



**AFM Board Meeting
Minutes
January 8, 2014**

Place:

**Grand Hyatt
DFW Airport**

A meeting of the AFM board was held on January 8, 2014 to finalize certain business matters and continue the planning process for the remainder of this fiscal year.

Participants:

**Adrian Iturbide, Chair
Sergio Guerrero, Vice Chair
Ed Figueroa, Treasurer
Mike Browne, Director
Ramon Paz, Director
Armando Lopez (ex-officio)
Ron Campbell, Secretary (ex officio)
Giovanni Cavaletto (phone)
Gahl Crane (phone)
Gary Calaroso (phone)
Veronica Douglas, AMS
Dennis Crowley, Brand Engineers**

Mr. Iturbide took the roll call and established a quorum. The decisions resulting from the previous JEC/AFM board meeting were reviewed and decided upon during a joint APEAM / MHAIA board meeting held on December 3, 2013 where it was decided that Mr. Luque would become the President of AFM.

The first agenda item was to finalize and agree to the terms of separation with the previous CEO of AFM. Mr. Figueroa motioned to accept these terms and the motion was seconded by Mr. Paz. There was no objection.

The second item was to discuss the terms of the employment contract with the new President of AFM. It was generally decided that these terms would not differ from the offer agreed to and approved

during the December 3rd meeting in Dallas. Mr. Brosch encouraged the board to develop a corporate employment policy manual to address and standardize all employment agreements within AFM. The manual should include such matters as: vacation time / use or loose / payment upon separation, 401K plans and company matching, at will employment and other matters that are not consistent in the existing structure. All future employees will be hired within the confines of this employment policy. Additionally, Mr. Brosch will contact Gruma to ensure that Mr. Luque's employment with AFM does not conflict with their separation agreement.

Marketing Presentation - planning and timing

Mr. Luque presented AFM Marketing Strategy based on a consumer segmentation approach (General Market & Hispanics) and five strategic planks where our main activities will be focus: Brand Building, Category Growth, Consumer Engagement, Trade Excellence and Future Consumers. All of this is supported by a robust research plan and a Company Planning Process.

Mr. Luque presented slides for the AFM Business Strategy including target definition, as well as Strategic Bases and Vision. In general, the Board agrees to the approach.

Mr. Luque presented a new Planning Process with a Calendar that included some Planning Workshops to integrate the company and agencies on the strategies. The Board acknowledged the process and dates. AFM will be presenting a final proposal for AFM Board approval the last week of May. For this planning process, AFM will be working on a Strategic Framework to identify key Insights with the joint marketing committee.

The Board asks that every time we meet we should have a small recap of the marketing activities we are developing for AFM. Mr. Luque presented his personal Scope of Work by individual plank. The Board agrees on his general plan.

Mr. Luque proposed the opportunity to develop strong promotional activities in the last part of the year when volumes are high. The Board acknowledged a proposal for an extended promotional period for football including tailgating and college Football. Sergio Guerrero pointed out that the College Football rules are changing and they will have playoffs in December providing a good marketing opportunity for AFM. Mr. Luque also proposed Hispanic Heritage Month (September) as a possibility.

Mr. Luque mentioned that we need to review our Sports Marketing strategy and try to concentrate more dollars in Football while re-thinking our activities related to baseball (based on the fit with the category). For Hispanics, soccer is a preferred sport and the AFM team should to analyze the World Cup. Mike Browne mentioned that we should look into the Youth Soccer Organization as an opportunity.

Mr. Luque presented a proposal on agency evaluation including the following recommendations: Take Digital out of current agencies and move to a smaller and faster firms, conduct an RFP for Hispanic agencies and bring new media companies to compare with Havas costs to be sure that we are being effective with our investment.

Mr. Luque re-presented his AFM organizational chart and proposed a hiring process by stages, including:

- Stage 1 (Immediately): Close CMO position and give Laura Slavec the responsibility of managing the agencies for General Market.**
- Stage 2 (Q1 2014): hire Hispanic Marketing Director, Finance and Administration Director and Office Assistant.**
- Stage 3 (March 2014): hire Foodservice Director, Hispanic Shopper Marketing Manager and Partnerships Manager.**
- Stage 4 (June 2014): hire Digital Marketing Manager, Hispanic Brand Manager and Budget Controller.**

For the Controller position, the Board thinks we should hire an Accountant Clerk.

Mr. Luque suggests that we should extend Brand Engineers contract until June 2014.

**Respectfully Submitted
Ron Campbell
Secretary AFM**