

PLAN OF MERGER

KNOW ALL MEN BY THESE PRESENTS:

This Plan of Merger (the “Plan”) is executed this 22 March 2025 at Bacolod City by and between:

ABC Absorbed CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office located at Hernaez Ave., Barangay Mansilingan, Bacolod City, Negros Occidental (hereinafter referred to as “ABC Absorbed Corporation”),

and

XYZ Surviving MANUFACTURING CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office located in Barangay Handumanan, City of Bacolod, Province of Negros Occidental, Philippines (hereinafter referred to as “XYZ Surviving Manufacturing Corporation”).

ABC Absorbed Corporation and XYZ Surviving Manufacturing Corporation are hereinafter collectively referred to as the “Parties” and individually as a “Party.”

WITNESSETH: That -

WHEREAS, ABC Absorbed Corporation is engaged in the business of trading and/or distribution of all kinds of food and beverage Fast-Moving Consumer Goods (FMCG) to retail outlets, supermarkets, and various businesses in the Philippines;

WHEREAS, XYZ Surviving Manufacturing Corporation is engaged in the business of manufacturing, processing, and packaging healthy and sustainable food products such as cereals, oats, milk, and instant coffee;

WHEREAS, the Parties believe that a merger of XYZ Surviving Manufacturing Corporation with and into ABC Absorbed Corporation will be in their respective best interests and will advance their strategic objectives by creating synergies in distribution and manufacturing, expanding product offerings, and streamlining their supply chain, consistent with ABC Absorbed Corporation’s secondary purpose to produce, process, manufacture, buy, sell or otherwise deal in any and all food and beverage commodities and XYZ Surviving Manufacturing Corporation’s primary purpose to manufacture related food products;

WHEREAS, the respective Boards of Directors of ABC Absorbed Corporation and XYZ Surviving Manufacturing Corporation have approved this Plan of Merger and have resolved to submit it to their respective shareholders for approval;

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, the Parties hereby agree to the merger of XYZ Surviving Manufacturing Corporation with and into ABC Absorbed Corporation on the following terms and conditions:

I. TERMS OF THE MERGER

1. **Merger.** XYZ Surviving Manufacturing Corporation shall be merged with and into ABC Absorbed Corporation (the “Merger”), with ABC Absorbed Corporation being the surviving corporation (the “Surviving Corporation”). Upon the Effective Date (as defined in Section I.4), the separate existence of XYZ Surviving Manufacturing Corporation shall cease.

2. **Acquisition of Assets.** Subject to the terms and conditions of this Plan, at the Effective Date, ABC Absorbed Corporation shall acquire all rights, privileges, immunities, powers, business, assets, and properties of every kind and description, wherever located, belonging to XYZ Surviving Manufacturing Corporation (the “Assets”). This shall include, without limitation, all real and personal property, tangible and intangible assets, contracts, rights of action, and goodwill of XYZ Surviving Manufacturing Corporation.

3. **Assumption of Liabilities.** Subject to the terms and conditions of this Plan, at the Effective Date, ABC Absorbed Corporation shall assume all liabilities and obligations of XYZ Surviving Manufacturing Corporation of every kind and description, whether absolute, contingent, or otherwise, existing as of the Effective Date (the “Liabilities”).

4. **Effective Date.** The effective time of the Merger will be July 1, 2025, or the date of approval of the Securities and Exchange Commission (SEC) and the Philippine Competition Commission (PCC), whichever is later. Upon the Effective Time, the existence of XYZ Surviving Manufacturing Corporation shall cease. ABC Absorbed Corporation will continue its existence as the surviving corporation (the “Effective Date”).

5. **Operations After Merger:** ABC Absorbed Corporation, as the surviving corporation, shall possess all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a corporation organized under the Corporation Code. XYZ Surviving Manufacturing Corporation shall also thereupon and thereafter possess all the rights, privileges, and franchises of whatever nature and all property, real or personal, and all receivables due on whatever account, including subscriptions to shares and other choses in action, and all and every other interest of, or belonging to, or due to the absorbed corporation (XYZ Surviving Manufacturing Corporation)

6. **Treatment of XYZ Surviving Manufacturing Corporation Employees.** All existing employees of XYZ Surviving Manufacturing Corporation shall be separated from their respective corporations and will be hired by ABC Absorbed Corporation as new employees without prejudice to their right to exercise Article 298 of the Labor Code of the Philippines.

7. **Issuance of Shares or Other Consideration.** The specific terms and conditions regarding the conversion of the shares of stock of XYZ Surviving Manufacturing Corporation into shares of stock or other securities of ABC Absorbed Corporation, or the payment of other consideration, shall be determined based on a mutually agreed upon valuation of the Parties and shall be set forth in a separate agreement or annex to this Plan, subject to the approval of the respective shareholders and in compliance with applicable laws. ABC Absorbed Corporation has an authorized capital stock of TEN BILLION PESOS (Php10,000,000,000.00), and XYZ Surviving Manufacturing Corporation has an authorized capital stock of FIVE BILLION PESOS (P5,000,000,000.00), which will be relevant in determining the exchange ratio.

8. **Total Number of Shares Outstanding:** As of the date of the plan, ABC Absorbed Corporation has 9,100,000 shares outstanding, and XYZ Surviving Manufacturing Corporation has 5,000,000 shares outstanding with market value of P1,000 per share.

9. **Directors and Officers:** The directors and officers of the surviving corporation, upon the merger becoming effective, shall be elected in a special meeting held immediately after the merger, and their respective terms of office shall be renewed. Any vacancy in the Board of Directors after the Effective Time shall be filled in the manner provided in the By-Laws of ABC Absorbed Corporation.

II. UNDERTAKINGS AND ADDITIONAL AGREEMENTS

1. **Shareholder Approval.** This Plan of Merger shall be submitted for approval to the Board of Directors and the shareholders of each of the Parties in accordance with applicable laws and their respective Articles of Incorporation and By-Laws.
2. **Regulatory Approvals.** The Parties shall cooperate and use their best efforts to obtain all necessary approvals from governmental authorities, including the SEC, PCC, and any other relevant regulatory bodies, required to implement the Merger.
3. **Conduct of Business.** Until the Effective Date, each Party shall continue to conduct its business in the ordinary course consistent with past practices and shall use its best efforts to maintain its respective businesses and assets.
4. **Articles of Incorporation and By-Laws:** The Articles of Incorporation and By-Laws of ABC Absorbed Corporation, as the surviving corporation, shall be the same as the present Articles of Incorporation and By-Laws of ABC Absorbed Corporation, and they shall be in effect immediately after the merger.
5. **Representations and Warranties.** Each Party shall make certain representations and warranties to the other Party regarding its business, assets, and liabilities, which shall be set forth in a more detailed agreement related to the Merger.

III. REGULATORY AND LEGAL MATTERS

1. **Filing and Registration.** The Parties shall jointly prepare and file this Plan of Merger and all other necessary documents with the SEC, PCC, and other appropriate governmental agencies to effectuate the Merger.
2. **Compliance with Laws.** The Merger shall be implemented in accordance with the provisions of the Revised Corporation Code of the Philippines and all other applicable laws, rules, and regulations. The restriction on the transfer of stock in ABC Absorbed Corporation that would reduce Filipino ownership to less than the required percentage shall continue to be observed by the Surviving Corporation. Similarly, XYZ Surviving Manufacturing Corporation has a similar restriction.

IV. CONFIDENTIALITY

Each Party agrees to keep confidential all non-public information relating to the other Party and the Merger transaction, except as required by law or with the prior written consent of the other Party.

V. FEES AND EXPENSES

All fees and expenses incurred in connection with this Plan and the Merger shall be borne as agreed upon by the Parties in a separate agreement.

VI. SPECIAL PROVISIONS

1. **Amendments.** This Plan may be amended or modified by a written instrument duly executed on behalf of the respective Boards of Directors of ABC Absorbed Corporation and XYZ Surviving Manufacturing Corporation, subject to any required regulatory or shareholder approvals.

2. **Further Assurances.** Each Party shall execute and deliver such further instruments and do such further acts and things as may be necessary or desirable to carry out the intent and purposes of this Plan.

VII. GOVERNING LAW

This Plan shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

VIII. COUNTERPARTS

This Plan may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Plan of Merger as of the date first above written.

ABC Absorbed CORPORATION

By: _____
Name: TONY FAIRBANKS-WESLEY
Title: President

XYZ Surviving MANUFACTURING CORPORATION

By: _____
Name: BRYAN VILLAROSA
Title: President

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

Bacolod City, Negros Occidental) S.S.

BEFORE ME, a Notary Public for and in Bacolod City, personally appeared Tony Fairbanks-Wesley, exhibiting to me her Philippine Passport P49XX939A, and Bryan Villarosa, exhibiting to me his Philippine Passport Y77552264E, known to me and to me known to be the same persons who executed the foregoing Plan of Merger, consisting of 4 pages, including this page whereon this acknowledgement is written, and they acknowledged to me that the same is their free and voluntary act and deed and that they are duly authorized to sign on behalf of their respective corporations.

WITNESS MY HAND AND SEAL, this 22 March 2025 in Bacolod City, Negros Occidental], Philippines.

NOTARY PUBLIC

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Series of 2025.

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