General Announcement::Minutes of Annual General Meeting held on 17 August 2018

Issuer & Securities

Issuer/ Manager	DEL MONTE PACIFIC LIMITED
Securities	DEL MONTE PACIFIC LIMITED - VGG270541169 - D03
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	20-Sep-2018 17:08:52
Status	New
Announcement Sub Title	Minutes of Annual General Meeting held on 17 August 2018
Announcement Reference	SG180920OTHRRMIR
Submitted By (Co./ Ind. Name)	Antonio E S Ungson
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the attached in relation to the Annual General Meeting held on 17 August 2018 and the Company's announcement dated 17 August 2018 under the reference number SG180727MEETCPYX.

Attachments	DMPL - AGM 17 Aug 2018 -- Minutes.pdf DMPL - AGM 17 Aug 2018 -- QnA_Appendix 1.pdf DMPL - AGM 17 Aug 2018 -- Attendance List_Directors and Management.pdf Total size =649K

DEL MONTE PACIFIC LIMITED
(Incorporated in the British Virgin Islands)
(the "**Company**" or "**DMPL**")

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908
DATE	:	Friday, 17 August 2018
TIME	:	10.05 a.m.
PRESENT	:	Please see Attendance List attached hereto.
IN ATTENDANCE	:	Please see Attendance List attached hereto.
EXECUTIVE CHAIRMAN	:	Mr Rolando C Gapud

QUORUM

As a quorum was present, the Chairman declared the Annual General Meeting ("**AGM**") open at 10.05 a.m..

INTRODUCTION

The Chairman introduced the Directors and Management present at the AGM.

NOTICE

With the consent of the shareholders present, the Notice convening the AGM 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 requirements of the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") Listing Manual, all motions tabled at the AGM 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.

DECLARATION OF POLL RESULTS

Shareholders were informed that the declaration of the results of the poll voting would be announced after all votes cast in Singapore and the Philippines had been aggregated and tabulated.

PRESENTATION ON THE COMPANY'S FINANCIAL PERFORMANCE AND BUSINESSES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018 ("FY2018")

The Chief Financial Officer, Mr Parag Sachdeva, shared a short presentation on the Company's FY2018 Results, including:

(i) FY2018 Full year highlights;
(ii) FY2018 results summary;
(iii) FY2018 reported results; and
(iv) Balance sheet and cash flow.

The Chief Operating Officer, Mr Luis F Alejandro, also shared a short presentation on the Group's market updates and outlook in respect of:

(i) The Group's performance in the United States of America, Asia and the Middle East;
(ii) Del Monte Foods, Inc's performance for FY2018;
(iii) Del Monte Philippines, Inc's performance for FY2018; and
(iv) Strategies for growth and expanded distribution.

<u>ORDINARY BUSINESS</u>

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS – ORDINARY RESOLUTION 1

Resolution 1 as set out in the Notice of AGM was proposed by the Chairman and seconded by Teh Swee Khoi.

After dealing with questions from shareholders as set out in Appendix 1 of these minutes, the motion was put to vote.

RE-ELECTION OF MR GODFREY E SCOTCHBROOK AS A DIRECTOR – ORDINARY RESOLUTION 2

The meeting noted that Mr Godfrey E Scotchbrook would upon re-election as a Director of the Company, remain as Chairman of the Remuneration and Share Option Committee, and as a member of the Audit and Risk Committee and the Nominating and Governance Committee, and will be considered independent under the SGX-ST's Listing Manual.

The meeting noted that Mr Godfrey had voluntarily abstained from voting on his own re-election as a Director of the Company.

Resolution 2 as set out in the Notice of AGM was proposed by the Chairman and seconded by Teh Swee Khoi.

There being no questions, the motion was put to vote.

RE-ELECTION OF MR EDGARDO M CRUZ, JR AS A DIRECTOR – ORDINARY RESOLUTION 3

The meeting noted that Mr Edgardo M Cruz, Jr would upon re-election as a Director of the Company, remain as Executive Director of the Company, and as a member of the Nominating and Governance Committee, and will be considered non-independent.

The meeting noted that Mr Cruz had voluntarily abstained from voting on his own re-election as a Director of the Company.

Resolution 3 as set out in the Notice of AGM was proposed by the Chairman and seconded by Tan Lee Hua.

There being no questions, the motion was put to vote.

SPECIAL BUSINESS

DIRECTORS' FEES – ORDINARY RESOLUTION 4

The Board had recommended the payment of a sum of up to US$496,800/- as Directors' fees for the financial year ending 30 April 2019 to be paid quarterly in arrears.

Resolution 4 as set out in the Notice of AGM was proposed by the Chairman and seconded by Tan Lee Hua.

After dealing with questions from a shareholder as set out in Appendix 1 of these minutes, the motion was put to vote.

EMOLUMENTS OF DIRECTORS – ORDINARY RESOLUTION 5

The meeting was informed that the Company may from time to time require the specialist services of its Directors and approval of this authority would provide the flexibility for Management to engage these services of Directors, as appropriate.

Resolution 5 as set out in the Notice of AGM was proposed by the Chairman and seconded by Tan Poh.

Shareholders noted the clarification provided by the Board that this motion relates to the payment of emoluments for Dr Javier, for his services rendered to the Company at the plantation and for chairing the Group's Plantation Oversight Committee and the amount to be paid to Dr Javier does not exceed US$100,000/-.

After dealing with questions from a shareholder as set out in Appendix 1 of these minutes, the motion was put to vote.

RE-APPOINTMENT OF ERNST & YOUNG LLP AS AUDITORS – ORDINARY RESOLUTION 6

The meeting was informed that the retiring Auditors, Ernst & Young LLP, had expressed their willingness to continue in office.

Resolution 6 as set out in the Notice of AGM was proposed by the Chairman and seconded by Tan Poh.

There being no questions, the motion was put to vote.

RE-APPOINTMENT OF SYCIP GORRES VELAYO & CO. (ERNST & YOUNG PHILIPPINES) AS PHILIPPINE AUDITORS – ORDINARY RESOLUTION 7

The meeting was informed that the retiring Philippine Auditors, Sycip Gorres Velayo & Co. (Ernst & Young Philippines), had expressed their willingness to continue in office.

Resolution 7 as set out in the Notice of AGM was proposed by the Chairman and seconded by Teh Swee Khoi.

There being no questions, the motion was put to vote.

AUTHORITY TO ISSUE SHARES – ORDINARY RESOLUTION 8

The meeting noted that the approval of the share issue mandate pursuant to Article 15(2) of the Company's Articles of Association and Rule 806 of the Listing Manual of the SGX-ST would authorise the Company's Directors, if required, to issue new shares in the Company in the set thresholds of:

(i) not exceeding 50% of its total issued share capital (excluding treasury shares and subsidiary holdings in each class) on a pro-rata basis; and

(ii) not exceeding 15% of its total issued share capital (excluding treasury shares and subsidiary holdings in each class) on a non pro-rata basis.

Resolution 8 as set out in the Notice of AGM was proposed by the Chairman and seconded by Lee Kum Ming.

There being no questions, the motion was put to vote.

AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE DEL MONTE PACIFIC EXECUTIVE SHARE OPTION PLAN 2016 – ORDINARY RESOLUTION 9

The meeting noted that the approval of the share issue mandate under Resolution 9 was to authorise the Company's Directors to allot and issue shares in accordance with the Del Monte Pacific Executive Share Option Plan 2016, if required.

Resolution 9 as set out in the Notice of AGM was proposed by the Chairman and seconded by Tan Poh.

There being no questions, the motion was put to vote.

RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS – ORDINARY RESOLUTION 10

The meeting noted that NutriAsia Group and its associates, including Bluebell Group Holdings Limited and Mr Joselito D Campos, Jr, would abstain from voting on the renewal of the Shareholders' Mandate for Interested Person Transactions.

Resolution 10 as set out in the Notice of AGM was proposed by the Chairman and seconded by Tan Poh.

There being no questions, the motion was put to vote.

The AGM adjourned at 12.10 p.m. for the convening of the General Meeting and the tabulation of the poll voting results.

The AGM re-convened at 12.25 p.m. for the declaration of the results of the poll.

DECLARATION OF POLL RESULTS

Directors' Statement and Audited Financial Statements – Ordinary Resolution 1:

The results of Resolution 1 taken on a poll were as follows:

FOR		**AGAINST**		**Total No. of Shares Represented by Votes For and Against**
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,242,422,201	99.90	1,185,300	0.10	1,243,607,501

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

"That the Directors' Statement and the Audited Financial Statements of the Company, together with the Auditors' Report thereon, for the financial year ended 30 April 2018 be received and adopted."

Re-election of Mr Godfrey E Scotchbrook as a Director – Ordinary Resolution 2:

The results of Resolution 2[1] taken on a poll were as follows:

FOR		**AGAINST**		**Total No. of Shares Represented by Votes For and Against**
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,241,869,429	99.87	1,572,100	0.13	1,243,441,529

[1] Mr Godfrey E Scotchbrook holding 117,092 ordinary shares in the Company had voluntarily abstained from the voting of Resolution 2.

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

"That Mr Godfrey E Scotchbrook be re-elected as a Director of the Company."

Re-election of Mr Edgardo M Cruz, Jr as a Director – Ordinary Resolution 3:

The results of Resolution 3[2] taken on a poll were as follows:

FOR		AGAINST		Total No. of Shares Represented by Votes For and Against
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,234,590,156	99.32	8,439,648	0.68	1,243,029,804

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

"That Mr Edgardo M Cruz, Jr be re-elected as a Director of the Company."

Directors' Fees – Ordinary Resolution 4:

The results of Resolution 4 taken on a poll were as follows:

FOR		AGAINST		Total No. of Shares Represented by Votes For and Against
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,241,884,846	99.92	1,011,700	0.08	1,242,896,546

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

"That the payment of Directors' fees of up to US$496,800/- as Directors' fees for the financial year ending 30 April 2019 to be paid quarterly in arrears, computed based on the fee structure set out below, be approved for payment:

- *Board Chairman: US$79,200 per annum*
- *Directors: US$43,200 per annum*
- *Audit and Risk Committee Chairman: US$19,800 per annum*
- *Remuneration and Share Option Committee Chairman: US$9,900 per annum*
- *Nominating and Governance Committee Chairman: US$9,900 per annum*
- *Audit and Risk Committee Members: US$10,800 per annum*
- *Remuneration and Share Option Committee Members: US$5,400 per annum*
- *Nominating and Governance Committee Members: US$5,400 per annum"*

[2] Mr Edgardo M Cruz, Jr holding 2,984,632 ordinary shares in the Company had voluntarily abstained from the voting of Resolution 3.

Emoluments of Directors – Ordinary Resolution 5:

The results of Resolution 5 taken on a poll were as follows:

FOR		**AGAINST**		**Total No. of Shares Represented by Votes For and Against**
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,241,570,436	99.93	844,520	0.07	1,242,414,956

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

> *"That the Directors of the Company be, and are hereby, authorised to fix, increase or vary the emoluments of Directors with respect to services to be rendered in any capacity to the Company."*

Re-appointment of Ernst & Young LLP as Auditors – Ordinary Resolution 6:

The results of Resolution 6 taken on a poll were as follows:

FOR		**AGAINST**		**Total No. of Shares Represented by Votes For and Against**
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,241,786,636	99.99	87,200	0.01	1,241,873,836

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

> *"That Ernst & Young LLP, Public Accountants and Chartered Accountants, be re-appointed as the Auditors of the Group at a remuneration to be determined by the Directors of the Company."*

Re-appointment of Sycip Gorres Velayo & Co. (Ernst & Young Philippines) as Philippine Auditors – Ordinary Resolution 7:

The results of Resolution 7 taken on a poll were as follows:

FOR		**AGAINST**		**Total No. of Shares Represented by Votes For and Against**
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,241,493,036	99.99	117,200	0.01	1,241,610,236

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

"That Sycip Gorres Velayo & Co. (Ernst & Young Philippines), Certified Public Accountants, be re-appointed as the Philippine Auditors of the Group at a remuneration to be determined by the Directors of the Company."

Authority to Issue Shares – Ordinary Resolution 8:

The results of Resolution 8 taken on a poll were as follows:

FOR		**AGAINST**		**Total No. of Shares Represented by Votes For and Against**
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,234,109,163	99.38	7,736,628	0.62	1,241,845,791

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

"That pursuant to Article 15(2) of the Company's Articles of Association and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

*(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or*

*(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including, but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,*

at any time and upon such terms and conditions, and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders of the Company shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

Authority to Allot and Issue Shares under the Del Monte Pacific Executive Share Option Plan 2016 – Ordinary Resolution 9:

The results of Resolution 9 taken on a poll were as follows:

FOR		**AGAINST**		**Total No. of Shares Represented by Votes For and Against**
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
1,233,548,763	99.33	8,301,128	0.67	1,241,849,891

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

"That approval be and is hereby granted to the Directors of the Company, acting through its Remuneration and Share Option Committee, to allot and issue from time to time such Shares as may be allotted and issued pursuant to the exercise of the Del Monte Pacific Executive Share Option Plan 2016 ("**ESOP**"), provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOP shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

Renewal of Shareholders' Mandate for Interested Person Transactions – Ordinary Resolution 10:

The results of Resolution 10[3] taken on a poll were as follows:

FOR		**AGAINST**		**Total No. of Shares Represented by Votes For and Against**
No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	
37,228,967	98.93	404,200	1.07	37,633,167

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:–

"That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

*(a) approval be given for the renewal of the mandate for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out on page 6 of the Company's information memorandum ("**Information Memorandum**") with any party who is of the class of Interested Persons described in the Information Memorandum, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms, and in accordance with the guidelines of the Company for Interested Person Transactions, as set out in the Information Memorandum (the "**IPT Mandate**");*

(b) the IPT Mandate shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM of the Company; and

(c) authority be given to the Directors to complete and do all such acts and things (including executing all such documents as may be required)."

CONCLUSION

There being no other business, the Chairman declared the AGM of the Company closed at 12.30 p.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings Held

[signed]

Rolando C Gapud
Executive Chairman

[3] The following shareholders, being interested in Resolution 10 had abstained from the voting of the same (i) NutriAsia Pacific Limited, a controlling shareholder of the Company holding 1,196,539,958 ordinary shares; (ii) Mr Joselito D Campos, Jr, a shareholder of the Company holding 7,621,466 ordinary shares; and (iii) Bluebell Group Holdings Limited, a shareholder of the Company holding 189,736,540 ordinary shares.

APPENDIX 1

DEL MONTE PACIFIC LIMITED ("DMPL")

Minutes of Annual General Meeting – 17 August 2018
Summary of Questions & Answers

Directors' Statement and Audited Financial Statements – Ordinary Resolution 1

Question 1 : **Reference is made to page 111 of the Annual Report. The Profit and Loss had indicated expenses incurred under distribution and selling expenses, general and administrative expenses, other income expenses and finance expense.**

Further, on page 205 of the Annual Report, Note 25, the Profit (Loss) Before Taxation had indicated expenses incurred for allowance for inventories, loss on disposal of property, plant and equipment of US$11.3 million. However, the one-off items are not found here.

The CFO's presentation however mentioned that there is a one-off expense of US$62.0 million incurred for FY2018. Shouldn't the Company show these one-off items more clearly in its financial statements?

Answer : The one-off items had been included in "administrative expenses" and "miscellaneous income & expenses", so that we can see the classification of the assets clearly. These were not reflected in the gross margin and the residual values of the US plants have been broken down.

Question 2 : **The recurring expense vs one-off expense should be reflected separately.**

Answer : We have provided an explicit schedule of the one-off (non-recurring) expenses on page 45 of the Annual Report.

Question 3 : **Is there a breakdown on operating segments? I cannot find it under Note 29 of the financial statements.**

Answer : The presentation uploaded onto our website would show a breakdown of the operating segments.

Question 4 : **Reference is made to page 211 of the Annual Report, the 3-year comparatives provided indicates (i) slight decline in revenue levels; and (ii) gross profit levels to be generally declining.**

On page 212 of the Annual Report, DMPL had recorded:
>> Profit of US$4.5 million in FY2016
>> Loss of US$64.6 million in FY2017
>> Loss of US$115.4 million in FY2018

It seems to show that profitability is down in all segments (i.e. packaged/processed fruit and vegetable, beverage, culinary and fresh fruit and others). This is a worrying trend, how much of these are one-offs and how much of these are recurring?

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Answer : The total impact of the one-off expense is US$63.0 million in the US. The expenses incurred also relate to trade and marketing spend of more than US$34.9 million. This is in line with our Long Range Plan, to set up for future businesses, accelerating market shares in the retail and setting up our platform for innovation.

Question 5 : **Noted this but this seems like a motherhood statement. The shareholders had expressed their reservations on the acquisition of DMFI. Three years had passed since the acquisition and DMPL is still talking about increasing market shares. If this was a good acquisition, shareholders should be seeing improvement in share price and dividends. However, this is not the case now.**

We would like to know what the real problems are in the US. Management team had been changed as well as products. Are the problems due to DMFI’s products becoming redundant as a result of consumers becoming more health conscious and rejecting canned products?

Would it not be easier to establish DMPL’s presence in the US by selling its own products there i.e. expanding geographically and replicating what DMPL has done in Asia, rather than buying expensive assets that are dragging the Company down and not making money.

Please give us some insights on the US business and the negatives.

Question 6 : **Reference is made to page 6 of the Annual Report, 5-year Summary – it appears that all the trends are showing declining profits. I think the main problem lies with the acquisition of DMFI. For EPS, a majority of the monies are paid to the preference shareholders; even if the Group is profitable, all monies would be used to pay the preference shareholders and nothing would be left for the ordinary shareholders. The Group’s gearing level is also very high.**

Please comment on the above.

Answer : DMFI is not the only company facing headwinds in the US. All major food companies in the US are facing similar headwinds. The top 10 main food companies in the US are also incurring losses in the billions of dollars, as reported in recent news articles.

To tackle this, we have developed a medium-range plan to return the US operations to profitability. This plan was formulated with the help of an international strategic consulting firm. We presented this plan to DMFI’s lenders and the good news is that the lenders had accepted our plan. We believe that we have a good plan and this demonstrates the lenders’ confidence in DMFI.

During the road show last month for Del Monte Philippines, Inc’s (“**DMPI**”) initial public offering (“**IPO**”) we have received reports indicating that institutional investors had a favourable view of the Group plan as well. The indication from investors was that the plan is viable, implementable and achievable. We are aware that execution of the plan is key and would determine whether or not we can turnaround the situation. Our goal is for DMFI to achieve profitability in 2 to 3 years.

Answer : We understand the shareholders' concerns and we have already taken actions to achieve profitability for DMFI. For example:

(i) Reducing our operational costs through our supply chain. The increase in costs faced by DMFI in the past few years had not been passed on to consumers. For the first time in a long time now, DMFI had increased pricing of our products so as to pass on some of these costs to our consumers;
(ii) Cut out trade investments from our P&L to achieve cost efficiency, improve margins as well as profitability; and
(iii) Removing non-profitable sales by changing DMFI's focus from private label sales and USDA (United States Department of Agriculture) sales to branded Del Monte sales instead. This will be our focus for FY2019 in the US.

We are seeing good results from customers on Del Monte branded sales. Doing this had increased profitability for our branded business in the 4th quarter. This plan will continue, with innovation, branding, and reduction of costs. We are expecting to achieve success and profitability in 2 to 3 years.

Question 7 : **My concern is if the US economy is growing at 3.5% to 4%, with high consumer spending and yet DMFI is not making profits, what will happen if there is another financial crisis?**

Answer : As mentioned, DMFI is undergoing a restructuring of its operations to achieve profitability. Unfortunately, restructuring cannot be achieved overnight. We will need to optimise our operation lines, improve the distribution network, dramatically change the product line-up to face changes in the market e.g. e-commerce needs, change in consumer taste and preference and cater to the millennials, as well as the ever changing environment in the US. We will require time to build our foundation and rationalise operations. Prior to 2005, DMFI had been doing well in the US market due to its brand equity at that time. Unfortunately, the market had changed dramatically since then. We are confident that given time, we will grow the US operations and return DMFI to profitability. We seek shareholders' patience and understanding.

Question 8 : **Would it be correct then to say that DMPL is tightening its belt at this point in time? I refer to page 86 of the Annual Report on the disclosure of remuneration for Directors for FY2018. Disclosures stop at bands of S$500,000. There is no indication on remuneration exceeding S$500,000 for Executive Directors. Can you let shareholders have an indicative range of how much the top 3 Executive Directors are being remunerated?**

I would like to flag that DMPL has not declared dividends for a few years. Can you throw more light on remuneration for Executive Directors? Are there some heavy cuts taken by Management and commitment shown by the people at the top to ride through the tough period?

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Answer : Our remuneration structure for DMPL is always benchmarked against the market and currently stands at the median range. We have engaged an independent remuneration consultant to perform the benchmarking for us. The remuneration paid to the Directors and Management are at appropriate levels, adequate to retain talent in the Group. The variable income / bonus portion was decided by our Remuneration and Share Option Committee ("**RSOC**"). The RSOC independently reviews, discusses and decides on remuneration packages. I would like to invite our RSOC Chairman, Mr Godfrey Scotchbrook to comment on this point.

Answer : Our objective is to align executive compensation with the Company's plans. The performance review is performed annually and based on the review, the RSOC takes into account what had been achieved and what had not been achieved during the year. The ratings achieved by each Key Management Personnel ("**KMP**") are reviewed against their respective key performance indicators. A major component of remuneration is the variable bonus and I can assure you that we are both fair and ruthless, when deciding variable bonuses. Only those who had achieved the "meets" or "exceeds" ratings will be recognised and be given a variable bonus.

Question 9 : **Directors who are also directors of the Group's subsidiary (i.e. a director of DMPL who is also a director of DMPI), will they get remunerated there as well? Is there a substantial cut in the overall remuneration package? Can you please provide us the absolute percentage?**

Answer : The bonus component had been reduced by approximately 30% to 40%. For KMP's, no additional remuneration is given if they are also on the Board of a Group subsidiary. Additional remuneration are for Non-Executive Directors only.

Answer : KMP's who have roles and oversight over the US operations and the Philippines, do not get additional remuneration for any added responsibilities assumed, myself included. We are very strict on our performance evaluation exercise. KMP's who are rated "needs improvement" do not receive any salary increase as a result of their unsatisfactory performance. Our average salary increase this year had been reduced by 1/3.

Question 10 : **Can the Board confirm that there would be no further write-offs as a result of the ongoing restructuring?**

Answer : We will have a bit more to write-off. We are in the midst of optimising our distribution systems in the US as a result of closing down factories. However, we assure shareholders that we will not close down any factory unless we are very certain on its performance and profitability. There will be write-offs but the write-offs will be worth it.

Question 11 : **Will this be a residual write-off or is it another major write-off?**

Answer : We do not expect any major write-offs for now and not of the magnitude as seen for FY2018.

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Question 12	:	**I would like to suggest that the Board consider replacing the current Board members with more "businesslike" directors, for example, people who have expertise and experience in the US market or a director who is able to help run the business of DMFI.**
Answer	:	We will take note of your suggestion. It is for the shareholders to decide; if you think that we are not serving the Company well or that we are not qualified to be on this Board, shareholders can register their votes and vote accordingly.
Question 13	:	**I have heard earlier that FY2019 will be profitable. Is this going to be due to some "write-backs" or will it be real "profitability"?**
Answer	:	We expect the operating profit for FY2019 to improve. As mentioned by the CFO earlier, we do not expect any additional major write-offs. The major write-off this year was mainly due to the change in tax regulations in the US. Hopefully, there will be no more changes to the income tax regulations in the US.
Question 14	:	**Regarding Sager Creek, this investment was bought at US$75.0 million and sold for US$55.0 million incurring a loss of US$42.4 million. Can you reconcile these numbers?**
Answer	:	The Sager Creek business was sold by DMFI at US$55.0 million (in cash) and this consideration was only in respect of intangible assets and certain fixed assets (excluding inventories). Inventories of Sager Creek had been excluded from the sale, hence the discrepancy. It is not a bad exit. There was quite a number of inefficiencies that we had to incur and write down the business, thereby incurring incremental losses of US$42.4 million. More than half of the US$42.4 million loss is non-cash and pertain to write offs of inventory and fixed assets, while US$20 million are cash costs which include legal fees, severance and plant closure costs, amongst others, that are of a nonrecurring nature.
Question 15	:	**How much did DMPL lose in this divestment?**
Answer	:	Approximately US$5.0-10.0 million loss was incurred per year. The total loss is approximately US$25.0 million over a period of 3 years. This includes the closing down of factory and write-offs.
Question 16	:	**Was the investment of Sager Creek independently carried out by DMFI or was the decision being overseen by the DMPL Board?**
Answer	:	The decision was made by the Board of DMFI and DMPL oversaw the decisions made by DMFI. It was unfortunate that the results did not turn out as expected.

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Question 17 : **At the point of acquisition of Sager Creek, DMFI was already in debt with a lot of borrowings and given that situation, they had decided to proceed with the acquisition. Please comment on this.**

Answer : At the point of acquisition, this was an attractive deal. It was presented as a US$75 million acquisition, with an EBITDA contribution of US$35.0 million a year. The plan presented appeared attractive at that time. However, as mentioned earlier, it was unfortunate that the results did not turn out as we had expected.

Question 18 : **Do you have a summary or tabulation of all the one-off expense items so that we can see if they are indeed one-off’s or whether these could be recurring items? Since the acquisition of DMFI, every year, DMPL would always have one-off items to be written-off and I cannot understand what these are.**

Answer : I also have the same complaints to Management on these one-off items. However, if you look at the character of these items they are indeed one-off items e.g. due to the change of tax rates in the US recently, the closure of facilities and factories due to restructuring efforts, paying off staff for severance etc. The Auditors would agree that these items are indeed one-off items.

Answer : I would also like to confirm that more than half of the costs were either non-cash items where no additional cash was spent or are non-recurring items. They consisted of items such as the write-down of the book value of plants that had been closed or non-recurring items such as legal fees and severance payments to employees of distribution centres we closed down.

Question 19 : **So, we should have less one-off items in this financial year?**

Answer : Yes, we should have less one-off items and it will be specific one-off items.

Question 20 : **The success of the Group is very dependent on US sales. However, it was mentioned that traditional products such as tomatoes are on a downtrend. What are the new products that are well received? Please support your statement with some statistics?**

Answer : The canned business is being consolidated at the plant. Customers are rationalising, we have decided to take the leading brands and private labels, as well as merchandise and support and retail resources to Walmart, Target etc. It helps us to stabilise our business and extract more profit from our canned businesses.

We have launched products in the fruit cup packaging and these are well-received. These include Fruit & Chia, a combination of fruit and chia seeds. And last June, we followed with the launch of Fruit & Oats, which is a combination of fruit and oats, entering a new segment – the breakfast segment.

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Question 21 : **Please provide an indication of Management's expectations in terms of DMFI growth? Perhaps you can share these data with the shareholders in future.**

Answer : We expect growth of approximately US$200 million on sales this year (growth will be outside of canned sales and via plastic cups, cartons), things that we are doing to innovate our products are generating gross margin. For example, many customers are buying our new product, "Fruit & Chia". In addition, we are entering the frozen category for the first time. Over time, we will accelerate our sales outside the canned business.

Question 22 : **I would like to commend the Company - this is one of the best Annual Reports I have seen from Del Monte. Can you elaborate on the headwinds you mentioned in the US?**

Answer : The headwinds we are facing in the US relate to increasing transportation costs, higher tariffs for tin plates (for cans); higher labour costs (as minimum labour wages increased) as well as higher inventory costs. To tackle these issues, we have carried out price increases and reduced overall costs in our operations.

Question 23 : **In general, DMFI is making losses, are there any other food companies in the US that's actually making profit?**

Answer : Companies that are successful right now would be companies that are highly innovative; certain beverage companies for example are doing well. They are good operators with low debt and run tight operations. Example: My previous company, Hormel Foods is doing well right now. We want to be like these companies, to be innovative and smart.

Question 24 : **I am not quite sure how President Trump's change of the US tax rates had affected the Company or how this resulted in the one-off tax write-offs. Could you elaborate?**

Answer : DMFI had been incurring net operating losses for the past few years so we were able to take a deferred tax credit on the same over the years. The prevailing tax rate was 35% then. However, since the tax rate was reduced (from 35% to 21%) our deferred tax credit from net operating losses had to be adjusted accordingly, resulting in a write-off.

Question 25 : **Last year I've also raised these 2 main issues which are plaguing DMPL (i) the debts; and (ii) the acquisition of DMFI, which is a big mistake. Over the years, the debts had been increasing and Board members had mentioned that it would take 2 to 3 years to turn around the situation. Perhaps the Board could consider divesting part of DMFI which would result in a reduction of DMPL's debt levels.**

Answer : We are currently reducing and changing the character of our US operations. We are also trying to go outside of the US to tap the South American market. This is part of the plan we had formulated with our international strategic consultant.

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Question 26 : **Since we couldn't list DMPI in the Philippines, are there any other plans to reduce the debts?**

Answer : Yes, there are other plans. We have purchased the Second Lien Term Loans of DMFI at below par. The said purchase was at a 30% discount to par value. We are also talking to our bankers and advisors on how to address this issue. This is very much in our plans and will be addressed in the near future.

Question 27 : **You have to bear in mind that interest rates are rising, in particular, for the US operations. We can't wait for 3 years for it to turn around.**

Answer : We are addressing the debt issue now and we are not waiting another 2-3 years to reduce debt. The 2 to 3 years which I mentioned earlier is the time required for DMFI's operations to turn around.

Question 28 : **Reference is made to page 110 of the Annual Report, regarding current loans and borrowings of US$481.0 million. I assume that DMPL has sufficient cash to finance these loans? It seems that those that are due for renewal had very low interest rates. Will renewing these loans incur higher interest costs?**

Answer : We don't expect any increase in our margin spread when we renew these banking lines. These are very procedural and ongoing for our business and we do not expect any issues with these loans. To an extent, yes, we will incur higher interest costs.

Question 29 : **A majority of shareholders here have bought DMPL shares mainly because of DMPI. Now that DMPL intends to list DMPI may I propose that DMPL distribute DMPI shares to existing shareholders and list DMPI in Singapore. That way, the existing shareholders of DMPL can get something back.**

Answer : You are still a shareholder of DMPI, through your shareholding in DMPL. Before we planned DMPI's IPO, we had considered whether we should list DMPI in Singapore or in the Philippines.

The advice from our bankers was that we would get better pricing and reception if DMPI is listed in the Philippines (instead of Singapore) mainly due to DMPI being well established and well accepted as a premier company in the Philippines. In Singapore, DMPI is considered a small fish in a big pond but in the Philippines we are seen as a big fish.

Question 30 : **What I'm saying is to give us back DMPI by distributing DMPI shares back to us, the shareholders. DMPI is profitable and its share price is different. By distributing DMPI shares to us, as appropriate, then we can move forward instead of coming back every year.**

Answer : Thank you, we will take your suggestion for consideration.

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Question 31 : **I want to thank the Board for its patience and for answering all the questions from shareholders. I would like to give a suggestion on the remuneration packages to the Directors and KMP's. The Board should consider giving scrip shares to Directors and KMP's instead of remunerating them in cash. By doing so, you are aligning their interests with those of the shareholders. Please consider this.**

Answer : You will agree that realistically, we also need to have talented and competent executives to manage the Company, especially during this time when we have to turn-around the business. To retain good people and to ensure that they will manage the company well, we need to at least meet industry standards and provide adequate remuneration packages (not extravagant packages). With this, the executives can also see that when our position improves, the Company will compensate them better. That is our position and we are trying our best to retain these executives

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Directors' Fees – Ordinary Resolution 4

Question 32 : **I am not disputing these sums (Directors' fees), I think this is not a big amount considering the efforts the Directors have put into the Company. Of these amounts, how much is paid in cash and how much is paid in shares?**

Answer : The Directors' fees are fully paid in cash. We have not granted any share awards or options in recent years due to our depressed share price

Question 33 : **The Directors may want to change this. I would like to suggest again, that the fees be paid in shares instead of cash, so as to align the interest of the Directors with those of the shareholders. I hope the Board will consider this seriously.**

Answer : Personally, I appreciate your suggestion. As mentioned, Directors' fees paid to the Directors is not a large amount but have to be of an amount and form that duly recognise and appreciate the efforts, advice and time spent by our Directors. In particular, the Independent Directors spend a lot of time travelling and attending our meetings in the US and the Philippines. We have to be fair to them and compensate them accordingly. We will bring this suggestion to the RSOC for discussion and review.

The Directors do own shares in the Company as they were previously granted share options and share awards. Our share options were however not exercised due to the exercise price being higher than the market price.

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Emoluments Of Directors – Ordinary Resolution 5

Question 34 : **I am not comfortable with this motion. Since the Company already has an Interested Person Transactions ("IPT") Mandate why do you still need this resolution. Should this not be transacted under the IPT mandate? We also have a RSOC to decide on the Directors' fees . This seems like a blanket resolution that would allow the Board to pay Directors any amount, without any cap being imposed. I think it is not appropriate to have this motion and I hope that you will withdraw this motion.**

Answer : This resolution had been approved in previous years as well.

The principal reason for having this resolution is for Dr Emil Javier, who is an expert in the field of agriculture and horticulture. He possess a PhD in Plant Breeding from Cornell University. Dr Javier had been assisting us in our projects in India and in our cattle raising project.

Dr Javier currently chairs the Group's Plantation Oversight Committee. The contribution of Dr Javier is invaluable to us and his specialised services cannot be provided by anyone else. Dr Javier spends at least a week in each month at the plantation to supervise and oversee all our plantation improvement processes. His expert advice to us is invaluable. For example, as a result of Dr Javier's efforts and his expertise in agriculture and horticulture, our MD2 pineapple project is very successful and these pineapples are being sold under our S&W brand. We therefore need to compensate Dr Javier for this additional work. This resolution is intended solely for the compensation to Dr Javier for the additional services.

Question 35 : **Then you should re-word the resolution. Can we amend the resolution since it is stated "with or without modifications" in the resolution. I propose this be modified to specifically state that this is for the compensation for Dr Javier's services. We leave you to decide the amount.**

Answer : For this AGM, shareholders hold proxies for only the resolutions proposed in this Notice of AGM which does not include any modifications.

Question 36 : **I think this is unnecessary, this should be under the IPT mandate. If you want to put this motion in you should specifically state that this is for Dr Javier.**

Answer : Going forward we will consider drafting this motion to specifically state that it relates to fees for additional services provided by Dr Javier.

For this AGM we will not amend the motion but will note in the minutes that this contemplates additional fees such as those for oversight services rendered by Dr Javier and that amount paid will be capped at US$100,000/-.

Comment : **I am ok with the above suggestion to clarify this in the AGM minutes for this year.**

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Question 37	:	**Will the amount paid to the Director trigger an IPT?**
Answer	:	The amount paid to the Director will not trigger an IPT. The resolution as drafted will enable the Board to increase or vary the amount of fees paid to our Directors who may be required, from time to time, to provide specialist services to the Company, such as Dr Javier. We are happy to note in the minutes the cap of US$100,000
Comment	:	**I am ok with this.**

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

ANNUAL GENERAL MEETING ATTENDANCE LIST
- DIRECTORS AND MANAGEMENT

PLACE	:	Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908
DATE	:	Friday, 17 August 2018
TIME	:	10.00 a.m.

S/No.	**Name**	**Position**
1.	Rolando Gapud	Executive Board Chairman
2.	Joselito Campos, Jr	Managing Director and Chief Executive Officer
3.	Edgardo Cruz, Jr	Executive Director
4.	Benedict Kwek Gim Song	Chairman of Audit and Risk Committee, Lead Independent Director
5.	Godfrey Scotchbrook	Chairman of Remuneration and Share Option Committee, Independent Director
6.	Emil Javier	Independent Director
7.	Yvonne Goh	Chairperson of Nominating and Governance Committee, Independent Director
8.	Luis Alejandro	Chief Operating Officer
9.	Ignacio Sison	Chief Corporate Officer
10.	Parag Sachdeva	Chief Financial Officer
11.	Antonio Ungson	Chief Legal Counsel, Chief Compliance Officer and Company Secretary
12.	Gregory Longstreet	Chief Executive Officer, Del Monte Foods, Inc
13.	Gene Allen	Chief Financial Officer, Del Monte Foods, Inc
14.	Jeanette Naughton	VP – Strategic Planning, Del Monte Foods, Inc
15.	Jennifer Luy	Investor Relations Manager
16.	Alvin Phua	Ernst & Young LLP
17.	Noel Chen	Ernst & Young LLP
18.	Catherine Lopez	Sycip Gorres Velayo & Co (Ernst & Young Philippines)