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**SECRETARY'S CERTIFICATE**

I, **RAFAEL T. FLORES**, of legal age, Filipino citizen and with postal address at Food Terminal Incorporated, New Administration Building, FTI Complex, Taguig City, after having duly sworn to, hereby depose and say:

That I am the duly elected Corporate Secretary of the Food Terminal Incorporated, a domestic corporation organized under Philippine laws and registered with the Securities and Exchange Commission, with address at FTI Complex, Taguig City, Metro Manila;

That in the regular meeting of the FTI Board of Directors held on 29 March 2011 at the FTI Board Room, New Administration Building, FTI Complex, Taguig City, the FTI Board of Directors APPROVED upon the recommendation of Management per its Memorandum to the Board dated 17 March 2011, the Corporate Operating Budget (COB) of the Food Terminal Incorporated for CY 2011, in the total amount of P402.49 MILLION, a copy of which is hereto attached as Annex "A" and made as an integral part of this Secretary's Certificate.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 29<sup>th</sup> day of DECEMBER 2011, at Quezon City, Philippines.

**RAFAEL T. FLORES**

**REPUBLIC OF THE PHILIPPINES)**  
**QUEZON CITY ) S. S.**

**SUBSCRIBED AND SWORN TO** before me this DEC 29 2011 day of 2011 at QUEZON CITY, Philippines, affiant exhibiting to me his competent evidence of identity with number NFA ID No. 120816.

**ATTY EDNA T. LOVERIA**  
Notary Public  
**NOTARY PUBLIC**

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**MEMORANDUM '2011**

**FOR :** THE BOARD OF DIRECTORS  
**THRU :** THE EXECUTIVE COMMITTEE  
**FROM :** THE PRESIDENT  
**SUBJECT :** **2011 CORPORATE OPERATING BUDGET**  
**DATE :** 17 March 2011

The management respectfully submits to the Board of Directors for approval the Corporate Operating Budget for CY 2011 in the total amount of ₱ 402.49M.

	<b>2011 Budget Proposal</b>	<b>2010 Approved Budget</b>	<b>2010 Unaudited</b>	<b>Inc/(Dec) VS 2010 Budget</b>	<b>VS 2010 Unaudited</b>
<b>1. Operating Budget</b>					
Personal Services	81.33	80.96	58.60	0.37	22.73
Maint. & Other Operating Expenses	243.07	202.29	242.22	40.78	0.85
Contingency	35.00	18.50		16.50	35.00
Sub Total	<u>359.40</u>	<u>301.75</u>	<u>300.82</u>	<u>57.65</u>	<u>58.58</u>
<b>2. Capital Expenditures</b>					
Priority/Necessary Projects	4.81	11.03	1.70	(6.22)	3.11
Carry-over Projects	12.00	16.62	9.32	(4.62)	2.68
Sub Total	<u>16.81</u>	<u>27.65</u>	<u>11.02</u>	<u>(10.84)</u>	<u>5.79</u>
<b>3. Debt Servicing</b>					
MWCI Loan Amortization		7.53	5.43	(7.53)	(5.43)
Capital Gains Tax on NFA Dacion		46.21	45.08	(46.21)	(45.08)
Sub Total		<u>53.74</u>	<u>50.51</u>	<u>(53.74)</u>	<u>(50.51)</u>
<b>4. Remittance to National Gov't.</b>	26.28			26.28	26.28
<b>TOTAL BUDGET REQUIREMENTS</b>	<u><b>402.49</b></u>	<u><b>383.14</b></u>	<u><b>362.35</b></u>	<u><b>19.35</b></u>	<u><b>40.14</b></u>
<b>PORK IMPORTATION CARRY-OVER</b>		<u><b>122.62</b></u>	<u><b>57.50</b></u>	<u><b>(122.62)</b></u>	<u><b>(57.50)</b></u>
<b>TOTAL</b>	<u><b>402.49</b></u>	<u><b>505.76</b></u>	<u><b>419.85</b></u>	<u><b>(103.27)</b></u>	<u><b>(17.36)</b></u>

The proposed budget is ₱103.27M lower than last year's approved budget of ₱505.76M because of the full settlement of debt servicing to MWCI, payment of capital gains on NFA dacion and winding off of CY 2009 pork importation carry-over program. Compared with 2010 unaudited figures of ₱419.85M, a decrease is also noted in the amount of ₱17.36M accounted as follows:

I. Increase in the following activities:		
1.	Capital expenditures necessary to enhance revenue	<b>5.79</b>
2.	Provision for contingency on the following court cases;	<b>35.00</b>
a.	Fenics (collection for damages)	18.00
b.	TAO Development (satisfaction of judgment)	8.00
c.	Labor cases (Rivera, Amelia Castillo)	4.00
d.	other cases	5.00
3.	Increase in personal services as follows:	<b>22.72</b>
a.	additional Retirement fund contribution from actual of P3.96 in 2010 to P6.30 in 2011	2.34
b.	Increase in salaries & wages due to merit and performance appraisal	2.33
c.	Increase in other personnel benefits/compensation due to CBA	18.05
4.	Increase in maintenance & other operating expenses	<b>24.62</b>
a.	Increase in professional services due to higher contract rates of security, janitorial and allied services	13.94
b.	Increase in utilities due to new business	10.68
5.	Remittance of cash dividend to BTR (50% of income)	<b>26.28</b>
II. Decrease in the following:		<b>(131.77)</b>
a.	operating expenses (such as water, insurance, repair due to cost savings)	(10.57)
b.	Decrease in income tax due to lower tax base	(13.19)
c.	no capital gains tax in 2010 and loan amortization to MWCI	<b>(50.51)</b>
d.	No Pork importation	<b>(57.50)</b>
<b>NET DECREASE</b>		<b><u>(17.36)</u></b>

Source of fund for the above budget requirement will come from collection of targeted revenues during the year and other receipts in the total amount of ₱545.03M. Comparative tabulations for the financial projection are provided in the attached annexes.

For the Board's consideration/approval:

**ATTY. RICARDO A. CRUZ**  
**President**

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