

**DEL MONTE PACIFIC LIMITED**  
(Incorporated in the British Virgin Islands)

**MINUTES OF GENERAL MEETING**

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**PLACE** : Banquet Suite, 10F of M Hotel, 81 Anson Road, Singapore 079908

**DATE** : Tuesday, 8 March 2016

**TIME** : 10.00 a.m.

**PRESENT** : Directors present:

- Mr Rolando Gapud (Executive Chairman)
- Mr Joselito Campos Jr (Managing Director and CEO)
- Mr Edgardo Cruz Jr (Executive Director)
- Mrs Yvonne Goh (Independent Director)
- Dr Emil Javier (Independent Director)

Senior Management present:

- Mr Luis Alejandro (Chief Operating Officer)
- Mr Ignacio Sison (Chief Corporate Officer)
- Mr Parag Sachdeva (Chief Financial Officer)
- Mr Antonio Ungson (Chief Legal Officer, Chief Compliance Officer and Company Secretary)
- Mr Nils Lommerin (CEO of our US subsidiary, Del Monte Foods)
- Mr David Meyers (CFO of Del Monte Foods)

**EXECUTIVE CHAIRMAN** : Mr Rolando C Gapud

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**QUORUM**

A quorum was present and the Chairman declared the meeting open at 10.00 a.m.

**NOTICE**

The Notice convening the meeting was taken as read.

The meeting was informed that the Chairman had been appointed as proxy by some shareholders and would be voting in accordance with their instructions.

**VOTING BY WAY OF A POLL**

Shareholders were informed that in accordance with the new Rule 730A of the Singapore Exchange Securities Trading Limited's Listing Manual, the motion tabled at this meeting would be voted on by way of a poll.

The poll was conducted electronically for shareholders voting in Singapore. The poll in the Philippines was conducted through the completion of poll sheets. The votes cast in Singapore and the Philippines were aggregated, tabulated and announced at the end of the meeting. Independent scrutineers were appointed in Singapore and the Philippines to count and validate the GM's votes.

**THE PROPOSED SPECIFIC PREFERENCE SHARE ISSUE MANDATE – ORDINARY RESOLUTION**

Shareholders were asked to approve the Proposed Specific Preference Share Issue Mandate.

After dealing with the questions from shareholders, the Chairman proceeded to put the motion to vote.

On a proposal by the Chairman which was seconded by Ms Jennifer Yap Luy, it was RESOLVED:

“THAT:

Pursuant to Article 15 of the Company’s Articles of Association, authority be and is hereby given to the Board as follows:

- (a) approval be and is hereby given for the Proposed Specific Preference Share Issue Mandate including, without limitation, for the Board to issue Preference Shares referred to in the Memorandum and Articles in one or more series pursuant to the Proposed Specific Preference Share Issue Mandate and whether by way of rights, bonus or otherwise;
- (b) the Proposed Specific Preference Share Issue Mandate be for such amount up to the authorised number of Preference Shares by resolution of directors, at such time, in such amounts, on such terms and conditions, to such persons and for such consideration as may be determined by resolution of directors from time to time without any further approval of the members including, without limitation, any approval of the members that would be required pursuant to Article 15; provided that the issue of any Preference Shares shall be subject to such limitation thereof as may be prescribed by the Designated Stock Exchange;
- (c) to make or grant offers, agreements or options that might or would require Preference Shares referred to in sub-paragraph (a) above to be issued, not being Ordinary Shares to which any authority for a general share issue mandate previously granted by the members in general meeting relates at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Preference Shares referred to in sub-paragraph (a) above in pursuance of any offers, agreements or options made or granted by the Directors while this Resolution was in force, and (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until it is varied or revoked by the Company in a general meeting; and/or
- (d) the Directors be and are hereby authorised to prepare, finalise, approve and execute (or delegate the execution of) any instruments, filings, notices, announcements, agreements and other documents and do all acts and things which they may in their absolute discretion consider necessary desirable or expedient for the purposes of or in connection with the Proposed Specific Preference Share Issue Mandate and/or to give effect to this resolution.”

Based on the poll results of the Ordinary Resolution as set out below, the Chairman declared the resolution carried:

FOR		AGAINST		Total No. of Shares Represented by Votes For and Against
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,295,292,119	99.94	833,550	0.06	1,296,125,669

**CONCLUSION**

There being no other business to transact, the Chairman declared the General Meeting of the Company closed at 10.40 a.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings Held

Rolando C Gapud  
Executive Chairman

**DEL MONTE PACIFIC LIMITED**  
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**GENERAL MEETING**  
**8 March 2016**

**SUMMARY OF QUESTIONS AND ANSWERS**

- Question 1** : **Why did the Company wish to list the Proposed Preference Shares on the Philippine Stock Exchange (“PSE”) instead of Singapore Exchange?**
- Answer (CM)** : The underwriters have indicated to us that most potential buyers of the Preference Shares are based in Philippines. Shareholders can trade the Preference Shares on the PSE through their brokers in Singapore.
- Question 2** : **Will there be a dilution of interest? What will be the preference dividend rate and the pricing of the Preference Shares?**
- Answer (CM)** : The price and the dividend rate of the Preference Shares can only be determined on the night before the issue itself. The underwriters have given an indication on the dividend rate of about 6% - 7% based on the present market conditions.
- Question 3** : **The issuance of the Preference Shares is for repayment of the bank loan. What is the interest rate that the Company is currently paying? Will we be overpaying for the price of Preference Shares if the interest rate is lower?**
- Answer (CM)** : The interest rate is currently at 4.5%. The dividend rate and the price of the Preference Share can only be determined on the night before the issue date. The Board have to be authorised by the shareholders, before it can prescribe and determine the issue price and the rate of the preference dividend.
- Question 4** : **The Company had previously granted by the shareholders’ approval for a Specific Preference Share Issue Mandate (the “Previous Mandate”) via a general meeting held on 15 April 2014. The Company had not issued any Preference Shares pursuant to the Previous Mandate. The Previous Mandate had expired on 28 August 2015. The new Proposed Specific Preference Share Issue Mandate does not provide any expiration date. Does that mean the new Mandate will be valid forever?**
- Answer (CM)** : The Proposed Specific Preference Share Issue Mandate is not subject to a fixed expiry date. The Board will exercise the issuance of the Preference Shares as soon as we can. We are in the process of seeking approval from PSE for the listing of the Preference Shares. Once approval has been granted, we will commence the issuance of Preference Shares within this year.
- Question 5** : **We noted that the Company has turnaround and has achieved profitability. Will there be any dividend declare for the upcoming Annual General Meeting?**
- Answer** : We are not able to confirm until the Audited Financial Statements have been

(CM) finalised.

**Question 6 : How much debt is the Company still owing to the Banks?**

**Answer (CFO) :** The current leverage is 4.7 times and the leverage is expected to be lowered to about 1.15 times after the issuance of the Preference Shares.

**Answer (CM) :** No efficient company will exist without any debt. A balance must be struck between equity and debt financing. The acquisition of a huge business has so far been funded by loans and the business has been generating sales of over US\$2 billion. With the issue of the Preference Shares, we expect the gearing level to be reduced significantly and the level of debt and equity will be within reasonable level.

**Question 7 : Will the Company incur losses this year? Will the Company be under SGX watch-list?**

**Answer (CM) :** The Company should not incur losses this year and should not be placed under SGX watch-list.

**Question 8 : The Company was performing quite well in the past years before acquisition of US food business. Subsequent to the acquisition, the Company had increased its gearing level and incurred losses for the past 2 years which had resulted shareholders unable to receive dividends. What is your opinion on this matter?**

**Answer (CM) :** The Company achieved good performance in the previous years via organic growth and achieved peak level in its organic growth. The Board believed that the Company can grow through acquisition. The Company took the opportunity to acquire the US food business in view of the familiarity of the business. We wish to highlight that our Company was valued at US\$400 million at that time and was able to acquire a US\$2 billion company due to great effort from the Management of the Company.

The acquisition of the US food business has increased the Company's borrowings in the past years, however with the issue of the Preference Shares, we will be able to bring down the gearing within normal level.

With regard to the losses for the past 2 years, this was due to high acquisition fees incurred which were one-off expenses. Going forward, we expect to achieve profitability as the income grows and we will be able to see the benefits of this acquisition.

**Question 9 : What is the benefit of deleveraging? This is given that the Company still have to pay preference dividend to the Preference Shareholders.**

**Answer (CM) :** The difference is that the Company will have the obligation to pay interest to the Banks regardless whether the Company is making any profits. Whereas, the Company shall pay dividend only it makes good profits for the year.

The main objective of the issuance of the Preference Shares is to deleverage the Balance Sheet. We intend to have a healthy financial position by avoiding having short term borrowings to finance long term assets.

**Question 10 : We have performed and achieved good results in previous quarter. What will be the level of free cash flow to refinance the debt?**

**Answer (CM) :** We intend to generate enough cash to service our obligations and achieve positive cash.

**Question 11 : Why do we need to include cumulative terms for this issuance of Preference Shares?**

**Answer (CM) :** The Preference Shareholders have a right to a fixed cumulative preferential dividend and do not participate in the profits of the Company. It is not considered as the Company's debt due to its cumulative features as the obligation to pay dividend is based on the Company's profit.

**Question 12 : The new mandate on the Proposed Specific Preference Share Issue does not have any expiration date. Does that mean the new mandate will be forever in place?**

**Answer (CM) :** The Proposed Specific Preference Share Issue Mandate is not subject to a fixed expiry date. The Board will exercise the issuance of the Preference Shares as soon as we can. We are in the process of seeking approval from PSE for the listing of the Preference Shares. Once approval has been granted, we will commence the issuance of Preference Shares within this year.

**Question 13 : Does the Company plan to list the Preference Shares with PSE before or after the Philippines election? Will there be any risk exposure?**

**Answer (CM) :** The listing of the Preference Shares will be in US dollar denominated and is also the first US dollar denominated shares to be listed on the PSE. We believed that we are in an advantage position in the Philippines market as we are not affected by the behaviour of Peso currency which in turn should protect investors from any Peso devaluation.

**Question 14 : Is there an early redemption option for this Preference Shares? What will be the period of years for redemption?**

**Answer (CM) :** The Preference Shares are perpetual securities with no maturity date and may be redeemable at the option of the Company if prescribed by the Board in a resolution of directors prior to the initial allotment and issue of any Preference Shares.

**Question 15 : Do the Preference Shares carry an escalating dividend rate if they are not redeemed within 5 years?**

**Answer (CM) :** Yes, there is a step-up feature at the end of the 5<sup>th</sup> year.