



1. What is the transaction on this Exchange Offer/Tender Offer?

- The transaction is an exchange offer to the holders of the Subseries 2-J and Subseries 2-K of the Series "2" Preferred Shares ("Exchange Shares") through a voluntary tender offer to exchange the Exchange Shares for 450,571,567 Series "2" Preferred Shares ("Offer Shares") to be reissued in up to three (3) subseries, namely Subseries 2-P, 2-Q, and 2-R.
- The Offer Shares shall be re-issued from the treasury shares of the Company, at a rate of one Exchange Share to one of any of the Offer Shares (the "Exchange Offer").
- The issue price of the Offer Shares shall be ₱75.00 per share.

2. Why is SMC doing the Exchange Offer?

- The Exchange Offer gives the existing shareholders of the Exchange Shares the opportunity to exchange their Series 2-J and/or Series 2-K Preferred Shares with another subseries of the Series "2" Preferred Shares, namely Subseries 2-P, 2-Q, or 2-R, at a fair price of ₱75 per share, higher dividend rate, and without cost on the part of the Tendering Shareholder, and in a procedurally efficient manner.
- The Exchange Offer will introduce a new investment mechanism in the Philippine capital market following the best-practices implemented in other jurisdictions where a similar process has been undertaken.

3. What is the Tender Offer being made to the SMC Series 2-J & 2-K Preferred Shares shareholders?

SMC is offering to acquire and exchange up to 266,666,667 Series 2-J Preferred Shares and 183,904,900 Series 2-K Preferred Shares held by shareholders for any one (1) of the Series 2-P, 2-Q or 2-R shares at an exchange ratio of 1:1.

4. What is the basis of the exchange ratio?

The 1:1 exchange ratio ensures that the shareholder receives the same value for the share that they exchange, which is a straightforward and equitable transition to the new shares.

FTI Consulting, stated in the fairness opinion that the exchange ratio was considered fair from a financial point of view, given the range of market values of the Exchange Shares and the Offered Shares.

5. What is the contemplated new dividend rate of the Offer Shares?

Cash dividends on the Offer Shares shall be determined using the higher of the **(a) Initial Dividend Rate; or (b) the minimum Initial Dividend Rate**, in each case for the relevant subseries of Offer Shares, as follows:



Offer Shares	Minimum Initial Dividend Rate	Optional Redemption Date ¹	Step Up Date
Series 2-P Preferred Shares	6.7000%	3 years from Exchange Date	5 years from Exchange Date
Series 2-Q Preferred Shares	7.0000%	5 years from Exchange Date	7 years from Exchange Date
Series 2-R Preferred Shares	7.2500%	7 years from Exchange Date	10 years from Exchange Date

¹Refers to the date when the Company may redeem the relevant subseries of the Offer Shares in whole (and not in part). Exchange Date is expected to be on 24 October 2025.

The Initial Dividend Rate will be determined right after the end of the Tender Offer Period on 10 October 2025.

Please refer to Annex A of the Tender Offer report for the detailed terms and conditions of the Offer Shares.

6. What potential benefits can the existing SMC Series 2-J & 2-K Preferred Shares shareholders enjoy by participating in this Tender Offer?

- The Exchange Offer gives the existing shareholders of the Exchange Shares the opportunity to exchange their Series 2-J and/or Series 2-K Preferred Shares with another subseries of the Series "2" Preferred Shares, namely Subseries 2-P, 2-Q, or 2-R, at a fair price of ₱75 per share with a guaranteed allocation of up to the amount of their existing investment, higher dividend rates, and without cost on the part of the Tendering Shareholder.
- Furthermore, eligible shareholders of the Exchange Shares are given the opportunity to reinvest in the same company, allowing them to maintain their stake and benefit from future growth and value creation.

7. Are the stockholders required to tender their SMC2J and SMC2K shares?

No, participation in the tender offer is voluntary to all the SMC2J and SMC2K shareholders.

8. Will the tendering shareholders still be entitled dividends for the last dividend period?

No additional dividends for the Tendering Shareholders of the Series 2-J Preferred Shares

On November 5, 2020, the Board of Directors of the Company declared dividends for the holders of the Series "2" Preferred Shares, including the holders of the Series "2-J" Preferred Shares, for the dividend period from September 21, 2020 to December 20, 2020 with a record date of December 18, 2020 and which was paid on January 8, 2021. Since the Series "2-J" Preferred Shares were issued on October 29, 2020, under the terms and conditions of the Series "2-J" Preferred Shares, the holders thereof were entitled to dividends beginning only on the date of the said issuance until the last day of the dividend period of the then outstanding Series "2" Preferred Shares. However, instead of being paid



dividends from October 29, 2020 only, the holders of the Series “2-J” Preferred Shares were paid dividends covering the entire dividend period from September 21, 2020 to December 20, 2020 or an excess cash dividend payment equivalent to thirty eight (38) days. Thus, all cash dividends for the period from September 21, 2025 to October 24, 2025 or the estimated issue date of the Offer Shares and on which the holders of the Series “2-J” Preferred Shares will cease to be shareholders of the Company, were already paid.

Additional dividends for the Tendering Shareholders of the Series 2-K Preferred Shares

On November 13, 2025, the Company intends to declare dividends on the Series “2” Preferred Shares, covering the dividend period from September 21, 2025 to December 20, 2025, with a record date of December 19, 2025 and a payment date tentatively set on January 2, 2026. Notwithstanding that the holders of the Series “2-K” Preferred Shares will already cease to be holders thereof on October 24, 2025, said holders will be included in the said dividend declaration and shall receive cash dividends for the dividend period covering September 21, 2025 to October 24, 2025, or an additional cash dividend payment equivalent to thirty-three (33) days.

9. What will happen to the SMC2J and SMC2K shares if the stockholder does not participate in the tender and exchange offer?

- The SMC2J or SMC2K shares shall be redeemed on 29 October 2025 and 10 December 2025, respectively, as approved by the Board of Directors on 7 August 2025.
- As this is a voluntary Tender Offer, holders of the SMC Series 2-J & 2-K Preferred Shares who do not participate in the exchange offer will maintain their status and enjoy its benefits until SMC redeems the shares.

10. If the eligible shareholder does not respond to the Tender Offer, can SMC still buy back my shares through my broker?

The Company has no intention to buy back the Series 2-J and Series 2-K Preferred Shares ahead of the redemption dates as approved by the Board of Directors on 7 August 2025.

11. When does the Tender Offer Period take place?

The Tender Offer will begin on 8 September 2025 at 9:00 AM and end on 10 October 2025 at 12:00 noon. Without prejudice to the right of the Company (subject to prior approval by the SEC) to extend the Tender Offer Period, should any of the business days during the period from 8 September 2025 to 10 October 2025, be officially declared as non-working holidays after the filing of the Tender Offer Report on 8 September 2025, the Tender Offer Period shall not be extended, unless such non-working holiday will result in the Tender Offer Period being less than twenty (20) business days.

12. What is the complete timeline of the transaction?

The indicative timetable for the Tender Offer is described below. Please note that SMC reserves the right to revise the timetable above, subject to approval of the SEC.

SAN MIGUEL CORPORATION
Series 2-J and Series 2-K Preferred
Shares EXCHANGE / TENDER OFFER 2025
Frequently Asked Questions (FAQ)



Activity	Period
Start of the Offer Period	9:00 AM; 8 September 2025
Last day for Lodgment of Certificated Shares	12:00 noon; 7 October 2025
End of the Offer Period	12:00 noon; 10 October 2025
Deadline for Submission of Applications to Tender and the attendant documents, and deadline for transferring shares to Papa Securities Corporation, as Crossing Broker	12:00 noon; 10 October 2025
Crossing of tendered SMC Series 2-J & 2-K shares	24 October 2025
Issue Date and commencement of trading on the PSE of the Series 2-P, 2-Q, and 2-R Preferred Shares, and Settlement Date of Tender Offer	24 October 2025

13. When will the stockholder receive the SMC2P, SMC2Q and SMC2R shares?

The tendering stockholders shall receive their respective SMC2P, SMC2Q and/or SMC2R Preferred Shares upon their issuance on October 24, 2025. This is also the date when they cease to be shareholders of Series 2-J and Series 2-K Preferred Shares.

14. Will the shareholders who participate in the tender and exchange offer be liable for any cost?

All selling costs for the tender offer, which include the broker's commission, stock transaction tax, and other fees are for the account of SMC.

15. Will the Trading Participant charge any fees to its client (the Tendering Shareholder)? If no, who will shoulder the costs, including the broker's commission, and how will it be paid?

The Participating Brokers will not charge the Tendering Shareholders any costs. The costs are for the account of SMC. The compulsory fees (stock transaction tax, SCCP, PSE, SEC, and SIPF fees) are applicable to the block sale and will be handled by the Crossing Broker, Papa Securities Corporation, who will execute the block sale. The Tender Offer Agent will compute the Participating Stockbrokers' commission (at a broker's commission rate of 0.10%, net of withholding tax, and plus VAT) and the EQ-transfer charges, based on the number of shares tendered and EQ-transferred shares to Papa Securities, prepare the corresponding checks, and have it ready for pick up by the Participating Stockbrokers at 12:00 noon on the Settlement Date.



16. How will the stockholders participate in the tender and exchange offer?

For certificated stockholders of SMC2J and SMC2K shares:

Submit to SMC Stock Transfer Service Corporation (“**STSC**”) the following documents until the end of the offer period at 12:00 noon on October 10, 2025, Friday:

- ✓ Accomplished Application to Tender form
- ✓ Original SMC stock certificate, duly endorsed
- ✓ Required attachments to the Application to Tender form
- ✓ Other documents as may be required

For stockholders holding scripless securities of SMC2J and SMC2K shares:

Instruct their brokers (Participating Brokers) to accomplish and submit, on their behalf, the duly accomplished Application together with all the required documents, to the Tender Offer Agent.

Stockbrokers shall submit to SMC STSC the following documents no later than 12:00 noon of October 10, 2025, Friday:

- ✓ Accomplished Application to Tender form
- ✓ Required attachments to the Application to Tender form
- ✓ Exchange Offer Report indicating the SMC2J and SMC2K shares tendered and the SMC2P, SMC2Q, and SMC2R shares applied
- ✓ Copy of the EQ transfer instruction to transfer the shares to the Crossing Broker

For the forms and more information please refer the to Tender Offer document -

<https://www.sanmiguel.com.ph/storage/files/reports/smc-series-2j-and-2k-tender-offer-report-2025-09-08.pdf>

17. How will the stockholders participate in the tender and exchange offer?

For certificated stockholders of SMC2J and SMC2K shares:

The certificated stockholders should lodge their shares being tendered with their stockbrokers and instruct their stockbrokers to participate in the Tender Offer.

For stockholders holding scripless securities of SMC2J and SMC2K shares:

The scripless stockholders should instruct their stockbrokers to electronically transfer their shares to the Crossing Broker no later than 12:00 noon of 10 October 2025, Friday.

18. How long will it take for the conversion of my certificated shares to scripless form?

Note that it will take 2 business days for the Stock Transfer Agent for conversion of Certificated Shares into Scripless Shares. Please be mindful of this timeline in considering the deadline of the Tender Offer Period.

19. How will I confirm if I still have valid holdings of the SMC2J and SMC2K shares?

The Stock Transfer Agent can confirm this via your respective broker.



20. What will the stockholder do if they lost their stock certificate?

Certificated stockholders will have to replace their missing stock certificate/s immediately by the end of the offer period. For those with lost stock certificates, stockholders should submit:

- (i) One (1) original of a duly notarized affidavit of loss,
- (ii) Copy of the notice of loss as published in a newspaper of general circulation,
- (iii) One (1) original of the Affidavit of Publication executed by the relevant publishing entity attesting that the notice of loss and the details required under the Revised Corporation Code of the Philippines have been published in a newspaper of general circulation in the place where SMC has its principal office once a week for at least three consecutive weeks.
- (iv) Applicable surety bond in an amount of twice the closing price per share of the SMC2J or SMC2K Shares as of the date of execution of the affidavit of loss, multiplied by the number of shares covered by each lost certificate, which bond shall run for a period of one year.

NOTE: For those with lost stock certificates, publication of the Affidavit of Loss must commence no later than the week of 22 September 2025, in order to complete the publication requirement and participate in the tender offer.

21. What if the stockholder is deceased? Can the heirs participate in the tender and exchange offer?

The heirs will have to provide the complete requirements to settle and transfer the shares from the deceased stockholder to the heirs in accordance with the laws on inheritance on or before the end of the Tender Offer Period.

22. Which stockbroker will the participating stockbrokers EQ trade their shares?

The crossing stockbroker to whom the stockbrokers will EQ trade/transfer their shares is Papa Securities Corporation.

23. In what form will the SMC2P, SMC2Q, and SMC2R Preferred Shares be issued?

The Series "2" Preferred shares shall be issued in scripless form through the electronic book-entry system of STSC as Registrar for the Offer Shares and lodged with the Philippine Depository & Trust Corporation ("PDTC") as Depository Agent on Issue Date through the Participating Brokers nominated by the applicants.

24. If I expressed interest to participate but later on decide not to proceed, can I still withdraw my application to tender?

Applications to Tender may still be withdrawn at any time during the Tender Offer Period but not later than 12:00 noon on 10 October 2025. To withdraw an Application to Tender, a written request must be submitted to the Tender Offer Agent. Any Tender Offer Shares that are withdrawn shall be returned in the same form they were received to the PDTC Participant (if previously lodged with the PDTC Participant) or to the Tendering Shareholder (if previously certificated), as the case may be, within five (5) trading days from the end of the Tender Offer Period. The cost of returning the Tender Offer Shares shall be borne by the shareholder making the withdrawal.



25. What if there are already costs incurred and then the tendering shareholder decides to withdraw?

All costs arising from the withdrawal of the Application to Tender shall be borne by the Tendering Shareholder making the withdrawal.

26. When will the shareholder receive confirmation of acceptance of the Tender Offer Application?

The Tender Offer Agent will confirm acceptance of applications within two (2) business days after the end of the Tender Offer Period.

27. How will the shareholders submit tender documents if they are out of the country during the tender offer period?

Please coordinate with your Participating Broker. You may participate in the tender offer by instructing your broker to accomplish and submit, on your behalf, the duly accomplished Application together with all the requirements stated therein, to the Tender Offer Agent.

28. What are the contact details of the Tender Offer Agent?

SMC Stock Transfer Service Corporation ("STSC")
 2nd Floor SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City

Contact Person(s)	Abigail S. Mungcal / Mary Clarice V. Abaño
Tel. No.:	(+632) 8632-3450 to 52
Email Address:	smc_stsc@sanmiguel.com.ph

29. What are the contact details of the Stock Transfer Agent?

SMC Stock Transfer Service Corporation ("STSC")
 2nd Floor SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City

Contact Person(s)	Abigail S. Mungcal / Mary Clarice V. Abaño
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