Pages 11 to 12 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p>	
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	<p><a href="https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf">https://vitarich.com/sites/default/files/documents/enterprise_risk_management.pdf</a></p> <p>Pages 9 to 12 and 32 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p>Pages 93 to 94 on Corporate Governance disclosed in <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf</a></p>	

Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.		Provide information on IT governance process	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p>Internal audit is in-house.</p> <p>Page 28 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a></p> <p>Pages 93 to 94 on Corporate Governance disclosed in <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.08.14amendeddefinitiveinformationstatement2020.pdf</a></p> <p><a href="https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf">https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf</a></p> <p><a href="https://vitarich.com/officers">https://vitarich.com/officers</a></p> <p><a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.08.23sec17-approvalofauditcharterandappointmentofgrs.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.08.23sec17-approvalofauditcharterandappointmentofgrs.pdf</a></p>	
Recommendation 12.3			

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<a href="https://vitarich.com/officers">https://vitarich.com/officers</a>  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.08.23sec17-capprovalofauditcharterandappointmentofgrs.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.08.23sec17-capprovalofauditcharterandappointmentofgrs.pdf</a>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf">https://vitarich.com/sites/default/files/documents/disclosure/internalauditcharter.pdf</a>  See pages 19 to 20 on the duties of the CAE as disclosed in <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.			
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant		While the Company's Amended Manual on Corporate Governance provided that the Company may establish a separate risk management function (please see pages 20 to 21 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> ), per the Company's assessment, it need not establish yet a separate risk management office in 2019.

			As an alternative, risks are managed, monitored and reviewed by the Company's internal audit function and the Audit, Risk Oversight and Related Party Transactions Committee and Ms. Carmen Policarpio, QA Manager, who manages, monitors and reviews production process and quality issues.
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Non-Compliant		<p>While the Company's Amended Manual on Corporate Governance provided that the Company may establish a separate risk management function (please see pages 20 to 21 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>), per the Company's assessment, it need not establish yet a separate risk management office in 2019.</p> <p>As an alternative, risks are managed, monitored and reviewed by the Company's internal audit function and the Audit, Risk Oversight and Related Party Transactions Committee and Ms. Carmen Policarpio, QA Manager, who manages, monitors and reviews production process and quality issues.</p>
<b>Recommendation 12.5</b>			

1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-Compliant		While the Company's Amended Manual on Corporate Governance provided that the Company may establish a separate risk management function (please see pages 20 to 21 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> ), per the Company's assessment, it need not establish yet a separate risk management office in 2019.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		As an alternative, risks are managed, monitored and reviewed by the Company's internal audit function and the Audit, Risk Oversight and Related Party Transactions Committee and Ms. Carmen Policarpio, QA Manager, who manages, monitors and reviews production process and quality issues.
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-Compliant		There is no law requiring such attestation. As an alternative, the CAE reported to the Audit, Risk Oversight and Related Party Transactions Committee its audit findings and recommendations which the said committee, in turn, reported to the Board of Directors. Such report was made basis by the CEO and the management team in making adjustments to the Company's operations and policies.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Pages 21 to 24, Item VI of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amen dedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amen dedmanualoncorporategovernance2017.pdf</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant		
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	<p>Page 3, Section 5, Article I of the By-Laws (<a href="https://vitarich.com/sites/default/files/documents/140964833358252100.pdf">https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>)</p> <p>Page 15 of SEC Form 17-A (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>As can be seen in page 4 of the Company's GIS for 2019 (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14am endedgis.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.02.14am endedgis.pdf</a>), all shares of the Company are common shares and all shares are entitled to vote.</p> <p>Page 15 of SEC Form 17-A (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Pages 3, 23 to 28 of the By-Laws (<a href="https://vitarich.com/sites/default/files/documents/140964833358252100.pdf">https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>)</p> <p>Pages 32 to 33 of <a href="https://vitarich.com/sites/default/file">https://vitarich.com/sites/default/file</a></p>	

		s/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p>Pages 3, 23 to 28 of the By-Laws (<a href="https://vitarich.com/sites/default/files/documents/140964833358252100.pdf">https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>)</p> <p>Pages 32 to 33 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf</a></p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>Section 2, Article 1 of the By-Laws, page 1 of <a href="https://vitarich.com/sites/default/files/documents/140964833358252100.pdf">https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a></p> <p>Item VI, part 4 of the Amended Manual on Corporate Governance, page 25 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Item VI of the Amended Manual on Corporate Governance, pages 24 to 26 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>	

7. Company has a transparent and specific dividend policy.	Compliant	<p>Item VI, part 5 of the Amended Manual on Corporate Governance, page 25 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>Section 36 Article VI page 21 of the By-Laws (<a href="https://vitarich.com/sites/default/files/documents/140964833358252100.pdf">https://vitarich.com/sites/default/files/documents/140964833358252100.pdf</a>)</p> <p>The Company has not declared dividends since 1996.</p>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	<p>Compliant (electronic copies)</p> <p>Non-Compliant (printed copies)</p>	<p>The notice and agenda for the Annual General Meeting of the Stockholders held last June 28, 2019 were announced via PSE and the Company's website on April 26, 2019.</p> <p>Please see page 2 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf</a></p>	<p>Since the Company was able to submit its Definitive Information Statement on May 31, 2019, it was able to distribute the printed copies of the Notice and Information Statement during the 1<sup>st</sup> week of June, which was shorter than 28 days. However, the Company complied with the SRC requirement to notify the shareholders at least 15 business days prior to the meeting.</p>
<b>Supplemental to Recommendation 13.2</b>			

1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf</a>	
b. Auditors seeking appointment/re-appointment	Compliant		
c. Proxy documents	Compliant		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.05.31definitiveinformationstatement2019.pdf</a>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/vcminutesagm28june2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vcminutesagm28june2019.pdf</a>  <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.06.28sec17-cresultsofannualgeneralmeetingandorganizationalmeeting2018.pdf</a>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<a href="https://vitarich.com/sites/default/files/documents/disclosure/vcminutesagm28june2019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vcminutesagm28june2019.pdf</a>	
Supplement to Recommendation 13.3			

1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The Company's external auditor, Sycip Gorres Velayo & Co., as well as the key officers of the Company, were present during the Annual General Meeting of the Shareholders held last June 28, 2019.	
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Please see Item VI, part 7 of the Amended Manual on Corporate Governance ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> )	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Please see Item VI, part 7 of the Amended Manual on Corporate Governance ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> )	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-Compliant		Considering that per experience, very few shareholders call the Company for inquiries and there were also only very instances when Company receives inquiries, the Board did not establish yet a separate Investor Relations Office.
2. IRO is present at every shareholder's meeting.	Non-Compliant		As an alternative, the Board opted to continue with the present practice for the Company's Corporate Information and Alternate Corporate Information Officers to

			<p>perform the functions of an Investor Relations Officer. Any or both of these officers answer any and all questions from shareholders. Furthermore, all material information are immediately communicated to the shareholders via the PSE Edge and the Company's website.</p> <p>Kindly see <a href="https://vitarich.com/sites/default/files/documents/investor_relation_programs_0.pdf">https://vitarich.com/sites/default/files/documents/investor_relation_programs_0.pdf</a></p>
--	--	--	---

#### Supplemental Recommendations to Principle 13

1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Board adopts complete and full compliance with laws, rules, and regulations relative to the conduct of its business. It also adheres to substantial compliance of the recommended good governance best practices.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		<p>Public float as of December 31, 2019 is 26.22%.</p> <p>The Company complies with the minimum public float under the SRC.</p>

#### Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	

#### Duties to Stakeholders

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

#### Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>Item VII, Parts A and B of the Amended Manual on Corporate Governance (<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>)</p> <p>Pages 7 to 11 of the Annual Report (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p> <p>See also Sustainability Report attached to the Annual Report (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p> <p>Please also see <a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf</a></p>	
---	-----------	---	--

#### Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>Item VII, Parts A and B of the Amended Manual on Corporate Governance (<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>)</p> <p>Pages 10 to 11 of the Annual Report</p>	
---	-----------	---	--

		<p>(<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p> <p>See also Sustainability Report attached to the Annual Report (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>)</p> <p>Please also see <a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf</a></p>	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>Employees, Suppliers, Customers, and other Business Partners may redress their grievances through Ms. Lilibeth R. Carao, HRAD Manager and Control and Compliance Officer Contact No. 09188482184</p> <p>Investors and other stakeholders may communicate their grievances through Atty. Mary Christine C. Dabu-Pepito or Ms. Alicia G. Danque, the Compliance Officer/Corporate Information Officer and Alternate Corporate Information Officer, respectively. Contact Nos. 09255121013 and 09188482800</p> <p>The Company's whistle-blowing policy may be found in Item VII, Part B of the Amended Manual on Corporate Governance, page 27 of</p>	

		<p><a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a></p> <p>See also Item IX of the Material Related Party Transactions Policy on whistle blowing mechanism regarding related party transactions <a href="https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionsolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/materialrelatedpartytransactionsolicy.pdf</a></p> <p>As regards whistle blowing process on grievances of employees and other stakeholders, while the same has not yet been institutionalized in writing, the Corporation, in practice, has whistle blowing processes to allow stakeholders to communicate timely and without fear their grievances.</p>	
<b>Supplement to Recommendation 14.3</b>			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	As regards the employees, the Company follows the two notices and a hearing required by the existing labor laws and regulations in addressing grievances of employees. As regards third parties, the Company talks to and/or enters into compromise agreements with concerned persons to thresh out issues or disagreements.	
<b>Additional Recommendations to Principle 14</b>			

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	Please see <a href="https://vitarich.com/sites/default/files/documents/disclosure/2019.05.14secform17-lforq12019.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2019.05.14secform17-lforq12019.pdf</a> for an instance when the Company requested for extension from submission of the Quarterly Report for the period ended on March 31, 2019. This is akin to an exemption from compliance with the due date as the Company requested for extension.	
2. Company respects intellectual property rights.	Compliant	To show the Company's respect for and high regard to intellectual property rights, it registered its devices and logos with the Intellectual Property Office.  Please see page 8 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	

**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

**Recommendation 15.1**

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Item VII, Part B of the Amended Manual on Corporate Governance ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a> )  Please also see <a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf</a> and <b>Annexes "I" and "J"</b> on the programs, procedures and trainings conducted for employees in 2019.	
--	-----------	---	--

**Supplement to Recommendation 15.1**

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Please see attached ( <b>Annex "K"</b> ) regarding the Company's Merit System	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Please see <b>Annexes "L" and "M"</b>	
3. Company has policies and practices on training and development of its employees.	Compliant	Please see <b>Annexes "N" and "O"</b>	

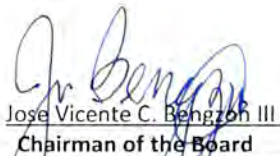
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>See Item VII, Part B of the Amended Manual on Corporate Governance (<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>)</p> <p>Also, as discussed in the Sustainability Report attached to the Annual Report (<a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a>), the anti-corruption policy is limited to prohibition on conflict of interest for now.</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The board disseminated the policy and program to employees through the HR Department, who in turn conducts orientation and updates to employees.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Item VII, Part B of the Amended Manual on Corporate Governance (<a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>)</p> <p>Please also see <a href="https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf">https://vitarich.com/sites/default/files/documents/disclosure/vitarichcorporationcompanypolicy.pdf</a></p>	

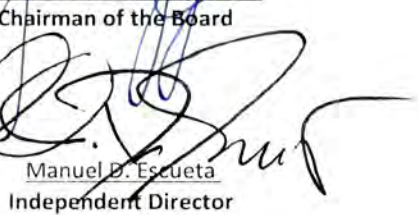
		As discussed in the Sustainability Report, while there is no written anti-corruption policy other than the conflict of interest provision, the Company, in practice, prohibits the same and complies with the procedures required by existing labor laws, rules and regulations in case of violation of the Company's policies.	
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Item VII, Part B of the Amended Manual on Corporate Governance, page 27 of <a href="https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf">https://vitarich.com/sites/default/files/documents/disclosure/amendedmanualoncorporategovernance2017.pdf</a>  Please also see <a href="https://vitarich.com/sites/default/files/documents/disclosure/whistle-blowingpolicy_1.pdf">https://vitarich.com/sites/default/files/documents/disclosure/whistle-blowingpolicy_1.pdf</a>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Any whistle blower may directly approach the HR Manager, or even the President, the Chairman of the Board, any of the independent directors, and the legal counsel.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	The Company received a report from a whistleblower which resulted in the investigation of the allegations in the report and the eventual dismissal of erring employees. As this	

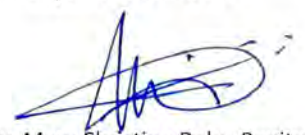
		pertain to confidential matters, the Company need not disclose the same in detail.	
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Please see <b>Annex "P"</b> regarding the Company's CSR Activities	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	See disclosures on environmental sustainability in the Sustainability Report attached to the Annual Report ( <a href="https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf">https://vitarich.com/sites/default/files/documents/disclosure/2020.06.102019sec17-afinal.pdf</a> )	
2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	


Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of MAKINABU, BULACAN on AUG 25 2020.

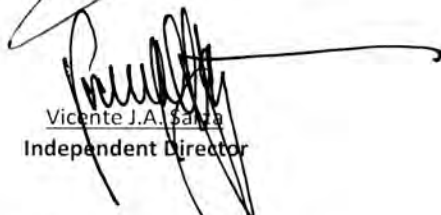
Signatures

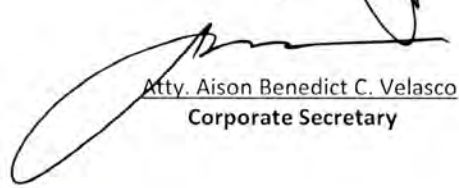
  
Jose Vicente C. Bengzon III  
Chairman of the Board

  
Manuel D. Escueta  
Independent Director

  
Atty. Mary Christine Dabu-Pepito  
Asst. Corporate Secretary/ Compliance Officer/  
Corporate Information Officer

  
Ricardo Manuel M. Sarmiento  
President/Chief Executive Officer

  
Vicente J.A. Sarza  
Independent Director

  
Atty. Aison Benedict C. Velasco  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this day of AUG 25 2020, 2020, affiant(s) exhibiting to me their identification, as follows:

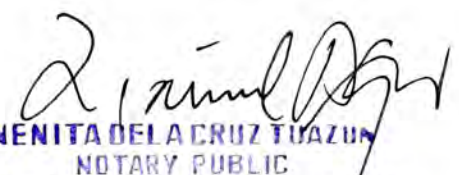
NAMES

TIN/SSS ID

Jose Vicente C. Bengzon III	137-980-909
Ricardo Manuel M. Sarmiento	224-658-397
Manuel D. Escueta	120-146-069
Vicente J.A Sarza	107-201-929
Atty. Mary Christine Dabu-Pepito	232-737-425
Atty. Aison Benedict C. Velasco	228-914-720

Doc No. 144  
Page No. 31  
Book No. 8  
Series of 2020



  
**NENITA DELACRUZ TIAZON**  
NOTARY PUBLIC  
PNC-58-MR-2018 UNTIL DEC. 31, 2020  
SANDIGAN-21-BULACAN/10/15/2018  
IBF LIFE 710 -106710 BULACAN/5/19/2011  
PTR NO. 082-106710 BULACAN/1/2/71  
TIN 171-001-064-000  
ATTORNEYS ROLL NO. 47194  
MCLE COMPLIANCE NO. VI-001662 UNTIL APRIL 14, 2021

# **ANNEX A**

## **PSE CERTIFICATE OF PARTICIPATION**



The Philippine Stock Exchange, Inc.  
presents this

# CERTIFICATE OF PARTICIPATION

to

## MARY CHRISTINE DABU-PEPITO

for attending the

### 2019 ANNUAL LISTING AND DISCLOSURE RULES SEMINAR

held on November 7-8, 2019 at the PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street,  
Bonifacio Global City, Taguig City.

A handwritten signature in blue ink, appearing to read 'Janet A. Encarnacion', is positioned above the printed name.

Janet A. Encarnacion  
Head, Disclosure Department

A handwritten signature in blue ink, appearing to read 'Roel A. Refran', is positioned above the printed name.

Roel A. Refran  
Chief Operating Officer

# **ANNEX B**

## **ASMAP CERTIFICATE OF PARTICIPATION**

UNIVERSITY OF ASIA AND THE PACIFIC  
CENTER FOR SOCIAL RESPONSIBILITY



# CERTIFICATE OF PARTICIPATION

IS AWARDED TO

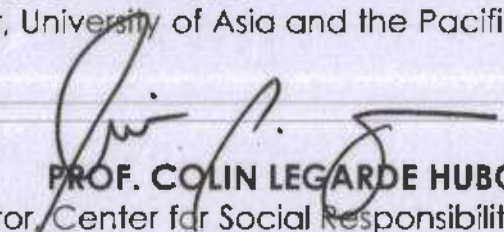
MARY CHRISTINE C. DABU-PEPITO

in recognition of completing the  
Applied Sustainability Management in Asia Pacific (ASMAP) 2019 – Cohort 5

October 15-18, 2019  
EDSA Shangri-La, Manila



**DR. WINSTON CONRAD D. PADOJINOG**  
President, University of Asia and the Pacific



**PROF. COLIN LEGARDE HUBO**  
Executive Director, Center for Social Responsibility

**ANNEX C**

**EMAIL DATED  
AUGUST 16, 2019**



Mary Christine Dabu-Pepito &lt;mcdpepito@gmail.com&gt;

**Vitarich Corporation Board Meeting - 23 August 2019**

Aison Benedict C. Velasco &lt;acvelasco@accralaw.com&gt;

Fri, Aug 16, 2019 at 12:07 PM

To: "jovi.bengzon@gmail.com" <jovi.bengzon@gmail.com>, "Jose Vicente C. Bengzon III" <jvbengzon@vitarich.com>, "mdescueta@yahoo.com" <mdescueta@yahoo.com>, "trabbycoco@gmail.com" <trabbycoco@gmail.com>, "cocotres@gmail.com" <cocotres@gmail.com>, Vito Sarmiento <vitolo3@gmail.com>, Vicente Sarza <vicente.sarza@gmail.com>, Juan Arturo Iluminado de Castro <johnnyaicdecastro@gmail.com>, Levi Diestro <ldiestro@gmail.com>, "nsgarcia@vitarich.com" <nsgarcia@vitarich.com>, "rocco@vitarich.com" <rocco@vitarich.com>, "rogelio.sarmiento@gmail.com" <rogelio.sarmiento@gmail.com>  
Cc: "Jhonessa F. Rombaoa" <jfrombaoa@vitarich.com>, "Camille Anne A. Sarmiento" <caasarmiento@vitarich.com>, "Mercedita J. Ko" <mjko@vitarich.com>, "Ruby P. Macario" <rpmacario@vitarich.com>, "mcdpepito@gmail.com" <mcdpepito@gmail.com>

Dear Vitarich Directors,

Good morning. Pursuant to the agreed schedule, please see the attached notice and agenda for the next regular Board meeting scheduled on Friday next week, 23 August 2019, at 9am, at the 16th Floor, IBP Tower, Pasig City.

For your review and comments, please find the attached minutes of the last regular Board meeting and the organizational Board meeting held last 19 July 2019.

Kind regards,

Aison Velasco  
Corporate Secretary

---

**2 attachments**

**Vitarich Notice and Agenda 23 Aug 2019.pdf**  
32K



**Draft VC Minutes\_19 July 2019.doc**  
155K

# **ANNEX D**

## **SUCCESSION PLAN FOR OFFICERS**



# PROGRAM DESCRIPTION

In the fast paced and robust environment of the agricultural industry, the pipeline of leaders are driven by market expansion, attrition, internal mobility etc. Management development programs help address succession plans to generate future leaders within the organization.

This Leadership Acceleration Program is designed to develop a cadre of skilled leaders who will be ready to take on the responsibilities and contribute effectively towards the growth of Vitarich. This aims to strengthen their capabilities and make them more efficient leaders than before. The program will enable managers to drive One Vitarich to higher levels of performance and propel the organization's future success.



# PROGRAM DESCRIPTION

The 6 month program contains various tracks that will expose the managers in the different facets of the business. Methodologies will be a mix of classroom-based, instructor led learning, group workshops, experiential activities, case studies, OJT and a technical project.

Sessions will be held in various sites of the organization.

The tracks will be composed of topics that addresses the competency requirements of a Vitarich leader.



At the end of the course, participants will be able to:

1. Enhance self-awareness, develop their own effective leadership style while strengthening interpersonal relations.
2. Sharpen business management skills from developing plans to operationalizing strategic initiatives.
3. Apply critical thinking in problem solving and making sound business decisions
4. Develop innovative solutions that will contribute to business growth





5. Create and maintain an efficient, effective, and motivated team to attain exceptional performance
6. Apply effective communication, influencing and negotiation techniques with the team, customers and other stakeholders.



# PROGRAM OUTLINE

## Self Mastery

- Values Clarification
- Personal Effectiveness
- Presentation and Influencing Skills

## Technical Skills Devt

- Production Management
- Farm Management & Livestock Operations
- Research & Devt
- Nutrition and Quality Control

## Management Development

- PLOC
- HR Management Essentials
- Problem Solving and Decision Making
- Managing Customer Satisfaction
- Marketing and Selling
- Budgeting and Fundamentals of Accounting



# Others/ Special Projects

- OJT (cross training program)
- Case Studies (new / innovative project and proposal)
- Technical Project
- Group Defense



# **ANNEX E**

## **RETIREMENT POLICY FOR KEY OFFICERS**



## **VITARICH CORPORATION RETIREMENT PLAN**

**Policy Number - 020 rev. 0**

**Policy Dated 05/22/2018**

**Policy Group - HR Rev. 0**

**Contact: HR MANAGER**

**PURPOSE:** To provide, through a retirement fund to be established by the participating companies, an

employee's retirement benefit program, for all their regular salaried employees.

**POLICY AND PROCEDURE:** The Retirement Benefit shall be lump sum amount equivalent to 1/4 month's salary for every year of continuous service based on the final monthly salary of the retiree at the time of retirement.

### **A) NORMAL RETIREMENT**

--- Any participant upon the attainment of age 60, shall retire and shall be entitled to full retirement benefit.

### **B) EARLY RETIREMENT**

--- Upon reaching age 50, and after rendering at least ten (10) years of faithful and continuous employment, a participant may at the option of the Company retire and shall be entitled to the benefit as provided below:

YEARS OF SERVICE	PERCENTAGE OF NORMAL RETIREMENT BENEFIT
10	75.00%
11	76.67%
12	78.34%
13	80.00%
14	81.67%
15	83.34%
16	85.00%
17	86.67%
18	88.34%
19	90.00%
20	91.67%
21	93.34%
22	95.00%
23	96.67%
24	98.34%
25	100.00%

### C) OPTIONAL RETIREMENT

After rendering at least 25 years of faithful and continuous employment and upon reaching age 50 a participant may, at his option, retire and shall be entitled to the full retirement benefit.

### D) DEATH BENEFIT

If a participant should die before the retirement date, his heirs shall be entitled to receive special company benefit equivalent to the benefits provided under SGC Joint Retirement Plan, it being understood that the benefit shall be equivalent to 1 1/4 months' pay for every year of continuous service up to the time of death, based on the last monthly salary.

### E) DISABILITY BENEFIT

If a participant should be disabled before retirement date, he shall be entitled to receive special company benefits provided by SGC Joint Retirement Plan, it being understood that the benefit shall be equivalent to 1 1/4 month's pay for every year continuous service up to the time of disablement based on the last monthly salary.

### F) RESIGNATORY/SEPARATION BENEFIT

If a participant with at least 10 years of continuous employment is separated due to organizational changes, he shall be entitled to the benefit under the New Labor code of the Republic of the Philippines as amended, or Section 1 hereof, whichever is higher.

Should as a result of organizational changes, the [participant with at least 10 years of continuous employment is offered another position in the company, the participant shall have the option of either accepting such new position or availing of the benefits under this section, provided, however, that the right /option herein granted to the employee shall be exercised within the probationary period of his new appointment but in no case shall it be more than three (3) months from his acceptance of the new position.

### G) FORFEITURE OF BENEFITS

A participant who is dismissed for cause shall forfeit all his rights and privileges under the plan.

### H) INTER-FUND TRANSFER

A participant who is transferred from and to any of the Sarmiento Group of Companies shall be credited with his corresponding past service credits relative to a previous trust fund amount as determined by an independent actuary. such amount corresponding to his past service credits from present company's trust fund, reduced by the ratio of the fund to the past service liability of the previous company using the same actuarial assumptions and method of funding.

### PROCEDURES:

1. Qualified employee writes a letter of request for Retirement citing the reasons.
2. Department/Division Head endorses to Personnel the employee's request for Retirement.
3. Personnel Department accomplishes Application for Retirement Form, certifies as to accuracy of employment/salary/computation data. Routes Application to signatories.
4. Upon approval, Personnel forwards

# **ANNEX F**

**SEC CERT 2019-67**

REPUBLIC OF THE PHILIPPINES)  
PROVINCE OF BULACAN ) S.S.

**SECRETARY'S CERTIFICATE**

I, Mary Christine C. Dabu-Pepito, of legal age, Filipino, with postal address at c/o Vitarich Corporation, Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan, after having been duly sworn in accordance with law, depose, state and certify that:

1. I am the duly elected and incumbent Assistant Corporate Secretary of Vitarich Corporation (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan.

2. At the regular meeting of the Board of Directors of the Corporation held on 17 December 2019 at Units 6 & 7, 16<sup>th</sup> Floor, IBP Tower, Jade Drive cor. J. Vargas Ave., Ortigas Center, Pasig City, where a quorum was present and acting all throughout, the following resolution was approved and adopted by the remaining seven (7) directors after Directors Rogelio M. Sarmiento, Ricardo Manuel M. Sarmiento, Stephanie Nicole S. Garcia, and Juan Arturo Iluminado C. De Castro inhibited from the discussion and approval of the said resolution:

**RESOLUTION NO. 2019-67**

**"RESOLVED AS IT IS HEREBY RESOLVED**, that the Corporation approve as it hereby approves the Contract to Buy Agreements for Breeder and Broiler with Luzon Agri Venture, Inc. ("LAVI");

**"RESOLVED ALSO**, that the Corporation authorize as it hereby authorizes its Assistant Vice President & Feeds Operations Manager, Ms. Alicia G. Danque, to sign, execute, and deliver the said Agreements, as well as amendments, addenda, or renewals thereto."

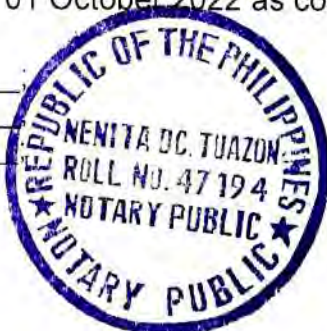
IN WITNESS WHEREOF, I have hereunto set my hands this \_\_\_\_ day of December 2019 at Marilao, Bulacan, Philippines.

  
**Mary Christine C. Dabu-Pepito**  
Assistant Corporate Secretary

**ATTESTED:**  
  
**JOSE VICENTE C. BENGZON, III**  
Chairman of the Board

SUBSCRIBED AND SWORN TO BEFORE ME this DEC 19 2019 day of December 2019 at Marilao, Bulacan, affiant exhibiting to me her Driver's License No. NO1-06-010601 valid until 01 October 2022 as competent evidence of identity.

Doc. No. 251  
Page No. 52  
Book No. 18  
Series of 2019.



  
**NENITA DELA CRUZ TUAZON**  
NOTARY PUBLIC  
PNC-58-MB-2018 UNTIL DEC. 31, 2020  
SANDICO ST., POBLACION I, MARILAO, BULACAN  
IBP LIFE NO. 591042/BULACAN/5/19/2008  
PTR NO. D806589/MARILAO, BULACAN/1/4/19  
TIN 170-907-654-000  
ATTORNEYS ROLL NO. 47194  
MCLE COMPLIANCE NO. VI-001862 UNTIL APRIL 14, 2022

**ANNEX G**

**ADVISEMENT  
REPORT**



1577945315422

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines  
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

**Barcode Page****The following document has been received:**

**Receiving** Mark Anthony Osen  
**Receiving Branch:** SEC Head Office  
**Receipt Date and Time:** January 02, 2020 02:09:51 PM  
**Received From:** Head Office

**Company Representative**

Doc Source

**Company Information**

SEC Registration No. 0000021134  
Company Name VITARICH CORP.  
Industry Classification  
Company Type Stock Corporation

**Document Information**

Document ID 1577945315422  
Document Type LETTER/MISC  
Document Code LTR  
Period Covered December 27, 2019  
No. of Days Late  
Department  
Remarks

## for Advisement Report for Material Related Party Transaction

S.E.C. Registration Number

( Company's Full Name )

( Business Address: No. Street City / Town / Province )Contact PersonCompany Telephone Number

Month Day

Fiscal Year

**Last Friday of**

June

Day	

MonthDaySecondary License Type. If Applicable

Dept. Requiring this Doc.

Amended Articles Number / SectionTotal No. of StockholdersDomesticForeign

### Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File NumberLCUDocument I, D.Cashier

## STAMPS



**ADVISEMENT REPORT ON  
MATERIAL RELATED PARTY TRANSACTIONS**

Reporting PLC: Vitarich Corporation

SEC Identification Number: 21134

Name of Related Party: Luzon Agri Venture, Inc.

Execution Date of Transaction: Dec. 27, 2019

Relationship between the Parties including financial/non-financial interest: Affiliates (The parties have interlocking directors and/or officers)

Type/Nature of Transaction and Description of Assets Involved	Terms and Conditions	Rationale for Entering into the Transaction	Total Assets <sup>1</sup> of Reporting PLC	Amount/ Contract Price	Percentage of the Contract Price to the Total Assets of the Reporting PLC	Carrying Amount of Collateral, if any	Approving Authority <sup>2</sup>
Memorandum of Agreement for Broiler and Breeder Operations	1. Luzon Agri Venture, Inc. ("LAVI") shall do broiler and breeder farm operation.  2. LAVI shall exclusively	The transaction was entered into as the parties wish to undertake complementary operations on broiler and breeder. LAVI,	Php4,343,081,732.00 as of latest AFS	The transaction is expected to generate not less than Five Hundred Million Pesos (Php500,000,000.00) in a span of one year.	11.51%	The transaction does not involve any collateral.	The directors present were:  1. Jose Vicente Bengzon, III 2. Ricardo Manuel M. Sarmiento 3. Rogelio M.

<sup>1</sup> Total assets shall pertain to consolidated assets if the reporting PLC is a parent company.

<sup>2</sup> The information shall include the names of directors present, names of directors who approved the Material Related Party Transaction and the corresponding voting percentage obtained.

	<p>use the feeds delivered by Vitarich Corporation ("VITARICH") for its breeder and broiler operation.</p> <p>3. LAVI shall provide the vaccines and medications on the flocks.</p> <p>4. VITARICH shall provide Day Old Chicks to LAVI.</p> <p>5. VITARICH shall be entitled to buy back chicken broilers at a fixed price in a separate letter agreement.</p>	<p>along with the other customers of VITARICH, shall be the ready and committed customer for VITARICH feeds that will stabilize the consumption of VITARICH feeds volume. LAVI's farms will also provide models and examples to encourage neighboring farms to use VITARICH's feeds.</p>				<p>Sarmiento 4. Stephanie Nicole S. Garcia 5. Jose M. Sarmiento 6. Lorenzo Vito M. Sarmiento, III 7. Benjamin I. Sarmiento, Jr. 8. Levi F. Diestro 9. Juan Arturo Iluminado C. De Castro 10. Manuel D. Escueta (independent) 11. Vicente J.A. Sarza (independent)</p> <p>The following directors inhibited in the discussion and approval of the transaction to avoid any potential or actual</p>
--	---	--	--	--	--	---

<p>6. VITARICH shall sell, supply, and deliver the feeds requirements of LAVI.</p> <p>7. Wholesale prices of feeds shall be comparable to prices that LAVI can source from elsewhere, and to prices that VITARICH sells to its other customers. It is generally 3% from retail price.</p> <p>8. LAVI shall be entitled to 3% discount only if payment is made immediately</p>					<p>conflict of interest:</p> <ol style="list-style-type: none"> <li>1. Ricardo Manuel M. Sarmiento</li> <li>2. Rogelio M. Sarmiento</li> <li>3. Stephanie Nicole S. Garcia</li> <li>4. Juan Arturo Iluminado C. De Castro</li> </ol>
					<p>The remaining seven (7) directors unanimously approved the transaction:</p> <ol style="list-style-type: none"> <li>1. Jose Vicente Bengzon, III</li> <li>2. Jose M. Sarmiento</li> <li>3. Lorenzo Vito M. Sarmiento, III</li> <li>4. Benjamin I. Sarmiento, Jr.</li> </ol>

upon delivery (COD), which includes those payments done within seven (7) days.							5. Levi F. Diestro 6. Manuel D. Escueta (independent) 7. Vicente J.A. Sarza (independent)
9. Credit Term shall not be more than 30 days, in which case, the wholesale price applies.							The transaction was approved unanimously by the seven remaining directors after four of the directors inhibited as stated above.
10. For breeder operations, prices for hatching eggs along with the guarantee for percentage of hatchability shall be subject to a							


	<p>separate agreement.</p> <p>11. For broiler operations, VITARICH shall supply LAVI day-old-chicks at a fixed price set in a separate letter agreement.</p>						
	<p>12. The Agreement shall be effective from execution of the contract until December 31, 2020, renewable upon mutual agreement by the parties.</p> <p>13. The Agreement may be pre-</p>						

terminated by providing the other party a 60-day notice prior to the intended date of termination.							
14. The parties shall execute separate contracts for broiler and breeder operations.							


SIGNATURES

Pursuant to the requirements of the Commission, the company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Vitarich Corporation  
(Name of Reporting PLC)

  
.....  
Name, Signature of the Corporate Secretary/  
Authorized Representative<sup>3</sup>

Luzon Agri Venture, Inc.  
(Name of Related Party)

  
.....  
Name, Signature of the Related Party/Authorized Representative<sup>3</sup>

<sup>3</sup> Proof of authority must be attached to the Advisement Report.

REPUBLIC OF THE PHILIPPINES)  
PROVINCE OF BULACAN) S.S

**SECRETARY'S CERTIFICATE**

I, MARY CHRISTINE C. DABU-PEPITO, of legal age, Filipino, with postal address at c/o Vitarich Corporation, Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan, after having been duly sworn to in accordance with law, hereby depose, state, and certify that:

1. I am the duly elected Assistant Corporate Secretary of VITARICH CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with address at Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan.

2. At the regular meeting of the Board of Directors held on 23 August 2019 at IBP Tower, Units 6 & 7, 16<sup>th</sup> Floor, Jade Drive, Ortigas Center, Pasig City, during which meeting, a quorum was present and acting all throughout, the following resolution was duly approved and adopted:

**RESOLUTION NO. 2019-40**

**"RESOLVED, AS IT IS HEREBY RESOLVED,** that the Corporation authorize as it hereby authorizes any one (1) of the following officers to prepare, sign, execute, and submit the Advisement Report in such form as the Securities and Exchange Commission may require, containing the required disclosures under the Rules on Material Related Party Transactions for Publicly Listed Companies for every material related party transaction entered into by the Corporation:

1. Atty. Aison Benedict C. Velasco - Corporate Secretary;
2. Atty. Mary Christine C. Dabu-Pepito - Assistant Corporate Secretary/Compliance Officer/Corporate Information Officer; or
3. Ms. Alicia G. Danque - Alternate Corporate Information Officer; Assistant Vice President and Feed Operations Manager."

IN WITNESS WHEREOF, I have hereunto set my hands this 11 day of September 2019 here at Marilao, Bulacan.

**MARY CHRISTINE C. DABU-PEPITO**  
Assistant Corporate Secretary

**ATTESTED:**

**JOSE VICENTE C. BENGZON, III**  
Chairman of the Board

Subscribed and sworn to before me this 11 day of September 2019 at Marilao, Bulacan, affiant exhibiting to me her SSS ID No. 33-9208091-3.

Doc. No. 24;  
Page No. 6;  
Book No. 14;  
Series of 2019.

**NENITA DELA CRUZ TUNZON**  
NOTARY PUBLIC

PNC-58-M6-2012 UNTIL DEC. 31, 2020  
SANDICO ST., TORLACION T. MARILAO, BULACAN  
IBP LIFE NO. 571042/BULACAN/5/19/2003  
PTR NO. 0206589/MARILAO, BULACAN/1/4/19  
TIN 170-907-664-000  
ATTORNEYS ROLL NO. 47194  
FILE COMPLIANCE NO. VI-001862 UNTIL APRIL 14, 2022

# Luzon Agriventures, Inc.

2/F A-7 Bldg. #140 Floro Subd. Zigzag Hills, Malhacan, Meycauayan, Bulacan

## SECRETARY'S CERTIFICATE

I, **JUAN ARTURO ILUMINADO C. DE CASTRO**, Filipino, of legal age, single, and with business address located at 7<sup>TH</sup> Floor, LTA Building 118 Perea St. Legaspi Village, Makati City, after having been duly sworn to in accordance with law, do hereby certify, that,

1. I am the duly elected Corporate Secretary of **LUZON AGRIVENTURE INC.**, a corporation duly organized and existing under Philippines laws, with office address at 2/F A-7 Bldg. #140 Floro Subd. Zigzag Hills, Malhacan, Meycauayan, Bulacan.

2. In my capacity as such, I hereby certify that the corporate records show that in a special meeting dated December 27, 2019, the following resolutions were approved by at least majority of the Board of Directors:

### RESOLUTION NO. 2019-12-04

**"RESOLVED, AS IT IS HEREBY RESOLVED**, that the Corporation hereby approves the Memorandum of Agreement with Vitarich Corporation for the operation of breeder and broiler farms, which shall utilize fix prices to provide stability in the cost of operations and protection against erratic market prices allowing for predictability, including the stabilization of Vitarich feeds volume consumption, and provision of model farms using Vitarich feeds and technology in poultry farming.

**RESOLVED FURTHER THAT**, Marites Tolentino and Clarissa Gamba are hereby authorized to sign, and execute the Memorandum of Agreement, and likewise, they are hereby authorized to prepare, sign, execute, and submit the Advisement Report in such form as the Securities and Exchange Commission may require, containing the required disclosures under the Rules on Material Related Party Transactions for Publicly Listed Companies for every material related party transaction entered into by the Corporation with Vitarich Corporation, which is a publicly listed corporation."

IN WITNESS WHEREOF, I have hereunto set my hands this 27 day of December 2019 here at CITY OF PASAY

**JUAN ARTURO ILUMINADO C. DE CASTRO**

Corporate Secretary

Subscribed and sworn to before me this 27 day of DEC 27 2019 at CITY OF PASAY, affiant exhibiting to me his Driver's License No. N03-97-241693 valid until Nov. 24, 2024.

Doc. No. 371  
Page No. 76  
Book No. XXVII  
Series of 2019.

**ATTY. HENRY D. ADASA**

NOTARY PUBLIC  
UNTIL DECEMBER 31, 2019  
COMMISSION 17-23  
PASADENIA ST., PASAY CITY  
IBP NO. 047427 - 01/03/19 PASIG  
PTR NO. 5926667 01/03/19 P.C.  
MCLE COMPLIANCE NO. VI-0002630 - 8/14/2021  
GRIFFIN NO. 29679

# **ANNEX H**

## **AMENDED MANUAL ON CORPORATE GOVERNANCE**



**V I T A R I C H**

May 29, 2017

**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA, Greenhills  
Mandaluyong City

Attention: **ATTY. JUSTINA F. CALLANGAN**  
Director, Corporate Governance and Finance Department

Attention: **MR. VICENTE GRACIANO P. FELIZMENIO, JR.**  
Director, Markets and Securities Regulation Department



**THE PHILIPPINE STOCK EXCHANGE**  
Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **MR. JOSE VALERIANO B. ZUÑO III**  
OIC-Head, Disclosure Department

**Gentlemen:**

Please be informed that the Company filed with the Securities and Exchange Commission on May 29, 2017 its Amended Manual on Corporate Governance, signed by the Chairman of the Board.

Very truly yours,

VITARICH CORPORATION

By:

**ATTY. MARY CHRISTINE DABU-PEPITO**  
Asst. Corporate Secretary/ Compliance Officer/  
Corporate Information Officer

Main Office: Marilao- San Jose Road, Sta. Rosa I, Marilao, Bulacan 3019 Philippines  
Tel. Nos.: (632) 843-3033 / (6344) 711-2829



# COVER SHEET

2	1	1	3	4				
---	---	---	---	---	--	--	--	--

S.E.C. Registration Number

[illegible]

( Company's Full Name )

M	A	R	I	L	A	O	-	S	A	N	J	O	S	E	R	O	A	D	,	S	T	A	.		
R	O	S	A	I	,	M	A	R	I	L	A	O	,	B	U	L	A	C	A	N					

( Business Address No Street City / Town / Province )

**Atty. Mary Christine Dabu-Popito**  
Contact Person

Contact Person

843-30-33 connecting all dept.  
Company Telephone Number

Company telephone Number

1	2	.	3	1
Month			Day	

Month Day

Fiscal Year

**Amended Manual on  
Corporate Governance**

--	--	--	--	--

Form Type

Last Friday of  
June

06  
Month Day

Month

Day

Page 10 of 10

Secondary License Type, if Applicable

--	--	--

Dept. Requiring this Doc.

Amended Articles Number / Section

Amended Articles Number / Section

Page 10

Total No of Stockholders

Total Amount of Borrowings

\_\_\_\_\_

Domestic

\_\_\_\_\_

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

[illegible]

Document I. D.

LCU

Cashier

STAMPS

**AMENDED**  
**MANUAL ON CORPORATE GOVERNANCE**  
**VITARICH CORPORATION**

(Approved by the Board of Directors on May 25, 2017)

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

The Board of Directors and Management, i.e. officers and staff, of Vitarich Corporation hereby commit themselves to the principles and best practices contained in this Manual.

**I. OBJECTIVES**

- A. In line with the objective of the *Code of Corporate Governance for Publicly-Listed Companies*, this Manual likewise aims to raise the corporate governance standards of Vitarich Corporation to a level at par with its regional and global counterparts.
- B. This Manual shall institutionalize the principles of good corporate governance in the entire organization.
- C. This Manual shall provide a guide to Vitarich Corporation to attain its corporate goals.
- D. This Manual also aims to maximize Vitarich Corporation's long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

**II. DEFINITION OF TERMS**

- A. Board of Directors ("Board") – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties. As used in this Manual, it also refers to the Board of Directors of Vitarich Corporation.
- B. Conglomerate – a group of corporations that has diversified business activities in varied industries, whereby the operations of such businesses are controlled and managed by a parent corporate entity.
- C. Corporate Governance – system of stewardship and control to guide the corporation in fulfilling their long-term economic, moral, legal and social obligation towards their stakeholders. It is also a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value – to the benefit of all stakeholders and society.

- D. Corporation – refers to “Vitarich Corporation”
- E. Enterprise Risk Management – a process, effected by an entity’s Board of Directors, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify the potential events that may affect the entity, manage risks to be within its risk appetite and provide reasonable assurance regarding the achievement of the Corporation’s objectives.
- F. Executive Director – a director who has executive responsibility of day-to-day operations of a part or the whole of the Corporation.
- G. Independent Director – a person who is independent of management and the controlling shareholder and is free from any business or other relationship which could or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.
- H. Internal Control – a process designed and effected by the Board of Directors, senior management and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations, reliable, complete and timely financial and management information and compliance with applicable laws, regulations and the organization’s policies and procedures.
- I. Management – a group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation.
- J. Non-executive Director – a director who has no executive responsibility and does not perform any work related to the operations of the Corporation.
- K. Related Party – covers: (a) subsidiaries of the Corporation; (b) affiliates of the Corporation; (c) any party (including their subsidiaries, affiliates and special purpose entities) that the company exerts direct or indirect control over or that exerts direct or indirect control over the company; (d) the Corporation’s directors, officers, shareholders and related interests (DOSRI) and their close family members as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Corporation.
- L. Related Party Transactions – a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.
- M. Stakeholders – an individual, organization or society at large who can either affect and/or be affected by the Corporation’s strategies, policies, business decisions and operations in general. This includes, among others, customers,

creditors, employees, suppliers, investors as well as government and community in which it operates.

### III. THE BOARD'S GOVERNANCE RESPONSIBILITIES

#### A. Composition of the Board of Directors

- The Corporation shall be headed by a competent, working board to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.
- 1. The Board shall be composed of directors with a collective working knowledge on the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission and, where applicable, the requirements of other regulatory agencies, as well as collective working knowledge, experience or expertise that is relevant to the Corporation's business.
- 2. The Board shall have an appropriate mix of competence and expertise that its members remain qualified for their positions individually and collectively.
- 3. Majority of the members of the Board shall be non-executive directors who possess the necessary qualifications.
- 4. Membership to the Board shall be open to all competent individuals possessing all the qualifications set forth herein or in the By-Laws and none of the disqualifications listed herein or in the By-Laws regardless of gender, age, ethnicity, religion, and culture.
- 5. The Board shall have at least two (2) independent directors.
- 6. The positions of Chairman of the Board and Chief Executive Officer should be held by separate individuals.

#### B. Qualifications, Disqualifications and Responsibilities of Directors

##### B.1. Qualifications

- He/she shall be a holder of at least one (1) share of stock of the Corporation.
- He/she shall be at least a college graduate, or have sufficient experience in managing the business to substitute for such formal education.
- He/she shall be at least twenty one (21) years old.
- He/she shall be assiduous, of good moral character and have been proven to possess integrity and probity.

## B.2. Permanent Disqualifications

- Conviction by final judgment or order by a competent judicial or administrative body of any crime that: (a) involves the purchase or sale of securities as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment advisor, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his/her fiduciary relationship with a bank, quasi-bank, trust company, investment house, or as an affiliated person of any of them.
- Enjoined permanently by a final judgment or order of the SEC, Bangko Sentral ng Pilipinas ("BSP") or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.
- (a) Denial, revocation, or suspension by the SEC, BSP or any court or administrative body of any registration, license, or permit issued to him/her under the Corporation Code, Securities Regulation Code, or any other law administered by the SEC or BSP, or under any rule or regulation issued by the Commission or BSP; (b) Being restrained to engage in any activity involving securities and banking; or (c) Suspension or expulsion by an effective order of a self-regulatory organization from membership, participation or association with a member or participant of the organization.
- Conviction by final judgment or order by a court, or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury, or other fraudulent acts or transgressions.
- Being adjudged by final judgment or order of the SEC, BSP, court or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law, rule, regulation, or order administered by the SEC or BSP;
- Judicial declaration of insolvency.
- Conviction by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations, or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs.
- Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

- Other grounds as the SEC may provide.
- In the case of an independent director, if he becomes an officer or employee of the same Corporation.

### **B.3. Temporary Disqualifications**

- Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists.
- Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless such absence is due to illness, death in the immediate family, or serious accident. This disqualification applies for purposes of the succeeding election.
- Dismissal/termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. This disqualification shall be in effect until he/she has cleared himself of any involvement in the cause that gave rise to his/her dismissal or termination.
- Being under preventive suspension by the Corporation.
- If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as independent director is lifted if the limit is later complied with.
- Conviction that has not yet become final referred to in the grounds for the permanent disqualification of directors.

### **B.4. Duties and Responsibilities of a Director**

- Directors elected for the first time shall attend an orientation program designed to introduce to them basic knowledge on the Corporation in general as well as the business of the Corporation.
- Attend relevant annual continuing training for all directors and all other seminars and trainings required by law or regulations. The annual continuing training program involves courses on corporate governance matters relevant to the Corporation, including audit, internal controls, risk management, sustainability, and strategy.
- Devote time and attention necessary to properly and effectively perform his/her duties and responsibilities, including sufficient time to be familiar with the Corporation's business, and attend and actively participate in all meetings of the Board, Committees, and Shareholders in person or through tele-

/videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as illness, death in the immediate family, and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

- The non-executive directors may concurrently serve as directors to a maximum of five (5) publicly listed companies.
- Notify the Board where he/she is an incumbent director before accepting a directorship in another company.
- Conduct fair business transactions with the Corporation, ensure that personal interest does not bias Board decisions, and abstain from taking part in the deliberations of a transaction if he/she has material interest in the transaction.
- Act judiciously and exercise independent judgment.
- Have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies.
- Observe confidentiality and ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment.

#### **B.5. Independent Director**

- In addition to the aforementioned qualifications and disqualifications, an independent director is a person who, ideally:
  - Is not an owner of more than two (2%) percent of the outstanding shares of the Corporation, its subsidiaries, associates, affiliates, or related companies.
  - Is not, or has not been, a senior officer or employee of the covered company, unless there has been a change in the controlling ownership of the Corporation, nor is he/she acting as a nominee or representative of any director of the Corporation, or any of its related companies.
  - Is not a relative of a director, officer, or substantial shareholder of the Corporation, or any of its related companies, or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother, or sister.
  - Is not a securities broker-dealer of listed companies and registered issuers of securities. A securities broker-dealer is a person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal, stockholder, nominee of the firm to the

Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer.

- Does not engage or has not engaged, whether by himself or with other persons, or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the Corporation, or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment.
  - Is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial shareholders; neither is he/she employed as an executive officer of another company where any of the Corporation's executives serve as directors.
  - Is not, and has not been in the three years immediately preceding the election: (a) a director of the Corporation; (b) a director, officer, employee of the Corporation's subsidiaries, associates, affiliates, or related companies; (c) a director, officer, employee of the covered Corporation's substantial shareholders and its related Corporations; (d) appointed in the Corporation, its subsidiaries, associates, affiliates, or related companies as Chairman "Emeritus", "Ex-Officio" Director/Officer or member of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities; (e) retained, either in his personal capacity or through a firm, as a professional advisor, auditor, consultant, agent, or counsel of the Corporation, any of its related companies or substantial shareholder.
- The independent directors may serve for a maximum cumulative term of nine (9) years reckoning from 2012. An independent director who has served for 9 cumulative years shall no longer be re-elected as an independent director of the Corporation, but may continue to qualify for nomination and election as a non-independent director.
- In case the Corporation wants to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

## **C. Duties and Responsibilities of the Board**

### **C.1. General Responsibility**

- It is the Board's responsibility to foster the long-term success of the Corporation and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its *stockholders and other stakeholders.*

### **C.2. Specific Duties and Functions**

c.2.1. Install a process of selection to ensure a mix of competent directors and officers.

c.2.2. Determine the Corporation's purpose, vision and mission as well as strategies to carry out its objectives and oversee the development of and approve the Corporation's business objectives and strategies and monitor their implementation.

c.2.3. Ensure that the Corporation complies with all relevant laws, regulations and codes on best business practices and that Board authority is within the powers of the Corporation as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations.

c.2.4. Identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.

c.2.5. Adopt a system of internal checks and balances and oversee that an appropriate internal control system is in place.

c.2.6. Oversee that a sound enterprise risk management framework is in place, identify key risk areas and key performance indicators, and monitor and assess these factors with due diligence.

c.2.7. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly recorded and shall have the corresponding Minutes kept intact by the Corporate Secretary.

c.2.8. Act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the company and all shareholders.

c.2.9. Ensure that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality.

c.2.10. Approve the selection of management and control functions and establish an effective performance management framework that will ensure that the management and personnel's performance are at par with the standards set by the Board and Senior Management.

c.2.11. Appoint the Chief Audit Executive and Chief Risk Officer.

c.2.12. Approve the Internal Audit Charter.

c.2.13. Formulate Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties.

c.2.14. Ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.

c.2.15. Adopt and ensure proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.

c.2.16. Perform all functions assigned to it by law, rules, and regulations.

### **C.3. Board Committees**

- ✓ The Board shall set-up committees to support the effective performance of its functions, especially those involving audit, risk management, related party transactions, and other corporate governance functions, such as nomination and remuneration.
- ✓ Each committee shall have a charter stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources, and other relevant information, and such charter shall be fully disclosed on the Corporation's website.

#### **c.3.1. Audit, Risk Oversight and Related Party Transactions Committee**

- It shall be composed of at least three (3) appropriately qualified non-executive directors.
- The Chairman of this committee shall be an independent director, who should not be the chairman of the Board or of any other committees.
- Each member shall have adequate understanding at least or competence at most of the company's financial management systems and environment, and he/she shall have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.
- Duties and Responsibilities:
  - Provide oversight functions over the internal audit department/unit, internal and external auditors, the Corporation's Enterprise Management Framework system, as well as management's activities in managing credit, market liquidity, operational, legal, and other risk exposures of the Corporation.
  - Recommend approval of and oversee the implementation of the Internal Audit Charter (IA Charter).
  - Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system and crisis management, integrity of financial reporting, security of

physical and information assets, and develop a transparent financial management system.

- Recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE).
- Review and monitor management's responsiveness to the Internal Auditor's findings and recommendations and the disposition of the recommendations in the External Auditor's management letter.
- Prior to the commencement of audit, discuss with the External Auditor the nature, scope, and expenses of the audit.
- Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him/her and to the corporation's overall consultancy expenses.
- Disallow any non-audit work that will conflict with duties as an External Auditor or may pose a threat to the auditor's independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report.
- Review and approve Interim and Annual Financial Statements before their submission to the Board.
- Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform: (a) a definitive timetable within which the accounting system of the Corporation will be 100% International Accounting Standard (IAS) compliant; (b) an accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task.
- Recommend to the Board the appointment, re-appointment, removal, and fees of the External Auditor duly accredited by the Commission, and provide an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.
- Develop, oversee and evaluate the implementation a formal enterprise risk management plan and revisit defined risk management strategy, look for emerging or changing material exposures, and stay abreast of significant

developments that seriously impact the livelihood of harm or loss.

- Review the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Corporation; and advise the Board on risk appetite levels and risk tolerance limits
- Conduct regular discussions on the Corporation's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing the risks.
- Assess the probability of each identified risk becoming a reality, estimate its possible significant financial impact and likelihood of occurrence, and report to the Board the Company's material risk exposures, actions taken to reduce the risks, and recommends further action or plans, as necessary.
- Review and monitor all material related party transactions of the Corporation and subsequent changes in relationship with counterparties.
- Evaluate on an ongoing basis existing relations between and among businesses and counterparties, and all material related party transactions.
- Ensure that appropriate disclosure is made and/or information is provided to regulating and supervising authorities relating to the company's related party exposures, and policies on conflicts of interest or potential conflicts of interest.
- Report to the Board of Directors on a regular basis the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties.
- Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.

#### c.3.2. Nomination, Remuneration and Corporate Governance Committee

- The nomination, remuneration and corporate governance committee shall be composed of at least three (3) members.

- The chairman of this committee shall be an independent director who shall not be chairman of the board or of other committees.
- It shall ensure compliance with and proper observance of corporate governance principles and practices.
- Duties and Responsibilities:
  - Oversee the implementation of and develop the corporate governance framework and periodically review the said framework.
  - Propose, plan, and recommend continuing education/training programs for directors, and assignment of tasks/projects to board committees.
  - Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance.
  - Establish a formal and transparent procedure to develop a policy on executive remuneration and for determining and fixing the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates.
  - Provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the corporation's culture, strategy and control environment.
  - Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully.
  - Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty or perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
  - Disallow any director to decide his or her own remuneration.
  - Provide in the corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.

- Review the Corporation's existing Human Resources Development or Personnel Handbook, if any, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.
- Pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the following qualifications and disqualifications set forth in this Manual and the existing laws, rules, and regulations.
- Determine the nomination and election process for the company's directors.
- Define 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.
- Consider the following guidelines in the determination of the number of directorships for the Board: (a) the nature of the business of the Corporations which he is a director; (b) age of the director; (c) number of directorships/active memberships and officerships in other corporations or organizations; and (d) possible conflict of interest.

#### **D. Chairman of the Board**

- The Board of Directors should be headed by a competent and qualified Chairperson.
- Roles and responsibilities:
  - Make certain that the meeting agenda focuses on strategic matters, including overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.
  - Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.
  - Facilitate the discussion on key issue by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.

- Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.
- Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors.

#### **E. The Corporate Secretary**

- The Corporate Secretary should not be a member of the Board of Directors.
- He/she must be a Filipino citizen.
- The Corporate Secretary should annually attend a training on corporate governance.
- Duties and Responsibilities:
  - Assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and the committees to set agenda for those meetings.
  - Safe keep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Corporation.
  - Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Corporation, and advises the Board and the Chairman on all relevant issues as they arise.
  - Work fairly and objectively with the Board, management, and stockholders and contribute to the flow of information between the Board and management, the Board and its committees and the Board and its stakeholders, including shareholders.
  - Advise on the establishment of board committees and their terms of reference.
  - Inform members of the Board in accordance with the by-laws, of the agenda of the meetings at least five (5) working days in advance, and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

- Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so.
- Perform required administrative function.
- Oversee the drafting of the by-laws and ensure that they conform with regulatory requirement.
- Perform such other duties and responsibilities as may be provided by the SEC.

#### **F. The Compliance Officer**

- The Board should ensure that it is assisted in its duties by a Compliance Officer, who should have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Corporation.
- The Compliance Officer should not be a member of the Board of Directors and should annually attend a training on corporate governance.
- The Compliance Officer is a member of the Corporation's management team in charge of the compliance function.
- Duties and Responsibilities:
  - Ensure proper onboarding of new directors, such as orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others.
  - Monitor, review, evaluate, and ensure the compliance by the Corporation, its officers and directors with the relevant laws, the Code of Corporate Governance, rules and regulations and all governance issuance of regulatory agencies.
  - Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action.
  - Ensure the integrity and accuracy of all documentary submissions to regulators.
  - Appear before the SEC when summoned in relation to compliance with the Code of Corporate Governance.

- Collaborate with other departments to properly address compliance issues, which may be subject to investigation.
- Identify possible areas of compliance issues and works towards the resolution of the same.
- Ensure the attendance of the board members and key officers to relevant trainings.
- Perform such other duties and responsibilities as may be provided by the SEC.

#### **G. The Chief Executive Officer**

##### **➤ Duties and Responsibilities:**

- Determine the Corporation's strategic direction and formulate and implement its strategic plan on the direction of the business.
- Communicate and implement the Corporation's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same.
- Oversee the operations of the Corporation and manage human and financial resources in accordance with the strategic plan.
- Has a good working knowledge of the Corporation's industry and market and keeps up-to-date with its core business purpose.
- Direct, evaluate and guide the work of the key officers of the Corporation.
- Manage the Corporation's resources prudently and ensure a proper balance of the same.
- Provide the Board with timely information and interfaces between the Board and the employees.
- Build the corporate culture and motivate the employees of the Corporation.
- Serve as the link between internal operations and external stockholders.

#### **IV. DISCLOSURE AND TRANSPARENCY**

##### **A. Enhancing Company Disclosure Policies and Procedures**

- The Corporation shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that gives a fair and complete picture of the Corporation's financial condition, results, and business operations.
- All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.
- Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management corporate strategy, and off balance sheet transactions.
- All directors and officers shall disclose/report to the Corporation's Compliance Officer/Corporate Information Officer and Alternate Corporate Information Officer any dealings in the Corporation's shares within three business days.
- The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation's Compliance Officer.
- All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.
- The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.
- The Corporation shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report.
- The material or significant related party transaction reviewed and approved during the year should be disclosed in the Annual Corporate Governance Report.
- The Corporation shall make a full, fair, accurate, and timely disclosure to the public of every material fact or event that occurs particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Furthermore, the Board of the offeree Corporation shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

#### **B. Strengthening the External Auditor's Independence and Improving Audit Quality**

- The Corporation shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.
- The appointment, re-appointment, removal, and fees of the external auditor should be recommended by the Audit, Risk Oversight and Related Party Transactions Committee, approved by the Board and ratified by the shareholders.
- The resignation, removal, or cessation from service of the external auditor as well as the date and the reasons for such resignation, removal, or cessation from service shall be reported in the Corporation's annual and current reports and in the Corporation's website. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.
- The Corporation shall disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.
- The external auditor shall not at the same time provide the services of an internal auditor to the Corporation.

#### C. Increasing Focus on Non-Financial and Sustainability Reporting

- The Corporation shall disclose non-financial information, specifically those relating to the management of economic, environmental, social, and governance (EESG) issues of its business, which underpin sustainability.

#### D. Promoting a Comprehensive and Cost-Efficient Access to Relevant Information

- The Corporation shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information, including the possibility of using media and analysts' briefings as channels of communication.

### V. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK

#### A. Internal Auditor

- The Corporation shall have a strong and effective internal control system and enterprise risk management framework.
- The Corporation shall have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Corporation's operations.

- The Corporation's internal audit activity may be a fully resourced activity housed within the Corporation or may be outsourced to qualified independent third party service providers.
- If the internal audit activity is housed within the Corporation, the Board shall appoint a qualified Chief Audit Executive (CAE) discussed below.
- Should the Corporation outsource the internal audit activity to qualified independent third party service provider, the Board shall appoint a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity.
- Duties and Responsibilities of the internal auditor:
  - Provide an independent risk-based assurance service to the Board, Audit Committee management, focusing on reviewing the effectiveness of the governance and control processes in: (a) promoting the right values and ethics; (b) ensuring effective performance management and accounting in organization; (c) communicating risk and control information; and (d) coordinating the activities and information among the Board, external and internal auditors, and Management.
  - Perform regular and special audit as contained in the annual audit plan and/or based on the Corporation's risk assessment.
  - Perform consulting and advisory services related to governance and control as appropriate for the organization.
  - Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization.
  - Review, audit, and assess the efficiency and effectiveness of the internal control system of all areas of the Corporation.
  - Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned.
  - Evaluate specific operations at the request of the Board or Management, as appropriate.
  - Monitor and evaluate governance processes.

#### **B. The Chief Audit Executive (CAE)**

- The CAE shall be recommended by the Audit, Risk Oversight and Related Party Transactions Committee, and report functionally to the Audit Committee and administratively to the CEO.
- Duties and Responsibilities:
  - Review periodically the internal audit charter and present it to senior management and the Board Audit, Risk Oversight, and Related Party Transactions Committee for approval.
  - Establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the Corporation's goals.
  - Communicate the internal audit activity's plans, resource requirements, and impact of resource limitations, as well as significant interim changes to senior management and the Audit Committee for review and approval.
  - Spearhead the performance of the internal audit activity to ensure it adds value to the Corporation.
  - Report periodically to the Audit Committee on the internal audit activity's performance relative to its plan.
  - Present findings and recommendations to the Audit Committee and give advice to senior management and the Board on how to improve internal processes.

#### C. Risk Management Function

- The Corporation may establish a risk management office, taking into account its size, risk profile, and complexity of operations.
- The risk management office shall identify, assess and monitor key risk exposures.
- Duties and Responsibilities of the Risk Management Office:
  - Define a risk management strategy.
  - Identify and analyze key risks exposure relating to economic, environmental, social, governance (EESG) factors and the achievement of the Corporation's strategic objectives.
  - Evaluate and categorize each identified risk using the Corporation's predefined risk categories and parameters.

- Establish a risk register with clearly defined, prioritized and residual risks.
- Develop a risk mitigation plan for the most important risks to the Corporation, as defined by the risk management strategy.
- Communicate and report significant risk exposures, including business risks, control issues and risk mitigation plan to the Board Risk Oversight Committee.
- Monitor and evaluate the effectiveness of the Corporation's risk management process.

#### **D. The Chief Risk Officer**

- The Board shall appoint a Chief Risk Officer ("CRO"), who shall manage the Corporation's Risk Management System.
- The CRO shall have adequate authority, stature, resources, and support to fulfill his/her responsibilities, subject to the Corporation's size, risk profile, and complexity of operations.
- The CRO shall report functionally to the Audit, Risk Oversight, and Related Party Transactions Committee, and administratively to the CEO.
- Duties and functions of the CRO:
  - Supervise the entire ERM process and spearhead the development, implementation, maintenance, and continuous improvement of ERM processes and documentation.
  - Communicate the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee.
  - Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee.
  - Suggest ERM policies and related guidance, as may be needed.
  - Provide insights on: (a) risk management processes are performing as intended; (b) risk measures reported are continuously reviewed by risk owners for effectiveness; and (c) established risk policies and procedures are being complied with.

## **VI. CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS**

- The Corporation shall treat all shareholders fairly and equitably, and also recognize, protect, and facilitate the exercise of their rights.
- The Corporation commits to respect the following rights of shareholders:

1. Pre-emptive Right

- ✓ All stockholders shall have pre-emptive rights, unless the same is denied in the articles of incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

2. Voting Right

- ✓ Shareholders shall have the right to nominate candidates to the Board of Directors in accordance with the Corporation Code and other existing laws, rules, regulations.
- ✓ The shareholders shall likewise have the right to elect, remove, and replace directors and vote on certain corporate acts in accordance with the Corporation Code, such as, the amendment to the Articles of Incorporation and By-Laws, authorization to the increase or decrease in authorized capital stock.
- ✓ A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

3. Right to Inspect

- ✓ All shareholders shall be allowed to inspect corporate books and records, including minutes of Board meetings and stock registries in accordance with the Corporation Code, and shall be furnished with annual reports, including financial statements, without cost or restrictions.

4. Right to Information

- ✓ The Shareholders shall be provided, upon request, with periodic reports, which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporations, relationships among directors and key officers, and the aggregate compensation of directors and officers.

- ✓ The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
- ✓ The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

#### 5. Right to Dividends

- ✓ Shareholders shall have the right to receive dividends, subject to the discretion of the Board, and in accordance with the Corporation Code and other existing laws, rules, and regulations.
- ✓ The Corporation shall declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board; or b) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation such as when there is a need for special reserve for probable contingencies.

#### 6. Appraisal Right

- ✓ The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:
  - In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
  - In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code.
  - In case of merger or consolidation.

## 7. Right to Choose Alternative Dispute Resolution Process

- ✓ Shareholders shall have the right to choose any available alternative dispute resolution process under existing laws and regulations in case of intra-corporate dispute with a fellow shareholder, or with a director, or officer of the Corporation, or with the Corporation itself.
- ✓ No intra-corporate case shall be filed in court without exhausting at any available alternative dispute resolution process.
- It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.
- The Corporation shall send a Notice of the Annual and/or Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting or at least 15 business days prior to the meeting, as may be more practicable under the circumstances.
- The results of the votes taken during the most recent Annual and/or Special Shareholders' Meeting shall be publicly available the next working day.
- The Minutes of the Annual and/or Special Shareholders' Meeting should be available on the Corporation's website within five (5) business days from the end of the meeting. The said Minutes shall include:
  - a. Description of the voting and vote tabulation procedures used.
  - b. Opportunity given to shareholders to ask questions, as well as a record of the questions and the answers received.
  - c. The matters discussed and the resolutions reached.
  - d. A record of the voting results for each agenda item.
  - e. A list of the directors, officers, and shareholders who attended the meeting.
  - f. Dissenting opinion on any agenda item that is considered significant in the discussion process.

## VII. DUTIES TO STAKEHOLDERS

### A. Respecting Rights of Stakeholders and Effective Redress for Violation of Stakeholder's Rights

- The Corporation recognizes that stakeholders in corporate governance include, but are not limited to, customers, employees, suppliers, shareholders,

investors, creditors, the community the Corporation operates in, society, the government, regulators, competitors, and external auditors.

- The Board shall promote cooperation between the stakeholders and the Corporation in creating wealth, growth, and sustainability.
- The Board shall likewise treat the stakeholders fairly and protect their rights.
- The Board shall adopt a transparent framework and process that allow stakeholders to communicate with the Corporation and to obtain redress for the violation of their rights.

#### **B. Encouraging Employees' Participation**

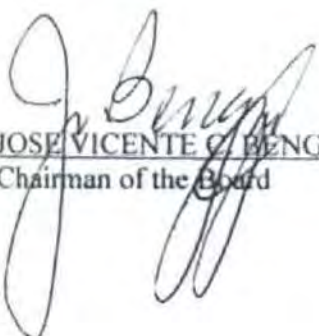
- The Board shall establish policies, programs, and procedures that encourage employees to actively participate in the realization of the Corporation's goals and participate in its corporate governance processes. These policies and programs shall cover, among others, the following: (1) health, safety and welfare; (2) training and development; and (3) reward/compensation for employees, encourages employees to perform better and motivates them to take a more dynamic role in the Corporation.
- The Board adopts a policy against corruption, which are detailed in its Code of Conduct and disseminated properly to its employees across the organization through trainings to embed them in the Corporation's culture.
- The Board shall, after a careful study, establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.
- This manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.
- All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.
- An adequate number of printed copies of this Manual must be reproduced under the supervision of the Human Resources Division, with a minimum of at least one (1) hard copy of the Manual per department.

#### **C. Encouraging Sustainability and Social Responsibility**

- The Corporation shall be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

## VIII. COMPLIANCE TO THE CODE AND THIS MANUAL

- This Manual substantially complies with the principles and recommendations under the Code of Corporate Governance for Publicly-Listed Companies (SEC Memorandum Circular No. 19, Series of 2016).
- All business processes and practices being performed within any department or business unit of Vitarich Corporation that are not consistent with any portion of this Manual shall be revoked unless measures or policies are adopted to comply with this Manual.
- This Manual shall be subject to review by the Board of Directors.



JOSE VICENTE O. BENGZON, III  
Chairman of the Board

# **ANNEX I**

## **HRD TRAINING PROCEDURE**

	Document Title  <h2 style="text-align: center;">TRAINING PROCEDURE</h2>	Reference	HRD-P-01
		Revision No.	0
		Page	1/7
		Author	FBazer Bashi
		Date Released	10 Jan 2020

## 1. Purpose

To determine competency and training needs for all employees of Vitarich Corporation, provide training to address the identified needs, evaluate the effectiveness of training at defined intervals, ensure that employees are aware of the importance of their tasks, and maintain appropriate records of education, training, skill and experience.

## 2. Scope

This procedure includes all employees of Vitarich Corporation.

## 3. Definition

- 3.1 Training – a carefully planned and handled effort of management, through competent instructors, to impart “know how” and develop or improve certain phases of an individual’s skills, attitudes, discipline, behavior or knowledge to make him/her either more effective on his/her present job or better qualified for another and future job position.
- 3.2 Compliance Training – it is compulsory for all employees to attend this course, to give every employee an overview of Vitarich Corporation's compliance programme and a clear understanding of his or her role in compliance.
- 3.3 Behavioral Training – training for all employees, which aim to enhance their personality, work conduct, values information, leadership skills, customer-client relations and others. Such training is required by management for the employee to be able to perform and render the desired services to meet the customer’s requirements.
- 3.4 Skills/Technical Training – all employees are part of this training program; however, each department must identify who should undergo this training.
- 3.5 Individual Training Plan – development plans designed per employee to address performance gaps.
- 3.6 Training Logbook – it is an excel spreadsheet which is used to log the names of the participants, the planned training date, the training received on date, etc.
- 3.7 Training Needs Analysis (TNA) - refers to the process of determining the knowledge, skills and attitudes of the employee needed in the efficient performance of his/her job.

## 4. Reference

- 4.1 ISO Standard
- 4.2 Job Scope
- 4.4 Employee Handbook

	Document Title  <h2 style="text-align: center;">TRAINING PROCEDURE</h2>	Reference	HRD-P-01
		Revision No.	0
		Page	2/7
		Author	FBazer Bashi
		Date Released	10 Jan 2020

## 5. Procedure

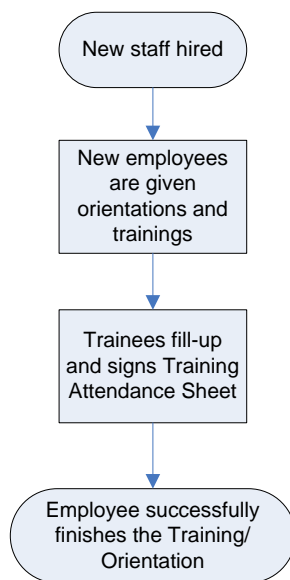
This procedure defines the steps in identifying training needs, planning and implementing training programs and evaluation and recording of the training results.

### 1. Induction Program

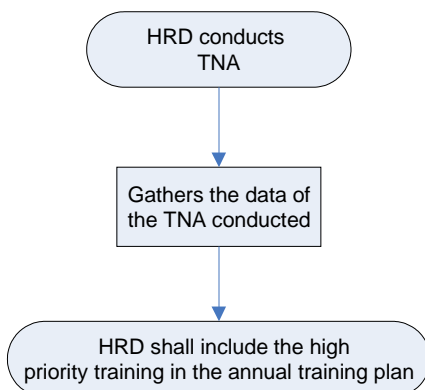
1.1 All newly hired employees shall be required to take the Orientation for New Employees (ONE) to be conducted by the HR T&OD. This orientation is a pre-requisite to all incoming employees, which aims to introduce and explain the following:

#### EMPLOYEE ORIENTATION

- Company Orientation/Background
- Company Policies and Procedures
- Compensation and Benefits Administration
- Work Area
- Duties and responsibilities
- Training and development Opportunities
- Organizational chart



1.2 A Training Attendance Sheet (HRD-F-05-02) shall be filled-up by each participant during the course of the orientation and/or training to attest attendance of the participant.



### 2. Conducting TNA

2.1 The HRD shall conduct training needs analysis on all levels of the company's organization. This could be done by means of any of the following TNA sources:

	Document Title  <h2 style="text-align: center;">TRAINING PROCEDURE</h2>	Reference	HRD-P-01
		Revision No.	0
		Page	3/7
		Author	FBazer Bashi
		Date Released	10 Jan 2020

- 2.1.1 The HRD shall review the table of organization of the company on a yearly basis to check if there are changes in the positions which would require additional training.
- 2.1.2 Individual job descriptions shall also be reviewed to identify basic attitudes, skills and knowledge requirement on certain job function.
- 2.1.3 The Individual staff performance appraisal can also be used for identifying the training needs of the employee by checking the core competencies of personnel with regards to performance ability and skills.
- 2.1.4 Inputs from employees regarding necessary or needed trainings shall also be gathered.

2.2 The trainings will be prioritized for implementation.

### 3. Preparation of Annual Training Plan

- 3.1 Using the Annual Training Plan (HRD-F-05-00), HRD shall prepare a draft of the Annual Training Plan based on the result of TNA. The draft shall then be distributed to the different Department Heads for their review and suggestions.
- 3.2 When all the suggestions from the different departments are received, HRD shall incorporate these suggestions to the final draft of the annual training plan to be approved by the top management.
- 3.3 The preparation of trainings shall be done based on the following:
  - 3.3.1 The urgency of training program as based on the TNA result;
  - 3.3.2 Availability of training resources;
  - 3.3.3 Availability of training participants;
- 3.4 Once the training plan is approved by the top management, copies of the training plan shall be distributed to the department managers for their reference.
- 3.5 In case there will be changes in the training plan, the HRD shall inform the top management for approval.

### 4. Preparation of Annual Training Plan

- 4.1 Using the Annual Training Plan (HRD-F-05-00), HRD shall prepare a draft of the Annual Training Plan based on the result of TNA. The draft shall then be distributed to the different Department Heads for their review and suggestions.
- 4.2 When all the suggestions from the different departments are received, HRD shall incorporate these suggestions to the final draft of the annual training plan to be approved by the top management.
- 4.3 The preparation of trainings shall be done based on the following:
  - 4.3.1 The urgency of training program as based on the TNA result;
  - 4.3.2 Availability of training resources;
  - 4.3.3 Availability of training participants;

	Document Title  <h2 style="text-align: center;">TRAINING PROCEDURE</h2>	Reference	HRD-P-01
		Revision No.	0
		Page	4/7
		Author	FBazer Bashi
		Date Released	10 Jan 2020

4.4 Once the training plan is approved by the top management, copies of the training plan shall be distributed to the department managers for their reference.

4.5 In case there will be changes in the training plan, the HRD shall inform the top management for approval.

#### 5. Implementation of Annual Training Plan (In-house)

5.1 The training schedule shall be released to each department heads prior to the training date.

5.2 The Department heads shall confirm the participants for the specific training to HRD.

5.3 HRD shall record the names of the participants in the Training Planned/Completed Log.

5.4 All concerned departments/personnel shall be informed of any changes in the schedule of the training or the participants.

#### 6. Implementation of Annual Training Plan (Public Offered Training/Seminar)

6.1 The employee / immediate superior should accomplish the Training Request form with the necessary documentary requirement.

6.2 The request must be duly approved before any registration and processing of payment can be done by the HRD.

#### 7. Evaluation of Training Results

6.1 Level 1 Evaluation: Reaction Level. This is evaluation is done after completing the program. This evaluation questionnaire moves beyond how well the students liked the training to questions about the reaction on the implementation of how the course objective was achieved.

6.2 Level 2 Evaluation: Learning Results. Measure of learning results. This evaluation aims to determine if the employee actually learn the knowledge, skills, and attitudes the program was supposed to teach. This is usually done by administering a pre-test and post-test, making sure that test items or questions are truly written to the learning objectives. The aim is to accurately see the impact that the training intervention had. This type of evaluation is done depending on the program conducted.

6.3 Level 3 Evaluation: Behavior in the Workplace. This type of evaluation attempt to answer whether or not any of the new knowledge and skills are retained and transferred back on the job.

6.4 Level 4 Evaluation: Business Results. To evaluate the business impact of the training program.

6.1 A summary of the training evaluation shall be prepared by the HR department for continual improvement.

6.2 All records pertaining to this procedure should be kept by the HR department and the Individual Training Records (HRD-F-05-03) of each employee shall be kept in the employees 201 records until his/her period of employment in the company is terminated.



Document Title

# TRAINING PROCEDURE

Reference

HRD-P-01

Revision No.

0

Page

5/7

Author

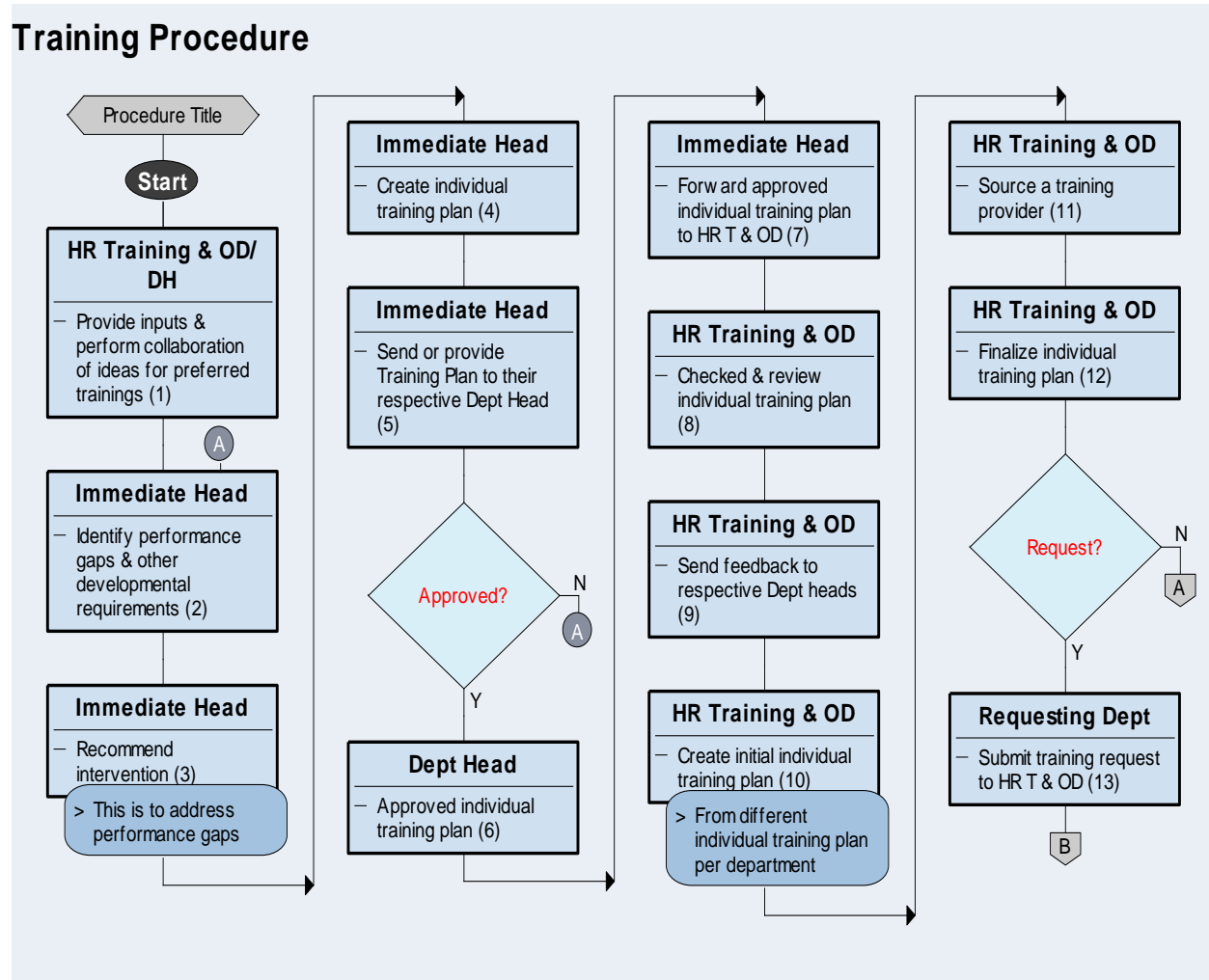
FBazer Bashi

Date Released

10 Jan 2020

## TRAINING PROCESS MAP:

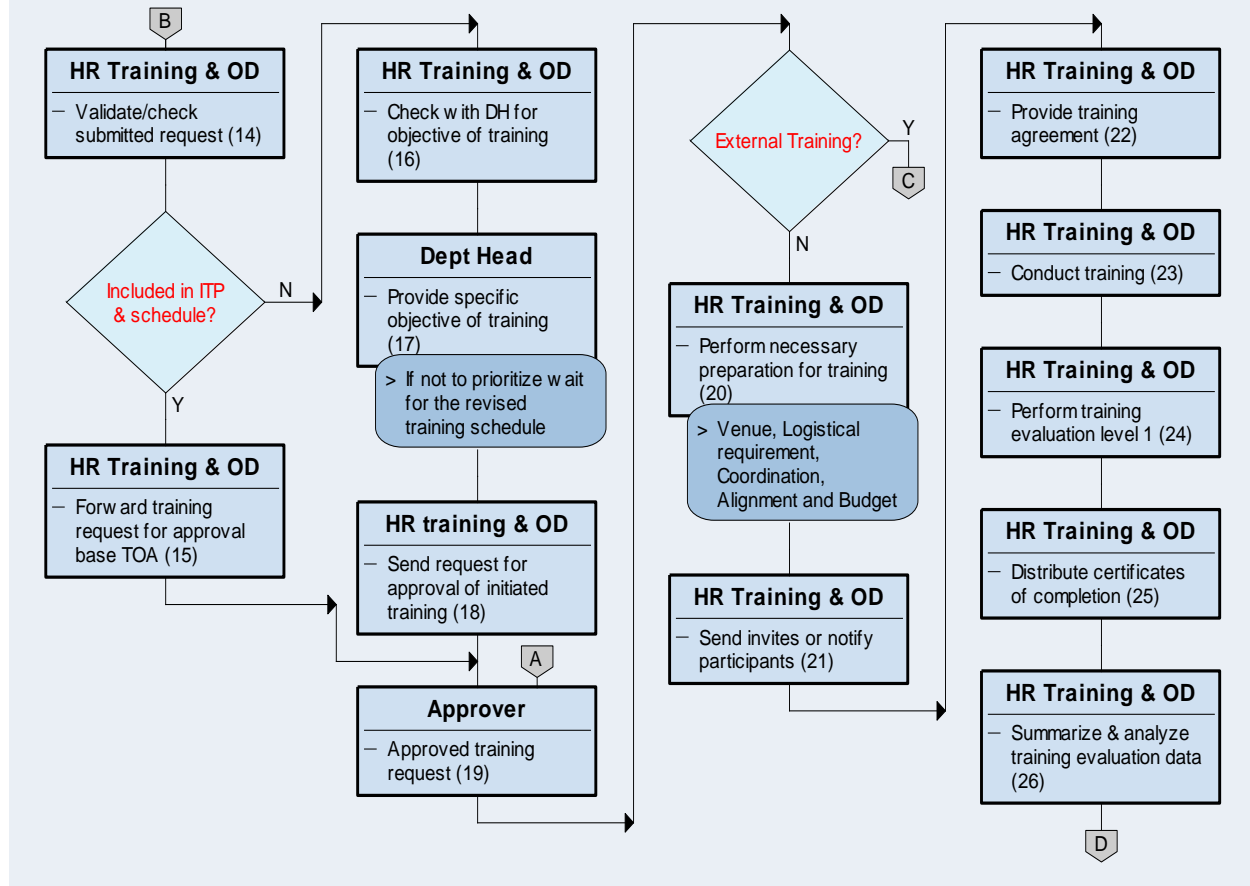
### Training Procedure





# TRAINING PROCEDURE

## Training Procedure





Document Title

# TRAINING PROCEDURE

Reference

HRD-P-01

Revision No.

0

Page

7/7

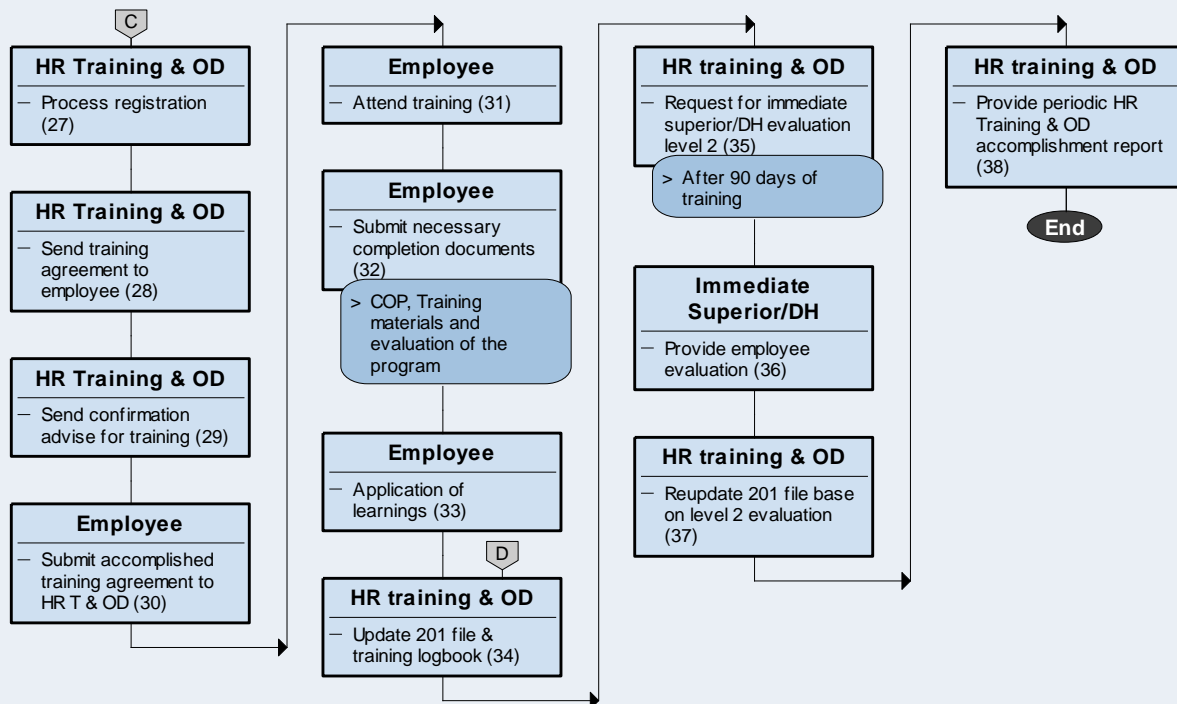
Author

FBazer Bashi

Date Released

10 Jan 2020

## Training Procedure



Form / Templates  
Training Request Form  
Individual Training Plan  
Training Agreement  
Training Registration  
Evaluation Form 1  
Evaluation Form 2  
Preparation Checklist  
Certificate of Attendance

# **ANNEX J**

## **2019 PROGRAMS PROCEDURES TRAININGS ON EMPLOYEE PARTICIPATION**

**2019 Programs, Procedures, Trainings on Employee Participation in  
the Realization of Goals and Governance**

Date :	Training /Course	# of attendees
February 28, 2019	Meeting Management Skills	21
April 30, 2019	How the economy work - Macro Economics Seminar - Luzon	2
June 3, 2019	Regional Trimester (Issues & Concerns) & Service Level Agreement Discussion (LUZON)	32
July 23, 2019	138th MCLE Lecture Series – A Seminar on the Revised Corporation Code (R. A. No. 11232) (Luzon)	1

# **ANNEX K**

## **HR POLICY AND MERIT SYSTEM**

## **HRD POLICY - DEFINITION OF TERMS**

Policy Number - 001 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

### **FOREWORD**

The management of Vitarich Corporation believes that the interests of the Company and that of its employees are one and the same. It also believes that in order to achieve its corporate goals, the Company's human resources must be used to the fullest.

Management therefore makes a commitment to:

- Treat employees with respect and dignity;
- Provide employees with opportunities for training, career growth and job satisfaction;
- Adopt and implement HRD policies, practices and procedures that will motivate employees to do their jobs more efficiently and effectively;
- Ensure that compensation and benefits are fair, just and commensurate to employees' responsibilities and contributions to the Company;
- Encourage a working climate of trust and confidence.

In turn, it expects a similar commitment from its employees to:

- Deliver a high level of work performance;
- Adhere to organizational norms, rules and regulations;
- Show loyalty to the Company;
- Exhibit intellectual honesty.

### **Section 1. DEFINITION OF TERMS**

**1. POLICY** - A standing decision formulated to guide actions on recurring situations.

**2. PROCEDURE** - A step-by-step statement on how a policy at work is to be carried out or implemented.

**3. EMPLOYEE** - Any person in the employ of the company.

#### **3.1 REGULAR EMPLOYEE**

One who performs work directly related to the regular operations of the company, has passed the probationary period of at least six (6) months, is placed in the company's regular roll and employed for an indefinite period unless terminated through just cause or as authorized by law.

#### **3.2 TEMPORARY EMPLOYEE**

One who is hired to perform work in a specific project or period upon completion of which his employment is terminated.

### **3.3. CASUAL EMPLOYEE**

One who is hired for a few days or a few months at a time to perform a unit of work or to fill a gap in the absence of an employee or to perform seasonal work or a specific project or undertaking.

### **3.4 PROBATIONARY EMPLOYEE**

One who is hired to occupy a regular position in the company for a specified trial period (usually six months) to determine whether or not he is qualified for the position he applied for.

### **3.5 CONTRACTUAL EMPLOYEE**

One who is hired to work on a specific project or projects on an individual employment contract basis. Duration of employment is specified in the contract.

**4. STRATEGIC BUSINESS UNIT (SBU)** - An independent or separate corporation responsible for profits and all critical aspects of operations including marketing, production, accounting, finance and HRD.

**5. SIZE OF SBU** - An SBU may be classified as large, medium or small depending on sales volume, assets deployed and number of people managed.

**6. DIVISION** - A division can be dependent or interdependent with another division within the corporation. It is responsible for profits and the critical functions of production and marketing; it shares responsibility with accounting and HRD.

**7. SIZE OF DIVISION** - A division may be classified as large, medium or small depending on sales volume, assets deployed and number of people managed.

**8. FUNCTION** - A function may be classified as critical (primary), major (contributory), or minor (shared/indirect).

8.1. CRITICAL contributes primarily to profitability i.e. Sales, Production.

8.2. MAJOR contributes significantly and directly to profitability i.e. Materials Management, HRD, Accounting, Finance.

8.3. MINOR contributes indirectly to profitability i.e. Insurance, Marketing Services, Auditing.

**9. SECTION** - A section manages either a single major function or two to three minor functions under a department.

**10. UNIT** - A unit manages a single minor function under a section.

**11. REGULATION** - Standards set to implement company policies and to guide the conduct and behavior of employees in relation to these policies.

**12. WAGE OR SALARY** - The remuneration paid to an employee by the Company for services rendered.

**13. SEPARATION** - Severance or termination of employment due to the following reasons:

**13.1 RESIGNATION** - The voluntary termination of employment by an employee.

**13.2 TERMINATION** - The severance of employment by an employer for causes provided for or sanctioned by law.

**13.3 RETIREMENT** - The cessation of employment in accordance with a collective bargaining agreement or the Sarmiento Group of Companies (SGC) Joint Retirement Plan of the Company.

**13.4 DEATH**

**13.5 TOTAL PERMANENT DISABILITY** - A condition of total inability of an employee to perform his customary employment or work of the same general character or some other similar work permanently.

**13.6 PARTIAL PERMANENT DISABILITY** - A condition wherein the employee suffers loss or impairment of certain parts of the body so that while he is able and capable to pursue his customary employment, he can no longer work with the same efficiency and competence as before the injury. The duration of impaired competence is permanent.

**14. CONFLICT OF INTEREST** - An employee, especially in the managerial/supervisory capacity, must act in the best interest of the company and shall not use or put himself in a situation which shall produce a conflict between his self-interest and the interest of the company.

**14.1** A conflict of interest situation exists when an employee by virtue of his position, can exert influence over certain decisions which can benefit him personally or others related to him acting in his benefit.

His influence can be by virtue of his own position and the decision-making authority vested in him, or by access to certain information, or by influencing other decision-makers in the company.

An employee who is engaged in businesses with the company and who makes decisions directly affecting his own businesses or those of his

relatives, must refrain from direct decision-making and instead elevate these decisions to the next higher officer for confirmation.

**14.2** A conflict of interest situation shall also include acceptance of any gift or favor from other persons of firm or supplier doing business with the company in exchange for preferential treatment or favor.

**15. MANAGERIAL EMPLOYEE** - His principal function is to lay down and execute managerial policies of the company. He has the authority to hire, terminate employment, transfer, suspend, lay off, recall, discharge, delegate, assign, or discipline employees.

**16. TECHNICAL AND STAFF (TS)** - Technical and Staff are professionals or management staff who are hired to perform specialized or technical tasks (e.g. Engineers, Chemists, Architects, Cost Accountants, Computer Programmers, etc.). Their work require the use of independent judgment.

**17. SUPERVISOR** - He supervises at least two people, recommends hiring and termination of employment of his subordinates and other HRD actions related to the performance of his job, and is responsible for the performance/accomplishment of at least two subordinates. His work requires the use of independent judgment.

**18. RANK AND FILE** - His principal function includes routine, manual and clerical tasks. This classification includes unskilled (e.g. Utilityman, etc.), semi-skilled (e.g. clerks, etc.) and skilled workers (e.g. technicians, data encoders, etc.)

## **POLICY ON RECRUITMENT, SELECTION AND PLACEMENT**

Policy Number - 002 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

### **I. POLICIES**

#### **I.1 PLANTILLA**

All positions in the organization shall be covered by an approved plantilla submitted together with the budget every year.

#### **I.2 CREATION OF A NEW POSITION/NEW JOB LEVEL**

Any position/job level not included in the approved plantilla may be created in accordance with approved procedures.

#### **I.3 MANNING OF THE APPROVED PLANTILLA**

The criteria for recruitment and selection of new employees shall be based on mental and physical fitness, academic background, work aptitude and experience, suitable personality, and potential for future growth in the company.

#### **I.4 APPROVAL, RECOMMENDATION AND CONFIRMATION OF APPOINTMENTS AND TRANSFERS**

- a) The Executive Committee shall approve appointments and transfers of Presidents, SVPs, EVPs, and VPs and confirm those of AVPs.
- b) The President shall approve appointments and transfers of AVPs, recommend those of EVPs and confirm those of Department Heads(DHs).
- c) The Executive Vice-President shall approve appointments and transfers of DHs and confirm those below DHs. The SVP/VP shall approve those below DHs.

#### **I.5 REHIRING OF EMPLOYEES**

Employees dismissed for cause, retrenched, abolished or retired shall not be re-employed by the company. Employees who resign from the company for other causes may be rehired but will be considered new employees.

## **I.6 FILLING UP OF POSITIONS**

Before a vacant position is filled up, the possibility of adding that position's duties and responsibilities to an existing position shall be explored and if incorporated, the latter position shall be re-evaluated.

## **II. PROCEDURES**

### **II.1 MANPOWER REQUISITION FOR REGULAR HIRING**

- a) When a vacancy occurs due to separation, resignation, termination or retirement, the requesting unit accomplishes the Hiring Request Form (HRF) and attaches a copy of the job description and table of organization.
- b) The department head recommends approval of request.
- c) The HR Assistant and HR Head countercheck and review the request.
- d) The HR Manager evaluates and endorses the request.
- e) The VP approves and the President confirms the request.
- f) The HRF is returned to HRD.
- g) Three copies are made: 1-forwarded to the requesting unit, 2- master file,  
and 3- recruitment/201 file.
- h) The HR Assistant announces the vacancy through the HR database, e-mail broadcast, bulletin boards and/or scouts for qualified applicants.

### **II.2 RECRUITMENT/PLACEMENT AND SELECTION FOR REGULAR HIRING**

- a) The HRD posts notices of vacancies and circulates them to all departments to give employees the opportunity to apply for the opening.
- b) For vacancies filled from within the company, the employee transferred to the new position shall undergo a trial period (developmental assignment) of at least six (6) months on condition that he shall return to his former position if he does not pass the trial period.
- c) In filling positions from outside the company, the HR Department refer to its resume bank of former applicants and/or scouts for new applicants.

- e) Applicants fill up application forms and submit their resume.
- f) HRD screens the applications and sets the preliminary interview.
- g) Qualified applicants undergo the following tests: Personality; IQ/Mental Ability (Verbal IQ and Non-Verbal), Aptitude, Essay-type, Sales Series and Supervisory index, as applicable.
- h) HRD puts in active file those who pass the test.
- i) HRD interviews applicant and then refers applicant to requisitioning unit for interview.
- j) Requisitioning unit conducts interview(s) and actual trade/skill test, if needed. Notice to hire is then forwarded to HRD for processing.
- k) Qualified candidates submit the following requirements: 2 pcs. ID picture; medical and dental tests; SSS number; TIN; diploma and official transcript of records; NBI, Police and Baranggay clearances; residence certificate, and; clearance(s) from previous employer(s).
- l) Only physically fit applicants shall be considered. All applicants chosen for employment shall undergo medical examination provided by outside medical services.
- m) After he shows satisfactory fitness, a confirmation of appointment shall be issued. A regular employee cannot be assigned in a temporary or casual position.
- n) After reference check by HRD and background investigation on the prospective employee, the newly hired employee undergoes company orientation by HRD.

#### **II.4 HIRING THROUGH AGENCY**

- a) HRD coordinates with agency upon receipt of approved HRF.
- b) Agency endorses applicants to HRD.
- c) HRD interviews applicants, then selects and refers qualified applicants to requesting unit.
- d) Requesting unit head interviews and selects from screened applicants.

- e) HRD coordinates with agency regarding pre-employment requirements, physical exam, chest x-ray, urine and stool analysis, dental exam and other tests deemed necessary by the company.
- f) HRD coordinates with requesting unit heads the effectivity and duration of appointment and informs agency.
- g) HRD hires applicant.

## **POLICY ON EMPLOYEE DEVELOPMENT AND TRAINING**

Policy Number - 003 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

### **I. POLICIES**

#### **I.1 HUMAN RESOURCES DEVELOPMENT**

Although employee development and training is a line function, the HRD shall take charge of coordinating, recording and processing these activities.

#### **I.2 TRAINING**

As part of its human resources development program, the company shall offer its employees in-house training as well as opportunities to attend outside seminars, special training, formal schooling and observation tours here and abroad. Training is the primary responsibility of line managers. To ensure that the programs are up to date, a training survey and analysis is conducted yearly based on the company's corporate directions.

##### **IN-HOUSE TRAINING**

- a) Basic training will be given to all new employees by the HRD on company history, organization, benefits, policies, basic procedures, facilities and corporate values.
- b) Special training are available to all employees who need to upgrade and enhance their skills. Programs such as technological, managerial, productivity measurement, analysis, and motivational sessions, and other professional development programs resulting from the Training Needs Analysis (TNA) are available throughout the year.
- c) Technical courses such as skills in motor rewinding or refrigeration and other courses may also be offered by the company in collaboration with outside technical training institutions.
- d) Modern training facilities are available at the Marilao Main Office. The company may also approve in-house training conducted in different training venue as required to meet the objectives and as the training and/or departmental budget permitted to do so.

##### **OUTSIDE TRAINING**

Regular employees may be sent yearly to fully subsidized training programs and/or conventions upon the recommendation of the manager and/or immediate superior.

### **I.3 RECIPROCAL SERVICE COMMITMENT**

- An employee who participates in a training that costs P5,000.00 and above is required to sign a Reciprocal Service Commitment Form.
- The employee-participant reciprocates the company through service based on the stated number of months per training investment:

P5,000	to	P14,999	-	Six (6) months
P15,000	to	P24,999	-	Twelve (12) months
P25,000	to	P34,999	-	Eighteen (18) months
P35,000	- above		-	Additional three months.

Employee is liable to pay the pro-rated amount in case the said employee fails to complete the period required in the signed agreement, which amount represents the expenses incurred by the company in providing the necessary training of the employee.

Failure to complete the period under this agreement shall be understood to include abandonment, dereliction of duty, willful violation of company policies, deliberate failure to meet minimum standard set forth in the company and any intentional act with the intention of circumventing the payment of training accountability.

Above amounts are subject to review from time to time. Salaries shall not be included in the computation of the cost of training if the employee regularly reports for work during the training period.

describe      The employee-participant is required to impart learning as necessary to co-employees/division within the reciprocal service term.

HRD      The employee-participant should submit summary report of training, copy of the certificate of attendance and training manual to for external training attended.

## **I.4 ORIENTATION**

Orientation to company policies and procedures is the primary responsibility of line managers. All new employees must undergo an departmental/divisional orientation not later than one month after probationary appointment.

## **I. PROCEDURES**

### **II.1 IN-HOUSE SEMINARS**

- a) HRD will refer to approved training calendar of the year.
- b) HRD will notify the identified participants during the process of TNA.
- c) In case of changes in the original list of delegates or for additional participants, HRD will notify the Department Head who is most in need of the particular training.
- d) The Department Head will choose among his people based on the requirement of the job for maximum performance and submits his recommendation to HR Assistant for Training who makes sure that there is no duplication of courses attended.
- e) Supervisory level employees who attend in-house seminars after office hours are not entitled to overtime pay. Rank and file will receive overtime pay if the company required the training.
- f) An employee who is required to attend a seminar during office hours shall be considered absent from work if he fails to attend the training and yet fails to report for work.

### **II.2 OUTSIDE SEMINARS**

- a) The advantage of attending the external training is given to regular employees.
- b) In applying for external training, either the employee himself initiates the application that is duly approved by his Department Head or the Department Head chooses delegate(s) to attend the needed training.
- c) External Training Application form with the approval of the Immediate Head is submitted to HRD for approval and/or processing.

- d) The HR Assistant for Training certifies the last seminar attended by the employee and the suitability of the current seminar applying for. He makes sure that there is no duplication of courses attended.
- e) In case the HR Assistant for Training approves external training application, he recommends it to the HR Manager and President with payment requisition.
- f) The employee-participant of the training should abide the policies required in attending external training and that stated in the Reciprocal Service Agreement (if needed).

### **III.3 SPECIAL TRAINING**

- a) The company shall sponsor all the expenses of an employee sent on special training, formal schooling or observation tour.
- b) The cost of training shall be booked in a special account as advances to the employee, to be amortized within the guaranteed period of reciprocal service. The policy on liquidation of cash advances shall not apply to this special account.
- c) An employee who resigns during or after training or before he completes the required period of reciprocal service will reimburse to the company the cost of training remaining un-amortized at the time of his resignation.
- d) The candidate for training and the President shall agree on the terms and conditions and document this agreement.
- e) Training which involves foreign travel need the prior approval of the Chairman of the Board and the President. For travel to US and Europe, the Chairman and President are authorized to approve up to 15 days. For travel to Asia, they are authorized to approve up to 30 days. Foreign travel exceeding the above require prior approval from the Executive Committee.

### **II.4 MANAGEMENT TRAINING**

- a) Employees who have been identified as having the potential to assume positions of greater responsibility shall be subjected to tests and shall undergo the basic training programs to prepare the individual to effectively and efficiently handle the job he will assume. The HRD shall indicate these programs in their specific plans and programs for the year.
- b) To ensure that managers are abreast with the latest trends and

techniques within their functional areas, their development  
whether in seminars, workshops, on the job training, observation tours  
shall be a continuing activity.

- c) Supervisors must attend basic supervisory training prior to assuming office as supervisor.

## **POLICY ON WAGES AND SALARIES**

Policy Number - 004 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

### **I. GENERAL POLICY**

**I.1** It shall be the responsibility of the company:

- a) to compensate its employees equitably and justly.
- b) to recognize the employees' qualification, productivity, seniority and loyalty.
- c) to be competitive within the industry, maintain its leadership in the community while keeping in mind the company's capability to sustain its wage and salary program.
- d) to recognize excellence and quality of work performed.

**I.2** The company's compensation program should provide an equitable and systematic method of determining the relative value of each job.

**I.3** It should recognize the contribution of each individual employee towards meeting company goals and unit objectives based on his job performance.

### **II. GENERAL POLICIES**

#### **II.1 JOB DESCRIPTION**

The immediate superior takes charge of writing the job analysis, which is the detailed examination of the tasks, duties and responsibilities to be performed by a worker or employee in a particular position. He is also responsible in providing the job specification, stating the qualification requirement of the job such as knowledge, skills, abilities and experiences.

A copy must be submitted to HRD for further analysis and duly signed by the particular department and HRD in finalized.

#### **II.2 JOB EVALUATION**

A job evaluation committee determines the relative value of an employee's job in relation to the other jobs in the organization based on the job description and the organizational set-up of the unit.

### **II.3 JOB SALARY RANGE**

A salary range, based on internal salary curve and comparative labor market study shall be established for each job.

### **II.4 JOB PERFORMANCE**

Regular administration of performance appraisal shall be conducted to quantify the employee's productivity improvement in relation to previous performance and to the standards of the job. The results of performance appraisal ascertain training needs and the relationship between job satisfaction and performance. It is also a tool to determine eligibility of an employee for merit increase within the job salary range or his movement from one job level to another.

### **II.5 WAGE AND SALARY ADMINISTRATION**

Salary adjustments shall respond to:

- a) exigencies of the times - general increase
- b) government mandate - compliance with government legislation
- c) performance -
  - (1) promotions - upward movement within the organization, from one job level to another; assuming greater responsibility in recognition of good performance in his present job.
  - (2) merit increase - upward movement within the salary range, reflecting the employee's good performance in his present job.

## **III. JOB DESCRIPTION**

**III.1** A written job description shall include a summary of general responsibility and accountability; and scope of an employee's job; a detailed listing of responsibilities and accountabilities and the job specifications (course, entry age, special skills, etc).

**III.2** The supervisor/manager shall be responsible for preparing a job description based on actual responsibilities and accountabilities. He may

ask for HRD assistance in preparing or updating the description by means of a job questionnaire.

**III.3** A completed job description shall be reviewed and approved by two levels of supervision. All job descriptions must be reviewed by HRD.

**III.4** The supervisor and the employee shall review the job description annually to ensure that it accurately reflects the responsibilities and accountabilities of the job. A new job description may be prepared if the old one is no longer accurate following the same procedure.

#### **IV. JOB EVALUATION (JE) POLICY**

Job evaluation is a system of rating a job using a standardized job evaluation method (the point rating system).

##### **JE PROCEDURE**

**IV.1** The department/unit submits position(s) for job evaluation (with the attached approved job descriptions) to division head. These position(s) for evaluation usually fall under these categories: a. newly created position; b) enhanced (or decreased) job content caused by merging of positions or absorption of functions.

**IV.2** Division head reviews job description and endorses to HRD for evaluation.

**IV.3** HRD will review the documents and ascertain if the positions need to be evaluated. For multiple positions to be evaluated, HRD may form a Job Evaluation Committee. HRD and the committee evaluate the position using the point rating system.

**IV.4** HRD and/or the committee evaluate each job in terms of four basic factors and determine the extent to which each of the factors is present in the job.

##### **IV.5 Evaluation Factors**

A. Supervisory and Professional Jobs:

a) Skills and Knowledge- includes: 1. Education; 2. Experience and Training; and 3. Human Relationship Skills

b) Responsibility - obligations and accountabilities inherent on or assigned to the job. Includes: 1. Supervisory Responsibility (complexity of line and functional supervision and number of line person supervised); 2. Freedom to Act; 3. Consequences of Decisions and Actions, and; 4. Confidential Data.

c) Effort- mental and physical aspects that must be endured on the job; Complexity of Work

d) Job Conditions- Working conditions that must be endured on the job.

**B. Technical and Staff Jobs:**

a) Skills and Knowledge- includes: 1. Education; 2. Experience and Training; and 3. Human Relationship Skills

b) Responsibility - obligations and accountabilities inherent on or assigned to the job. Sub Factors:

1. Freedom to Act; 2. Consequences of Decisions and Actions, and; 3. Confidential Data.

c) Effort- mental and physical aspects that must be endured on the job; Complexity of Work

d) Job Conditions- Working conditions that must be endured on the job.

**C. Clerical and Manual Jobs:**

a) Skills and Knowledge- includes: 1. Education; 2. Experience and Training; and 3. Resourcefulness and Ingenuity

b) Responsibility - obligations and accountabilities inherent on or assigned to the job. Sub Factors:

1. For Errors; 2. For Company Resources, Equipment and Materials.

c) Effort- Sub-Factors: 1. Physical Demands, 2. Mental and Visual Demands

d) Job Conditions- Sub- Factors: 1. Working Conditions and 2) Work Hazards

**IV.6** HRD and/or committee shall evaluate the job in relation to each of the factors present in the job, and use the rating plan to assign appropriate degrees for each factor.

**IV.7** HRD shall assign the appropriate point value for each degree, using the Table of Point Values per Job Classification (i.e., Supervisory and Professional, Technical and Staff, Manual and Clerical)

**IV.8** Points for each factor shall be added together resulting in a point total for each job. Note: point totals are not comparable in different job classifications. The corresponding job grade and level shall then be ascertained based on the total points of the job.

**IV.9** For Technical and Staff, Clerical and Manual the HRD Manager approves the job grade and level.

**IV.10** For Supervisors and Professional jobs, the HRD Manager approves and President confirms.

**IV.14** Upon confirmation, HRD prepares employees Appointment And Pay Authorization (APA).

## **V. JE ADMINISTRATION AND MAINTENANCE**

**V.1** The requisitioning department head and division manager concerned approves the creation of a new position with a written job description attached to the HRF.

**V.2** The new position shall be evaluated in terms of its position in the salary evaluation chart. The HRD and/or committee shall evaluate and classify the job and recommend its proper range using the point rating system.

**V.3** The listing of classified jobs shall be reviewed periodically to remove obsolete jobs and update job titles (they should be short, maximum of three words) and content. New job questionnaire forms should be accomplished for the update.

**V.4** Use of job titles shall be controlled. A title can be used only if it is in the approved list or is approved by HRD and/or Job Evaluation Committee.

**V.5** As jobs go up the salary range, certain levels may have to be deleted in order to streamline the listing.

**V.6** Creation of new positions shall always require approval by the President.

## **VI. JOB SALARY RANGE POLICY**

**VI.1** The salary range shall express the minimum to maximum Peso-Range that the company pays for a specific job. It shall be directly related to the skills or knowledge required to do a job.

**VI.2** The salary range shall be based on the company's objectives in the compensation area, particular and general economic conditions, and its competitive position based on wage and salary surveys.

- VI.3** Salary ranges shall be formulated based on job grades (jobs grouped together as a result of point totals from the job evaluation). Each job grade shall have its own salary range. Jobs that fall under the same job grade shall have the same salary range. The minimum and maximum rates are higher in each succeeding grades. In cases where salary ranges overlap, an experienced employee in one grade may be paid more than a beginner in a higher grade. The peso size of the range also grows in succeeding higher grades because of increased job complexity.
- VI.4** The peso amount assigned to a particular salary range shall change from time to time, as influenced in both internal and external factors.
- VI.5** Non government-decreed salary adjustments shall not necessarily include individual employee salaries except those whose salaries fall below the minimum rate. These adjustments, however, provide employees with a greater opportunity for salary growth within their respective salary ranges.

## **VII. JOB PERFORMANCE POLICY**

The company shall regularly review individual performance based on pre-agreed commitments and performance standards, relative to the goals and objectives of the company in attaining the desired individual and group productivity.

The Performance Planning and Evaluation (PPE) system shall improve individual productivity, plan out individual performance improvement, conduct employee counseling, promote a healthy subordinate-superior relationship, and ensure industrial harmony, job stability and job satisfaction.

Performance Planning and Evaluation will be conducted once a year to quantify the employee's productivity improvement in relation to previous performance and to the standards of the job. Results of this activity will be utilized for the following reasons: training needs analysis, gauging the relationship between job satisfaction and performance, setting the criteria and standards of performance internally for the organization, identifying key performance indicators for maximum performance, determining eligibility for merit increase, career planning and for gauging the effectiveness of supervisory policy.

For training purposes, Performance Planning and Evaluation will be conducted to at least 75% of employees who have had training intervention for the last six months.

## **PROCEDURES:**

**VII.1** The PPE program of the company involves several steps.

a) The immediate superior discusses the job description with his subordinates, agrees on the content, scope and accountabilities to the job, and relates this to the objectives of the unit and the goals of the organization.

b) The immediate superior and employee with the help of Competency Focus Team and HRD establish performance standards (measured levels of activity that are deemed reasonable in the accomplishment of a job under normal conditions) through the following steps:

1) Pinpoint Key Performance Indicators (KPIs) under Functional Competencies for maximum job performance in relation with the Job Families.

2) Prepare specific activities of KPIs and expected performance based on the unit's plans and programs, budget, time and motion study, and historical records.

3) Agree on KPIs and specific activities stated and establish the standard incremental level for each activity. The incremental levels shall be subjected to three progressions: basic, intermediate and proficient.

4) Add the KPIs/ Functional Competencies with standard incremental levels to Core Competencies in the Performance Planning and Evaluation Form.

c) Immediate superior and employee record and monitor the progress of performance based on standards, which is in a graphical representation.

d) Immediate superior evaluates employee performance on an annual basis using the Performance Planning & Evaluation Form.

1) HR Assistant for Training schedules the departments for PPE administration.

2) Immediate superior and employee accomplish the PPE form with the assistance of HR Assistant for Training.

3) PPE data are to analyze and summarize in a graphical representation.

4) PPE forms of employees are filed in their respective 201 File.

5) Completion of PPE process should not be later than January 31 covering the January-December of the preceding year

- e) The average of the present PPE results may be compared to the previous performance rate as the basis of merit increase.

## **VIII. HIRING AND PERMANENCY RATES POLICY**

**VIII.1** The company shall maintain wage and salary ranges which are equitable for all applicable positions using as guidelines internal position relationships, data obtained from periodic industry and community survey among leading employers, and adjustments for economic salary trends.

**VIII.2** All jobs in the company shall be classified into various pay classes, with a minimum and maximum pay for each class.

**VIII.3** All wage and salary increases shall follow the graduated fixed steps in the pay class and be within the range of the employee's position.

### **HIRING RATE PROCEDURES**

**VIII.4** The hiring rate of a new employee as provided for in the salary range is 10 percent below the minimum rate of the position for which the employee is being hired.

**VIII.5** Exceptions are allowed for jobs which require certain qualifications or with market scarcity. The division manager discusses case with HRD for a competitive hiring rate subject to the approval of the next higher authority.

**VIII.6** In rare instances, the starting rate of employee may fall below the standard hiring rate. In this case, the salary of the newly hired employee should be adjusted to the minimum rate within a year. Otherwise, his job shall be reclassified after a year.

### **PERMANENCY SALARY ADJUSTMENTS PROCEDURES**

**VIII.7** Newly hired employees who successfully pass the six months probationary period are granted a salary adjustment to the minimum rate of his position.

**VIII.8** Newly hired employees hired at or beyond the minimum may be recommended for a permanency adjustment:

- a) Outstanding performance may be given two steps of the fixed step increase in the approved salary structure, not exceeding 10 percent of the minimum rate of the job level.

- b) Above average performance may be given one step of the fixed step increase in the approved salary structure, not exceeding 5 percent of the minimum rate.
- c) Satisfactory performance has no permanency adjustment.

## **IX. INDIVIDUAL SALARY ADMINISTRATION POLICY**

- IX.1** The company shall provide incentives to employees who constantly perform at their highest proficiency level and who strive to develop and improve their skills.
- IX.2** The company shall fill up all vacant or newly created higher positions as first priority by transfer or promotion of qualified employees within the company.
- IX.3** As a matter of company policy, demotion is never encouraged and should be avoided because of its demoralizing effect on the worker and the work environment.

### **PROMOTIONAL ADJUSTMENT**

- IX.4** An employee who is promoted or assigned to a new position which is in a higher salary group than the one previously assigned shall undergo a Developmental Assignment wherein employee shall assume the functions of the new job for a period corresponding to a probationary appointment (three to six months). During this phase, no change in salary and benefits shall take effect. The same policy shall apply to an employee whose current position is re-evaluated and moved to a higher position due to an increase in the employee's duties and responsibilities.
- IX.5** Salary adjustments may be granted to the employee after passing the Developmental Assignment period.
  - a) Upon confirmation of promotion, salary is adjusted to minimum rate of the higher job level post only if salary of promotee is below that rate but shall not exceed 20% increase, whichever is lower. Otherwise, no adjustment is necessary.
  - b) Promotional increase in excess of minimum of the grade is considered a merit increase.
- IX.6** An employee may not be promoted from rank and file to supervisory or from supervisory to managerial position without going through the battery of tests required by HRD.

## **DEMOTIONAL ADJUSTMENT**

**IX.7** A salary reduction is required in the following cases:

- a) An employee is assigned to a position in a lower salary bracket compared to his present position.
- b) An employee's position is assigned to a lower salary bracket after being re-evaluated.
- c) An employee submits to voluntary demotion. He requests transfer to a lower level position and agrees to a reduction in pay not lower than the minimum rate of the lower level position.
- d) An employee is demoted due to reorganization. Because this is a management action, the employee concerned will not suffer a reduction in actual pay although his position will follow new job classification for purposes of subsequent HRD action.

## **SPECIAL MERIT INCREASE**

**IX.8** Subject to budgetary limitations, the company may grant individual merit increases in order to reward deserving employees or compensate employees for added duties and responsibilities.

- a) A special merit increase shall be considered only on the basis of performance and merit, after a review of the employee's service record.
- b) It shall not exceed one fixed step increment (equivalent to at least 10 percent of the minimum rate) of the employees pay class. In highly exceptional and meritorious cases, a wage increase of not more than three fixed steps (equivalent
- c) to at least 15 percent of the minimum rate) within the pay class may be granted.
- c) An employee's salary may not be raised beyond and above the maximum rate of the pay class in which his position belongs unless the employee is promoted to a position belonging to a higher pay class or his position is reclassified to a higher pay class due to added duties and responsibilities.
- d) A merit increase is usually granted only once in 12 months. In highly exceptional cases, an outstanding employee may be recommended for a special merit increase after six (6) months. This shall be justified in writing, recommended by the immediate supervisor, endorsed by the next higher supervisor, and confirmed by the

President. Under the forced distribution policy, not more than 20 percent may qualify for this special increase.

- e) An employee shall not receive total increase of more than 30 percent of his basic pay in one year (inclusive of all increases such as promotion, merit, general, or government-mandated).

### **SPECIAL MERIT INCREASE PROCEDURES**

Salary changes resulting from special merit increase are accomplished as follows:

- a) DH submits recommendation for salary adjustment with justifications and accomplished performance planning and evaluation forms to the HRD.
- b) HRD studies and evaluates the recommendation, analyzes it on the basis of work importance and 201 file of employee, and makes sure that the recommended increase conforms with established policy.
- c) HRD submits results of analysis with comments and recommendations to the division head/President for final action, subject to the president or chairman's confirmation.
- d) Upon approval of the recommendation, the forms shall be returned to HRD for APA preparation.

## **X. MERIT INCREASE POLICY**

- X.1** The company shall review the salaries of all regular employees at least annually to meet changing economic conditions. Salary reviews and any resulting salary action coincide with performance reviews.
- X.2** The company shall reward excellent individual performance through merit increase.
- X.3** The availability of funds may affect the amount and timing of increases from year to year. However, in any given year, the relative size and timing of merit increases depend primarily on employees job performance rating and his position within the unit's performance as a group (i.e. Bell Curve).
- X.4** The company shall immediately comply with government-mandated increases. However, if the increase is greater than the budgeted increase for the year, merit increase shall only be granted to outstanding employees.

**X.5** As a general rule, employees shall be entitled to only one salary adjustment in a year, either a merit increase or a general increase unilaterally given by the company or government-mandated.

**X.6** All regular employees who have worked for a year shall be entitled to a general merit increase.

## **MERIT INCREASE PROCEDURES**

a) All managers submit to HRD a divisional/departmental merit increase allocation based on the accomplished performance appraisal from and commitment sheet.

b) If the Performance Appraisal (PA) has been properly implemented and evaluation has been done as per schedule then the result should be as such:

(1) All managers submit to HRD a divisional/departmental merit increase allocation based on the accomplished performance appraisal from and commitment sheet.

(2) If the PA has been properly implemented and evaluation has been done as per schedule then the result should be as such:

i. Employees who have complied with more than their commitment in the PA – Excellent or Exceptional (Outstanding and Above Average).

ii. Employees who merely comply with the commitments – Minimum Acceptable (Average)

iii. Non-accomplishment of commitments – Poor (Below Average)

c) Only when the PPE is not properly accomplished or submitted on time will the forced distribution/forced ranking be applied.

d) Line managers have up to 15 days from the deadline to request for reconsideration. After this period, HRD may implement the forced ranking or forced distribution as follows:

20%	-	Outstanding
30%	-	Above Average
45%	-	Average
5%	-	Below Average

e) On a year to year basis, management shall announce its budget for merit increases as well as the percentage increase for all levels of performance from Outstanding down to Below Average in accordance with total

corporate performance, company's ability to pay, and HRD wage surveys.

- f) HRD reviews; AVP and HRD endorse; and President approves all merit increases.
- g) Promotional/permanency adjustments processed within a period of three months or 90 days from the cut-off period of the merit increase shall be considered part of the merit increase.
- h) Merit increases processed within a period of 12 months from the cut-off period of the merit increase shall be considered part of the merit increase.
- i) Deviations may be allowed on a case to case basis. Outstanding employees affected by the foregoing conditions could be recommended for special considerations if justified by the immediate superior and endorsed by the division manager. The president approves or disapproves the deviation.

## **XI. SALARY CHANGES PROCEDURE**

**XI.1** All salary adjustments or increases shall be made according to the following procedures.

- a) HRD prepares APA with the following signatories: (DH recommendation), HRD (review), Division Manager (approval), AVP or next higher officer (confirmation).
- b) DH concerned presents justifications subject to the following approval: DH (recommendation, Division Manager (endorsement), HRD (evaluation), AVP or next higher officer (approval), President (confirmation).

**XI.2** Management, in its planning session, shall indicate its budget for salary increases. This allocation will be the result of a review of several factors, i.e. capacity of the company, community and industry study, inflation, and other external circumstances.

Government-mandated increases shall become part of management's budgeted increase for the year. If there is a difference, the higher figure will prevail.

## **POLICY ON THE NON-REHIRING OF DISMISSED, RESIGNED, RETRENCHED OR RETIRED EMPLOYEES**

Policy Number - 008 rev. 1

Policy Dated 11/03/2003

Policy Group - HR

### **RATIONALE**

The Company shall only employ people who are equipped with the necessary knowledge, skills, values, and attitudes and on the overall, those that will surely contribute to the profitability and growth of VC. For this reason, it shall deviate from re-hiring dismissed/resigned/retrenched or retired personnel unless otherwise dictated by business conditions or there are no other successor to the resigned individuals.

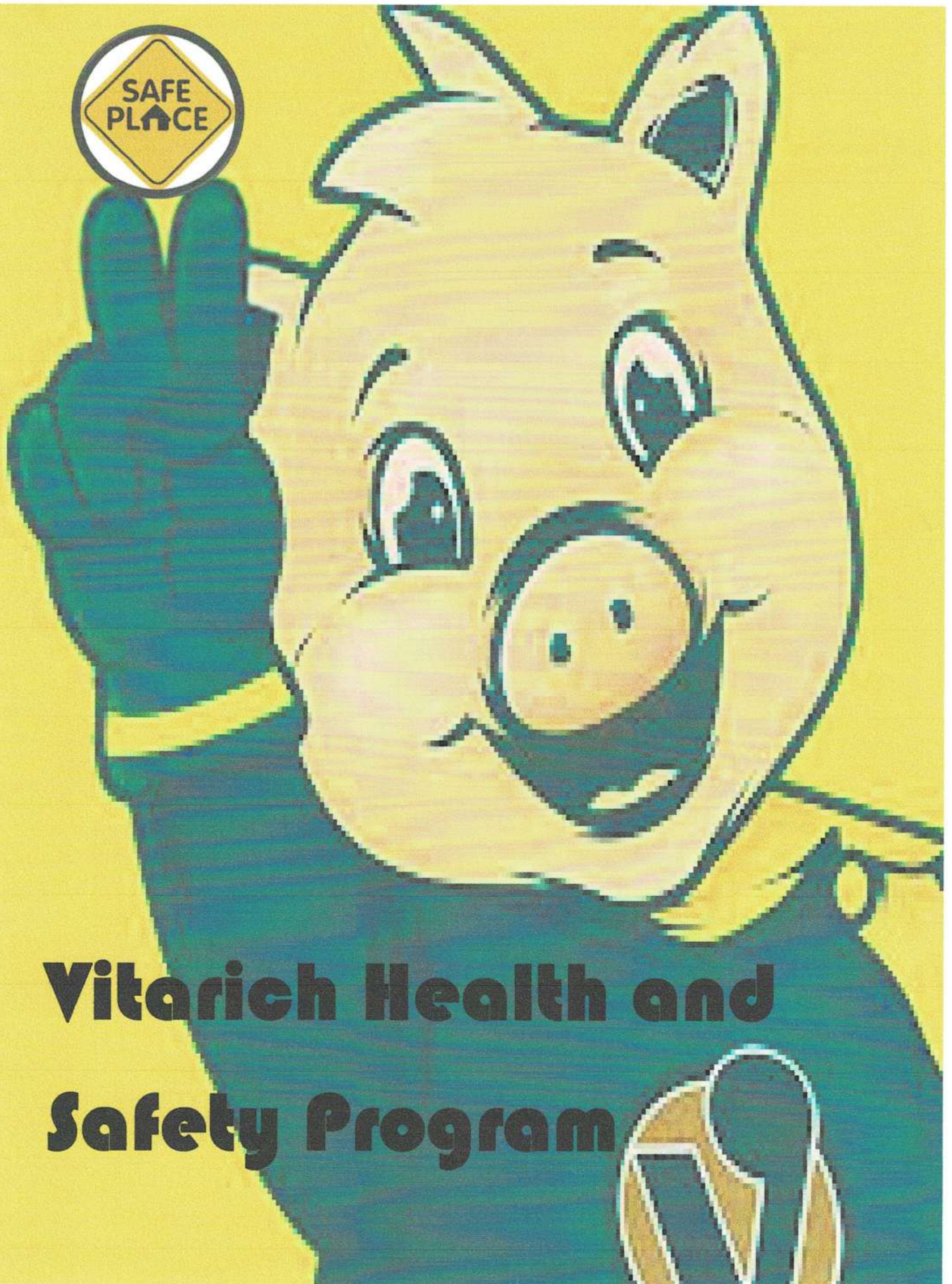
### **POLICIES:**

1. Former employees dismissed for cause by the Company, shall automatically and permanently be disqualified for re-employment and from recommending friends and relatives for employment in the Company.
2. Rehiring of resigned employees shall be allowed only under the following conditions:
  - a. Directive by the CEO, and/or President
  - b. Expertise is badly needed to the Company and nobody can ably undertake such a responsibility., as approved by the President.
3. Exception on re-hiring shall be approved by the CEO or President, recommended by the Div. Head and HRD Head.

Further, an employee who is due for abolition or retrenchment may seek to apply in any open position where he/she is qualified and must signify his/her intent within the 30-day notice before the effectivity of abolition. However, the application shall have no effect on the status or effectivity of abolition.

# **ANNEX L**

## **HEALTH, SAFETY AND WELFARE PROGRAM**



# **Vitarich Health and Safety Program**



# Disclaimer:

The purpose of this health and safety program is to educate the Employer, Employees, Workers of Vitarich, all statements are based on recognized standards which abided by the Law, basically R.A 11058 for Occupational Safety and Health and as prescribe by DOLE





# Introduction

These recommended practices provide responsible employers, employees, and representative, framework for addressing this program for safety and health issues is to educate the people in workplace, which may be applicable in any workplace possible in production, service sectors, health care units, home based or office based works, construction, also to provide the information to practice as a lifestyle of people who cares about safety and health.

Recommended practice emphasizes the importance of safety and health to people,

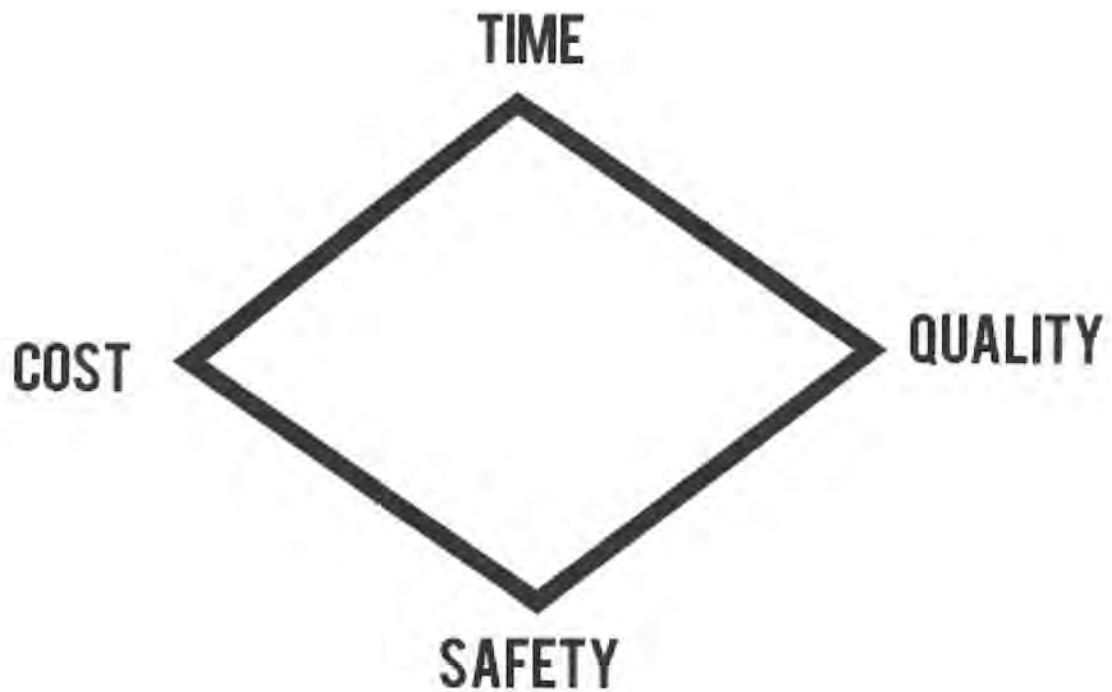
a proactive approach in managing the workplace in line with the traditional practices, a new recognized standard which abided by the law, also to regulate some practices that actions are taken only after the incident or accidents occurs, this may also be a good practice to people who are investing to promotes a positive work environment aiming to decreases the percentage of injuries and illness from the community.

The concept of continuous improvement is central to the recommended practices. As with any journey, the first step is often the most challenging. The idea is to begin with a basic program and grow from there. By initially focusing on achieving modest goals, monitoring performance, and evaluating

outcomes, you can help your workplace progress, over time, along the path to higher levels of safety and health.

## **THE BENEFITS OF IMPLEMENTING THESE RECOMMENDED PRACTICES.**

- Improvements in product, process, and service quality.
- Better workplace morale.
- Improved employee recruiting and retention.
- A more favorable image and reputation (among customers, suppliers, and the community).
- Education and competency



Illustrating the benefits for Safety and health Practices

1. Safety- Eliminating the possibilities of injuries and illnesses through safety and health concept
2. Quality- Ensure the quality of products equal to the desire of users

3. Time-Considering the delivery of products/services on time
4. Cost- no wastes in raw materials shall be observe and considered it is always the capital for success

### IMPLEMENTING a safety & health program



can help employers avoid the



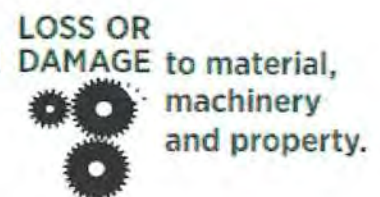
**INDIRECT  
COSTS**  
that result  
from

**WORKPLACE  
INCIDENTS**



**TIME  
LOST** due to work  
stoppages and  
investigations,

training and other  
costs associated with  
**REPLACING  
INJURED  
WORKERS**



**LOSS OR  
DAMAGE** to material,  
machinery  
and property.

## **PROGRAM STARTED**

1. SET SAFETY AND HEALTH AS A TOP PRIORITY
2. LEAD BY EXAMPLE
3. IMPLEMENT A REPORTING SYSTEM
4. PROVIDE TRAINING
5. CONDUCT INSPECTIONS
6. COLLECT HAZARD CONTROL IDEAS
7. IMPLEMENT HAZARD CONTROLS
8. ADDRESS EMERGENCIES
9. SEEK INPUT ON WORKPLACE CHANGES
10. MAKE IMPROVEMENTS



**SAFETY  
FIRST**

**MAKE YOUR WORK  
PLACE SAFE BEFORE  
STARTING THE JOB**

# Core Elements in Safety and Health Program



## **The importance of worker participation**

Throughout these recommended practices, OSHA emphasizes the importance of worker participation in the safety and health program. For a program to succeed, workers must participate in developing and implementing every element of the safety and health program. This emphasis on worker participation is consistent with the OSH Act, OSHA standards, and OSHA enforcement policies and procedures, which recognize the rights and roles of workers and their representatives in matters of workplace safety and health. Several action items described in these recommended practices rely on perspectives, expertise, and input that can come only from workers and their representatives.

### **3 Concepts of Safety and health program for Occupation**

Concepts also applicable to any related which concerns Safety and Health.

- Occupational Safety
- Occupational Health
- Industrial Hygiene

- **Occupational safety** - deals with understanding the causes of accidents at work and ways to prevent unsafe act and unsafe conditions in any workplace. Safety at work discusses concepts on good housekeeping, proper materials handling and storage, machine safety, electrical safety, fire prevention and control, safety inspection, and accident investigation.

- **Occupational health** - is a broad concept which explains how the different hazards and risks at work may cause an illness and emphasizes that health programs are essential in controlling work-related and/or occupational diseases.
- **Industrial hygiene** - discusses the identification, evaluation, and control of physical, chemical, biological and ergonomic hazards.

## **EFFECTIVITY OF CORE ELEMENTS SHALL:**

**MANAGEMENT** – Provides the leadership, vision, and resources needed to implement an effective safety and health program. Management leadership means that

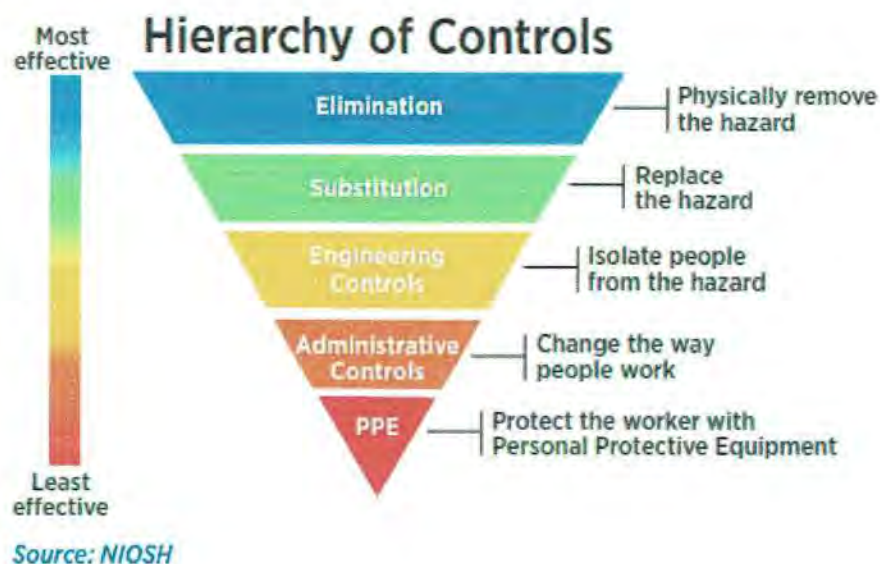
business owners, managers, and supervisors.

**TO BE EFFECTIVE** - any safety and health program needs the meaningful participation of workers and their representatives. Workers have much to gain from a successful program, and the most to lose if the program fails. They also often know the most about potential hazards associated with their jobs. Successful programs tap into this knowledge base.

**ONE OF THE “root causes”** - Workplace injuries, illnesses, and incidents is the failure to identify or recognize hazards that are present, or that could have been anticipated. A critical element of any effective safety and health program is a

proactive, ongoing process to identify and assess such hazards.

**EFFECTIVE CONTROLS** - Protect workers from workplace hazards; help avoid injuries, illnesses, and incidents; minimize or eliminate safety and health risks; and help employers provide workers with safe and healthful working conditions. The processes described in this section will help employers prevent and control hazards identified in the previous section.



**EDUCATION AND TRAINING** - Important tools for informing workers and managers about workplace hazards and controls so they can work more safely and be more productive. Another role of education and training, however, is to provide workers and managers with a greater understanding of the safety and health program itself, so that they can contribute to its development and implementation.

**ONCE A SAFETY** - Health program is established, it should be evaluated initially to verify that it is being implemented as intended. After that, employers should periodically, and at least annually, step back and assess what is working and what is not, and whether the program is on track to achieve its goals. Whenever these

assessments identify opportunities to improve the program, employers, managers, and supervisors—in coordination with workers—should adjust and monitor how well the program performs as a result. Sharing the results of monitoring and evaluation within the workplace, and celebrating successes, will help drive further improvement.

**TODAY'S ECONOMY** - Increasing number of workers are assigned by staffing agencies to work at specific “host” worksites under the direction and control of the host employer. Examples include seasonal workers, such as delivery drivers and warehouse workers, who help fill a temporary staffing need, as well as office and production workers who may be placed in both short- and long-term

assignments. In these situations, it is important for the staffing agency and the host employer to communicate and coordinate to provide and maintain a safe work environment for their workers.

## **RA 11058**

“An Act Strengthening Compliance with Occupational Safety and Health Standards (OSHS) and Providing Penalties for Violations”

DOLE discussed the provisions of the new law on the duties of both workers and employees, the rights of workers and penalties for violations of the OSHS.

**RA 11058** requires employers to provide complete safe work procedures; inform workers of hazards associated with their specific jobs; provide appropriate and personal protective equipment which have passed the DOLE's required tests; and provide access to mandatory OSH trainings as prescribed by the DOLE.

Workers on the other hand are encouraged to know all they could about the risks inherent in the tasks they perform, refuse unsafe work, report accidents and actively participate in planning and implementing the safety and health program of the company they work for.

All safety and health personnel are required to undergo the mandatory basic OSH trainings required by the DOLE and all

***Workers must undergo the eight-hour safety and health orientation.***

Employers who violate the Occupational Safety and Health Standards (OSHS) may soon be fined a **P100,000 per day** of non-compliance to the OSHS. The fines collected will be used for the conduct of OSH trainings, education and other programs.

**How to ensures safety and health to workers.**

**What are the employees' rights and responsibilities?**

Employees responsibilities include the following:

- . Work in compliance with OH&S acts and regulations.
- . Use personal protective equipment and clothing as directed by the employer.
- . Report workplace hazards and dangers to the supervisor or employer.
- . Work in a safe manner as required by the employer and use the prescribed safety equipment.
- . Tell the supervisor or employer about any missing or defective equipment or protective device that may be dangerous.

**Employees have the following three basic rights:**

- . **Right to refuse** unsafe work.
- . **Right to participate** in the workplace health and safety activities through

the Health and Safety Committee (HSC) or as a worker health and safety representative.

- **Right to know**, or the right to be informed about, actual and potential dangers in the workplace.

## **What are the manager or supervisor's responsibilities?**

The manager or supervisor must:

- Make sure workers work in compliance with OH&S acts and regulations.
- Make sure that workers use prescribed protective equipment and/or devices.
- Advise workers of potential and actual hazards.

- Provide workers with written instructions as to the measures and procedures to be taken for protection of the worker.
- Take every reasonable precaution in the circumstances for the protection of workers.

Managers and supervisors act on behalf of the employer, and hence have the responsibility to meet the duties of the employer as specified in the Act for the work they (the managers and supervisors) direct.

### **What are the employer's responsibilities?**

An employer must:

- Establish and maintain a health and safety committee, or cause workers to

select at least one health and safety representative.

- Take every reasonable precaution to ensure the workplace is safe.
- Train employees about any potential hazards and in how to safely use, handle, store and dispose of hazardous substances and how to handle emergencies.
- Make sure workers know how to use and handle the equipment safely and properly.
- Make sure workers use any necessary personal protective equipment.
- Immediately report all critical injuries to the government department responsible for OH&S.
- Appoint a competent supervisor who sets the standards for performance, and

who ensures safe working conditions are always observed.

## **What is the role of health and safety committee?**

The role of health and safety committees can include to:

- Act as an advisory body.
- Identify hazards and obtain information about them.
- Recommend corrective actions.
- Assist in resolving work refusal cases.
- Participate in incident investigations and workplace inspections.
- Make recommendations to the management regarding actions required to resolve health and safety concerns.

## **What happens when there is a refusal for unsafe work?**

An employee can refuse work if he/she believes that the situation is unsafe to either himself/herself or his/her co-workers. When a worker believes that a work refusal should be initiated, then

- The employee must report to his/her supervisor that he/she is refusing to work and state why he/she believes the situation is unsafe.
- The employee, supervisor, and a HSC member or employee representative will investigate.
- The employee returns to work if the problem is resolved with agreement.
- If the problem is not resolved, a government health and safety inspector is called.
- The inspector investigates and gives decision in writing.

## **Abbreviations:**

**CDC**-Centers for Disease Control and Prevention

**NIOSH**-National Institute for Occupational Safety and Health

**OSHA**- Occupational Safety and Health Administration

**PPE** -personal protective equipment

**PtD**- Prevention through Design

**SDS**-Safety Data Sheet

**SHARP**- Safety and Health Achievement Recognition Program

**VPP**- Voluntary Protection Programs

# Glossary of Terms

<b>close call/near miss:</b>	An incident that could have, but did not, result in death, injury, or illness. They signal that hazards are not being adequately controlled or that new hazards have arisen.
<b>contractor:</b>	An individual or firm that agrees to furnish materials or perform services at a specified price.
<b>elimination:</b>	A change in process or workplace condition that removes the hazard or ensures that no worker can be exposed to a hazard under any foreseeable circumstances.
<b>hierarchy of controls:</b>	<p>A system for selecting and implementing the most effective control solutions for workplace hazards that includes:</p> <ul style="list-style-type: none"><li>• Elimination.</li><li>• Substitution.</li><li>• Engineering controls.</li><li>• Administrative controls.</li><li>• Personal protective equipment.</li></ul> <p>This is known as the "hierarchy of controls" because they should be considered in the order presented. Controls at the top of the hierarchy are potentially more effective and more protective than those lower in the hierarchy.</p>
<b>host employer:</b>	An employer who has general supervisory authority over the worksite, including controlling the means and manner of work performed and having the power to correct safety and health hazards or require others to correct them.
<b>industrial hygiene:</b>	The science of protecting and enhancing the health and safety of people at work and in their communities.
<b>job hazard analysis:</b>	A technique that focuses on job tasks as a way to identify hazards before they occur. It focuses on the relationships among the worker, the task, the tools, and the work environment.
<b>joint-employed worker:</b>	A worker hired and paid by a staffing agency and assigned to work for a host employer, whether or not the job is actually temporary.
<b>lagging indicators:</b>	Measures of the occurrence and frequency of events in the past such as the number or rate of injuries, illnesses, and fatalities.
<b>leading indicators:</b>	Measures intended to predict the occurrence of events in the future. Leading indicators are proactive, preventative, and predictive measures that provide information about the effective performance of safety and health program activities that can drive the control of workplace hazards.
<b>metrics:</b>	Measures of performance.

<b>multiemployer worksite:</b>	Any worksite where two or more employers are present. See OSHA's <a href="#">Multiemployer Citation Policy</a> .
<b>nonroutine operations:</b>	Operations that do not occur frequently or that occur as a result of an emergency.
<b>peer-to-peer training:</b>	A type of on-the-job training where workers exchange information about hazards, controls, reporting procedures, and work procedures that are relevant to the safety and health program.
<b>Prevention through Design:</b>	A NIOSH national initiative to prevent or reduce occupational injuries, illnesses, and fatalities through the inclusion of prevention considerations in all designs that impact workers. PtD encompasses all of the efforts to anticipate and design out hazards to workers in facilities, work methods and operations, processes, equipment, tools, products, new technologies, and the organization of work.
<b>quantitative exposure assessment:</b>	Techniques used to quantitatively measure workers' exposure to hazards, particularly health hazards, such as sampling for chemicals, dusts, biological organisms, noise, radiation, or other assessments. The purpose of such assessments is to quantify the level of workers' exposure to a hazard. Also known as exposure monitoring.
<b>root cause analysis:</b>	A collective term that describes a wide range of approaches, tools, and techniques used to uncover causes of problems.
<b>Safety and Health Achievement Recognition Program:</b>	An OSHA program that recognizes small business employers who have used OSHA's <a href="#">On-site Consultation Program</a> services and operate an exemplary injury and illness prevention program.
<b>safety data sheet:</b>	Written or printed material used to communicate the hazards of substances and chemical products to employees prepared in accordance with paragraph (g) of OSHA's <a href="#">Hazard Communication standard</a> .
<b>serious hazards:</b>	Hazards that are causing or are likely to cause death or serious physical harm. See OSHA's <a href="#">Field Operations Manual</a> , Chapter 4.
<b>shortcoming:</b>	A fault, deficiency, or gap that results in a failure to meet program design criteria.
<b>staffing agency:</b>	A firm that provides temporary workers to host employers. A staffing agency hires its own employees and assigns them to support or supplement a client's workforce in situations involving employee absences, temporary skill shortages, seasonal workloads, and special projects.
<b>substitution:</b>	The replacement of toxic or hazardous materials (or the equipment or processes used with them) with ones that are less harmful.

**Voluntary Protection Programs:**

An OSHA initiative that recognizes employers and workers in the private industry and federal agencies who have implemented effective safety and health management systems and maintain injury and illness rates below the U.S. Bureau of Labor Statistics averages for their respective industries.

**work practices:**

A set of procedures for performing a specific work assignment safely.



*Emmanuel C. Navarro*  
Emmanuel C. Navarro/Carlo V. Marcaida  
Safety Officers

*Lilibeth R. Carao*  
Lilibeth R. Carao  
HRAD Manager

*Ricardo Manuel M. Sarmiento*  
Ricardo Manuel M. Sarmiento  
President and Chief Executive Officer

# **ANNEX M**

## **HEALTH, SAFETY AND WELFARE PRACTICES**

# HR Practices on Health, Safety and Welfare of Employees

## Parenting 101



## Hagod Kalinga (Massage Sessions)



## Gardening 101



## Recycling 101



## Occupational Safety and Health Orientation



# **ANNEX N**

## **HR POLICY ON TRAINING DEVELOPMENT**

## Organization Capability Building Program



MANAGERS ▼	DEPARTMENT HEADS ▼	SUPERVISORS ▼	FOREMEN ▼	ANALYST/ STAFF ▼
VITARICH COMPANY ORIENTATION				
VITARICH VALUES FORMATION				
CAREER / LIFE PLANNING				
SELF MANAGEMENT				
MANAGING CUSTOMER SATISFACTION				
WORKING TOWARD A COLLABORATIVE ORGANIZATION				
TEAM PLAYER				
MANAGERIAL SKILLS DEVELOPMENT		SUPERVISORY SKILLS DEVELOPMENT		COMPUTER LITERACY
VITARICH LEADERSHIP		JOB INSTRUCTION		PROJECT MANAGEMENT
COUNSELING SKILLS				
VITARICH TEAM MANAGEMENT & DEVELOPMENT				
MEETING MANAGEMENT				
TECHNICAL SKILLS				
PRESENTATION SKILLS				
PROBLEM SOLVING AND DECISION MAKING SKILLS				
HUMAN RESOURCE MANAGEMENT	LABOR RELATIONS SKILLS			
SPECIAL PROGRAMS				

ASSISTANTS	COMMISSION EARNERS	BLUE COLLARED
▼	▼	▼
VITARICH COMPANY ORIENTATION		
VITARICH VALUES FORMATION		
CAREER / LIFE PLANNING		
SELF-MANAGEMENT		
MANAGING CUSTOMER SATISFACTION		
TEAM PLAYER		
CLERICAL SKILLS	SELLING SKILLS	COMPUTER LITERACY / ORACLE
COMPUTER LITERACY		
TECHNICAL SKILLS		
SPECIAL PROGRAMS		

**Maria Diana M. Cuna**

OD Consultant  
Copyright 2016

# **ANNEX O**

## **2019 TRAINING AND DEVELOPMENT PROGRAMS**



## VITARICH 2019 ACTUAL TRAINING

	TRAINING COURSE	Target Attendees	Month	Venue
INSTITUTIONAL / Self Mastery	NEO- New Employees Orientation	New Employees	Whole year round as need arises	In- house
	RA 11036 Mental Health Service in Work Place	All Employees	March	Visayas- Internal w/ consultant
	Proactive Labor Relation for Non Unionize Environment	HR	April	Luzon-External
	How the economy work - Macro Economics Seminar	Corporate Planning	April	Luzon-External
	Executive Development Program	Department Heads	June	Luzon-External w/ Consultant
	Grit & Resilience Train the Trainer Program	Supervisors	August	Luzon-External w/ Consultant
COMPLIANCE	2nd National Data Privacy Conference	Legal	May	Luzon-External
	Occupational Safety & Health Orientation	All employees	May - December	Iloilo-In house
	Basic Occupational Safety and Health Training	Safety Officer	June	Luzon & Iloilo-External
	138th MCLE Lecture Series – A Seminar on the Revised Corporation Code (R. A. No. 11232)	Coporate Planning	July	Luzon- External
	Occupational Safety and Heath Orientation	All employees	July- August	Luzon-In house
	Good Manufacturing Practices GMP Training Program	Dressing Plant Employees	August	Luzon-In house
	Basic First Aid Training by Red Cross	Selected Employee per department	September	Iloilo-External
	BOSH Training for Nurses	Nurse	September	Iloilo & Mindanao- External
	Basic Life Support (BLS) First Aid Training	Selected Employee per department	October	Luzon- External
TECHNICAL INPUTS / CPD	Feedmilling Technology Course	Production, Maintenance, Warehouse , QA	April- July	Mindanao-External w/ Consultant
	Pollution Control Officer - Training	Pollution Control Officer	March	Visayas -External
	U.S. Soy Asia Trade Exchange (ATX) 2019	Purchasing	May	US- Exrternal
	Indepth Product knowledge	Feed Sales Personnel	June	Luzon, Visayas, Mindanao-In house
	Oracle Refresher Training	Supervisor	June	Luzon-Internal
	Feed technology, Extrusion & Quality Assurance Seminar	QA Personnel	July	Luzon-External
	Philcema Nutrition Seminar Series: Turning Challenges to Opportunities ThroughProactive Nutrition Strategies	Nutrition Personnel	July	Luzon-External
	Comprehensive Property Appraisal	Credit & Collection Officers	July	Luzon-External
	Fertilizer and Pesticide Authority (FPA)–PAPFI Certified Pesticide Applicator (CPA)-Fumigators’ Licensure Training, 2019 Schedule	QA Personnel	August	Luzon, Visayas, Mindanao-External
	Integrated Pest Management	Warehouse	August	Visayas -Internal w/ consultant
	Data Management Efficiency w/ Microsoft Excel (Basic to Intermediate Core)	Selected Employee per department	August - November	Luzon, Visayas, Mindanao- Internal w/ consultant
	SEA Asia U.S. Agricultural Cooperators Conference (ACC 2019)	Oliver F. Almeria	August	Singapore-External
	Overall Equipment Effectiveness (OEE) Briefing/ Lecture	Production Supervisors, Maintenance Supervisor and selected Production Operators/ Maintenance personnel	August	Visayas-Internal
	Delacon FTS Broiler & Broiler Breeder Conference	Carlo Marcaida	August	Bangkok - External
	The Future of Manufacturing Industry , Supply Chain Procurement and Logistics Conference	Supply Chain Heads	August	Luzon-External
	Integrated Pest Management	QA Personnel	August	Mindanao-External
	Train the Trainer Program	Training Officer	September	Luzon-External
	Seamless Supply Chains Deliver Seamless Customer Experience Seminar (Mindanao)	Supply Chain Personnels	September	Mindanao-External
	Feed Intelligence Conference	Olivia Pungtilan	September	Korea-External
	Technical Seminar for existing Products	Production Supervisors, Maintenance	September - October	Luzon- Internal w/ consultants
	23rd Pinoy Pork Challenge Seminar	Marketing & Corporate Planning	October	Luzon-External
	Philsan 32nd Annual Convention "Animal Nutrition, Genetics, Health and Management: Fundamentals of a Successful Farm Operation"	Nutrition, R&D Personnel	October	Luzon-External
	Hatchery Mangement Training	Hatchery Personnel and Business Partners	October	Minadao-Internal
	Technical Orientation on Statistical Analysis	R&D Nutrition Personnel	October	Luzon- Internal w/ consultants
	Seminar on the Regulatory Control of Dangerous Drugs/Controlled Precursors & Essential Chemicals (DD/CPECs) and Briefing/Walk-Through on the Use of RCS Online and Tradenet	QA Personnel	October	Visayas-External
	Mindanao Distributors Convention	Distributors	October	Mindanao-Internal

Excel Training – Davao



Excel Training – Luzon



Finance Strategic Planning



## Grit Resilience



## OSH Orientation for Bicol Employee



## Quality Principles in Feedmilling Iloilo



# **ANNEX P**

## **CSR ACTIVITIES**

## 2019 Corporate Social Responsibility Activities

<b>Luzon</b>	<p><b>Legal Assistance and Food packs for Marilao Provincial Jail Inmates</b> <i>Date: December 18, 2019</i></p> <p>In collaboration with Bulacan State University Legal Assistance Group, Vitarich facilitated the legal aid clinic, distribution of food packs and serenading of Persons Deprived of Liberty at the Marilao PNP Custodial Center and the Marilao BJMP.</p>
--------------	--



Visayas	<b>Mobile Blood letting of employees</b> <i>Date: August 5, 2019</i>
	<b>Donation of empty plastic drums to Jalandoni National Memorial High School and BFP - Pavia</b> <i>Date: August and November 2019</i>
	<b>Purchase of Christmas parols from BJMP - Region 6</b> <i>Date: December 2019</i>
	<b>'Simbang Gabi' cash donation to Pavia Parish Church</b> <i>Date: December 2019</i>
	<b>Donations to Philippine Blind Union Iloilo Chapter and IPPO for their Christmas Party, and Children's Joy Foundation after its performance at the plant</b> <i>Date: December 2019</i>



<b>Mindanao</b>	<p><b>Dressed chicken donation to Watershed Management Youth Council (WMYC)</b>  <i>Date: June 20, 2019</i>          WMYC, a youth sector in Davao City, conducted an action-driven youth leadership training on June 21- 23, 2019, with 120 participants from different schools.</p> <p>The distribution of Vitarich's donation was facilitated by dressing plant personnel.</p> <p><b>Relief Operations for the earthquake victims</b>          Employees from Luzon, Visayas and Mindanao provided assistance in cash and in kind to those who were hit by the series of earthquakes that hit the Mindanao region towards the last quarter of 2019.</p>
-----------------	--



# **ANNEX Q**

## **SUMMARY OF MATERIAL RELATED PARTY TRANSACTIONS IN 2019**

### SUMMARY OF MATERIAL RELATED TRANSACTIONS IN 2019

For the year 2019, there is only one Material Related Transaction and the same is between Vitarich Corporation with SEC Identification No. 21134, and Luzon Agri Venture, Inc. (related party). These companies are affiliates, having interlocking directors and/or officers. The transaction was executed on December 27, 2019 and the relevant information are as follows (as also indicated in the Advisement Report submitted to the SEC):

Type/Nature of Transaction and Description of Assets Involved	Terms and Conditions	Rationale for Entering into the Transaction	Total Assets <sup>1</sup> of Reporting PLC	Amount/ Contract Price	Percentage of the Contract Price to the Total Assets of the Reporting PLC	Carrying Amount of Collateral, if any	Approving Authority <sup>2</sup>
Memorandum of Agreement for Broiler and Breeder Operations	<p>1. Luzon Agri Venture, Inc. ("LAVI") shall do broiler and breeder farm operation.</p> <p>2. LAVI shall exclusively use the feeds delivered by Vitarich Corporation ("VITARICH") for its breeder</p>	The transaction was entered into as the parties wish to undertake complementary operations on broiler and breeder. LAVI, along with the other customers of VITARICH, shall be the ready and committed	Php4,343,081,732.00 as of latest AFS	The transaction is expected to generate not less than Five Hundred Million Pesos (Php500,000,000.00) in a span of one year.	11.51%	The transaction does not involve any collateral.	<p>The directors present were:</p> <ol style="list-style-type: none"> <li>1. Jose Vicente Bengzon, III</li> <li>2. Ricardo Manuel M. Sarmiento</li> <li>3. Rogelio M. Sarmiento</li> <li>4. Stephanie Nicole S. Garcia</li> <li>5. Jose M. Sarmiento</li> <li>6. Lorenzo Vito</li> </ol>

<sup>1</sup> Total assets shall pertain to consolidated assets if the reporting PLC is a parent company.

<sup>2</sup> The information shall include the names of directors present, names of directors who approved the Material Related Party Transaction and the corresponding voting percentage obtained.

*nd*

	<p>and broiler operation.</p> <p>3. LAVI shall provide the vaccines and medications on the flocks.</p> <p>4. VITARICH shall provide Day Old Chicks to LAVI.</p>	<p>customer for VITARICH feeds that will stabilize the consumption of VITARICH feeds volume. LAVI's farms will also provide models and examples to encourage neighboring farms to use VITARICH's feeds.</p>					<p>M. Sarmiento, III</p> <p>7. Benjamin I. Sarmiento, Jr.</p> <p>8. Levi F. Diestro</p> <p>9. Juan Arturo Iluminado C. De Castro</p> <p>10. Manuel D. Escueta (Independent)</p> <p>11. Vicente J.A. Sarza (independent)</p> <p>The following directors inhibited in the discussion and approval of the transaction to avoid any potential or actual conflict of interest:</p> <p>1. Ricardo Manuel M. Sarmiento</p> <p>2. Rogelio M. Sarmiento</p> <p>3. Stephanie</p>
	<p>5. VITARICH shall be entitled to buy back chicken broilers at a fixed price in a separate letter agreement.</p> <p>6. VITARICH shall sell, supply, and deliver the feeds requirements of LAVI.</p>						

nd

	<p>7. Wholesale prices of feeds shall be comparable to prices that LAVI can source from elsewhere, and to prices that VITARICH sells to its other customers. It is generally 3% from retail price.</p> <p>8. LAVI shall be entitled to 3% discount only if payment is made immediately upon delivery (COD), which includes those payments done within seven (7) days.</p> <p>9. Credit Term</p>						<p>Nicole S. Garcia</p> <p>4. Juan Arturo Iluminado C. De Castro</p> <p>The following directors approved the transaction unanimously:</p> <p>1. Jose Vicente Bengzon, III</p> <p>2. Jose M. Sarmiento</p> <p>3. Lorenzo Vito M. Sarmiento, III</p> <p>4. Benjamin I. Sarmiento, Jr.</p> <p>5. Levi F. Diestro</p> <p>6. Manuel D. Escueta (independent)</p> <p>7. Vicente J.A. Sarza (independent)</p> <p>The transaction was approved by 2/3 of the members of</p>
--	---	--	--	--	--	--	---

nd

	<p>shall not be more than 30 days, in which case, the wholesale price applies.</p> <p>10. For breeder operations, prices for hatching eggs along with the guarantee for percentage of hatchability shall be subject to a separate agreement.</p> <p>11. For broiler operations, VITARICH shall supply LAVI day-old-chicks at a fixed price set in a separate letter agreement.</p> <p>12. The</p>						<p>the Board of Directors considering that the Board of Directors consist of 11 members and the transaction was approved by 7 directors.</p>
--	---	--	--	--	--	--	--

nd

<p>Agreement shall be effective from execution of the contract until December 31, 2020, renewable upon mutual agreement by the parties.</p>						
<p>13. The Agreement may be pre-terminated by providing the other party a 60-day notice prior to the intended date of termination.</p>						
<p>14. The parties shall execute separate contracts for broiler and breeder operations.</p>						

nsd



**MARY CHRISTINE C. DABU-PEPITO**  
Assistant Corporate Secretary/Compliance Officer/Corporate Information Officer

1