

ANNEX “E”

SAN MIGUEL CORPORATION
2014
LIST OF PRODUCTS

**SAN MIGUEL BREWERY INC.
LIST OF COMPANY PRODUCTS**

- 1. San Miguel Pale Pilsen**
- 2. San Mig Light**
- 3. San Mig Strong Ice**
- 4. San Miguel Super Dry**
- 5. San Miguel Premium All-Malt**
- 6. Red Horse**
- 7. Gold Eagle**
- 8. Cerveza Negra**
- 9. Oktoberfest Brew**
- 10. Cali**
- 11. San Miguel Flavored Beer**
- 12. San Miguel Zero**
- 13. San Miguel Nab**
- 14. Valor**
- 15. Blue Ice**
- 16. Dragon**
- 17. Super Cool**
- 18. Blue Star**
- 19. W1N Bia (Bia Hoi)**
- 20. Anker**
- 21. Kuda Putih**
- 22. Sodaku**

BREWED FOR PRIVATE LABEL

- 1. Bruck**
- 2. Knight**

BREWED UNDER LICENSING AGREEMENT

- 1. Carlsberg**
- 2. Sunlik**
- 3. Guang's Pineapple**
- 4. Guang's Draft**

IMPORTED/DISTRIBUTED

- 1. Kirin Ichiban**
- 2. Samuel Adams**
- 3. Shepherd Neame Spitfire**

- 4. Shepherd Neame Whitstable Bay**
- 5. Mahou Cinco Estrella**
- 6. Lion New Zealand Steinlager**
- 7. Lion New Zealand Mac's Great White**
- 8. James Boag's**

**SAN MIGUEL PURE FOODS COMPANY INC.
LIST OF PRODUCTS as of DECEMBER 31, 2014**

San Miguel Foods, Inc.

POULTRY

Live Broilers

Dressed Chicken (Wholes)

 Magnolia Fresh Chicken (Fresh Chilled & Frozen)

 Magnolia Spring Chicken (Fresh Chilled & Frozen)

 Magnolia Jumbo Chicken (Fresh & Frozen)

 Magnolia Free Range Chicken (Fresh & Frozen)

 Supermarket Housebrands

Cut-ups

 Magnolia Chicken Cut-ups (Fresh Chilled & Frozen)

 Magnolia Chicken Station Cut-ups

 Magnolia Chicken Station Convenient Cuts

 Magnolia Chicken Breast & Leg Meat Yakitori

Marinated

 Magnolia Chicken Station Cook Easy products (Freshly-Made at the Magnolia Chicken Station)

Giblets

 Magnolia Chicken Giblets (Frozen Liver and Gizzard)

Export

 Frozen Chicken Yakitori

 Frozen Bone-in Chicken Cut-ups

 Frozen Deboned Chicken Cut-ups

 Magnolia Fresh Chicken Griller (Fresh & Frozen)

 Frozen Marinated Deboned Products

 Magnolia Marinated Cut-ups (Chicken Tocino, Chicken Tapa, Chicken Oriental, Chicken BBQ, Chicken Inasal)

Brown Eggs

 Magnolia Chicken Brown Eggs

FRESH MEATS

Monterey Meatshop

 Fresh Meats Primals (Pork, Beef, Lamb)

 Fresh Meats Individual Portion Cuts (Pork, Beef, Lamb)

 Ready-to-Cook Marinated Meats or Timplados (Pork, Beef, Lamb)

 Pork Blood Trio

 Ready-to-Eat (Adobo, Caldereta)

 Burgers (BBQ, Teriyaki, Cheesy & Pizza)

 Monterey Meatshop Burger Express (Bicol Express Burger Patty)

 Montana Flavored Burgers (Fajita, Curry & Cajun Patty)

Monterey Longanisa Line (Garlic and Spicy Batutay Longanisa)
Monterey Longanisa Specials (Lucban, Alaminos, Vigan, Bacolod and Davao)
Monterey Pork Tenderloin BBQ Skewers 8s

FEEDS

Animal & Aquatic Feeds

Hog Feeds

B-MEG Premium Hog Pellets
B-MEG Dynamix Hog Feeds
B-MEG Expert Hog Feeds
B-MEG Essential Hog Feeds
Bonanza Hog Pellets
Jumbo Hog Mash
Maton
Pureblend Hog Pellets
PBXCELLENT Hog Feeds

Poultry Feeds

B-MEG Premium Layer
B-MEG Essential Layer
B-MEG Expert Layer
B-MEG Layer
B-MEG Integra
B-MEG Derby Ace
B-MEG Alertone Mixed Grains
B-MEG Premium Broiler
B-MEG Essential Broiler
B-MEG Broiler
B-MEG Pigeon Pellets
B-MEG Kabir
Jumbo Pullet Developer Pellets
Pureblend Broiler
Pureblend Special Broiler
Pureblend Layer

Duck Feeds

B-MEG Duck Feeds
Pureblend Duck Feeds

Quail & Ostrich Feeds

B-MEG Ostrich Breeder Pellets
B-MEG Quail
Pureblend Quail

Calf and Horse Feeds

B-MEG Horse Pellets
B-MEG Calf Pellets

Aquatic Feeds

- B-MEG Super Premium Floating Feeds
- B-MEG Premium Tilapia Pellets
- B-MEG Premium Bangus Pellets
- B-MEG Aquaration
- B-MEG Expert Fish Feeds
- B-MEG Prize Catch Floating Feeds
- B-MEG Prize Catch Slow Sinking Feeds
- B-MEG Nutrifloat Floating Feeds
- B-MEG CE-90 Shrimp Feeds
- B-MEG VN-21 Shrimp Feeds
- Pinoy Sinking Pellets
- Pinoy Floating Feeds

Concentrate

- B-MEG Hog Concentrate
- B-MEG Poultry Concentrate
- B-MEG Layer Concentrate
- B-MEG Pullet Concentrate
- B-MEG Cattle Concentrate
- B-MEG Goat Concentrate
- B-MEG Pig Protein Concentrate
- B-MEG Broiler Protein Concentrate
- Essential Intramix Pro Hog Gestating Concentrate
- Essential Intramix Plus Poultry Concentrate

Animal Health Care Veterinary Medicines

Anti-infective - Water Soluble Preparation

- Amoxil-V
- Cephalexin
- Chlortetracycline
- Cotrimoxazole 48%
- Doxa-V
- Dox-C-Lin
- Dox-C-Trin Premium

Supplement/Vitamins - Water Soluble Preparation

- Elec-V
- Multi-V
- Multivitamins +Minerals + Amino Acids
- Vitamin B Complex for Broiler
- Vitamin B Complex for Breeder
- Vitamin E 50%

Anti-Inflammatory/Anti-pyretic - Water Soluble Preparation

- Para-V

Dewormer/Anti-nematodal - Water Soluble Preparation

- Bulatigok SD
- Bulatigok

Disinfectant
Protect Plus

Injectables
Norotyl LA
Alamycin LA
Iron-Vet
Norovit

Oral Preparation
First Pulse D
Worm-X

Antibiotics Premixes
Amoxicillin 10%
Tiamulin 10%
Cotrimazine 48%

Liquid Preparation
Vitamin ADE
Vitamin E 60%
Norfloxacin 20%

San Miguel Mills, Inc.

Hard Wheat Flour

King
Emperor
Monarch
Pacific
Harina de Pan de Sal

Soft Wheat Flour

Queen
Countess
Red Dragon

Specialty Flour

Baron All-Purpose Flour
Baron Siopao Flour
Princess Cake Flour
Golden Wheat Whole Wheat Flour (Coarse & Fine)

Customized Flour

Royal Premium Noodle Flour
Prince Miki Flour
Prince Noodle Flour
Prince Wrapper Flour

Premixes

- Mix' n Bake
 - Brownie Mix
 - Crinkle Mix
- Mix' n Steam
 - Puto Mix
- Retail Mixes
 - Magnolia Pancake Plus with Syrup (Maple, Chocolate, Strawberry)
 - Magnolia Pancake & Waffle Mix
 - Magnolia All Purpose Flour
 - Magnolia Devil's Food Cake Mix
 - Magnolia Fudge Brownie Mix

Bakery Ingredients

- Bake Best Bread Improver
- Bake Best Baking Powder
- Bake Best Instant Yeast

Services

- Product Customization
- Recipe Development
- Technical Training in Flour Applications

The Purefoods-Hormel Company, Inc.

REFRIGERATED MEATS**Hotdogs**

- Purefoods Tender Juicy Hotdog (Classic, Cheesedog, Chick 'n Cheese, Chick 'n Bacon, Chick 'n Chili)
- Purefoods Star Hotdog (Regular, Cheezeedog, Chick n' Tasty)
- Purefoods Deli Franks (German, Angus Beef, Turkey, Cheese, Spicy Pepper Beef)
- Purefoods Deli Sausages (Bockwurst, Schublig, Hungarian Cheese)
- Purefoods Beefies Hotdog (Regular Lots-a-Cheese)
- Vida Hotdog

Battered, Breaded & Fried

- Purefoods Fun Stuff Nuggets (Crazy Cut Shapes, Letters & Numbers, Bacon & Cheese, Chicken & Cheese, Pepperoni & Cheese, Cheese Overload, Christmas Nuggets)
- Purefoods Crisp 'n Juicy (Drumsticks, Chicken Burger, Fish Nuggets, Chicken Breast Nuggets, Wingers, Tonkatsu, Fully Cooked Homestyle Fried Chicken)
- Purefoods Star (Chicken Nuggets, Burger Bites, Crispy Burger)

Bacon

- Purefoods Honeycured Bacon (Classic, Thick Cut)
- Purefoods Maple-flavored Bacon
- Purefoods Lean 'N Mean Bacon
- Purefoods Bacon Crumble
- Hormel Black Label Bacon
- Vida Bacon
- Purefoods Honey Roast Bacon (Thick Cut)
- Purefoods Spicy Barbecue Bacon (Thick Cut)

Sliced Hams

- Purefoods Regular Ham
(Sweet, Cooked, Chicken Ham)
- Purefoods Fiesta Ham Slices
- Purefoods Deli (Salami, Spiced Ham, Bologna, Farmers Ham, Roast Chicken Ham)
- Purefoods Star Sweet Ham
- Vida Sweet Ham

Whole Hams

- Purefoods Fiesta Ham (Classic, Smoked Bone-in Ham, Smoked Honeycured Ham, Smoked Chicken)
- Purefoods Jamon de Bola
- Purefoods Chinese Ham
- Purefoods Brick Ham
- Purefoods Pear-Shaped Ham
- Jamon Royale

Ready-to-Cook/Ready-to-Eat

- Monterey Sisig
- Purefoods Tender Cuts (Asado, Estofado, Patatim)

Native Line

- Purefoods Pork Longanisa (Hamonado, Recado, Chicken)
- Purefoods Tocino (Classic Pork, Sweet Chili, Honey Glazed)

GROCERY PRODUCTS**Corned Meats**

- Purefoods Corned Beef (Classic, Hash, Chili)
- Purefoods Chunkee Corned Beef
- Purefoods Star Corned Beef
- Purefoods Star Carne Norte

Luncheon Meats

- Purefoods Luncheon Meat (Classic, BBQ, Chili Pepper)
- Purefoods Chinese Luncheon Meat
- Purefoods Beef Loaf
- Purefoods Chicken Luncheon Meat

Sausages

- Purefoods Vienna Sausage
- Purefoods Vienna Tidbits
- Purefoods Chicken Vienna Sausage

Canned Viands

- Purefoods Sizzling Delights (Sisig, Chicken Sisig, Bopis)
- Ulam King (Asado, Caldereta, Lechon Paksiw, Menudo, Mechado)

Canned Chicken

- Purefoods Sexy Chix (Arrabiata, Adobo, Guiltless Broth, Hainanese Style)

Specialty Grocery Products

Purefoods Liver Spread
Purefoods Spaghetti Meat Sauce
Purefoods Meaty Spaghetti Sauce
Purefoods Chorizo Filipino

Magnolia, Inc.**BUTTER, MARGARINE & CHEESE****Butter**

Magnolia Gold (Salted, Unsalted) and Magnolia Gold Lite
Magnolia Butter-licious! (Classic, Garlic)

Refrigerated Margarine

Dari Crème (Classic, Buttermilk, Herb and Garlic, Bacon) and Dari Crème Lite
Buttercup
Baker's Best

Non-Refrigerated Margarine

Star Margarine (Classic, Sweet Blend, Garlic, Vanilla, Chocolate)
Delicious Margarine
Magnolia Non-Refrigerated Margarine (Food Service)

Cheese

Magnolia Cheezee (Block, Spread - Cheddar, Pimiento)
Daily Quezo
Magnolia Quickmelt
Magnolia Cheddar
Magnolia Cream Cheese (Block, Spread - Classic, Bacon)
Magnolia Christmas Cheeseballs (Quezo de Bola, Gold Edam) - Seasonal
Magnolia Cheese Sauce (Food Service)
Magnolia Cheesefood (Food Service)

JELLY SNACKS AND DESSERTS

JellYace Fruiteez
JellYace Bites
JellYace Snackers (Regular, Twin Pack)
JellYace Suki Pack/ Gara Jar/ Buhos Pack/ Pene Pack
Magnolia Best Fruits Jam (Strawberry, Pineapple, Apple Cinnamon, Mango)
Magnolia Jelly Sip (Strawberry, Apple, Orange, Grape and Mango)

MILK

Magnolia Chocolait
Magnolia Chocolait Choco Magic (Mocha, Strawberry, Rocky Road, Cookies & Cream)
Magnolia Purefresh Natural Cow's Milk
Magnolia Purefresh Low Fat Cow's Milk
Magnolia Full Cream Milk

SPECIALTY OILS

Magnolia Nutri-Oil Coconut Oil
Magnolia Nutri-Oil Palm Oil
Magnolia Pure Oil
Primex Shortening (Food Service)

ALL-PURPOSE CREAM

Magnolia All-Purpose Cream

SALAD AIDS (Food Service)

Magnolia Real Mayonnaise
Magnolia Herb and Garlic Dip N' Dressing
Magnolia Sandwich Spread
Magnolia All-Purpose Dressing

ICE CREAM**Bulk Ice Cream**

Magnolia Classic (Vanilla, Chocolate, Mocca, Strawberry, Ube, Mango)
Magnolia Classic Medley (Black & White, Dare Devil, Bumble Bee)
Magnolia Gold Label (Double Dutch, Rocky Road, Cookies N' Cream, Creamy Halo-Halo Delight, Ube Macapuno Swirl, Choco Chip Cookie Dough, Buttery Sweet Corn)
Magnolia Double Gold Label (Double Dutch and Choco Chip Cookie Dough, Ube Keso and Creamy Halo-Halo , Cookies N' Cream and Rocky Road, Double Dutch and Rocky Road, Double Dutch and Cookies & Cream , Ube Keso and Buttery Sweet Corn)
Magnolia Best of the Philippines (Ube Keso, Macapuno Langka, Tsokolate Table, Coffee Crumble, Mangoes and Cream, Pinipig Pandan, Caramel Cashew Tart, Strawberry Shortcake, Butterscotch, Kesong Puti, Peanut Kisses, Mais Con Hielo, Yema Pastel, Ginataang Monggo)
Magnolia Sorbetes (Ube, Tsokolate, Keso)
Magnolia No Sugar Added (Vanilla, Chocolate)
Magnolia Yogurt Ice Cream (Mango, Strawberry)

Frozen Novelties

Magnolia Spinner (Chocolate, Vanilla, Caramel, Hazelnut)
Magnolia Fizz (Rootbeer, Orange, Lemon Lime)
Magnolia Cookie Monster (Chocolate, Choco Hazelnut, Caramel)
Magnolia Party Cups (Vanilla, Chocolate, Ube, Mango)
Magnolia Sweetie Bites (Cookie Craze, Cheesy Bliss)
Magnolia Fun Bar (Choco Loco, Cool Bubblegum, Cotton Candy)
Magnolia Popsies (Orange Chill, Choco Cool)
Magnolia Pinipig Crunch (Vanilla Crisp, Sweet Corn)
Magnolia K-Pop (Banana, Honeydew, Strawberry, Mango)
Magnolia Yogurt Stick Ice Cream (Strawberry, Mango)
Magnolia Creations Stick Ice Cream (Macapuno Langka, Coffee Crumble, Pinipig Pandan, Kesong Puti)

San Miguel Gold Label (For Export)

SMGL Mellorine
SMGL Frozen Dessert
SMGL Ice Confectionery

San Miguel Super Coffeemix Co., Inc.

COFFEE

San Mig Coffee Regular 3-in-1 Coffeemix- Original & Salo-Salo Pack
San Mig Coffee Sugar Free 3-in-1 Coffeemix- Mild, Original & Strong
San Mig Coffee Super Packs - Super, Brown, White, Chococino, Cremdensada & Honeycino
San Mig Coffee 100% Premium Instant Black Coffee
San Mig Fastbreak

San Miguel Foods, Inc - Great Food Solutions (GFS)

Poultry and Meats

Value-Added Meats

Pizza Toppings
Slices
Specialties (Sauces & Ready-to-Serve Viands)
Hotdogs and Deli

Dairy, Fats and Oils

Butter, Margarine and Cheese
Coconut Oil

Flour and Dry Bakery Ingredients

Basic Flour and Premixes
Dessert mixes

Coffee and Milk

Traded Product

Dairies
Mozzarella
Sliced-on-Slice Cheese

Stocks

Chocolates

Canned Vegetables

Ibero Olive, Promace, Pure and EVOO Oil

GFS Commissary Products

Breaded, Battered and Fried
Patties
Marinated Value-Added Meats
Ready-to-Eat Meals

FRANCHISING

Hungry Juan

Roasts (Sweet Garlic, Inasal - Chicken & Liempo)
Juanito's Pritos (24pcs cut fried chicken)
Single Serve (Pork BBQ Skewered, Chicken Isaw, Sisig)

Rice Meals (Roast Chicken, Roast Liempo, BBQ Belly, Sisig, Bangus Belly, Pork BBQ Skewered, Juanitos Pritos)
Quick Meals (Tapa, Beef Caldereta, Korean Beef Stew, Corned Beef, Adobo Flakes, Lechon Paksiw)
Family Feast
Barkada Blow-out

San Mig Food Ave.

Convenient Store
Ready-to-eat Products

P.T. San Miguel Pure Foods Indonesia

Bakso (Meat Balls)

Farmhouse (Beef)
Vida (Beef)
Vida Saving (Beef)

Sausages

Farmhouse (Beef, Chicken, Beef Cocktail, Beef Frankfurter, Beef Wiener, Fried Beef, Fried Chicken, Jumbo Fried Beef, Cheese, Beef Frankfurter, Beef Wiener)
FunKidz Chubbies (Cheese)
Purefoods Choice (Chicken, Beef Wiener, Chicken Pepper)
Vida (Chicken, Beef, Frank, Wiener, Fried Sosis, Fried Sosis Goreng)
Vida Saving (Beef, Chicken)

Retort Sausage

Vida Cociz (Chicken, Ready-to-Eat)
Farmhouse (Ready to Eat: Cheese, Barbecue, Bakso & Seaweed Jumbo, Sosis Instant: Sapi Goreng, Sapi Serbaguna)

Cold Cuts

Farmhouse (Beef, Chicken)
Purefoods Choice (Sliced Chicken Chunk, Chicken Chunk, Minced Beef, Minced Chicken Teriyaki, Meat Block Papz, Smoked Beef)

Luncheon Burger

Farmhouse (Chicken, Beef, Cheese Burger)
Purefoods Choice (Beef Burger, Bakery Burger)
Vida (Beef Burger, Burger Mini)
Vida Saving (Beef)

Value Added

Patties (Chicken, Beef)

Services

Customization

San Miguel Hormel (Vn) Co., Ltd.**Feeds Business**

BMEG (Hog, Poultry, Aquatic)

Pureblend (Hog, Poultry)

Live Pigs**Value-Added Meats**

Le Gourmet (Bacon, Ham, Beef, Pate, Sausage, Traditional)

Dua Moc (Traditional)

**GINEBRA SAN MIGUEL INC.
LIST OF PRODUCTS
AS OF DECEMBER 31, 2014**

ALCOHOLIC BEVERAGES

1. GINEBRA SAN MIGUEL
2. GINEBRA SAN MIGUEL FLAVORED GIN - Dalandan and Melon
3. GINEBRA SAN MIGUEL PREMIUM GIN
4. G.S.M. BLUE
5. G.S.M. BLUE LIGHT
6. G.S.M. BLUE FLAVORS - Mojito and Brown Coffee
7. GRAN MATADOR BRANDY SOLERA RICH & SMOOTH
8. GRAN MATADOR LIGHT
9. VINO KULAFU
10. ANTONOV VODKA MIXED DRINK - Ice
11. ANTONOV VODKA
12. DON ENRIQUE MIXKILA DISTILLED SPIRIT
13. TONDENA MANILA RUM - Gold, Silver and Dark (for Export only)

NON-ALCOHOLIC BEVERAGES

1. MAGNOLIA FRUITDRINK (Ready-to-Drink) - Orange and Grape
2. MAGNOLIA HEALTHTEA (Ready-to-Drink) - Apple, Lemon and Strawberry
3. MAGNOLIA PUREWATER
4. MAGNOLIA FRUITDRINK (Powdered)- OrangeMango, Calamansi, Lemonade and Orange
5. MAGNOLIA HEALTHTEA (Powdered)- Apple and Lemon
6. BERRI (Ready-to-Drink Natural Juice) - Apple, Dark Grape, Orange, Tomato, Cranberry, Pink Guava and Multi-V (*Imported from Lion Dairy & Drinks formerly National Foods Australia*)

PETRON PRODUCT LIST FUELS

Automotive Fuels

Petron Blaze 100 Euro 4
Petron XCS
Petron Xtra Advance
Petron Super Xtra
Petron Turbo Diesel
Petron Diesel Max
Petron Xtend Autogas

Industrial Fuels

Petron Fuel Oil
IF-1
LSFO-1
Intermediate Fuels
Special Fuel Oils
Petron Industrial Diesel Fuel

Aviation Fuels

Aviation Gasoline
Jet A- I

Household Fuels

Gasul
Gaas

AUTOMOTIVE LUBRICATING OILS

Diesel Engine Oils

Rev-X All Terrain
Rev-X Trekker
Rev-X Hauler
Rev-X Pantra
Rev-X HD
Petron HDX
Petron XD3
Petron XD 2040
Petron 2040
Petron Railroad Extra

Gasoline Engine Oils

Ultron Race
Ultron Rallye
Ultron Touring
Ultron Extra

Petron MO

Motorcycle Oils

Petron Sprint 4T Racer
Petron Sprint 4T Enduro
Petron Sprint 4T Rider
Petron Sprint 4T Extra
Petron Sprint 4T Econo
2T Premium
2T Enviro
2T Autolube
2T Powerburn

Automotive Gear Oils

Petron GX
Petron GEP
Petron GST

Automotive Transmission Fluids

Petron ATF Premium
Petron TF 38
Petron TDH 50

PETRON PRODUCT LIST

INDUSTRIAL LUBRICATING OILS

Turbine, Hydraulic and Circulating Oils

Hydrotur AWX
Hydrotur AW
Hydrotur AW (GT)
Hydrotur EP 46
Hydrotur N 100
Hydrotur R
Hydrotur SX 32
Hydrotur SX 68

Hydrotur T
Hydrotur TEP

Industrial Gear Oils

Hydrotur SX 220
Hypex EP (Oil-Based)
Hypex EP (Asphalt-Based)
Milrol 5K
Gearfluid
Gearkote
Petrocyl S
Petrocyl

Cutting Oils

Turnol 40
Petrokut 10
Petrokut 27

Refrigeration Oils

Zerflo 68
Zerflo P68
Suniso 3GS
Suniso 4GS

Transformer Oil

Voltran 60

Spindle Oils

Spinol 15
Spinol 10E

Slideway Oil

Hydrotur SW 68
Hydrotur SW 220

Other Industrial Lubricating Oils

Petron Airlube
Petrosine 68

MARINE LUBRICATING OILS

Crosshead Engine Cylinder Oils

Petromar DCL 7050
Petromar DCL 4000 Series

Trunk Piston Engine Oils

Petromar XC 5540
Petromar XC 5040
Petromar XC 4040
Petromar XC 3000 Series
Petromar XC 2000 Series
Petromar XC 1500 Series
Petromar XC 1000 Series
Petron MS 9250
Petron MS 9370

Crosshead Engine System Oil

Petromar 65

Small Inboard 4stroke Marine Engine Oils

Petromar HD Marine Series
Petron Marine HD Oil

Marine outboard 2-stroke oil

Petron Regatta

GREASES

Multi-purpose Greases

Petrogrease MP
Molygrease Premium
Petrogrease Premium

Water Resistant Grease

Petrogrease XX

Extreme Pressure Greases

Petrogrease EP
Molygrease EP2

PETRON PRODUCT LIST

Molygrease EP 1P and EP 2P
Petrogrese EP 375

High Temperature Greases

Petrogrease HT

Complex Greases

Petron Premium Lithium Complex

ASPHALTS

Penetration Asphalt

Petropen

Cutback Asphalt

Petropen CB

Emulsified Asphalt

Petromul SS-1
Petromul CSS -1

Blown Asphalts

Asphaltseal
Asphalt Joint Sealer

Polymer Modified Bitumen

Petron Polymer Modified Bitumen

SPECIAL PRODUCTS

Process Oils

Process Oils
Stemol
Stemol 300
Petrosine 68
Jute Batching Oil
Aldro Oil 460

Heat Transfer Oil

Petrotherm 32

Cleaning Agent

Greasolve

Flushing Oil

Sealing Lubricant

Dust Stop Oil

Protective Coatings

Petrokote 500
Petrokote 392
Marinekote
Marinekote SS
Autokote
Cablelube
Cablekote

Others

Petron Farm Trac Oil
Aldro Oil 460
Bull's Eye Gun Oil

AFTERMARKET SPECIALTIES

PetroMate Specialties

PetroMate Oil Saver
PetroMate Oil Improver
PetroMate Gas Saver
PetroMate Diesel Power Booster
PetroMate Engine Flush
PetroMate Super Coolant
PetroMate Clean N' Shine
PetroMate Penetrating Oil
PetroMate Greaseaway
PetroMate Brake and Clutch Fluid
PetroMate Carbon Buster

AVIATION LUBRICANTS

Braycote 622
Nyco Grease GN 22
Hydraunycoil FH 51
Royco 481
Aviation Oil Elite 20W-50
Exxon Turbo Oil 2389
Exxon Turbo Oil 2380
Turbonycoil 35 M
Turbonycoil 600

PERFORMANCE ADDITIVES

Combustion Improver

pChem 69F

PETRON PRODUCT LIST

pChem 200F
pChem 3500
pChem 3500F

Deposit Control

pChem 140M

Corrosion Inhibitor

pChem 3500MF

Fuel Stabilizer & Dispersant

pChem 500FS
pChem 500SX
pChem 1000

Multifunctional Additives

pChem 100X
pChem 3500M

New Products for Export

Blaze Racing Premium Multi-Grade 15W-40 API SL
Blaze Racing Multi-Grade 15W-40 API SJ
Blaze Racing Multi-grade 15W-40 API SG
Rev-X Multi-Grade 20W-50 API CF-4
Rev-X Multi-Grade 20W-50 API CH-4
Rev-X Multi-Grade 20W-40 API CG-4
Rev-X Multi-Grade 15W-40 API CF-4

THE SAN MIGUEL YAMAMURA PACKAGING GROUP
LIST OF PRODUCTS AND SERVICES OF

As of December 31, 2014

Products

- Glass containers
- Glass molds
- Plastic bottles and preforms
- Plastic closures
- Plastic crates and pallets
- Plastic tubes
- Plastic floorings
- Plastic pails and tubs
- Plastic films
- Flexible packaging
- Metal closures
- Two-piece aluminum cans
- Corrugated cartons
- Paperboard
- Industrial laminates
- Radiant barriers
- Woven polypropylene/kraft sacks

Services

- Crate and pallet leasing
- Beverage filling
- Graphics design
- Packaging development and consultation
- Contract packaging
- Trading

SAN MIGUEL PROPERTIES, INC.
LIST OF PROJECTS AND SERVICES
AS OF DECEMBER 31, 2014

Project Name	Location
Maravilla	Gen. Trias, Cavite
Bel-Aldea	Gen. Trias, Cavite
Asian Leaf	Gen. Trias, Cavite
Two Dover View	Addition Hills, Mandaluyong City
Emerald 88	Sixto Ave., Pasig City
Dover Hill (Bright Ventures Realty, Inc.)	Addition Hills, San Juan, Metro Manila
One Dover View (Carnell Realty, Inc.)	Addition Hills, Mandaluyong City
Wedge Woods (Excel Unified Land Resources Corp.)	Silang, Cavite
Makati Diamond Residences (SMPI Makati Flagship Realty Corp.)	Legaspi Village, Makati City
Villa de Calamba (Legacy Homes, Inc.)	Calamba, Laguna
Primavera Hills (Legacy Homes, Inc.)	Liloan, Cebu
Buenavista Homes (Legacy Homes, Inc.)	Jugan, Cebu

	Location
<u>Type of Property Leased</u>	<u>Street/Building /City/Municipality</u>
Office building including land	808 Building, Meralco Avenue Pasig City
Office spaces (various floors)	San Miguel Properties Centre, St. Francis St., Mandaluyong City
Office building including land	SMC Head Office Complex, San Miguel Avenue, Mandaluyong City
Office spaces (various floors)	SMITS Building, 155 EDSA, Mandaluyong City
Land	Polomolok, South Cotabato
Land	Cauayan, Isabela

ANNEX “F”

SAN MIGUEL CORPORATION
2014
LIST OF COLLECTIVE BARGAINING AGREEMENTS

San Miguel Brewery Inc.

as of December 31, 2014

	Installation / Description	Expiration		Union
		Economic	Representation	
1	Polo - Dailies	June 30, 2016	July 12, 2015	Concerned Workers of SMC - Polo Brewery
2	Polo - Monthlies	June 30, 2016	June 30, 2019	SMBI Employees Union (SMBIEU)-PTGWO
3	SFB - Dailies	Feb. 15, 2017	Feb. 15, 2015	San Fernando Brewery Employees Union (SFB-Dailies)
4	SFB - Monthlies	Dec. 31, 2016	Dec. 31, 2014	San Fernando Brewery Employees Inc Union (SFB-Monthlies)
5	GMA Sales Force Union	Jan. 31, 2017	Jan. 31, 2015	New San Miguel Corporation Sales Force Union
6	GMA Monthlies Employees Union	June 30, 2016	June 30, 2019	GMA Monthlies Employees Union - SMB-GMAMEU - PTGWO
7	Bacolod Dailies Union	Jul. 31, 2016	Apr. 27, 2014	San Miguel Bacolod Brewery Employees Union - Independent
8	Bacolod Monthlies Union	Oct. 31, 2016	Oct. 31, 2014	Phil. Agricultural, Commercial and Industrial Workers Union
9	Mandaue Dailies Union	Dec. 31, 2014	Dec. 31, 2015	Kahugpongan Sa Ligidong Mamumu-O (KLM)
10	Davao Dailies Union	Nov. 30, 2015	Nov. 30, 2017	San Miguel Davao Brewery Employees Independent Union

Submitted by:

Paul Ballesteros

(1/5/15)

**San Miguel Food Group**

as of December 31, 2014

Installation / Description		Expiration		Union
		Economic	Representation	
MAGNOLIA INC.				
1	Dailies Union	February 28, 2017	February 28, 2015	Progressive Workers' Union (PWU) IBM Local 47 -KMU
SAN MIGUEL FOODS INC.				
2	GMA Monthlies Union	December 31, 2016	October 22, 2016	SMFI Employees Union (SMFIEU) - PTGWO
3	South Luzon SMFI Poultry Monthlies Union	December 31, 2016	June 30, 2016	Magnolia Poultry Employees Union - PTGWO
SAN MIGUEL MILLS, INC.				
4	Mabini Batangas Flour Mill Employees Union (Monthlies)	December 31, 2016	July 31, 2017	Purefoods Corporation Flour Mill Employees Union (PFMEU) - Independent

Submitted by:

Atty Rolando Claveria

(1/5/15)

San Miguel Corporation Unions as of December 31, 2014

BANK OF COMMERCE (BOC)

as of December 31, 2014

	Installation / Description	EXPIRATION		Union
		Economic	Representation	
1	BOC	June 30, 2015	June 30, 2015	Bank of Commerce Employees Union (BCEU)

Submitted by:

Jocelyn V. Raymundo

(1/6/15)

GINEBRA SAN MIGUEL INC. (GSMI)

as of December 31, 2014

	PLANT	EXPIRATION		Union
		Economic	Representation	
1	Cebu Plant (Dailies)	1-Feb-16	31-Jan-15	Free Workers Association
2	Cabuyao Plant (Dailies)	31-Jan-16	31-Jan-16	Nagkakaisang Manggagawa ng LTDI (Independent)
3	Sta Barbara Plant (Dailies)	31-Dec-16	31-Jan-17	Nagkakaisang Manggagawang LTDI-CIO-ALU
4	Sta Barbara Plant (Monthlies)	31-Dec-16	31-Mar-17	La Tondena Distillers Inc. Workers (LATODIWU) (Independent)
5	Distilleria Bago Inc.-(Monthlies)	31-Dec-16	31-Dec-13	Congress of Independent Organizations Distilleria Bago Employees Union (CIO - DBEU) - - August 26, 2012

Submitted by:

Don Bernardo

(1/5/15)

Petron Corporation

as of December 31, 2014

	Installation / Description	Expiration		Union
		Economic	Representation	
1	Petron Corporation (Head Office Complex, Depots)	12/31/2014	12/31/2016	Petron Employees Association (PEA - NATU) Affiliated with the National Association of Trade Unions
2	Petron Corporation (Pandacan, Navotas and Batangas)	12/31/2018	12/31/2018	Petron Employees Labor Union (PELU)
3	Petron Corporation (Bataan)	12/31/2018	12/31/2018	Bataan Refiners Union of the Philippines (BRUP) Affiliated with the Philippine Transport and General Workers Organization

Submitted by:

Jack Lawrence R. Fortuno

(1/7/2015)

San Miguel Yamamura Packaging Corporation (SMYPC)

as of December 31, 2014

	INSTALLATION	EXPIRATION		UNION
		ECONOMIC	REPRESENTATION	
	SMC YAMAMURA FUSO MOLDS CORPORATION			
1	Monthlies Union	December 31, 2015	December 31, 2013	SMC Yamamura Fuso Molds Monthlies Union - PTGWO Local Chapter 842
	SAN MIGUEL YAMAMURA CORPORATION			
2	Manila Plastics Plant-Monthlies	June 30, 2016	June 30, 2018	San Miguel Packaging Specialists, Inc Employees Union - Manila Plastics Plant - PTGWO Local 888
3	Manila Glass Plant-Dailies	June 30, 2016	Feb. 26, 2018	Concerned Workers of SMPSI-Manila Glass Plant
4	Manila Glass Plant-Monthlies	June 30, 2016	June 30, 2018	San Miguel Yamamura Packaging Corp. Employees Union - Manila Glass Plant - Association of Genuine Labor Organization (SMYPCEU-MGP-AGLO)
5	Metal Closure & Lithography Plant-Dailies	June 30, 2016	June 30, 2018	Metal Closure & Lithography Plant Progressive Union - Ilaw at Buklod ng Manggagawa (MCLPPU-IBM)
6	Metal Closure & Lithography Plant-Monthlies	June 30, 2016	June 30, 2018	San Miguel Packaging Specialists, Inc Employees Union - Metal Closure & Lithography Plant - PTGWO Local 890
	MINDANAO CORRUGATED FIBREBOARD INC.			
7	Monthlies Union	Dec. 31, 2016	Dec. 31, 2017	Mincorr Independent Workers Union - Alliance of Progressive Labor - Sentro ng mga Nagkakaisa at Progresibong Manggagawa (MIWU=APL-SENTRO)
	SAN MIGUEL PACKAGING SPECIALISTS, INC.-CANLUBANG PET & CAPS PLANT			
8	Monthlies Union	Dec. 31, 2016	June 13, 2017	SAMAHAN ng MALAYANG MANGGAGAWA sa BPSI-Canlubang-PTGWO
	CAN ASIA, INC.			
9	Monthlies Union	Dec. 31, 2016	Dec. 31, 2014	San Miguel Yamamura Packaging Corporation - Can Asia, Inc. (Independent Union)
	SMC YAMAMURA ASIA CORPORATION			
10	Monthlies Union	Dec. 31, 2016	April 01, 2018	Buo Organisadong Samahan ng Empleyado sa SMYAC-Independent (BOSES-SMYAC)
	RIGHTPAK INTERNATIONAL CORPORATION			
11	Monthlies Union	May 31, 2017	May 31, 2017	Rightpak Employees Union-PTGWO
	SMYPC-MANDAUE PACKAGING PLANTS (Glass, MCLP,Power)			
12	Dailies Union	Dec. 31, 2017	Dec. 31, 2015	Kahugpong Sa Ligdong Mamumuo-SMPSI Mandaue (KLM-SMPSI Mandaue)

Submitted by:

Ricardo B. Jeronimo

(1/6/15)

TOTAL NO. OF SMC UNIONS as of December 31, 2014

35

ANNEX “G”

**SAN MIGUEL CORPORATION
LIST OF TOP 20 STOCKHOLDERS
AS OF DECEMBER 31, 2014**

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San Miguel Corporation
STOCK TRANSFER MODULE
List of Stockholders
As of Dec 31, 2014

PAGE 1

RANK	STOCKHOLDER NAME	Common	Preferred 2-A	Preferred 2-B	Preferred 2-C	TOTAL SHARES	% OF O/S
1	TOP FRONTIER INVESTMENT HOLDINGS, INC.	1,573,100,340	0	0	0	1,573,100,340	45.661366 %
2	PCD NOMINEE CORPORATION	46,051,608	497,123,816	48,341,660	211,085,637	802,602,721	23.296630 %
3	PRIVADO HOLDINGS, CORP.	368,140,516	0	0	0	368,140,516	10.685777 %
4	PCD NOMINEE CORPORATION (NON-FILIPINO)	73,332,217	154,406,744	7,915,870	20,719,693	256,374,524	7.441618 %
5	PCD NOMINEE CORPORATION (FILIPINO)	132,381,431	0	0	0	132,381,431	3.842550 %
6	CHINA BANKING CORPORATION	0	44,444,400	0	0	44,444,400	1.290059 %
7	PCGG IN TRUST FOR THE COMPREHENSIVE AGRARIAN REFORM PROGRAM	27,636,339	0	0	0	27,636,339	0.802182 %
8	SAN MIGUEL CORPORATION RETIREMENT PLAN	15,001	0	26,435,700	0	26,450,701	0.767767 %
9	G & E SHAREHOLDINGS INC.	0	0	0	15,000,000	15,000,000	0.435395 %
10	GSIS PROVIDENT FUND	0	0	1,300,000	2,666,700	3,966,700	0.115139 %
11	SYSMART CORPORATION	3,457,000	0	0	0	3,457,000	0.100344 %
12	GINGOOG HOLDINGS CORPORATION	1,830,082	1,000,000	0	0	2,830,082	0.082147 %
13	PETRON CORPORATION EMPLOYEES' RETIREMENT PLAN	0	2,000,000	0	0	2,000,000	0.058053 %
14	PETRON CORPORATION EMPLOYEES' RETIREMENT PLAN	0	0	2,000,000	0	2,000,000	0.058053 %
15	EVERETT STEAMSHIP CORPORATION	1,903,330	0	0	0	1,903,330	0.055247 %
16	EDUARDO M. COJUANGCO JR.	1,718,679	0	0	0	1,718,679	0.049887 %
17	SAN MIGUEL CORP. RETIREMENT PLAN FIP	0	590,000	994,800	0	1,584,800	0.046001 %
18	PAC RIM REALTY & DEVELOPMENT CORP.	912,050	667,000	0	0	1,579,050	0.045834 %
19	SAN MIGUEL FOODS, INC. RETIREMENT PLAN	0	600,000	730,000	0	1,330,000	0.038605 %
20	SAN MIGUEL YAMAMURA PACKAGING CORP. RETIREMENT PLAN	0	100,000	1,120,000	0	1,220,000	0.035412 %
		2,230,478,593	700,931,960	88,838,030	249,472,030	3,269,720,613	94.908066 %
TOTAL NO. OF SHARES :		3,445,145,134					
TOTAL NO. OF DISTINCT STOCKHOLDERS :		38,038					
TOTAL NO. OF ACCOUNTS :		38,055					

ANNEX “H”

SAN MIGUEL CORPORATION
ANNUAL CORPORATE GOVERNANCE REPORT

COVER SHEET

P	W	-	2	2	7				
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S. E. C. Registration Number

S	A	N		M	I	G	U	E	L								
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C	O	R	P	O	R	A	T	I	O	N							
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(Company's Full Name)

4	0		S	A	N		M	I	G	U	E	L		A	V	E	.		
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M	A	N	D	A	L	U	Y	O	N	G		C	I	T	Y				
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M	E	T	R	O		M	A	N	I	L	A		P	H	I	L	S		
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(Business Address: No. Street City/Town/Province)

Atty. Mary Rose S. Tan

Contact Person

632-3000

Company Telephone Number

1	2
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Month

3	1
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Day

Annual Corporate Governance Report

FORM TYPE

2nd Tuesday of

0	6	-	-
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Month Day
Annual Meeting

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Secondary License Type, If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

--

Total No. of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I. D.

Cashier

STAMPS

----- Remarks

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT


1. Report is Filed for the Year 2012
(As updated on 15 April 2014 and June 10, 2014)
2. Exact Name of Registrant as Specified in its Charter SAN MIGUEL CORPORATION
3. 40 San Miguel Avenue, Mandaluyong City, Metro Manila 1550
Address of Principal Office Postal Code
4. SEC Identification Number PW-227 5.  (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number 000-060-741
7. Tel No. (632) 632-3000
Issuer's Telephone number, including area code
8. N/A
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	15
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Actual number of Directors for the year	15
---	----

(a) Composition of the Board

Complete the table with information on the Board of Directors: *(as amended on 10 June 2014)*

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Eduardo M. Cojuangco, Jr.	ED	N/A	Ramon S. Ang	05/10/1983	06/10/2014	Annual	19 ²
Ramon S. Ang	ED	N/A	Ramon S. Ang	01/28/1999	06/10/2014	Annual Meeting	15
Estelito P. Mendoza	NED	N/A	Ramon S. Ang	09/26/1991	06/10/2014	Annual Meeting	18 ³
Leo S. Alvez	NED	N/A	Ramon S. Ang	02/27/2002	06/10/2014	Annual Meeting	12
Joselito D. Campos, Jr.	NED	N/A	Ramon S. Ang	05/31/2010	06/10/2014	Annual Meeting	4
Ferdinand K. Constantino	ED	N/A	Ramon S. Ang	05/31/2010	06/10/2014	Annual Meeting	4
Menardo R. Jimenez	NED	N/A	Ramon S. Ang	02/27/2002	06/10/2014	Annual Meeting	12
Alexander J. Poblador	NED	N/A	Ramon S. Ang	09/01/2009	06/10/2014	Annual Meeting	5
Thomas A. Tan	ID	N/A	Ramon S. Ang	06/14/2012	06/10/2014	Annual Meeting	2
Iñigo Zobel	NED	N/A	Ramon S. Ang	05/05/1999	06/10/2014	Annual Meeting	15
<u>Aurora T. Calderon</u>	<u>ED</u>	<u>N/A</u>	<u>Ramon S. Ang</u>	<u>06/10/2014</u>	<u>06/10/2014</u>	<u>Annual Meeting</u>	<u>0</u>
<u>Horacio C. Ramos</u>	<u>NED</u>	<u>N/A</u>	<u>Ramon S. Ang</u>	<u>06/10/2014</u>	<u>06/10/2014</u>	<u>Annual Meeting</u>	<u>0</u>
Winston F. Garcia	ID	N/A	Ramon S. Ang, no relationship	05/06/2006	2 years	Annual Meeting	8
Reynato S. Puno	ID	N/A	Ramon S. Ang, no relationship	01/20/2011	2 years	Annual Meeting	3
Margarito B. Teves	ID	N/A	Ramon S. Ang, no relationship	06/14/2012	2 years	Annual Meeting	2

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Corporation is committed to good corporate governance practices, specifically the principles of fairness, transparency, accountability and responsibility. These practices, embodied in the Manual on Corporate Governance of the Corporation (the "Manual") provide the framework within which the Board of Directors and management pursue the strategic

¹ Reckoned from the election immediately following January 2, 2012.

² Served as director from 05/10/1983 to 1986; 07/02/1998 to present.

³ Served as director from 09/26/1991 to 04/20/1993; 04/21/1998 to present.

objectives of the Corporation and ensure its long-term viability for the benefit of shareholders. The Corporation's corporate governance practices continue to evolve to keep pace with the requirements of law, regulations and best practice recommendations. Key committees of the Board of Directors are organized with specific charters to ensure they provide strong oversight of strategic activities of the Corporation, resulting in sound business decisions that benefit shareholders. The overarching fiduciary responsibility of the Board of Directors to the shareholders is the unchanging and fundamental premise of the Corporation's commitment to corporate governance. Protecting shareholder interests and ensuring the integrity of the Corporation's financial information are central to every aspect of the Corporation's governance.

The Manual contains provisions on the treatment of all shareholders, respect for rights of minority shareholders and of other stakeholders, disclosure duties and board responsibilities.

Section 5 of the Manual relates to Shareholder' Benefits and Section 5.1 refers to Investors Rights and Protection. Section 5.1.1 states the Corporation's commitment to respect rights of investors and minority shareholders. The said section describes rights relating to voting rights, pre-emptive rights, power of inspection, the right to information, the right to dividends, appraisal right and promotion of shareholder rights.

Section 4 describes the reportorial system of the Corporation's corporate governance policies which includes disclosures to the Philippine Stock Exchange and the Commission.

(c) How often does the Board review and approve the vision and mission?

The Board periodically reviews and approves the Corporation's vision and mission as the need arises as recommended by Management.

Directorship in Other Companies

(i) Directorship in the Company's Group⁴ (as amended on 10 June 2014, 27 October 2014 and 11 February 2015)

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Eduardo M. Cojuangco, Jr.	San Miguel Pure Foods, Co., Inc. Ginebra San Miguel Inc. Petron Corporation	NED, Chairman NED, Chairman <u>NED, Chairman</u>
Ramon S. Ang	Top Frontier Investment Holdings Inc. San Miguel Brewery, Inc. Petron Corporation San Miguel Pure Foods Co., Inc. Ginebra San Miguel Inc. SMC Global Power Holdings, Inc. San Miguel Properties, Inc. San Miguel Yamamura Packaging Corporation Anchor Insurance Brokerage Corporation Manila Electric Company Liberty Telecoms Holdings, Inc. PAL Holdings, Inc. Philippine Airlines, Inc. and other SMC Subsidiaries	<u>ED, President and CEO</u> NED, Chairman ED, <u>President</u> and CEO NED, Vice Chairman ED NED, Chairman ED, Chairman NED, Chairman NED, Chairman NED NED, Vice Chairman NED, Chairman ED, President NED/ED

⁴ The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Estelito P. Mendoza	Petron Corporation Manila Electric Company	NED NED
Leo S. Alvez	Ginebra San Miguel Inc.	
<u>Aurora T. Calderon</u>	<u>Petron Corporation</u> <u>Petron Marketing Corporation</u> <u>Petron Freeport Corporation</u> <u>SMC Global Power Holdings Corp.</u> <u>Sea Refinery Corporation</u> <u>Thai San Miguel Liquor Co., Ltd.</u> <u>PAL Holdings, Inc.</u> <u>Philippine Airlines, Inc.</u> <u>Air Philippines Corporation</u> <u>Other SMC Subsidiaries</u>	<u>NED</u> <u>NED</u> <u>NED</u> <u>NED</u> <u>NED</u> <u>NED</u> <u>NED</u> <u>NED</u> <u>NED</u> <u>NED</u>
Joselito D. Campos	None	
Ferdinand K. Constantino	San Miguel Brewery Inc. Ginebra San Miguel Inc. Petron Corporation San Miguel Properties, Inc. Top Frontier Investment Holdings Inc. PAL Holdings, Inc. Other SMC subsidiaries	NED NED NED NED NED NED NED
Menardo R. Jimenez	San Miguel Foods, Inc.	NED
Roberto V. Ongpin	Petron Corporation Ginebra San Miguel Inc.	NED NED
Eric O. Recto	Petron Corporation Top Frontier Investment Holdings Inc. Manila Electric Company	NED, Vice Chairman ED, President NED
Alexander J. Poblador	None	
Horacio C. Ramos	None	
Iñigo Zobel	Top Frontier Investment Holdings Inc. SMC Global Power Holdings Corp. PAL Holdings, Inc. Philippine Airlines, Inc. Air Philippines Corporation	NED, Chairman NED, Vice Chairman NED NED NED, Chairman
Winston F. Garcia	None	
<u>Reynato S. Puno</u>	<u>San Miguel Brewery Hong Kong Limited</u> <u>PT Delta Indonesia Tbk</u>	<u>Independent Director</u> <u>Independent Director</u>
Thomas A. Tan	SMC Shipping and Lighterage Corporation	ED, President
Margarito B. Teves	None	

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group: *(As revised on 13 March, 15 April and 10 June 2014)*

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Ramon S. Ang	PhilWeb Corporation Cyber Bay Corporation ⁵ Alphaland Corporation	NED ED, Chairman and President ED
Joselito D. Campos, Jr.	Del Monte Pacific Limited	ED, CEO
Estelito P. Mendoza	Philippine National Bank	NED
Roberto V. Ongpin	PhilWeb Corporation ISM Communications Corporation Alphaland Corporation Atok Big Wedge Co., Inc.	NED, Chairman ED, Chairman & CEO ED, Chairman and CEO ED, Chairman and CEO

⁵ Until December 31, 2012.

Reynato S. Puno	Union Bank Corporation Apex Mining Corporation	ID NED, Vice Chairman
Eric O. Recto	Philippine Bank of Communications PhilWeb Corporation Alphaland Corporation ISM Communications Corporation Atok Big Wedge Co., Inc.	NED, Chairman NED, Vice Chairman NED, Vice Chairman ED, President NED, Vice Chairman
Margarito B. Teves	Alphaland Corporation Atok-Big Wedge Co., Inc.	ID ID

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group: *(As amended on 10 June 2014)*

Director's Name	Name of the Significant Shareholder	Description of the relationship
Ramon S. Ang	Master Year Limited Privado Holdings, Corp.	sole director controlling stockholder
Roberto V. Ongpin	Top Frontier Investment Holdings, Inc.	Director, holding 1,999 common shares
Eric O. Recto	Top Frontier Investment Holdings, Inc.	President, holding 1 common share
Iñigo Zobel	Top Frontier Investment Holdings, Inc.	Chairman, holding <u>199,601,417</u> common shares equivalent to 59.62% 29.32% of the outstanding capital stock of Top Frontier
Joselito S. Campos	Top Frontier Investment Holdings, Inc.	Stockholder of 2,000 common shares
<u>Aurora T. Calderon</u>	<u>Top Frontier Investment Holdings, Inc.</u>	<u>Director</u>
Ferdinand K. Constantino	Top Frontier Investment Holdings, Inc.	Director

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

No, the Corporation has not set a limit on the number of board seats in other companies that an individual director may hold simultaneously. However, a director of the Corporation disqualified as a director if he is engaged in any business which competes or is antagonistic to the business of the Corporation as provided in Corporation's By-laws.

According to the Corporation's Manual on Corporate Governance, a director shall exercise due discretion in accepting and holding directorships in other corporations provided that on holding such other directorships, such director shall ensure that his capacity to diligently and efficiently perform his duties and responsibilities as a director of the Corporation is not compromised.

The Nomination and Hearing Committee shall consider the following guidelines in the determination of the number of directorships which a member of the Board may hold in accordance with the policy on holding multiple board seats under the Manual on Corporate Governance:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	<ul style="list-style-type: none"> The nature of the business of the corporations which he is a director Age of the director Number of directorships/active membership and officerships in other corporations or organizations. Possible conflict of interests. <p>The Chief Executive Officer and other</p>	The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

	executive directors shall submit themselves to a low indicative limit on membership in other corporate boards. Also applicable to independent directors who serve as full time executives in other corporations.	
Non-Executive Director	<ul style="list-style-type: none"> • The nature of the business of the corporations which he is a director • Age of the director • Number of directorships/active membership and officerships in other corporations or organizations. • Possible conflict of interests. <p>The non-executive directors who also serve as full time executives in other corporations shall submit themselves to a low indicative limit on membership in other corporate boards.</p>	The optimum number shall be related to the capacity of a director to perform his duties diligently in general.
CEO	The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate boards.	The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

(c) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company as of December 31, 2013: *(as amended on 15 April and 10 June 2014)*

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Eduardo M. Cojuangco, Jr.	1,718,679 (C)		0.04%
Ramon S. Ang	757,873 (C)	368,140,516 (C) Privado Holdings, Corp.	10.71%
Ferdinand K. Constantino	147,500 (C) 200,000 (P)		0.01%
Estelito P. Mendoza	31,972 (C)		0.00%
Leo S. Alvez	10,000 (C)	9,326 (C) PCD Nominee Corporation	0.00%
Iñigo Zobel	16,171 (C)		0.00%
Aurora T. Calderon	22,600 (C)		0.00%
Joselito D. Campos, Jr.	9,149 (C)		0.00%
Winston F. Garcia	5,000 (C)		0.00%
Menardo R. Jimenez	5,000 (C)		0.00%
Alexander J. Poblador	5,000 (C)		0.00%
Horacio C. Ramos	5,000 (C)		0.00%
Thomas A. Tan	5,000 (C)		0.00%
Reynato S. Puno	5,000 (C)		0.00%
Margarito B. Teves	5,000 (C)		0.00%
TOTAL	2,931,344	368,149,842	10.76%

(C) – common shares

(P) – preferred shares

Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes ☒

No ☐

Identify the Chair and CEO:

Chairman of the Board/CEO	Eduardo M. Cojuangco, Jr.
President	Ramon S. Ang

- (b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer/President
Role	<p>The Chairman has general supervision, administration and management of the business of the Corporation.</p> <p>He shall preside at meetings of the Board of Directors.</p> <p>The Chairman of the Board is accountable to the stockholders and other stakeholders of the Corporation.</p>	<p>The President shall be the Chief Operating Officer of the Corporation and shall have supervision and direction of the day-to-day business affairs of the Corporation.</p> <p>The President is accountable to the Chairman and to the stockholders and other stakeholders of the Corporation.</p>
Accountabilities	<p>(a) To establish general administrative and operating policies.</p> <p>(b) To initiate and develop programs for management training and development, as well as executive compensation plans.</p> <p>(c) Unless otherwise determined by the Board of Directors, to attend and to act and vote in person or by proxy, for and on behalf of the Corporation, at any meeting of shareholders of any corporation in which the Corporation may hold stock, and at any such meeting, to exercise any and all the rights and powers incident to the ownership of such stock which the owner thereof might possess or exercise if present.</p> <p>(d) To exercise such other powers and perform such other duties and functions as the Board of Directors may, from time to time, assign.</p>	<p>(a) To recommend specific projects for the accomplishment of corporate objectives and policies for the approval of the Chairman and Chief Executive Officer and the Board of Directors.</p> <p>(b) To implement the program for management training and development as defined by, and under the control of, the Chairman and Chief Executive Officer.</p> <p>(c) To insure that the administrative and operating policies are carried out under the direction and control of the Chairman and Chief Executive Officer.</p> <p>(d) To appoint, remove or suspend any and all employees and other subordinate personnel of the Corporation, prescribe their duties, determine their salaries and, when necessary, require bonds in such amounts as he may determine, to</p>

		<p>secure the faithful discharge by said employees of their official trust, subject to the approval of the Executive Committee.</p> <p>(e) To prepare such statements and reports as may be required from time to time by law with respect to corporations organized according to the laws of the Republic of the Philippines.</p> <p>(f) To preside at meeting of the directors and stockholders in the absence of the Chairman and Chief Executive Officer and the Vice Chairman of the Board.</p> <p>(g) To exercise such powers and perform such duties and functions as may be assigned to him by the Chairman and Chief Executive Officer.</p>
Deliverables	<ul style="list-style-type: none"> • Agenda for Meetings • Chairman's Annual Report • Chairman's Quarterly Report • Statement of Management Responsibility for the Audited Financial Statements • Certificate of Attendance in Board Meetings • SEC Form 17-A (Annual Report) • Others 	<ul style="list-style-type: none"> • Statement of Management Responsibility for the Audited Financial Statements • Certificate of Compliance with Manual of Corporate Governance • SEC Form 17-A (Annual Report) • Others

- 2) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

The Board of Directors has oversight responsibilities in the selection and appointment of the Chief Executive Officer who possesses the ability, integrity and expertise necessary for the position. The duties and responsibilities of the Chief Executive Officer are defined by the Board through the Nomination and Hearing Committee.

The Board likewise evaluates the proposed senior management appointments of the Corporation and selects qualified and competent management officers, which functions are exercised through the Executive Compensation Committee.

The Corporation has a Management Development Program which identifies, evaluates and assesses individuals who, in the future, can potentially succeed in top key management positions.

Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

The Board of Directors is tasked to implement a process of selection to ensure a mix of competent directors and officers who can add value and contribute independent judgment to the formulation of sound corporate policies. Directors are required to have a college degree or sufficient experience in managing the business

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

The Manual requires that the non-executive directors, including the independent directors, shall possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	<p>To exercise the corporate powers as set forth in the Corporation's articles of incorporation as a member of the Board of Directors.</p> <p>As an executive director, the exercise their specific role as an executive of the Corporation.</p> <p>The executive directors, acting in the capacity as directors, are accountable to the shareholders in view of their fiduciary duties to them.</p>	<p>To exercise the corporate powers as set forth in the Corporation's articles of incorporation as a member of the Board of Directors.</p> <p>The non-executive directors are accountable to the shareholders in view of their fiduciary duties to them.</p>	<p>To exercise the corporate powers as set forth in the Corporation's articles of incorporation as a member of the Board of Directors.</p> <p>To exercise independent judgment in participating in decision making functions of the Board of Directors.</p> <p>The independent directors are accountable to the shareholders in view of their fiduciary duties to them.</p>
Accountabilities	<ul style="list-style-type: none"> • To foster long term success of the Corporation and secure its sustained competitiveness in a manner consistent with fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. • To formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor the performance of Management. • To conduct themselves with utmost honesty and integrity in the discharge of their duties, functions and responsibilities. • To act in a manner characterized by transparency, accountability and fairness, and in the best interest of the Corporation. 	<ul style="list-style-type: none"> • To foster long term success of the Corporation and secure its sustained competitiveness in a manner consistent with fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. • To formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor the performance of Management. • To conduct themselves with utmost honesty and integrity in the discharge of their duties, functions and responsibilities. • To act in a manner characterized by transparency, accountability and fairness, and in the best interest of the Corporation. 	<ul style="list-style-type: none"> • To foster long term success of the Corporation and secure its sustained competitiveness in a manner consistent with fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. • To formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor the performance of Management. • To conduct themselves with utmost honesty and integrity in the discharge of their duties, functions and responsibilities. • To act in a manner characterized by transparency, accountability and fairness, and in the best interest of the Corporation.

	<ul style="list-style-type: none"> • To exercise leadership, prudence and integrity in directing the Corporation towards sustained progress. 	<ul style="list-style-type: none"> • To exercise leadership, prudence and integrity in directing the Corporation towards sustained progress. 	<ul style="list-style-type: none"> • To exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.
Deliverables	<ul style="list-style-type: none"> • To exercise the powers of the board of directors as stated in Article III, Section 1 and 8 of the Corporation's By-laws. • To perform the Specific Duties and Functions of the Board of Directors as stated in Clause 2.2.1.2, the Internal Control Responsibilities of the Board as stated in Clause 2.2.1.3 and the Duties and Responsibilities of a Director as stated in Clause 2.2.1.4 of the Manual. 	<ul style="list-style-type: none"> • To exercise the powers of the board of directors as stated in Article III, Section 1 and 8 of the Corporation's By-laws. • To perform the Specific Duties and Functions of the Board of Directors as stated in Clause 2.2.1.2, the Internal Control Responsibilities of the Board as stated in Clause 2.2.1.3 and the Duties and Responsibilities of a Director as stated in Clause 2.2.1.4 of the Manual. 	<ul style="list-style-type: none"> • To exercise the powers of the board of directors as stated in Article III, Section 1 and 8 of the Corporation's By-laws. • To perform the Specific Duties and Functions of the Board of Directors as stated in Clause 2.2.1.2, the Internal Control Responsibilities of the Board as stated in Clause 2.2.1.3 and the Duties and Responsibilities of a Director as stated in Clause 2.2.1.4 of the Manual. • To submit to the Corporate Secretary a certification confirming that he possesses all the qualifications and none of the disqualifications of an independent director at the time of his election and/or re-election as an independent director. • To sign the Report of the Results of the Audit Committee Self-Rating Form submitted to the Commission.

Provide the company's definition of "independence" and describe the company's compliance to the definition.

Article III, Section 1-A of the Corporation's By-laws define "independence" as not being an officer or employee of the Corporation, its parent or subsidiaries, or not having a relationship with the Corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Under Clause 2.2.1.6 of the Manual, an independent director is a person who, apart from his fees and shareholdings, has no business or relationship with the Corporation, which could or could reasonably be perceived to materially interfere with the exercise of his independent judgment in carrying out his responsibility as a director.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

Yes, the Corporation complies with the SEC Memorandum Circular No. 9, Series of 2011. Under the said memorandum circular, an independent director may only serve for five (5) consecutive years, after which he will be ineligible for election until after two (2) years from his last election, after which he may again serve for another (5) years. After the second five (5) year term, he will be perpetually disqualified to be elected as an independent director of the Corporation.

3) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal *(As amended on 15 April and 10 June 2014)*

Indicate any changes in the composition of the Board of Directors that happened during the period ended 2013 and as at the 10 June 2014 stockholders meeting:

Name	Position	Date of Cessation	Reason
<u>Roberto V. Ongpin</u>	<u>Director</u>	<u>June 10, 2014</u>	<u>Not nominated and not reelected.</u> <u>To pursue other business endeavours.</u>
<u>Eric O. Recto</u>	<u>Director</u>	<u>June 10, 2014</u>	<u>Not nominated and reelected.</u> <u>To pursue other business endeavours.</u>

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	<p>Any stockholder may submit to the Nomination and Hearing Committee names of nominees as a member of the Board of Directors.</p> <p>Nominations must be submitted in writing to the Board of Directors through the Corporate Secretary, on or before January 20 of the year during which the election of directors will be held, or such other date as the Board of Directors may prescribe.</p> <p>The Nomination and Hearing Committee screens and determines the qualifications and disqualifications, if any, of the nominees. Thereafter, the Committee presents to the Board of Directors a list of the nominees for election.</p>	<p>In addition to the qualifications under the Corporation Code, the Corporation prescribes the following qualifications:</p> <ul style="list-style-type: none"> (a) He shall hold at least five thousand (5,000) shares of stock of the Corporation. (b) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education. (c) He shall be at least twenty one (21) years old. (d) He shall have been proven to possess integrity and probity, and (e) He shall be assiduous.
(ii) Non-Executive Directors	<p>Any stockholder may submit to the Nomination and Hearing Committee names of nominees as a member of the Board of Directors.</p>	<p>In addition to the qualifications under the Corporation Code, the Corporation prescribes the following qualifications:</p> <ul style="list-style-type: none"> (a) He shall hold at least five

	<p>Nominations must be submitted in writing to the Board of Directors through the Corporate Secretary, on or before January 20 of the year during which the election of directors will be held, or such other date as the Board of Directors may prescribe.</p> <p>The Nomination and Hearing Committee screens and determines the qualifications and disqualifications, if any, of the nominees. Thereafter, the Committee presents to the Board of Directors a list of the nominees for election.</p>	<p>thousand (5,000) shares of stock of the Corporation.</p> <p>(b) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education.</p> <p>(c) He shall be at least twenty one (21) years old.</p> <p>(d) He shall have been proven to possess integrity and probity, and</p> <p>(e) He shall be assiduous.</p>
(iii) Independent Directors	<p>Any stockholder may submit to the Nomination and Hearing Committee names of nominees as a member of the Board of Directors.</p> <p>Nominations must be submitted in writing to the Board of Directors through the Corporate Secretary, on or before January 20 of the year during which the election of directors will be held, or such other date as the Board of Directors may prescribe.</p> <p>The Nomination and Hearing Committee screens and determines the qualifications and disqualifications, if any, of the nominees. Thereafter, the Committee presents to the Board of Directors a list of the nominees for election.</p>	<p>In addition to the qualifications under the Corporation Code, the Corporation prescribes the following qualifications:</p> <p>(a) He shall hold at least five thousand (5,000) shares of stock of the Corporation.</p> <p>(b) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education.</p> <p>(c) He shall be at least twenty one (21) years old.</p> <p>(d) He shall have been proven to possess integrity and probity, and</p> <p>(e) He shall be assiduous.</p>
b. Re-appointment		
(i) Executive Directors	<p>Any stockholder may submit to the Nomination and Hearing Committee names of nominees as a member of the Board of Directors.</p> <p>Nominations must be submitted in writing to the Board of Directors through the Corporate Secretary, on or before January 20 of the year during which the election of</p>	<p>In addition to the qualifications under the Corporation Code, the Corporation prescribes the following qualifications:</p> <p>(a) He shall hold at least five thousand (5,000) shares of stock of the Corporation.</p> <p>(b) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for</p>

	<p>directors will be held, or such other date as the Board of Directors may prescribe.</p> <p>The Nomination and Hearing Committee screens and determines the qualifications and disqualifications, if any, of the nominees. Thereafter, the Committee presents to the Board of Directors a list of the nominees for election.</p>	<p>such formal education.</p> <p>(c) He shall be at least twenty one (21) years old.</p> <p>(d) He shall have been proven to possess integrity and probity, and</p> <p>(e) He shall be assiduous.</p>
(ii) Non-Executive Directors	<p>Any stockholder may submit to the Nomination and Hearing Committee names of nominees as a member of the Board of Directors.</p> <p>Nominations must be submitted in writing to the Board of Directors through the Corporate Secretary, on or before January 20 of the year during which the election of directors will be held, or such other date as the Board of Directors may prescribe.</p> <p>The Nomination and Hearing Committee screens and determines the qualifications and disqualifications, if any, of the nominees. Thereafter, the Committee presents to the Board of Directors a list of the nominees for election.</p>	<p>In addition to the qualifications under the Corporation Code, the Corporation prescribes the following qualifications:</p> <p>(a) He shall hold at least five thousand (5,000) shares of stock of the Corporation.</p> <p>(b) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education.</p> <p>(c) He shall be at least twenty one (21) years old.</p> <p>(d) He shall have been proven to possess integrity and probity, and</p> <p>(e) He shall be assiduous.</p>
(iii) Independent Directors	<p>Any stockholder may submit to the Nomination and Hearing Committee names of nominees as a member of the Board of Directors.</p> <p>Nominations must be submitted in writing to the Board of Directors through the Corporate Secretary, on or before January 20 of the year during which the election of directors will be held, or such other date as the Board of Directors may prescribe.</p> <p>The Nomination and Hearing Committee screens and determines the qualifications and disqualifications, if any, of</p>	<p>In addition to the qualifications under the Corporation Code, the Corporation prescribes the following qualifications:</p> <p>(a) He shall hold at least five thousand (5,000) shares of stock of the Corporation.</p> <p>(b) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education.</p> <p>(c) He shall be at least twenty one (21) years old.</p> <p>(d) He shall have been proven to possess integrity and probity, and</p> <p>(e) He shall be assiduous.</p>

	the nominees. Thereafter, the Committee presents to the Board of Directors a list of the nominees for election.	
c. Permanent Disqualification		
(i) Executive Directors	<p>Any stockholder may submit to the Nomination and Hearing Committee names of nominees as a member of the Board of Directors.</p> <p>Nominations must be submitted in writing to the Board of Directors through the Corporate Secretary, on or before January 20 of the year during which the election of directors will be held, or such other date as the Board of Directors may prescribe.</p> <p>The Nomination and Hearing Committee screens and determines the qualifications and disqualifications, if any, of the nominees. Thereafter, the Committee presents to the Board of Directors a list of the nominees for election.</p> <p>If there appears to be a disqualification based on conflict of interest, the Nomination and Hearing Committee shall bring the same to the Board of Directors for resolution. The declaration of disqualification shall be determined by 3/4th vote of the Board of Directors.</p>	<p><u>Under the By-laws</u></p> <ul style="list-style-type: none"> Engaged in a business which competes with or is antagonistic to that of the Corporation <ul style="list-style-type: none"> He/she is an officer or manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares or, any corporation (other than one in which the Corporation owns at least 30% of the capital stock) engaged in a business which the Board, by at least 3/4th vote determines to be competitive or antagonistic to that of the Corporation. He/she is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any other corporation or entity engaged in any line of business of the Corporation, when in the judgment of the Board, by at least 3/4th vote, the law against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors. If the Board, in the exercise of its judgment in good faith, determines by at least 3/4th vote that he/she is a nominee of any person set forth in the two instances indicated above. <p><u>Under the Manual of Corporate Governance</u></p> <ul style="list-style-type: none"> Any person convicted by final judgment or order by a competent judicial or administrative body of any

		<p>crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <ul style="list-style-type: none"> • Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in both (a) and (b) of this paragraph, or willfully violating the laws that govern securities and banking activities. • The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or Bangko Sentral ng Pilipinas ("BSP"), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained
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		<p>from engaging in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <ul style="list-style-type: none"> • Any person convicted by final judgment or order of a competent judicial or administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts or transgressions; • Any person who has been adjudged by final judgment or order of the SEC or a competent court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the SEC or BSP, or any rule, regulation or order of the SEC or BSP; • Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; • Any person judicially declared to be insolvent; and • Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.
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<p>(ii) Non-Executive Directors</p>	<p>Any stockholder may submit to the Nomination and Hearing Committee names of nominees as a member of the Board of Directors.</p> <p>Nominations must be submitted in writing to the Board of Directors through the Corporate Secretary, on or before January 20 of the year during which the election of directors will be held, or such other date as the Board of Directors may prescribe.</p> <p>The Nomination and Hearing Committee screens and determines the qualifications and disqualifications, if any, of the nominees. Thereafter, the Committee presents to the Board of Directors a list of the nominees for election.</p> <p>If there appears to be a disqualification based on conflict of interest, the Nomination and Hearing Committee shall bring the same to the Board of Directors for resolution. The declaration of disqualification shall be determined by 3/4th vote of the Board of Directors.</p>	<p><u>Under the By-laws</u></p> <ul style="list-style-type: none"> • Engaged in a business which competes with or is antagonistic to that of the Corporation <ul style="list-style-type: none"> ○ He/she is an officer or manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares or, any corporation (other than one in which the Corporation owns at least 30% of the capital stock) engaged in a business which the Board, by at least 3/4th vote determines to be competitive or antagonistic to that of the Corporation. ○ He/she is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any other corporation or entity engaged in any line of business of the Corporation, when in the judgment of the Board, by at least 3/4th vote, the law against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors. ○ If the Board, in the exercise of its judgment in good faith, determine by at least 3/4th vote that he/she is a nominee of any person set forth in the two instances indicated above. <p><u>Under the Manual of Corporate Governance</u></p> <ul style="list-style-type: none"> • Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out
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		<p>of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <ul style="list-style-type: none"> Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in both (a) and (b) of this paragraph, or willfully violating the laws that govern securities and banking activities. The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or Bangko Sentral ng Pilipinas ("BSP"), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained from engaging in any activity involving securities and banking; or such person is currently the subject of an
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		<p>effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <ul style="list-style-type: none"> • Any person convicted by final judgment or order of a competent judicial or administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts or transgressions; • Any person who has been adjudged by final judgment or order of the SEC or a competent court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the SEC or BSP, or any rule, regulation or order of the SEC or BSP; • Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; • Any person judicially declared to be insolvent; and • Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.
(iii) Independent Directors	Same procedure as above.	<p><u>Under the By-laws:</u> In addition to the causes for permanent disqualification applicable to directors:</p>

		<ul style="list-style-type: none"> • An employee, or officer of the Corporation, or its subsidiaries, • Has a relationship with the Corporation which will interfere with the exercise of independent judgment in carrying out the responsibilities as an independent director. <p><u>Under the Manual of Corporate Governance</u></p> <ul style="list-style-type: none"> • Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them; • Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in both (a) and (b) of this paragraph, or willfully violating the laws that govern securities and banking activities.
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		<ul style="list-style-type: none"> • The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or Bangko Sentral ng Pilipinas (“BSP”), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained from engaging in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization; • Any person convicted by final judgment or order of a competent judicial or administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts or transgressions; • Any person who has been adjudged by final judgment or order of the SEC or a competent court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the SEC or BSP, or any rule, regulation or order of the SEC or BSP; • Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority
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		<p>of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;</p> <ul style="list-style-type: none"> • Any person judicially declared to be insolvent; and • Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment. <p><u>Under SEC Memorandum Circular No. 9, 2011</u></p> <ul style="list-style-type: none"> • Must not have previously served as an independent director of the Corporation for a total of ten (10) years (counted from January 2, 2012).
d. Temporary Disqualification		
	Same procedure as above.	<p><u>Under the Manual on Corporate Governance</u></p> <ul style="list-style-type: none"> • Refusal to fully disclose the extent of his business interest or comply with disclosure requirements as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists; • Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election; • Dismissal or termination for cause as director of any corporation covered by SEC Memorandum Circular No. 6, series of 2009. This disqualification shall be in effect until he has cleared

		<p>himself of any involvement in the alleged irregularity;</p> <ul style="list-style-type: none"> • If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with; • If any of the judgments or orders cited in the grounds for the permanent disqualification of directors has not yet become final.
(ii) Non-Executive Directors	Same procedure as above.	<p><u>Under the Manual on Corporate Governance</u></p> <ul style="list-style-type: none"> • Refusal to fully disclose the extent of his business interest or comply with disclosure requirements as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists; • Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election; • Dismissal or termination for cause as director of any corporation covered by SEC Memorandum Circular No. 6, series of 2009. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity; • If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be

		<p>lifted if the limit is later complied with;</p> <ul style="list-style-type: none"> • If any of the judgments or orders cited in the grounds for the permanent disqualification of directors has not yet become final.
(iii) Independent Directors	Same procedure as above.	<p><u>Under the Manual on Corporate Governance</u></p> <ul style="list-style-type: none"> • Refusal to fully disclose the extent of his business interest or comply with disclosure requirements as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists; • Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election; • Dismissal or termination for cause as director of any corporation covered by SEC Memorandum Circular No. 6, series of 2009. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity; • If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with; • If any of the judgments or orders cited in the grounds for the permanent disqualification of directors has not yet become final; and • If any person earlier elected as Independent Director of the

		Corporation becomes an Officer, employee or consultant of the Corporation.
e. Removal		
(i) Executive Directors	The Corporation adheres to the process set out in the Corporation Code for the removal of directors.	An executive director may be removed if, while serving as an executive director, he becomes disqualified as a director due to the above-stated causes.
(ii) Non-Executive Directors	The Corporation adheres to the process set out in the Corporation Code for the removal of directors.	A non-executive director may be removed if, while serving as an executive director, he becomes disqualified as a director due to the above-stated causes.
(iii) Independent Directors	The Corporation adheres to the process set out in the Corporation Code for the removal of directors.	An independent director may be removed if, while serving as an executive director, he becomes disqualified as a director due to the above-stated causes.
f. Re-instatement		
(i) Executive Directors	A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	Cessation of cause for temporary disqualification.
(ii) Non-Executive Directors	A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent, except in the case of temporary disqualification where the Independent Director becomes an Officer, employee or consultant of the Corporation.	Cessation of cause for temporary disqualification.
(iii) Independent Directors	A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the	Cessation of cause for temporary disqualification.

	disqualification shall become permanent, except in the case of temporary disqualification where the Independent Director becomes an Officer, employee or consultant of the Corporation, in which case such disqualified Independent Director shall become eligible for election as Independent Director after the lapse of two (2) years from the termination of his officership, employment or consultancy with the Corporation.	
g. Suspension		
(i) Executive Directors	The Corporation does not have a policy on suspension of directors other than the procedure in case there is a temporary disqualification.	N/A
(ii) Non-Executive Directors	The Corporation does not have a policy on suspension of directors other than the procedure in case there is a temporary disqualification.	N/A
(iii) Independent Directors	The Corporation does not have a policy on suspension of directors other than the procedure in case there is a temporary disqualification.	N/A

Voting Result of the last Annual General Meeting held on June 10, 2014 *(As amended on 10 June 2014)*

Name of Director	Votes Received
<u>Eduardo M. Cojuangco, Jr.</u>	<u>2,094,461,162</u>
<u>Ramon S. Ang</u>	<u>2,094,676,142</u>
<u>Estelito P. Mendoza</u>	<u>2,092,876,192</u>
<u>Leo S. Alvez</u>	<u>2,092,876,192</u>
<u>Aurora T. Calderon</u>	<u>2,061,284,696</u>
<u>Joselito D. Campos, Jr.</u>	<u>2,092,897,192</u>
<u>Ferdinand K. Constantino</u>	<u>2,091,465,122</u>
<u>Menardo R. Jimenez</u>	<u>2,091,465,122</u>
<u>Alexander J. Poblador</u>	<u>2,092,876,192</u>
<u>Horacio C. Ramos</u>	<u>2,094,072,282</u>
<u>Thomas A. Tan</u>	<u>2,094,522,282</u>
<u>Iñigo Zobel</u>	<u>2,094,522,282</u>
<u>Winston F. Garcia</u>	<u>2,104,423,022</u>
<u>Reynato S. Puno</u>	<u>2,104,856,902</u>
<u>Margarito B. Teves</u>	<u>2,104,873,022</u>

4) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

The Corporation conducts an orientation program for new directors which is conducted by the Office of the Chief Finance Officer, the Office of the General Counsel and the Office of the Corporate Secretariat together with the Corporate Affairs Office and the San Miguel Foundation Inc. The presentation includes an overview of the business of the Corporation, most recent financial statements results of operations, corporate social responsibility initiatives, the code of ethics, policy on dealings with securities, the manual on corporate governance, functions and duties of the member or the board of directors, the board of directors as a collegial body and reportorial requirements as a member of the board of directors. The orientation sessions are conducted individually which allows the directors to ask questions. Copies of the constitutive documents of the Corporation, and the latest information package of the Corporation, if available, are also given the new director during orientation.

(b) State any in-house training and external courses attended by Directors and Senior Management⁶ for the past three (3) years: (As amended on September 30, 2014 and November 10, 2014)

- (i) Seminar on Corporate Governance, December 9, 2010, conducted by the UP Institute for the Administration of Justice.⁷
- (ii) Seminar on Corporate Governance, November 9, 2011, conducted by the UP Institute for the Administration of Justice.⁸
- (iii) Seminar on Corporate Governance, December 7, 2012, conducted by the UP Institute for the Administration of Justice.⁹
- (iv) Corporate Governance Training, August 5, 2014 conducted by SGV & Co.¹⁰
- (v) Corporate Governance Training, September 19, 2014 conducted by SGV & Co.¹¹
- (vi) Corporate Governance Training, September 26, 2014 conducted by SGV & Co.¹²
- (vii) Corporate Governance Training, November 6, 2014 conducted by Risks, Opportunities, Assessment and Management, Inc.¹³

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year. (As amended on 15 April 2014)

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Ramon S. Ang	July 11 and 12, 2012	Mandatory Accreditation Programme for Directors of Public Listed Companies (Kuala Lumpur, Malaysia)	Bursatra Sdn. Bhd.
	<u>October 21, 2013</u>	<u>Conflicts of Interest and Board Evaluation</u>	<u>The Hong Kong Institute of Directors</u>
Aurora T. Calderon	July 11 and 12, 2012	Mandatory Accreditation Programme for Directors of Public Listed Companies (Kuala Lumpur, Malaysia)	Bursatra Sdn. Bhd.
<u>Ferdinand K. Constantino</u>	<u>October 21, 2013</u>	<u>Conflicts of Interest and Board Evaluation</u>	<u>The Hong Kong Institute of Directors</u>

⁶ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

⁷ Attended by Iñigo Zobel, Menardo R. Jimenez, Leo S. Alvez, Alexander J. Poblador, Ferdinand K. Constantino, Eric O. Recto, Virgilio S. Jacinto, Aurora T. Calderon, Joseph N. Pineda, Lorenzo G. Formoso III, Cecile Caroline U. de Ocampo, and Bella O. Navarra.

⁸ Attended by Aurora T. Calderon, and Reynato S. Puno.

⁹ Attended by Thomas A. Tan

¹⁰ Attended by Margarito B. Teves

¹¹ Attended by Eduardo M. Cojuangco, Jr. Leo S. Alvez, Aurora T. Calderon, Joselito D. Campos, Ferdinand K. Constantino, Winston F. Garcia, Estelito P. Mendoza, Alexander J. Poblador, Reynato S. Puno, Horacio C. Ramos, Thomas A. Tan, Iñigo Zobel, Virgilio S. Jacinto, and Joseph N. Pineda.

¹² Attended by Menardo R. Jimenez, Sergio D. Edeza, Lorenzo G. Formoso III, and Mary Rose S. Tan.

¹³ Attended by Ramon S. Ang.

Roberto V. Ongpin	January 19, 2012	Corporate Governance for Philippine Banks	Bankers Institute of the Philippines
<u>Reynato S. Puno</u>	<u>October 21, 2013</u>	<u>Conflicts of Interest and Board Evaluation</u>	<u>The Hong Kong Institute of Directors</u>
Eric O. Recto	July 11 and 12, 2012	Mandatory Accreditation Programme for Directors of Public Listed Companies (Kuala Lumpur, Malaysia)	Bursatra Sdn. Bhd.
Thomas A. Tan	December 7, 2012	Seminar on Corporate Governance	UP Institute for the Administration of Justice

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Engaging in competitive business is a ground for disqualification to be a member of the Board of Directors.	<p>Employees of the Corporation are expected to give due time and attention to the Corporation in carrying out their duties and responsibilities. The basic expectation is that the employees' actions are made in the best interest of the Corporation. The Corporation, however, acknowledges that employees may pursue outside financial, business or other activities as long as these activities are legal and do not conflict with the regular and conscientious performance of their Corporation obligations and do not result in damage to or misuse of Company reputation, property, products, confidential information, influence of other resources.</p> <p>The Corporation also acknowledges that it has the right to protect itself from possible conflicts of interest on the part of its employees, which might affect its financial and business viability. Conflict of interest arises if a Company officer, employee or close relative of an officer or employee has any financial or business interest in the enterprise of any supplier, competitor, customer or any organization which may benefit from decisions or actions made by the officer or the employee in the execution of Company</p>	<p>Employees of the Corporation are expected to give due time and attention to the Corporation in carrying out their duties and responsibilities. The basic expectation is that the employees' actions are made in the best interest of the Corporation. The Corporation, however, acknowledges that employees may pursue outside financial, business or other activities as long as these activities are legal and do not conflict with the regular and conscientious performance of their Company obligations and do not result in damage to or misuse of Company reputation, property, products, confidential information, influence of other resources.</p> <p>The Corporation also acknowledges that it has the right to protect itself from possible conflicts of interest on the part of its employees, which might affect its financial and business viability. Conflict of interest arises if a Company officer, employee or close relative of an officer or employee has any financial or business interest in the enterprise of any supplier, competitor, customer or any organization which may benefit from decisions or actions made by the officer or the employee in the execution of Company responsibilities, and the</p>

		<p>responsibilities, and the officer or employees knowledge of the Corporation's confidential information, actions or future plans. A conflict of interest may also arise when the interest of an officer or an employee of the Corporation in an outside organization takes a significant amount of time and attention such that it adversely affects the performance of his or her duties and responsibilities in the Corporation.</p> <p>Consistent with the Corporation's outlook and approach on employee discipline, the Corporation lays the accountability in the hands of the officers and employees to disclose possible conflicts of interest. Any possible conflicts of interest must be disclosed by the officer or employee involved to his or her immediate superior who will, in turn, review and resolve the conflict situation based on guidelines and in consultation with Management.</p>	<p>officer or employees knowledge of the Company's confidential information, actions or future plans. A conflict of interest may also arise when the interest of an officer or an employee of the Corporation in an outside organization takes a significant amount of time and attention such that it adversely affects the performance of his or her duties and responsibilities in the Corporation.</p> <p>Consistent with the Corporation's outlook and approach on employee discipline, the Corporation lays the accountability in the hands of the officers and employees to disclose possible conflicts of interest. Any possible conflicts of interest must be disclosed by the officer or employee involved to his or her immediate superior who will, in turn, review and resolve the conflict situation based on guidelines and in consultation with Management.</p>
(b) Conduct of Business and Fair Dealings	The Code of Ethics provides that an SMC employee must exercise corporate citizenship and protect the corporate interest by conducting business affairs in fairness, honesty and in compliance with law.	The Code of Ethics provides that an SMC employee must exercise corporate citizenship and protect the corporate interest by conducting business affairs in fairness, honesty and in compliance with law.	The Code of Ethics provides that an SMC employee must exercise corporate citizenship and protect the corporate interest by conducting business affairs in fairness, honesty and in compliance with law.
(c) Receipt of gifts from third parties	The Code of Ethics mandate that the employee should uphold the corporate interest and not grant undue personal favors, especially in matters of awarding dealership and	The Code of Ethics mandate that the employee should uphold the corporate interest and not grant undue personal favors, especially in matters of awarding dealership and	The Code of Ethics mandate that the employee should uphold the corporate interest and not grant undue personal favors, especially in matters of awarding dealership and

	contracts or in hiring and similar activities. The Employee must exercise utmost discretion in accepting personal favors or gifts from individuals or entities seeking or doing business with the Corporation and refuse any gift that might be considered as bribery in any form.	contracts or in hiring and similar activities. The Employee must exercise utmost discretion in accepting personal favors or gifts from individuals or entities seeking or doing business with the Corporation and refuse any gift that might be considered as bribery in any form.	contracts or in hiring and similar activities. The Employee must exercise utmost discretion in accepting personal favors or gifts from individuals or entities seeking or doing business with the Corporation and refuse any gift that might be considered as bribery in any form.
(d) Compliance with Laws & Regulations	The Corporation believes that the objective of achieving superior business results is consistent with the commitment to conduct business in a lawful and responsible manner. All employees are expected and directed to comply with all laws and applicable regulations, and to conduct business in accordance with the highest standards of business ethics. It is every employee's responsibility to know and to understand legal and policy requirement as they apply the same to their task, and to notify management when they believe a violation of law or a Company policy has been committed.	The Corporation believes that the objective of achieving superior business results is consistent with the commitment to conduct business in a lawful and responsible manner. All employees are expected and directed to comply with all laws and applicable regulations, and to conduct business in accordance with the highest standards of business ethics. It is every employee's responsibility to know and to understand legal and policy requirement as they apply the same to their task, and to notify management when they believe a violation of law or a Company policy has been committed.	The Corporation believes that the objective of achieving superior business results is consistent with the commitment to conduct business in a lawful and responsible manner. All employees are expected and directed to comply with all laws and applicable regulations, and to conduct business in accordance with the highest standards of business ethics. It is every employee's responsibility to know and to understand legal and policy requirement as they apply the same to their task, and to notify management when they believe a violation of law or a Company policy has been committed.
(e) Respect for Trade Secrets/Use of Non-public Information	The Code of Ethics require that the employee should protect with zeal and caution confidential knowledge or data on products, business strategies, processes, systems or other important information during or even after employment with the Corporation.	The Code of Ethics require that the employee should protect with zeal and caution confidential knowledge or data on products, business strategies, processes, systems or other important information during or even after employment with the Corporation.	The Code of Ethics require that the employee should protect with zeal and caution confidential knowledge or data on products, business strategies, processes, systems or other important information during or even after employment with the Corporation.
(f) Use of Company Funds, Assets and Information	The Code of Ethics mandate that the employee should utilize Corporation property, funds, equipment and time solely for the purpose required by the Corporation.	The Code of Ethics mandate that the employee should utilize Corporation property, funds, equipment and time solely for the purpose required by the Corporation.	The Code of Ethics mandate that the employee should utilize Corporation property, funds, equipment and time solely for the purpose required by the Corporation.

<p>(g) Employment & Labor Laws & Policies</p>	<p>N/A The relationship between directors and the Corporation is not covered by labor laws.</p>	<p>N/A The relationship between senior management who are by-law officers and the Corporation is not covered by labor laws.</p>	<p>It is the policy of the Corporation to be a concerned an progressive employer and believes firmly in treating its employees with respect and compensating them well. The Corporation also maintains that the income, security and tenure, working conditions, quality of life and long term growth and development of each employee depends on the success of the business.</p> <p>The Corporation's labor relations policy is guided by the following principles:</p> <ul style="list-style-type: none"> • Industrial Peace The Corporation expects each employee to obey and comply with lawful Company orders, rules and regulations and policies. The Corporation firmly believes in industrial peace as a precursor to successful conduct of business. It is imperative for both management and labor to respect each other's rights and cooperate in a spirit of mutual benefits and understanding toward promotion of workers interest and the attainment of business targets. • Respect for Rights The Corporation upholds the right of the union and seeks to provide an environment where the employees' rights as union members are recognized. The Corporation seeks, above all, harmony and mutual trust,
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			<p>preferring open communication and sympathetic understanding of each other's capabilities and constraints.</p> <ul style="list-style-type: none"> • Good Faith and Goodwill The Corporation believes that optimal relationship with labor is one that is based on good faith, goodwill and a shared acceptance that the interest of employees is best served through enhancement of the Corporation's success, that the Corporation considers all the good, competitive, productive employees as its most useful asset, and that the Corporation, when able, will provide its employees with compensation and working conditions comparable to the best in the industry. • Right to Discipline The Corporation will always uphold and exercise its right to discipline its employees. It will respect and comply with due process. Employees found guilty of an offense will be meted out the appropriate penalty. Management will promulgate rules and regulations in accordance with law.
(h) Disciplinary action	Grounds for removal of directors are dealt with by the Nomination and Hearing Committee and ultimately, the Board of Directors.	<p>Discipline is guided by the following principles and policies:</p> <ul style="list-style-type: none"> • Rules must be clearly documents and communicated to all affected. • Rules should clearly state the standards of personal behavior and 	<p>Discipline is guided by the following principles and policies:</p> <ul style="list-style-type: none"> • Rules must be clearly documents and communicated to all affected. • Rules should clearly state the standards of personal behavior and

		<p>conduct as well as define the acts as forms of behavior prohibited and punishable.</p> <ul style="list-style-type: none"> • Corresponding penalties for each violation shall also be spelled out and defined. • Investigations and proceedings shall be expeditious, transparent, and consistent with requirements of law. Disciplinary action shall be imposed immediately upon judgment. • Discipline must be imposed consistently. 	<p>conduct as well as define the acts as forms of behavior prohibited and punishable.</p> <ul style="list-style-type: none"> • Corresponding penalties for each violation shall also be spelled out and defined. • Investigations and proceedings shall be expeditious, transparent, and consistent with requirements of law. Disciplinary action shall be imposed immediately upon judgment. • Discipline must be imposed consistently.
(i) Whistle Blower	<p>The Corporation has an established whistle-blowing policy aimed at encouraging employees to speak out and call the attention of Management to any suspected wrongdoing which is contrary to the principles of the Code of Ethics and violations of the Corporation's rules and regulations. The policy aims to protect the whistle blower from retribution or retaliation, and provides a disincentive to passively allowing the commission of wrongful conduct. The whistle blowing policy provides for procedures for interested parties to communicate, even anonymously, concerns regarding accounting, internal</p>	<p>The Corporation has an established whistle-blowing policy aimed at encouraging employees to speak out and call the attention of Management to any suspected wrongdoing which is contrary to the principles of the Code of Ethics and violations of the Corporation's rules and regulations. The policy aims to protect the whistle blower from retribution or retaliation, and provides a disincentive to passively allowing the commission of wrongful conduct. The whistle blowing policy provides for procedures for interested parties to communicate, even anonymously, concerns regarding accounting, internal</p>	<p>The Corporation has an established whistle-blowing policy aimed at encouraging employees to speak out and call the attention of Management to any suspected wrongdoing which is contrary to the principles of the Code of Ethics and violations of the Corporation's rules and regulations. The policy aims to protect the whistle blower from retribution or retaliation, and provides a disincentive to passively allowing the commission of wrongful conduct. The whistle blowing policy provides for procedures for interested parties to communicate, even anonymously, concerns regarding accounting, internal</p>

	accounting, auditing or financial reporting matters directly to the SMC Audit Committee.	accounting, auditing or financial reporting matters directly to the SMC Audit Committee.	accounting, auditing or financial reporting matters directly to the SMC Audit Committee.
(j) Conflict Resolution	The Compliance Officer is tasked with the duty to monitor compliance with the provisions and requirements of the Manual. Any dispute involving the directors relating to the interpretation of the Manual may be referred to the Compliance Officer.	The President and Chief Operating Officer shall have supervision and direction of the day-to-day business affairs of the Corporation. The Senior Officers directly report to the President and Chief Operating Officer. Any potential conflict involving Senior Management should be a matter within the exercise of the power of the President and Chief Operating Officer.	Conflict Resolution involving employees are referred to Corporate Human Resources for mediation and consultation.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

All employees of the Corporation are provided a copy of the San Miguel Corporation Employee Handbook and are required to acknowledge receipt of the same. The acknowledgement states that the employee understood its contents and commits themselves to comply with the items contained therein, the core purpose and values sought to be achieved and the policies governing the Companies activities.

As stated in the Employee Handbook of the Corporation, the Corporation believes that the highest form of discipline is self discipline. Discipline is not merely a restraint on one's behavior but a total conditioning of oneself for the highest achievable levels of performance. The Corporation aims to create an environment wherein excellent performance and exemplary behavior are the preoccupation of all its employees. Each employee is expected to actively live the Company values. Consistent with the values of the Corporation, the Corporation believes in discipline as an exercise in reform rather than punishment. Employees who violate policies, rules and regulations will be given the opportunity to be heard and given due process. Corrective actions are designed to provide the employee maximum opportunity to reform and desist from further violation. However, the Corporation acknowledges rules may need to be enforced with authority. Thus the Corporation stipulates that employees violating principles, rules and regulations are given disciplinary actions in progressively increasing severity. This excludes grave offenses for which an employee may be discharged immediately following a lawful investigation.

Discipline is guided by the following principles and policies:

- Rules must be clearly documents and communicated to all affected.
- Rules should clearly state the standards of personal behavior and conduct as well as define the acts as forms of behavior prohibited and punishable.
- Corresponding penalties for each violation shall also be spelled out and defined.
- Investigations and proceedings shall be expeditious, transparent, and consistent with requirements of law. Disciplinary action shall be imposed immediately upon judgment.
- Discipline must be imposed consistently.

Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the Corporation and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	N/A, the Corporation is not a subsidiary of another company.
(2) Joint Ventures	The Corporation, certain subsidiaries and their shareholders, and associates in the normal course of business, purchase products and services from one another. Transactions with related parties are made at normal market prices and terms. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates. All related party transactions must be done on an arms length basis to safeguard the interests of the Corporation as well as the minority shareholders and other stakeholders.
(3) Subsidiaries	The Corporation, certain subsidiaries and their shareholders, and associates in the normal course of business, purchase products and services from one another. Transactions with related parties are made at normal market prices and terms. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates. All related party transactions must be done on an arms length basis to safeguard the interests of the Corporation as well as the minority shareholders and other stakeholders.
(4) Entities Under Common Control	The Corporation, certain subsidiaries and their shareholders, and associates in the normal course of business, purchase products and services from one another. Transactions with related parties are made at normal market prices and terms. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates. All related party transactions must be done on an arms length basis to safeguard the interests of the Corporation as well as the minority shareholders and other stakeholders.
(5) Substantial Stockholders	The Corporation, certain subsidiaries and their shareholders, and associates in the normal course of business, purchase products and services from one another. Transactions with related parties are made at normal market prices and terms. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates. All related party transactions must be done on an arms length basis to safeguard the interests of the Corporation as well as the minority shareholders and other stakeholders.
(6) Officers including spouse/children/siblings/parents	As provided under Article III, Section 9 of the Corporation's By-laws, the vote of two thirds (2/3) of the Board of Directors constituting a quorum shall be required to approve the following: (a) Contracts between the corporation and one or more of its directors or officers or their affiliates provided further that: (a) the presence of such director in the board meeting in which the
(7) Directors including spouse/children/siblings/parents	

	<p>said contracts were approved shall not be considered for determining a quorum for such meeting; (2) that such director shall not vote for the approval of the contract; (3) that the contract is fair and reasonable under the circumstances; and (4) that full disclosure of the interest of the director, officer and/or affiliate involved, must be made at such meeting or if the interest is acquired subsequently, at the first meeting thereafter.</p> <p>An affiliate for purposes of these By-laws shall refer to an entity linked directly or indirectly to said directors or officers by means of their ownership, control or power to vote ten percent (10%) or more of the outstanding capital stock thereof.</p> <p>(b) Management Contracts.</p> <p>(c) The appointment or contracting or any buying or selling agent whose compensation or commission is at least 50% of the Corporation's respective total purchases or sales for the immediately preceding fiscal year; or the appointment or contracting of any person, whether natural or juridical, as contractor, consultant, trustee or in any other capacity, whose compensation or commission is at least 5% of the Corporation's total expenditure for that particular expense item or items.</p> <p>Under the Corporation's Policy on Conflict of Interest, a close relative is defined as (1) spouse, (b) father or mother, (3) son, daughter, brother or sister, and their respective spouses, (4) uncle, aunt, niece, nephew, or first cousin and each of their respective spouses.</p>
(8) Interlocking director relationship of Board of Directors	As provided under Section 33 of the Corporation Code.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved. (as amended on 15 April 2014)

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	
Estelito P. Mendoza	Director Mendoza is a practicing lawyer with a varied clientele, including a competitor of the Corporation's beer business. Atty. Mendoza abstains from any voting involving any possible conflict of interest.
Joselito D. Campos, Jr.	Director Campos is the Chief Operating Officer of Del Monte Pacific Limited whose subsidiaries are clients of the Corporation's packaging business.
Roberto V. Ongpin	Director Ongpin is the Chairman and CEO of Alphaland Corporation and Atok Big Wedge Co., Inc. which are also in the property and mining business as the Corporation.
Eric O. Recto	Director Recto is the Chairman of Philippine Bank of Communications which is a depositary bank of the Corporation. He is also Vice Chairman of Alphaland Corporation and Atok Big Wedge Co., Inc. which are also in the property and mining business as the Corporation.
Margarito B. Teves	Independent Director Teves is also an independent director of Alphaland Corporation and Atok-Big Wedge Co., Inc. which are also in the property and mining business as the Corporation.

Reynato S. Puno	Independent Director Puno is a director and Vice Chairman Apex Mining Corporation which is also in the mining business as the Corporation.
Name of Officer/s	
N/A	
Name of Significant Shareholders	
Top Frontier Investment Holdings, Inc.	The Corporation is a substantial shareholder of Top Frontier Investment Holdings, Inc.
Privado Holdings, Corporation Master Year Limited	Mr. Ramon S. Ang, President and Chief Operating Officer of the Corporation is the <u>controlling stockholder of Privado Holdings, Corp.</u>

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Directors, Officers and Employees are required to disclose the extent of their business interests in order to determine any possible conflicts of interest. Failure to disclose fully is a ground for temporary disqualification as a director. In accordance with the Policy on Conflict of Interest, a Full Business Interest Disclosure Form is required to be submitted upon their appointment.
Group	Directors, Officers and Employees are required to disclose the extent of their business interests in order to determine any possible conflicts of interest. Failure to disclose fully is a ground for temporary disqualification as a director. In accordance with the Policy on Conflict of Interest, a Full Business Interest Disclosure Form is required to be submitted upon their appointment.

4) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,¹⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Top Frontier Investment Holdings, Inc.	Business	The President and Chief Operating Officer, Ramon S. Ang is the <u>President and Chief Operating Officer of Top Frontier.</u>
<u>Privado Holdings, Corp.</u>	Business	<u>The controlling stockholder of Privado is Ramon S. Ang</u>

¹⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Same as Item 4(a) above.		

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None		

5) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	The Office of the Corporate Secretariat addresses concerns of stockholders and potential disputes between the Corporation and stockholders.
Corporation & Third Parties	The Corporation, through the Office of the General Counsel has adopted standard contracts some of which incorporate dispute resolution methods outside the courts, primarily through arbitration, either local or international. The Board of Directors designated corporate officers to amicably settle disputes with third parties, who may or may not be counterparties to a contract.
Corporation & Regulatory Authorities	The Compliance Officer is tasked to appear before the Commission upon summons on relevant matters that need to be clarified. The Corporation as a matter of policy exhausts all possible means to amicably settle potential disputes with regulatory authorities by responding to official queries and complying with directives as may be necessary and appropriate.

C. BOARD MEETINGS & ATTENDANCE *(As amended on 5 January 2015)*

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

The Board of Directors' meetings are scheduled and approved by the board of directors before the beginning of the year, on the last meeting of the Board for the prior year. For the 2014 board meetings, the Board of Directors approved the proposed schedule of meetings for 2014 on December 12, 2013.

- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Eduardo M. Cojuangco, Jr.	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>100%</u>
Member	Ramon S. Ang	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>100%</u>
Member	Leo S. Alvez	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>90%</u>
Member	Aurora T. Calderon	<u>06/10/2014</u>	<u>10</u>	<u>5</u>	<u>50%</u>
Member	Joselito D. Campos, Jr.	<u>06/10/2014</u>	<u>10</u>	<u>8</u>	<u>80%</u>
Member	Ferdinand K. Constantino	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>100%</u>
Member	Menardo R. Jimenez	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>100%</u>
Member	Estelito P. Mendoza	<u>06/10/2014</u>	<u>10</u>	<u>9</u>	<u>90%</u>
Member	Alexander J. Poblador	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>100%</u>
Member	Horacio C. Ramos	<u>06/10/2014</u>	<u>10</u>	<u>4</u>	<u>40%</u>
Member	Thomas A. Tan	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>100%</u>
Member	Iñigo Zobel	<u>06/10/2014</u>	<u>10</u>	<u>8</u>	<u>80%</u>
Independent	Winston F. Garcia	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>100%</u>
Independent	Reynato S. Puno	<u>06/10/2014</u>	<u>10</u>	<u>9</u>	<u>90%</u>
Independent	Margarito B. Teves	<u>06/10/2014</u>	<u>10</u>	<u>10</u>	<u>100%</u>

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

No, the non-executive directors do not have a separate formal meeting during the year.

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

Article III, Section 7 of the Corporation's By-laws state that a majority of the directors shall constitute a quorum for the transaction of business.

- 5) Access to Information

- (a) How many days in advance are board papers¹⁵ for board of directors meetings provided to the board?

Article III, Section 6 of the Corporation's By-laws state that notice of meetings shall be sent to the directors at least twenty four (24) hours prior to the time fixed for the meeting.

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes, members of the Board shall be given independent access to Management and Corporate Secretary as provided in the Manual on Corporate Governance.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

¹⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes, the Corporate Secretary and the Assistant Corporate Secretaries are admitted to the practice of law in the Philippines with years of experience as corporate counsels.

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ☒ No ☐

Committee	Details of the procedures
Executive	The members of the committee have independent access to Management and the Corporate Secretary who can provide them with the information necessary to prepare in advance for the meetings.
Audit	The members of the committee have independent access to Management (including the internal auditors) and the Corporation Secretary who can provide them with the information necessary to prepare in advance for the meetings.
Nomination and Hearing	The members of the committee have independent access to Management (including the head of Human Resources who is an ex-officio member of the Nomination and Hearing Committee) and the Corporate Secretary who can provide them with the information necessary to prepare in advance for the meetings.
Executive Compensation	The members of the committee have independent access to Management (including the Chief Finance Officer) and the Corporate Secretary who can provide them with the information necessary to prepare in advance for the meetings.
Others (specify)	N/A

- 6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
Section 2.2.1.8 of the Manual on Corporate Governance	Upon reasonable request, directors, individually or as a group, may seek independent professional advice in the discharge of their duties at the expense of the Corporation, which expense must be reasonable.

- 7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
None		

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	The Corporation has developed a compensation structure and fixed and variable remuneration. It had engaged an independent consulting firm, Watson Wyatt to assist in the evaluation of the appropriate fixed compensation structure.	The Corporation has developed a compensation structure and fixed and variable remuneration. It had engaged an independent consulting firm, Watson Wyatt to assist in the evaluation of the appropriate fixed compensation structure.
(2) Variable remuneration	The basis for the variable compensation is the attainment of earnings targets of the business.	The basis for the variable compensation is the attainment of earnings targets of the business.
(3) Per diem allowance	The per diem allowance of the CEO as a member of the board of directors was set by the Board of Directors upon the recommendation of the Executive Compensation Committee on June 17, 2010	N/A
(4) Bonus	The basis for the bonus is the attainment of earnings targets of the business.	The basis for the bonus is the attainment of earnings targets of the business.
(5) Stock Options and other financial instruments		
(6) Others (specify)		

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Article III, Section 10 of the Corporation's By-laws provide that, as compensation, the Board of Directors shall receive no more than two percent (2%) of the profits obtained during the year after deducting therefrom general expenses, remuneration to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other	Fixed Remuneration based on industry standards, and variable remuneration based on the financial performance of the Corporation.	As to the variable remuneration, the net income of the Corporation is the basis for the variable remuneration.

	<p>properties. Such compensation shall be apportioned among the directors in such manner as the Board, duly assembled as a board, may deem proper.</p> <p>As a matter of policy, the Corporation has been giving variable remuneration much lower than 2%, which is the upper limit.</p>		
Non-Executive Directors	<p>Article III, Section 10 of the Corporation's By-laws provide that, as compensation, the Board of Directors shall receive no more than two percent (2%) of the profits obtained during the year after deducting therefrom general expenses, remuneration to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other properties. Such compensation shall be apportioned among the directors in such manner as the Board, duly assembled as a board, may deem proper.</p> <p>As a matter of policy, the Corporation has been giving variable remuneration much lower than 2%, which is the upper limit.</p>		As to the variable remuneration, the net income of the Corporation is the basis for the variable remuneration.

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years. *(As amended on 15 April and 10 June 2014)*

Remuneration Scheme	Date of Stockholders' Approval
Ratification of Acts	June 7, 2011
Ratification of Acts	June 14, 2012
<u>Ratification of Acts</u>	<u>June 11, 2013</u>
<u>Ratification of Acts</u>	<u>June 10, 2014</u>

Article III, Section 10 of the Corporation's By-laws provide that, as compensation, the Board of Directors shall receive no more than two percent (2%) of the profits obtained during the year after deducting therefrom general expenses, remuneration to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other properties. Such compensation shall be apportioned among the directors in such manner as the Board, duly assembled as a board, may deem proper. The foregoing provision was approved by the stockholders on 16 July 1979.

Stockholders ratify all acts of the board of directors and management of the Corporation in the annual meetings, and such acts include the approval of directors' fees as approved by the Board of Directors upon the recommendation of the Executive Compensation Committee.

3) Aggregate Remuneration *(As amended on 15 April 2014)*

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	₱115.6 million		
(b) Variable Remuneration	₱12.9 million	₱38.7 million	₱12.9 million
(c) Per diem Allowance	<u>₱1.68 million</u>	<u>₱5.25 million</u>	<u>₱1.34 million</u>
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
Total	<u>₱130.18 million</u>	<u>₱43.95million</u>	<u>₱14.24 million</u>

Other Benefits	Executive Directors ¹⁶	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances		None	None
2) Credit granted		None	None
3) Pension Plan/s Contributions		None	None
(d) Pension Plans, Obligations incurred		None	None
(e) Life Insurance Premium		None	None
(f) Hospitalization Plan		None	None
(g) Car Plan		None	None
(h) Others (Specify)		None	None
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares: *(As amended on 10 June 2014)*

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
<u>Eduardo M. Cojuangco, Jr.</u>	<u>4,270,127</u>		<u>4,270,127</u>	0.12%
<u>Ramon S. Ang</u>	<u>3,008,803</u>		<u>3,008,803</u>	0.08%
<u>Ferdinand K. Constantino</u>	<u>463,881</u>		<u>463,881</u>	0.01%
<u>Virgilio S. Jacinto</u>	<u>372,525</u>		<u>372,525</u>	0.01%
<u>Joseph N. Pineda</u>	<u>54,237</u>		<u>54,237</u>	0.00%
<u>Aurora T. Calderon</u>	<u>0</u>		<u>0</u>	0.00%

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

None.

Incentive Program	Amendments	Date of Stockholders' Approval
N/A		

¹⁶ Other benefits are received by the Executive Directors in the capacity as employees and not as directors.

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year: *(As amended on 15 April 2014)*

Name of Officer/Position	Total Remuneration
Virgilio S. Jacinto, SVP General Counsel and Corporate Secretary	<u>₱99,401,862.16</u>
Joseph N. Pineda, SVP Deputy Chief Finance Officer	
Aurora T. Calderon, SVP Senior Executive Assistant to the Office of the President	
Lorenzo G. Formoso III, VP Head of New Businesses	
Ma. Cristina N. Menorca, Head of Corporate Human Resources	

E. BOARD COMMITTEES *(As amended on 5 January 2015)*

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
Executive	2	3	1	None	The Executive Committee, when the Board is not in session, shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation except those powers granted under Sections 8 (l), (m) and (n) of the By-laws or as specifically limited by law or by the Board.	The Executive Committee, when the Board is not in session, shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation except those powers granted under Sections 8 (l), (m) and (n) of the By-laws or as specifically limited by law or by the Board.	The Executive Committee, when the Board is not in session, shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation except those powers granted under Sections 8 (l), (m) and (n) of the By-laws or as specifically limited by law or by the Board.
Audit	1	2	2	Yes	To assist the Board in fulfilling its oversight	1.1 <u>Financial Statements and Disclosure Matters</u>	Oversight responsibility on the

					<p>responsibility of the Corporation's corporate governance processes relating to the:</p> <ul style="list-style-type: none"> • Quality and integrity of the Corporation's financial statements and financial reporting process; • Effectiveness of the Corporation's internal control systems; • Independence and performance of its internal and external auditors; • Compliance by the Corporation with accounting standards, legal and regulatory requirements, including the Corporation's disclosure policies and procedures; • Evaluation of management's process to assess and manage the Corporation's enterprise risk issues; and • Fulfillment of the other responsibilities set out in the Audit Committee Charter. 	<p>1.1.1 Review all interim and annual financial statements against their compliance with pertinent Philippine and internationally accepted accounting standards, internal financial management, as well as tax, legal and other regulatory requirements before submission to the Board, with particular focus on the following:</p> <ul style="list-style-type: none"> (i) changes in accounting policies and practices; (ii) major judgmental areas; (iii) significant adjustments resulting from the audit; (iv) going concern assumptions; (v) disclosures of material information, subsequent events and related party transactions. <p>1.1.2 Review with management and the external auditors the results of the audit, including any difficulties encountered, any material errors and/or fraud identified, unusual or complex transactions and other issues warranting the attention of the Committee, and resolve any disagreements between management and the external auditors regarding financial reporting.</p> <p>1.1.3 Review with management, internal auditors and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.</p> <p>1.2 <u>Internal Controls and Risk Management</u></p> <p>1.2.1 Obtain, review and consider reports, communications and analysis submitted to the Committee by management, and the internal and external</p>	Corporation's corporate governance processes
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						<p>auditors the Corporation, on financial and internal controls and systems of the Corporation, and those required by the applicable auditing or accounting standards, including such reports, communications and analysis on:</p> <ul style="list-style-type: none"> (i) significant or critical financial reporting and internal control issues and practices, including weaknesses and deficiencies noted in these systems, processes and practices; (ii) external auditor's responsibility under applicable auditing or accounting standards; (iii) detection of fraud and illegal acts affecting integrity of internal controls and financial reporting systems and process, and which cause a material misstatement in the financial statements; (iv) significant accounting policies and practices, and changes in such policies and practices; (v) management's judgments and accounting estimates; (vi) adjustments arising from audit; (vii) any material communications between management and the external auditor, including management letters; (viii) any significant disagreements with management; (ix) difficulties in the audit or restrictions in the audit scope, and access to information; or (x) any material queries raised by the auditors to management in respect of the accounting records, financial accounts or systems of control and management's response thereto. <p>1.2.2 Conduct investigations, and consider and make</p>	
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						<p>recommendations relating to any communication or report referred to it under the Whistleblowing Policy procedures of the Corporation, or relating to any findings of major investigations on internal control or financial reporting matters as delegated by the Board or on the Committee's own initiative, and management's response thereto.</p> <p>1.2.3 Consider and make recommendations relating to any communication or report by regulatory agencies relating to the financial statements of the Corporation, and ensure that management undertakes corrective actions, where necessary, in a timely manner.</p> <p>1.2.4 Ensure the development of a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation, including a framework for fraud prevention and detection, through a step-by-step procedures and policies handbook that will be used by the entire organization.</p> <p>1.2.5 Monitor and evaluate the effectiveness of the Corporation's internal control system, including information technology security, and risk management processes and policies.</p> <p>1.2.6 Supervise management in its formulation of accounting policies, rules and procedures on financial reporting including the extent of management's responsibility in the preparation of financial statements of the Corporation and the delineation of the</p>	
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						<p>responsibilities pertaining to the external auditors.</p> <p>1.2.7 Understand the scope of the internal and external auditor's review of internal controls over financial reporting, ensuring the independence of one from the other, freedom from interference from outside parties, unrestricted access to such records, personnel and properties of the Corporation necessary to enable them to perform their respective functions.</p> <p>1.2.8 Ensure that the Corporation has established risk management policies and procedures, and discuss with management and the internal auditor such policies and procedures adopted, particularly those relating to risk identification, assessment and management.</p> <p>1.2.9 Regularly evaluate the adequacy and effectiveness of management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation, including receipt of regular reports from management on risk exposures and risk management activities.</p> <p>1.3 <u>Internal Audit Function</u></p> <p>1.3.1 Review with management and the head of Corporation's Internal Audit Group the qualifications of an internal auditor and the charter, activities, and organizational structure of the internal audit function.</p> <p>1.3.2 Confirm the appointment or replacement by management of the head of the Internal Audit Group. The head of the</p>	
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						<p>Internal Audit Group shall functionally report directly to the Committee.</p> <p>1.3.3 Review and confirm the annual audit and strategic plans prepared by Corporation's Internal Audit Group in consultation with management, and major changes to the plans, if any. Such plan shall include the audit scope, resources and budget necessary to implement it. The scope of the internal audit examination should cover the evaluation of adequacy and effectiveness of controls on governance, operations, information systems, protection of assets and compliance with contracts, laws, rules and regulations.</p> <p>1.3.4 Review significant findings and recommendations of the Internal Audit Group and management's response thereto including timetable for implementation to correct weaknesses; and any difficulties encountered by the auditors in the course of their audit (such as restrictions on the scope or access to information).</p> <p>1.3.5 Require the Internal Audit Group to submit an annual report to the Committee and management of its activities and performance relative to the audit plans, completed audit engagements and strategies approved by the Committee, which shall include significant risk exposures, control issues and such other issues as may be requested by the Committee</p> <p>1.3.6 Support the internal audit function and provide high-level</p>	
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						<p>follow-up of audit recommendations when such action is needed.</p> <p>1.3.7 Review the effectiveness of the internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing.</p> <p>1.4 <u>External Auditors</u></p> <p>1.4.1 Shall be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor.</p> <p>1.4.2 Assess and monitor the (i) external auditor's professional qualifications, competence, independence and objectivity and require the external auditor to make the statements necessary under applicable auditing standards as regards its relationship and services to the Corporation, discussing any relationship or services which may derogate its independence or objectivity; and (ii) the effectiveness of the audit process in accordance with applicable standards.</p> <p>1.4.3 Obtain objective assurance from the external auditor that the conduct of the audit and the manner of the preparation of the financial statements comply with applicable auditing standards and rules of regulatory bodies, including exchanges on which the Corporation's securities are listed.</p>	
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						<p>1.4.4 Review and approve the nature and scope of the audit plans of the external auditor, including scope, audit resources and expenses, and reporting obligations before the audit commences.</p> <p>1.4.5 Review the reports or communications of the external auditors and ensure that management or the Board will provide a timely response to the issues raised in such reports or communications.</p> <p>1.4.6 Ensure the development and implementation of policies on the engagement of an external auditor to supply non-audit work, including the fees payable therefor, and evaluate any non-audit work undertaken by the external auditor to ensure that the same does not conflict with its audit functions.</p> <p>1.4.7 Ensure that the external auditor or the signing partner of the auditing firm engaged by the Corporation is changed every five (5) years or earlier.</p> <p>1.5 <u>Compliance with Legal and Regulatory Requirements</u></p> <p>1.5.1 Ascertain whether the Corporation has an effective process for determining risks and exposure from litigation and claims from non-compliance with laws and regulations.</p> <p>1.5.2 Review the results of management's investigation and follow up on any instance of non-compliance (including disciplinary action).</p> <p>1.5.3 Review findings resulting from examination by regulatory agencies as well as</p>	
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						internal and external audits, if any.	
Nomination	2	3	1	Yes	<p>Pursuant to the Corporation's By-laws and the Manual, the Board of Directors of the Corporation constituted the Committee to aid the Board in the screening and shortlisting of all candidates nominated to become a member of the Board in accordance with the qualifications and disqualifications as provided in the Manual. The Committee is accountable to the Board for its performance.</p>	<p>(a) Screen and shortlist all candidates nominated to become a member of the Board in accordance with the qualifications and disqualifications as provided in the By-laws of the Corporation, the Manual, applicable laws, rules and regulations;</p> <p>(b) Identify and recommend qualified individuals for nomination and election as additional directors or to fill Board vacancies as and when they arise. The election of such additional or replacement directors shall be done in accordance with applicable laws and regulations;</p> <p>(c) Ensure that the Corporation shall have the required number of Independent Directors with the qualifications and none of the disqualifications as provided in applicable laws, regulations and listing rules;</p> <p>(d) Make recommendations to the Board from time to time, as to changes which the Committee believes desirable to the size of the Board, including the establishment of guidelines in the number of directorships which a member of the Board may hold in accordance with the policy on holding multiple board seats under the Manual.</p>	Recommend nominees to the Board, recommend permanent, or temporary disqualification, recommend removal for cause.
Executive Compensation	<u>2</u>	<u>3</u>	2	Yes	<p>Pursuant to the Corporation's By-laws and Manual, the Board of Directors of the Corporation constituted the Committee to aid the Board in ensuring adherence by the Corporation to the best practices of good corporate governance. Specifically, the</p>	<p>The duties and responsibilities of the Committee are to:</p> <p>1.1 <u>In respect of the remuneration of corporate officers and Directors:</u></p> <p>1.1.1 Take recommendations to the Board on the Corporation's policy and structure for remuneration of Directors and senior management,</p>	Overall responsibility for the evaluation and review of the Corporation's compensation plans, policies, and programs for executive officers, the adoption of policies that

					<p>Committee has the overall responsibility for the evaluation and review of the Corporation's compensation plans, policies, and programs for executive officers, the adoption of policies that govern the Corporation's compensation and benefit programs, the oversight of plans for executive officers' development and succession, and the fulfillment of its responsibilities as set forth in this Charter. The Committee is accountable to the Board for its performance.</p>	<p>and on the establishment of a formal and transparent procedure for developing policy on such remuneration;</p> <p>1.1.2 Provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment;</p> <p>1.1.3 Ensure that the Corporation (i) has coherent remuneration policies and practices which are observed and which enable it to attract and retain executives and Directors who will create value for shareholders and support the Corporation; and (ii) fairly and responsibly rewards executives, taking into consideration the performance of the Corporation, the performance of such executives and the general pay environment;</p> <p>1.1.4 Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation that may be paid, directly or indirectly, to its Directors and senior executive officers for the previous fiscal year and the ensuing year; and</p> <p>1.1.5 Ensure that no Director is involved in deciding his own remuneration.</p> <p><u>1.2 In respect of the business interest disclosures and conflict of interest:</u></p> <p>1.2.1 Ensure that the Full Business Interest Disclosure is part of the pre-employment requirements for all</p>	<p>govern the Corporation's compensation and benefit programs, the oversight of plans for executive officers' development and succession, and the fulfillment of its responsibilities as set forth in this Charter. The Committee is accountable to the Board for its performance.</p>
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						<p>incoming officers, which among others, compel all officers to declare all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;</p> <p>1.2.2 Review the Corporation's policy on conflict of interest; and</p> <p>1.2.3 Review the existing, or cause the development of a Human Resources Development or Personnel Handbook to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.</p> <p><u>1.3In respect of career advancement:</u></p> <p>1.3.1 Review and recommend to the Board all promotions and appointments of officers of the Corporation; and</p> <p>1.3.2 Review Corporation policies on promotion and career advancement directives and compliance of personnel concerned.</p> <p>1.4 The Committee shall perform other duties and activities that the Committee or the Board considers appropriate in the context of this Charter.</p>	
Others (specify)	N/A						

2) Committee Members

(a) Executive Committee *(As amended on 5 January 2015)*

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Eduardo M. Cojuangco	05/05/1999	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>15 years</u>
Member (ED)	Ramon S. Ang	05/05/1999	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>15 years</u>
Member (ED)	Ferdinand K. Constantino	06/14/2012	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>2 years</u>
Member (NED)	Estelito P. Mendoza	04/22/1998	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>16 years</u>
Member (NED)	Iñigo Zobel	<u>06/10/2014</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>6 months</u>
Member (NED)	Menardo R. Jimenez	05/17/2005	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>9 years</u>
Member (ID)	None					

(b) Audit Committee *(As amended on 5 January 2015)*

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Margarito B. Teves	06/14/2012	<u>5</u>	<u>5</u>	<u>100%</u>	<u>2 years</u>
Member (ED)	Ferdinand K. Constantino	05/31/2010	<u>5</u>	<u>5</u>	<u>100%</u>	<u>4 years</u>
Member (NED)	Estelito P. Mendoza	05/05/1999	<u>5</u>	<u>2</u>	<u>20%</u>	<u>15 years</u>
Member (NED)	Leo S. Alvez	06/07/2011	<u>5</u>	<u>5</u>	<u>100%</u>	<u>4 years</u>
Member (ID)	Winston F. Garcia	06/27/2002	<u>5</u>	<u>5</u>	<u>100%</u>	<u>12 years</u>

Disclose the profile or qualifications of the Audit Committee members.

Margarito B. Teves was elected as an Independent Director of the Corporation on June 14, 2012 and is the Chairman of the Audit Committee. He is also an Independent Director of Alphaland Corporation and Atok-Big Wedge Corporation. He is also the Managing Director of The Wallace Business Forum and Chairman of Think Tank Inc. He was Secretary of the Department of Finance of the Philippine government from 2005 to 2010, and was previously President and Chief Executive Officer of the Land Bank of the Philippines from 2000 to 2005, among others. He holds a Master of Arts in Development Economics from the Center for Development Economics, Williams College, Massachusetts and is a graduate of the City of London College, with a degree of Higher National Diploma in Business Studies which is equivalent to a Bachelor of Science in Business Economics.

Ferdinand K. Constantino has been a Director of the Corporation since May 31, 2010. He is a member of the Executive Committee, Audit Committee, Executive Compensation Committee and Nomination and Hearing Committee. He is Senior Vice President, Chief Finance Officer and Treasurer of the Corporation. He also holds, among others, the following positions: President of Anchor Insurance Brokerage Corporation; and a Director of San Miguel Brewery Inc., San Miguel Yamamura Packaging Corporation, SMC Global Power Holdings Corp., Top Frontier Investment Holdings Inc., ~~Petron Corporation (until March 18, 2013)~~ Ginebra San Miguel Inc. and San Miguel Foods Inc. He is also the Chairman of San Miguel Foundation, Inc. He is also formerly a Director of PAL Holdings, Inc., and Philippine Airlines, Inc. Mr. Constantino previously served San Miguel Corporation as Chief Finance Officer of the San Miguel Beer Division (1999-2005) and as Chief Finance Officer and Treasurer of San Miguel Brewery Inc. (2007-2009); Director of San Miguel Pure Foods Company, Inc. (2008-2009); Director of San Miguel Properties, Inc. (2001-2009); and Chief Finance Officer of Manila Electric Company (2009). He has held directorships in various domestic and international subsidiaries of SMC during the last five years. He holds a degree in AB Economics from the University of the Philippines and completed academic requirements for an MA Economics degree. *(As amended on 15 April 2014 and 27 October 2014)*

Estelito P. Mendoza has been a Director of the Corporation since April 21, 1998. He is a Member of the Executive Committee, Audit Committee, and the Chairman of the Nomination and Hearing Committee of the

Corporation. He is also a Director of Petron Corporation, ~~Manila Electric Company~~, Philippine National Bank and Philippine Airlines, Inc., and Chairman of Prestige Travel, Inc. He is formerly a director of Manila Electric Company. Atty. Mendoza, a former Solicitor General, Minister of Justice, Member of the Batasang Pambansa and Governor of the Province of Pampanga, heads the E.P. Mendoza Law Office. He is also a former Chairman of Dutch Boy Philippines, Inc. and Alcorn Petroleum and Minerals Corporation, and Director of East-West Bank. He graduated from the University of the Philippines College of Law cum laude. He also holds a Master of Laws degree from Harvard Law School. (As amended on 15 April 2014)

Leo S. Alvez has been a Director of the Corporation since February 27, 2002 and a Member of the Audit Committee of the Corporation. He is also a Director of Ginebra San Miguel Inc. Ret. Major General Alvez is a former Security Consultant to the Prosecution Panel of the Senate Impeachment Trial of President Joseph Estrada (2000-2001), Vice Commander of the Philippine Army (1998), and Division Commander of the 7th Infantry Division (1996-1998). He is a graduate of the Philippine Military Academy and has a Masters in Business Administration degree from the University of the Philippines.

Winston F. Garcia has been a Director of the Corporation since February 1, 2001, and a Member of the Audit Committee and Executive Compensation Committee of the Corporation. He has been an independent director of the Corporation since May 9, 2006. Atty. Garcia was President and General Manager of the Government Service Insurance System and was Vice Chairman of its Board of Trustees. He also held the following positions: Chairman of the National Reinsurance Corporation of the Philippines, GSIS Mutual Fund, Inc., Asean Forum, Incorporated and Philippine Social Security Association; Director of Philippine National Construction Corporation, and Philippine Health Insurance Corporation; Board Member of Asean Social Security Association; and a Member of the International Insurance Society, Inc., International Social Security Association, and Federation of Afro Insurers and Reinsurers. Atty. Garcia has been a practicing lawyer since 1983. He is a graduate of the San Beda College of Law, and has a Bachelor of Arts in Philosophy from the University of Santo Tomas and Associate in Arts degree in Southwestern University.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee performs oversight functions with respect to the Internal and External Auditors of the Corporation, ensuring the independence of one from the other, freedom from interference from outside parties, and their unrestricted access to such records, properties and personnel of the Corporation necessary to enable them to perform their respective audit functions; and review the reports submitted by them. The Audit Committee evaluates and determines any non-audit work performed by External Auditors, including the fees therefor, and ensure that such work will not conflict with External Auditors' duties as such or threaten its independence. An External Auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Corporation, undertake an independent audit of the Corporation and provide objective assurance on the manner by which the financial statements shall be prepared and presented to the shareholders. The External Auditor, which shall be duly accredited by the SEC, shall be selected and appointed by the shareholders upon recommendation of the Board, after consultations with the Audit Committee.

(c) Nomination and Hearing Committee (As amended on 5 January 2015)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Estelito P. Mendoza	05/05/2003	<u>1</u>	<u>1</u>	<u>100%</u>	<u>11 years</u>
Member (ED)	Ramon S. Ang	05/05/2003	<u>1</u>	<u>1</u>	<u>100%</u>	<u>11 years</u>
Member (ED)	Ferdinand K. Constantino	06/14/2012	<u>1</u>	<u>1</u>	<u>100%</u>	<u>2 years</u>
Member (NED)	Alexander J. Poblador	05/31/2010	<u>1</u>	<u>1</u>	<u>100%</u>	<u>4 years</u>
Member (NED)	<u>Leo S. Alvez</u>	06/10/2014	<u>1</u>	<u>0</u>	<u>0%</u> ¹⁷	<u>6 months</u>
Member (ID)	Reynato S. Puno	06/07/2011	<u>1</u>	<u>1</u>	<u>100%</u>	<u>3 years</u>
Member (Ex-O)	Maria Cristina N. Menorca	06/14/2012	<u>1</u>	<u>1</u>	<u>100%</u>	<u>2 years</u>

¹⁷ Not yet a member of the Committee when the meeting was held.

(d) Executive Compensation Committee (*As amended on 5 January 2015*)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Menardo R. Jimenez	04/20/2004	<u>2</u>	<u>2</u>	100%	<u>10 years</u>
Member (ED)	Ferdinand K. Constantino	05/31/2010	<u>2</u>	<u>2</u>	100%	<u>4 years</u>
Member (ED)	Aurora T. Calderon	06/10/2014	<u>2</u>	<u>1</u>	<u>50%</u> ¹⁸	<u>6 months</u>
Member (NED)	Joselito D. Campos, Jr.	05/31/2010	<u>2</u>	<u>2</u>	100%	<u>4 years</u>
Member (ID)	Winston F. Garcia	05/31/2010	<u>2</u>	<u>2</u>	100%	<u>4 years</u>
Member (ID)	Reynato S. Puno	06/14/2012	<u>2</u>	<u>2</u>	100%	<u>2 years</u>

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

N/A

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes: (*As updated on 10 June 2014*)

Name of Committee	Name	Reason
Executive	<u>Roberto V. Ongpin</u>	<u>Director Ongpin was not reelected in the Annual Stockholders' Meeting on June 10, 2014 and was replaced by Director Iñigo Zobel</u>
Audit	<u>Carmelo L. Santiago</u>	<u>Independent Director Santiago was replaced by new Independent Director Margarito B. Teves as Chairman of the Audit Committee</u>
Nomination and Hearing	Roberto V. Onpin <u>David S. Santos</u>	Director Onpin was replaced by Director Leo S. Alvez <u>Ms. Ma. Cristina N. Menorca replaced Mr. David S. Santos as Head of Corporate Human Resources</u>
Executive Compensation	Eric O. Recto	<u>Director Recto was not reelected in the Annual Stockholders' Meeting on June 10, 2014 and replaced by Director Aurora T. Calderon</u>
Others (specify)		

¹⁸ Not yet a member of the Committee when one of the two meetings were held.

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	Approval of investment in Philippine Airlines and Air Philippines	Viability of the investment
Audit	Audited financial statements Quarterly reports Budget Audit Plan Internal Audit Reports Submission of reportorial requirements such as 17-A and 17-Q	Financial results of the Corporation Financial results of the Corporation Adjustments and changes to the budget Key points and focus of audit plan Findings of the internal audit Recommendation of management
Nomination and Hearing	Evaluation of nominees as members of the Board of Directors	Qualifications and disqualifications
Executive compensation	Evaluation of promotion of officers Directors Fees Executive compensation	Qualifications of proposed promotions Attainment of performance indicators and corresponding amount of fees
Others (specify)		

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	None	
Audit	Assessment of the Corporation's Compliance with the ASEAN Corporate Governance Scorecard Audit Committee Self-Rating Form	Areas for improvement Results of assessment
Nomination	Screening and evaluation of nominees as directors Assessment of Directors	Qualifications and disqualifications of directors Results of assessment
Executive Compensation Committee	Screening and evaluation of employees for promotion	Qualifications
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments, namely, Interest Rate Risk, Foreign Currency Risk, Commodity Price Risk, Liquidity Risk, and Credit Risk.

The Group's principal non-trade related financial instruments include cash and cash equivalents, option deposit, AFS financial assets, financial assets at FVPL, short-term and long-term loans, and derivative instruments. These financial instruments, except financial assets at FVPL and derivative instruments, are used mainly for working capital management purposes. The Group's trade-related financial assets and financial liabilities such as trade and other receivables, noncurrent receivables and deposits, accounts payable and accrued expenses, finance lease liabilities and other noncurrent liabilities arise directly from and are used to facilitate its daily operations. The Group's outstanding derivative instruments such as commodity and currency options, forwards and swaps are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to foreign currency, interest rate and commodity price risks arising from the Group's operating and financing activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

As stated in the Report of the Audit Committee for the year ended December 31, 2012, the Audit Committee reviewed and found adequate the effectiveness and sufficiency of the internal control system, specifically, reviewed and discussed the findings and assessment of the Corporation's internal controls, risk management systems, control and governance process, and financial reporting systems.

(c) Period covered by the review;

The period covered is from January 1, 2013 to December 31, 2013. (As amended on 15 April 2014)

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

Risk management system is reviewed annually. The directors' criteria for assessing its effectiveness of the risk management system are whether such risk management policies reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(e) Where no review was conducted during the year, an explanation why not.

N/A

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

The Corporation has the same risk management policy with the Group.

Risk Exposure	Risk Management Policy	Objective
Interest Rate Risk	See below.	
Foreign Currency Risk		
Commodity Price Risk		
Liquidity Risk		
Credit Risk		

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Interest Rate Risk	<p>The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks. On the other hand, the Group's investment policy is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the Group's operations and working capital management.</p> <p>However, the Group invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk. In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.</p>	<p>Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the Group's long-term borrowings and investment securities. Investments acquired or borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, investment securities acquired or borrowings issued at variable rates expose the Group to cash flow interest rate risk.</p>
Foreign Currency Risk	<p>Short-term currency forward contracts (deliverable and non-deliverable) and options are entered into to manage foreign currency risks arising from importations, revenue and expense transactions, and other foreign currency-denominated obligations. Currency swaps are entered into to manage foreign currency risks relating to long-</p>	<p>The Group's functional currency is the Philippine peso, which is the denomination of the bulk of the Group's revenues. The Group's exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The Group's risk management</p>

	<p>term foreign currency-denominated borrowings.</p> <p>The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios. Foreign exchange movements affect reported equity in the following ways:</p> <ul style="list-style-type: none"> • retained earnings arising from increases or decreases in unrealized and realized foreign exchange gains or losses; • translation reserves arising from increases or decreases in foreign exchange gains or losses recognized directly as part of other comprehensive income; and • hedging reserves arising from increases or decreases in foreign exchange gains or losses of the hedged item and the hedging instrument. 	<p>objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using a combination of non-derivative and derivative instruments such as foreign currency forwards, options or swaps to manage its foreign currency risk exposure.</p>
Commodity Price Risk	<p>The Parent Company enters into commodity derivative transactions on behalf of its subsidiaries and affiliates to reduce cost by optimizing purchasing synergies within the Group and managing inventory levels of common materials.</p>	<p>Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in commodity prices. The Group enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins. For hedging transactions, if prices go down, hedge positions may show marked-to-market losses; however, any loss in the marked-to-market position is offset by the resulting lower physical raw material cost.</p>

Liquidity Risk	The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary. The Group also uses derivative instruments such as forwards and swaps to manage liquidity.	<p>Liquidity risk pertains to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.</p> <p>The Group's objectives to manage its liquidity risk are as follows: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; c) to be able to access funding when needed at the least possible cost; and d) to maintain an adequate time spread of refinancing maturities.</p>
Credit Risk	The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
Article 7 of the Amended Articles of Incorporation of the Corporation as of September 21, 2012 denies pre-emptive rights to any issuance of common shares and preferred shares.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<p>Interest Rate Risk Foreign Currency Risk Commodity Price Risk Liquidity Risk Credit Risk</p>	<p>The Corporation's risk management system has been established to have a sustainable risk management system that effectively manages the key issues (potential and existing) of the Corporation. The system also embeds risk management into the awareness and day-to-day activities of the Company's officers and employees, integrates the risk management process into the strategic planning process and provides a structured framework for enhancing corporate governance.</p> <p>In particular, the Corporation ensures that its risk management system is aligned with the Corporation's strategic goals and objectives. This is done by establishing risk management goals and objectives that are geared towards the attainment of the strategic goals and objectives of the Corporation.</p> <p>The risk management framework involves processes such as –</p> <ul style="list-style-type: none"> a. Assessment of business risks. The Corporation's risks are evaluated and measured based on likelihood of impact and opportunity for risk management improvement. Risks are reviewed on a regular basis based on the framework. b. Development of risk management strategies and action plans. c. Monitoring and reporting. Monitoring of risks is conducted on a quarterly and annual basis by the Audit Committee. 	<p>The Corporation has a risk management oversight structure composed of management committees and key personnel in order to have an integrated and independent view of the risks across different categories (e.g., strategic, operations, compliance and financial). This also allows the Corporation to address gaps in risk coverage, risk management functional inefficiencies and overlaps as well as confusion among concerned personnel.</p> <p>The risk management process is also continuously improved by assessing its effectiveness through regular feedback and assessment of stakeholders and implementation of appropriate improvements.</p> <p>The Audit Committee takes up matters relating to risk management and exercises oversight functions over internal audit to monitor implementation of the risk management programs of the Corporation.</p>

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<p>Interest Rate Risk Foreign Currency Risk Commodity Price Risk Liquidity Risk Credit Risk</p>	<p>The Corporation's risk management system has been established to have a sustainable risk management system that effectively manages the key issues (potential and existing) of the Corporation. The system also embeds risk management into the awareness and day-to-day activities of the Company's officers and employees, integrates the risk management process into the strategic planning process and provides a structured framework for enhancing corporate governance.</p> <p>In particular, the Corporation ensures that its risk management system is aligned with the Corporation's strategic goals and objectives. This is done by establishing risk management goals and objectives that are geared towards the attainment of the strategic goals and objectives of the Corporation.</p> <p>The risk management framework involves processes such as –</p> <ul style="list-style-type: none"> a. Assessment of business risks. The Corporation's risks are evaluated and measured based on likelihood of impact and opportunity for risk management improvement. Risks are reviewed on a regular basis based on the framework. b. Development of risk management strategies and action plans. c. Monitoring and reporting. Monitoring of risks is conducted on a quarterly and annual basis by the Audit Committee. 	<p>The Corporation has an risk management oversight structure composed of management committees and key personnel in order to have an integrated and independent view of the risks across different categories (e.g., strategic, operations, compliance and financial). This also allows the Corporation to address gaps in risk coverage, risk management functional inefficiencies and overlaps as well as confusion among concerned personnel.</p> <p>The risk management process is also continuously improved by assessing its effectiveness through regular feedback and assessment of stakeholders and implementation of appropriate improvements.</p> <p>The Audit Committee takes up matters relating to risk management and exercises oversight functions over internal audit to monitor implementation of the risk management programs of the Corporation.</p>

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.	The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.
Risk Management Committee	Reports to the Board of Directors.	Responsible for developing and monitoring the risk management policies of the Corporation.
Risk Insurance Management Group	Implementation of the Corporation's policies on risks.	Contracts have to be cleared with RIMG if they deviate from the prescribed policies on risk and insurance.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

The overall internal control system of San Miguel Corporation is defined in its "Corporate Policy on Internal Control" to wit:

San Miguel Corporation is committed to establish and maintain a system of Internal Control for the efficient and effective management of its business operations, and improve the effectiveness of risk management, control and governance processes.

Definition and Objectives of Internal Control

Internal control comprises any action taken by management, the board and other parties to enhance risk management, and increase likelihood that established objectives and goals will be achieved. The primary objectives of internal control are to ensure:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operation;
- Safeguarding of assets;
- Compliance with policies, plans, procedures, laws, regulations and contracts, and
- Accomplishment of established objectives and goals for operations or programs.

Responsibility of Managers

Every Manager is responsible for ensuring compliance with all financial and operational controls in his area of operations and must implement internal control as part of the total system to achieve Corporation goals. Managers should conduct a regular evaluation of existing policies, systems and procedures to ensure that these remain relevant and effective to the current operating environment. Further, Managers should give prompt and cooperative consideration to recommended improvement measures made by independent internal or external audit groups.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

As stated in the Report of the Audit Committee for the year ended December 31, 2012, the Audit Committee reviewed and found adequate the effectiveness and sufficiency of the internal control system, specifically, reviewed and discussed the findings and assessment of the Corporation's internal controls, risk management systems, control and governance process, and financial reporting systems.

(c) Period covered by the review;

The period covered is from January 1, 2013 to December 31, 2013. (As amended on 15 April 2014)

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

Internal controls are reviewed annually and the directors' criteria for assessing the effectiveness of the internal control system is whether the internal control fulfilled its function to ensure the reliability and integrity of financial and operational information, the effectiveness and efficiency of operation, the safeguarding of assets, the compliance with policies, plans, procedures, laws, regulations and contracts, and the accomplishment of established objectives and goals for operations or programs.

(e) Where no review was conducted during the year, an explanation why not.

N/A

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
San Miguel Group Audit (SMGA) provides independent, objective assurance and consulting services designed to add value and improve the operations of San Miguel Corporation and its Subsidiaries, and help the SMC Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.	<p>The scope of work of SMGA is to assist the Board and Management in determining whether the risk management, control, and governance processes within the SMC Group, as designed and represented by Management, are adequate and effective in a manner to ensure that:</p> <ul style="list-style-type: none"> • Significant exposures to risks are appropriately identified and adequately managed. • Significant financial, managerial, and operating information is accurate, reliable, and timely. • Employees' and Corporation's actions are in compliance with policies, standards, procedures, and applicable laws and regulations. • Resources are 	In-house with Outsourcing	Audit Head: Ramon R. Bantigue Auditing Firm: Reyes Tacandong & Co.	Functionally to the SMC Board Audit Committee; administratively to the SMC President and Chief Operating Officer

	<p>acquired economically, used efficiently, and adequately protected.</p> <ul style="list-style-type: none"> • Objectives and goals for operations or programs are achieved. • Effectiveness, efficiency and continuous improvement are promoted in the Corporation's operating systems and processes. 			
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- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes.

- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

In pursuit of the duties and responsibilities of the SMC Board Audit Committee as provided in its Audit Committee charter in respect of the internal auditor, the Audit Committee has performed the following activities for the year 2012 to ensure the independence of the internal auditor thru direct and unfettered access to the Board, as well as to Company records, properties and personnel in the conduct of internal audit function:

- Establish and identify the reporting line of the head of internal auditor in order that the internal audit function may fulfill its responsibilities free from the interference of outside parties. The head of the internal audit function shall functionally report directly to the Audit Committee;
- Review and approve the internal audit work plans, including scope and audit resources/expenses; and ensure that: (i) the scope of its examination includes evaluation of adequacy and effectiveness of controls on governance, operations, information systems, protection of assets and compliance with contracts and applicable, laws, rules and regulations, and (ii) the internal auditor has the sufficient resources to carry out its functions;
- Review the reports and communications of independent auditors, which shall include key findings and recommendations, internal control ratings and status of the audit plan including planned and completed audit engagements;
- Require the internal audit to submit a regular report to the Audit Committee and Management of its activities and performance relative to the audit plans and strategies approved by the Audit Committee, which shall include significant risk exposures, control issues and such other issues as may be requested by the Audit Committee.

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
N/A	

(e) Progress against Plans, Issues, Findings and Examination Trends *(As amended on 15 April 2014)*

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	Completed the 2013 Annual Audit Plan
Issues¹⁹	N/A
Findings²⁰	As contained in the 2013 Quarterly Internal Audit Report to the Board Audit Committee
Examination Trends	Generally adequate and effective internal control

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
Policies and Guidelines on Revenue Cycle	Generally in order
Policies and Guidelines on Procurement Cycle	Generally in order
Policies and Guidelines on Supply Chain – Logistics Cycle	Generally in order
Policies and Guidelines on Finance – Treasury Cycle	Generally in order

¹⁹ "Issues" are compliance matters that arise from adopting different interpretations.

²⁰ "Findings" are those with concrete basis under the company's policies and rules.

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<p>The duties and responsibilities of the SMC Audit Committee as set forth in its Audit Committee Charter are:</p> <p>In respect of the external auditor:</p> <ul style="list-style-type: none"> ○ To be primarily responsible for making recommendation to the board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor. ○ Assess and monitor the: (a) external auditor's independence and objectivity and require the external auditor to make the statements required by applicable auditing standards as its relationships and services with the Corporation in this regard, discussing any relationship or services which may derogate its independence or objectivity; and (b) 	<p>By the nature of their functions, the Corporation engages independent Financial Analysts.</p> <p>The Corporation is not engaged in the financial services business other than its investment in bank of Commerce through San Miguel Properties, Inc.</p>	<p>By the nature of their functions, the Corporation engages independent Investment Banks.</p> <p>The Corporation is not engaged in the financial services business other than its investment in bank of Commerce through San Miguel Properties, Inc.</p>	<p>By the nature of their functions, the Corporation engages independent ratings agencies.</p> <p>The Corporation is not engaged in the ratings agency business.</p>

<p>the effectiveness of the audit process in accordance with applicable standards;</p> <ul style="list-style-type: none"> ○ Obtain objective assurance from the external auditor that the conduct of the audit and the manner of the preparation of the financial statements comply with applicable auditing standards and rules of regulatory bodies, including exchanges on which the Corporation's securities are listed; ○ Review and approve the nature and scope of the audit plans of the external auditor, including scope, audit resources and expenses, and reporting obligations before the audit commences; ○ Review the reports or communications of the external auditors and ensure that management or the board will provide a timely response to the issues raised in such reports or communications; ○ Develop and implement policies on the engagement of an external auditor to supply non-audit 			
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<p>work, and evaluate any non-audit work undertaken by the external auditor to ensure that the same does not conflict with its audit functions;</p> <ul style="list-style-type: none"> ○ Ensure that the external auditor or the signing partner of the auditing firm engaged by the Corporation is changed every five (5) years or earlier. <p>In respect of the internal auditor:</p> <ul style="list-style-type: none"> ○ Establish and identify the reporting line of the head of internal auditor in order that the internal audit function may fulfill its responsibilities free from the interference of outside parties. The head of the internal audit function shall functionally report directly to the Audit Committee; ○ Review and approve the internal audit work plans, including scope and audit resources/expense; and ensure that: (a) the scope of its examination includes evaluation of adequacy and effectiveness of controls on governance, operations, information systems, protections of 			
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<p>assets and compliance with contracts and applicable, laws, rules and regulations, and (b) the internal auditor has the sufficient resources to carry out its functions;</p> <ul style="list-style-type: none"> ○ Review the reports and communications of independent auditors, which shall include key findings and recommendations, internal control ratings and status of the audit plan including planned and completed audit engagements; ○ Require the internal audit to submit a regular report to the Audit Committee and Management of its activities and performance relative to the audit plans and strategies approved by the Audit Committee, which shall include significant risk exposures, control issues and such other issues as may be requested by the Audit Committee. 			
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(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The Compliance Officer and the President and Chief Operating Officer of the Corporation submit a certification with the Commission that the Corporation has fully complied with the Corporation's Manual on Corporate Governance.

H. ROLE OF STAKEHOLDERS

- 1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	The Corporation has a corporate quality policy. The Corporation is committed to sustain business excellence and consistently improve shareholder value by providing products and services that delight and secure the loyalty of customers, and a working environment that reflects quality as a way of life.	The Corporation has established a dedicated customer care hotline to ensure feedback from its customers and to immediately address any concern that they have on the quality of the products.
Supplier/contractor selection practice	The Corporation has an established procurement cycle policy which ensures that purchasing synergies are optimized, business opportunity losses are avoided and materials and services are timely delivered.	The selection of suppliers and contractors are subject to bidding with a minimum of three (3) accredited suppliers to be considered per transaction. In some instances, such as in case of strategic or recurring purchases, negotiated contracts are allowed. Adjustments in quotations after bidding must be countersigned but upward price adjustments are subject to stricter requirements.
Environmentally friendly value-chain	The Corporation is committed to the protection, preservation and enhancement of the environment. The Corporation actively contributes toward a clean and health environment for the well being of its employees, consumers and communities where it operates. The Corporation's Environmental Management System focuses on continual improvement, a key philosophy which reflects how the Corporation utilizes its resources and manufactures, packages, distributes and markets its wide range of products.	Consistent with its mission of responsible stewardship of the environment, the Corporation adopts a holistic approach by exercising leadership in providing environmentally acceptable manufacturing processes, products and packaging, actively developing and implementing processes which involve the sustainable use of resources, pollution prevention and waste management, consistently meeting environmental standards, and influencing key stakeholders through the sharing of the Corporation's environmental policy.
Community interaction	The Corporation recognizes that it has a responsibility not just to employees but also to the communities where its businesses operate. As a socially responsible corporate citizen, the Corporation believes that it must provide the employees' family and surrounding communities opportunities to develop values of self-reliance.	Please see portion on corporate social responsibility initiatives.

Anti-corruption programmes and procedures	The Corporation believes that the objective of achieving superior business results is consistent with the commitment to conduct business in a lawful and responsible manner. All employees are expected and directed to comply with all laws and applicable regulations, and to conduct business in accordance with the highest standards of business ethics. It is every employee's responsibility to know and to understand legal and policy requirement as they apply the same to their task, and to notify management when they believe a violation of law or a Company policy has been committed.	Employees are prohibited from soliciting or accepting gifts in any form in connection with their work or employment with the Corporation especially if it concedes and implied obligation to grant a favor or was for a favor already made. The penalty for first offense is discharge.
Safeguarding creditors' rights	The Corporation exercises transparency when dealing with creditors, and ensures that transactions with creditors adhere to fair business practices in order to establish long term and mutually beneficial relationships.	Contracts with creditors are strictly adhered to and obligations are complied with. Know your client requests are promptly handled and addressed.

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

The Corporation's Corporate Social responsibility Report is contained in the Annual Report distributed to stockholders and available for download at the Corporation's website.

Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

Employee Health

In acknowledgement of the varying needs inherent in every individual, the Corporation endeavours to provide an environment where the holistic wellness of employees is nurtured and protected. The Corporation supports several wellness programs and maintains facilities that take care of the employees' well being. These include the gymnasium, employee clinic and Management Training Center. The Corporation likewise encourages its individual business units to develop and implement employee wellness programs of their own provided they are consistent with Corporation policies and guidelines.

The Corporation provides comprehensive health care service directed at prevention of disease protection from health hazards and maintenance of health. Programs are also implemented to identify personal risks to health and to detect diseases in the early and most treatable stages. The Corporation is also committed to improve the quality of life of its employees through healthy living and piloting of wellness initiatives to encourage employees to maintain active and healthy lifestyles. The Corporation also provides regular information on health to assist employees in making better decisions regarding their health condition as well as that of their dependents.

Employee Protection

The Corporation also strives to protect its employees from harassment of any form. The Corporation actively implements mechanisms for dealing with such occurrences and ensures that it will act justly, swiftly and decisively in addressing such complaints. The Corporation is also committed to promote a work place that is free from drug abuse as it is detrimental to the health, safety and work performance of employees and poses risks to Corporation operations and product quality.

Safety

The Corporation seeks to have accident-free operations in all its offices and production facilities worldwide. The policy on safety is derived from principles, values, legal and regulatory requirements, and is operationalized through the implementation of standards of performance and well-documented standard operating procedures. These are further reinforced by regular installation audits and proactive education of the workforce.

(b) Show data relating to health, safety and welfare of its employees.

The following are the Corporation's health care programs to protect employees and their dependents against financial burdens that come with illness or injury:

1. Health and Welfare Program – This program is being maintained and administered by the Corporation which has its own clinic and accredited third party medical personnel. The plan provides for hospitalization and medical benefits under the plan for qualified employees. The employee may enjoy the benefits under the plan as long as he has accrued sick leave credits. The following are provided: free hospitalization, medical consultation, medicines and medical services.
2. Health and Welfare programs for dependents, provided that the dependents are registered with the Corporation. The plan covers hospitalization, dental, diagnostic procedures, and out patient services. The employee and the Corporation share on a 50-50 basis the insurance premiums. The plan will answer for the room and board, doctors' fees, surgical fees and miscellaneous expenses of eligible dependents, outpatient benefits, subject to certain limits.

(c) State the company's training and development programmes for its employees. Show the data.

The Corporation recognizes its responsibility to shape and develop the knowledge, skills and attitudes of its human resources in order to contribute to the professional development of its employees and maintain its competitive position.

The Corporation's training and education philosophy is defined in the following principles:

- Business Contribution
Training is anchored on the needs of the business and the impact on the Corporation's bottom line. Education and training help optimize the productivity and performance of the employees of the Corporation and enable them to contribute to the profitability of the Corporation.
- Alignment of Needs
The Corporation's framework creates an environment where the employees have to opportunity to chart their own progress and development so long as these are supportive of the Corporation's strategic directions.
- Holistic Development
Education and training is holistic and comprehensive in content and approach. The Corporation develops the employee not just on technical or functional expertise but on work support skills and leadership/management. In terms of approach, the Corporation utilized traditional classroom, experiential and mentoring approaches to deliver training.
- Collaborative Partnership and Involvement
Planning, design and delivery of education solutions are done in partnership with clients and with accredited service providers.

In support of the foregoing policies, the Corporation has an education benefit which provides assistance to employees who wishes to pursue further studies. The program covers free tuition and miscellaneous expenses as well as cost of major books. The Corporation also extends educational loans, interest free, to meet the educational requirements of the employees and their dependents.

The Corporation also has Management and Development Program aimed at ensuring timely availability of the required number of employees at middle manager level and up with the necessary or required education, experience, ambition and personal characteristics to fulfill the short and long term needs of the organization. The MDP involves in depth assessment and the implementation of planned development activities to meet the skill gaps of the employees.

- (d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The Corporation is guided by the following principles in the design of the salaries and wages of its employees:

- Internal Equity

The principle creates a hierarchy where positions are valued or equated based on comparable work, responsibility and output. Jobs with more complex content and greater accountability receive commensurably higher pay. The Corporation utilizes a job evaluation system to ensure the foregoing.

- External Competitiveness

The Corporation's pay scale is competitive with those of comparable companies in the business community. The objective of this principle is to attract external candidates and promote employee retention.

- Business Affordability

Salary structures while affected by the need to be externally competitive are still anchored on the Corporation's financial capability to pay in order to achieve business performance and continued operations. This principle reinforced the thinking that the Corporation's ability to improve salaries and wages is largely dependent on its bottom-line to which every employee has a personal contribution to make. The principle promotes a personal stake from each employee to improve the Corporation's business performance.

- Performance-based

The Corporation believes that good performance must be appropriately rewarded. There is a tight link between the Corporation's Performance Management System and its rewards systems. This principle supports the value of teamwork since employees are measured not only in their individual performance but also in the performance of their team, encouraging them to have an active concern for those in the team.

- Non-financial Rewards

The Corporation uses alternative forms of recognition to reward performance. The different business units are encouraged to develop programs such as citations, awards, performance feedback and mentoring to guide good performers.

- 3) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

The Corporation has an established whistle-blowing policy aimed at encouraging employees to speak out and call the attention of Management to any suspected wrongdoing which is contrary to the principles of the Code of Ethics and violations of the Corporation's rules and regulations. The policy aims to protect the whistle blower from retribution or retaliation, and provides a disincentive to passively allowing the commission of wrongful conduct. The whistle blowing policy provides for procedures for interested parties to communicate, even anonymously, concerns regarding accounting, internal accounting, auditing or financial reporting matters directly to the SMC Audit Committee.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure as of 31 December 2013 (As amended on 15 April 2014)

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Top Frontier Investment Holdings Inc. ²¹ 5th Floor, ENZO Bldg., No. 339 Sen. Gil Puyat, Makati City	1,573,100,340 common shares	45.68%	<u>Mr. Iñigo Zobel, Filipino, Director of the Company, and Mr. Ramon S. Ang, Filipino, the President and Chief Operating Officer of the Company, are beneficial owners of 59.62% and 25.91%²² of the outstanding common stock of Top Frontier, respectively.²³</u>
<u>Privado Holdings, Corp.</u> <u>Room 306 Narra Buuilding,</u> <u>2776 Pasong Tamo</u> <u>Extension, Makati City</u>	368,140,516 common shares	10.69%	<u>Ramon S. Ang, Filipino,</u> <u>as beneficial owner of 100% of</u> <u>the outstanding capital stock of</u> <u>Privado.²⁴</u>
PCD Nominee Corporation (Filipino) Makati City	<u>168,024,727</u> common shares	<u>31.75%</u>	Various individuals/ entities
PCD Nominee Corporation (Filipino) Makati City	<u>925,490,313</u> Series "2" Preferred Shares		Various individuals/ entities
PCD Nominee Corporation (Non-Filipino) Makati City	<u>76,959,015</u> Common shares	<u>8.19%</u>	Various individuals/ entities
PCD Nominee Corporation (Non-Filipino) Makati City	<u>205,014,994</u> "2" Preferred Shares		Various individuals/ entities

(b) Senior management

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Virgilio S. Jacinto	25,622 common shares	0	0%
Joseph N. Pineda	42,600 common shares	0	0%
Ferdinand K. Constantino	147,500 common shares 210,609 preferred shares	0	0%
Aurora T. Calderon	22,600 common shares	0	0%
TOTAL	428,931		0%

²¹ The shares owned by Top Frontier Investment Holdings, Inc. are voted, in person or by proxy, by its authorized designate. As of December 31, 2013, Top Frontier Investment Holdings, Inc. has voting rights to a total of 1,573,100,340 shares of the Company which represent about 66% of the outstanding common capital stock of the Company. Mr. Roberto V. Ongpin and Mr. Eric O. Recto own 200,400 shares and 600 shares, respectively, in Top Frontier.

²² As of March 31, 2014, through Privado Holdings, Corp and Master Year Limited, both stockholders of record of Top Frontier.

²³ As of March 31, 2014, through Privado Holdings, Corp and Master Year Limited, both stockholders of record of Top Frontier.

²⁴ As of March 31, 2014.

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	No
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	No

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

The Annual Report submitted by the Corporation conforms to the information required to be contained in SEC Form 17-A (Annual Report) or required by the Commission on the foregoing information.

3) External Auditor's fee *(As amended on 15 April 2014)*

Name of auditor	Audit Fee	Non-audit Fee
R.G. Manabat & Co, CPAs	₱13 million	

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

- Company disclosures
- One-on-one meetings
- Email
- Telephone calls
- Written correspondence

5) Date of release of audited financial report: *(As amended on 15 April 2014)*

April 15, 2014

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's By-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

Please refer to Note 34 of the Corporation's Notes to the Audited Financial Statements on the disclosure on related part transactions.

RPT	Relationship	Nature	Value
See Note 34.			

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

The Corporation, certain subsidiaries and their shareholders, and associates in the normal course of business, purchase products and services from one another. Transactions with related parties are made at normal market prices and terms. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates. All related party transactions must be done on an arms length basis to safeguard the interests of the Corporation as well as the minority shareholders and other stakeholders.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Majority of the subscribed capital stock entitled to vote, as prescribed in the Corporation's By-laws
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	In accordance with the Corporation Code.
Description	Corporate acts are approved by motion of stockholders and passed if there are no objections. Same procedure is adopted for the election of directors considering that the number of nominees is equal to the number of board seats.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Voting right	<p>Promotion of Shareholder rights</p> <ul style="list-style-type: none"> • It shall be the duty of the directors to promote shareholder rights, removes impediments to the exercise of shareholder rights and allow possibilities to seek redress for violation of rights. • They shall encourage the exercise of shareholder voting rights and the solution of collective action problems through appropriate mechanisms. • They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating on meetings or voting in person. • The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.
All shareholders shall be allowed to inspect the corporate books and records including minutes of the Board of Directors and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.	The shareholders of the Corporation shall be provided, upon request, with periodic reports which disclose relevant personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and aggregate compensation of directors and officers.
Pre-emptive rights	
Right to dividends	
Appraisal right	

Dividends *(As amended on 5 January 2015)*

Common Shares			
Declaration Date	Record Date	Payment Date	Amount
<u>04/10/2014</u>	<u>04/29/2014</u>	<u>05/16/2014</u>	0.35
<u>06/10/2014</u>	<u>06/27/2014</u>	<u>07/21/2014</u>	0.35
<u>09/18/2014</u>	<u>10/17/2014</u>	<u>11/07/2014</u>	0.35
<u>12/11/2014</u>	<u>01/17/2014</u>	<u>02/07/2014</u>	0.35
Series "2" Preferred Shares			
Declaration Date	Record Date	Payment Date	Amount
<u>05/12/2014</u>	<u>06/13/2014</u>	<u>06/27/2014</u>	2-A: 1.40625
<u>05/12/2014</u>	<u>09/11/2014</u>	<u>09/26/2014</u>	2-B: 1.4296875
<u>11/10/2014</u>	<u>11/28/2014</u>	<u>12/23/2014</u>	2-C: 1.50
<u>11/10/2014</u>	<u>02/27/2015</u>	<u>03/25/2015</u>	

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Submission of questions in writing	The Corporate Secretary, at the onset of the Stockholders Meeting, states the ground rules for the conduct of the meeting. Stockholders are requested to submit their questions in writing. Question forms are available from the members of the staff in the venue. The form requires the stockholders asking questions to identify themselves. Priority is given to written questions submitted in advance.
Only stockholders or their proxies shall be allowed to participate in the open forum.	Any stockholder who wishes to ask questions is requested to wait to be acknowledged by the Chairman before speaking. Once acknowledged, the stockholder shall identify himself, or if he is a proxy, he will also identify the party he is representing.
Questions not entertained due to time constraints shall be referred to the Office of the Corporate Secretary.	The Corporate Secretary responds in writing to questions after the meeting, or takes note of suggestions or comments if any.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

For the above-cited corporate decisions, the Corporation affords the shareholders the opportunity to

participate in such corporate decisions through the distribution of the notice of meeting of shareholders in the form of a definitive information statement which contains in detail the explanation for the proposed shareholder action, including but not limited to amendments to the Corporation's articles and By-laws, the issuance of shares or the transfer of all or substantially all the assets of the Corporation. By practice, the definitive information statement is distributed at least 21 business days prior to the date of the meeting to give the stockholders ample time to communicate with the Corporation on matters relating to such proposed actions.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? Yes. (As amended on 10 June 2014)

a. Date of sending out notices: May 9, 2014

b. Date of the Annual/Special Stockholders' Meeting: June 10, 2014

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. (As amended on 10 June 2014)

Excerpts from the Minutes of the Annual Stockholders' Meeting of the Corporation on June 11, 2013:

"A stockholder asked how much progress has the Company had in terms of its objective to turn-around Philippine Airlines (PAL). The Chairman requested the Vice Chairman to respond to the question. Mr. Ramon S. Ang advised that PAL has already made substantial progress in executing its strategy which includes fleet modernization, route expansion and improving services. In addition, the labor issues of PAL have already been addressed. With the re-fleeting of PAL, the use of the new aircraft will result in significant savings for PAL and will provide relief from the high operating and maintenance costs which has resulted in low revenues. Upon completion of the re-fleeting, PAL will have the youngest fleet in the region.

By way of response to the question of another stockholder, the Chairman stated that the Company does not intent to sell its stake in the Beer business. A follow up question was asked on whether San Miguel Brewery Inc. ("SMB") will be listed at the Philippine Stock Exchange ("PSE") and the Chairman replied that, there are plans to re-list SMB at the PSE.

A stockholder inquired when the construction of the NAIA Expressway project ("NAIA-Ex") will start. The Vice-Chairman replied that the Company has paid the Philippine government P11 Billion as upfront fee and is awaiting the delivery by the Philippine government of the right of way ("ROW"). When the ROW obligations of the government are complied with, the construction of the NAIA-Ex will begin. The estimated duration of the construction is approximately three (3) years.

A stockholder asked for confirmation on the reports that the Tarlac Pangasinan La Union Expressway ("TPLEX") Project will be extended up to Ilocos Norte. The Chairman confirmed that the concession for the TPLEX Project may include an extension of the tollways to Laoag, Ilocos Norte.

A stockholder inquired whether the Company is taking steps to ensure that its products are more natural or organic-based. The Chairman responded that there are some steps taken in that direction. However, he expressed his opinion that due to the needs of the population, it is not feasible for all food products to be organic as this will limit the volume of production.

A stockholder addressed a question to the Vice-Chairman on the compliance of PAL with the minimum public ownership requirement set by the PSE. Mr. Ang stated that PAL will be able to comply with this requirement and will not be delisted from the PSE.

A stockholder congratulated the Chairman and the members of the Board of Directors on the good performance of the Company despite the crisis that the country experienced the previous year. He added that the good performance of the Company is attributable to good management.

Another stockholder made a suggestion to the Company on the distribution of meals and souvenir items during the stockholders' meeting. He remarked that the distribution should be more orderly and given in appreciation for the effort made by the stockholders in attending the meeting.

Another stockholder reported that there are instances when the pricing of beer products such as Red Horse Beer are not standardized. He suggested that there should be an effort to standardize it for the benefit of the consumers. The Chairman noted his suggestion.

A stockholder inquired on the trading price of the shares of the Company. Another stockholder inquired on the same matter, noting that the price per share of the common share of the Company has gone down from P160 to P90. The Vice Chairman, Mr. Ang replied that the stock market experienced a period of speculation resulting into selling which also affected the stock price of the Company. Mr. Ang expressed the belief that because of strong fundamentals of the Company, the market will eventually realize and understand its value which will, optimistically, result in an increase in the share price.

A stockholder complained on the distribution of meal stubs for those who are attending the stockholders meeting. Another stockholder complained on the availability of comfort rooms which are wheel chair accessible. The Chairman noted the complaints and remarked that improvements will be made to cater to the comfort of the stockholders.

Finally, a stockholder congratulated the Chairman and President for the good performance of the Company for the previous year.”

5. Result of Annual/Special Stockholders’ Meeting’s Resolutions *(As amended on 10 June 2014)*

Resolution	Approving	Dissenting	Abstaining
(a) Approval of minutes of the June 11, 2013 annual stockholders meeting	<u>2,092,041,191</u>	<u>0</u>	0
(b) Ratification of all acts and proceedings	<u>2,091,111,931</u>	<u>0</u>	<u>929,260</u>
(c) Approval of the amendment of the amended articles of incorporation to <u>change principal office</u>	<u>2,473,385,426</u>	<u>0</u>	0
(e) Appointment of external auditors	<u>2,092,041,191</u>	<u>0</u>	0

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:
Not published.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders’ Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
None	

(f) Stockholders’ Attendance

(i) Details of Attendance in the Annual/Special Stockholders’ Meeting Held: *(As amended on 10 June 2014)*

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Ramon S. Ang Ferdinand K. Constantino Leo S. Alvez	<u>June 10, 2014</u>	By motion and by show of hands	<u>0.0366%</u>	<u>71.79%</u>	<u>75.462%</u>

	Joselito D. Campos, Jr. Estelito P. Mendoza Menrado R. Jimenez, Jr. Alexander J. Poblador Thomas A. Tan Iñigo Zobel Winston F. Garcia Reynato S. Puno Margarito B. Teves Virgilio S. Jacinto Aurora T. Calderon Lorenzo G. Formoso III					
--	---	--	--	--	--	--

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?
No.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes, the Corporation's common shares carry one vote per share.

Series "1" and Series "2" preferred shares are not entitled to vote except in those cases expressly provided by law.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Article II, Section 4 of the By-laws state that the stockholders may delegate in writing their right to vote. For corporations, proxies must be accompanied by a Corporate Secretary's Certificate setting the corporate officer's authority to represent the corporation in the meeting.
Notary	Not required.
Submission of Proxy	All proxies must be in the hands of the Secretary of the Corporation not later than ten (10) working days before the time set for the meeting.
Several Proxies	In accordance with the Corporation Code and jurisprudence.
Validity of Proxy	Such delegation or proxy shall be valid only for the meeting at which it has been presented to the Secretary.
Proxies executed abroad	Accepted.
Invalidated Proxy	In accordance with the Corporation Code and jurisprudence.
Validation of Proxy	Validation of proxies are held at the principal office of the corporation and open to the public.
Violation of Proxy	In accordance with the Corporation Code and jurisprudence.

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
<p>According to Article II, Section 2 of the Corporation's By-laws, the regular meeting of the stockholders may be held without prior notice. As a matter of policy, the Corporation complies with the requirement of the Commission on the sending of notices to stockholders at least 30 days prior to the date of the meeting.</p>	<p>Notices for special meetings of stockholders may be sent by the Secretary by personal delivery or by mailing the notice at least ten (10) days prior to the date of the meeting to each stockholder of record at his last known post office address or by publishing the notice in a newspaper of national circulation at least ten (10) days prior to the date of the meeting. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. Only matters stated in the notice can be the subject of motion or discussions at the meeting. Notice of special meetings may be waived in writing by any shareholder, in person or by proxy, before or after the meeting. When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.</p>
<p>Article II, Section 5 of the Corporation's By-laws provide that for the purpose of determining the stockholders entitled to notice of, or to vote, at, any meeting of stockholders or any adjournment thereof, or of determining which stockholders are entitled to receive payment of any dividend, or of making any other proper determination of stockholders, the Board of Directors may provide that the stock transfer books be closed for a stated period.</p> <p>The Corporation complies with the rules set by the Commission on record dates and closing of the books.</p>	<p>The closing of the books shall not exceed twenty (20) working days. If the stock transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such closure of books shall in no case be earlier than forty five (45) working days nor later than ten (10) working days prior to the date of such meeting. In lieu of closing the stock transfer books, the Board of Director may fix in advance a date as the record date for any such determination of stockholders. Such date shall in no case be more than forty-five (45) working days nor less than ten (10) working days prior to the date on which the particular action requiring such determination of stockholders is to be taken, except in instances where applicable rules and regulations provide otherwise.</p>

(i) Definitive Information Statements and Management Report *(As amended on 10 June 2014)*

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	<u>39,596</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	<u>May 9, 2014</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<u>May 9, 2014</u>
State whether CD format or hard copies were distributed	Both
If yes, indicate whether requesting stockholders were provided hard copies	Yes

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
The Board is committed to respect the rights of the shareholders and minority interests.	Voting right, as provided under the Manual on Corporate Governance
	Pre-emptive rights, as provided under the Manual on Corporate Governance
	Power of inspection, as provided under the Manual on Corporate Governance
	Right to information, as provided under the Manual on Corporate Governance
	Right to dividends, as provided under the Manual on Corporate Governance
	Appraisal right, as provided under the Manual on Corporate Governance
	Promotion of shareholder rights, as provided under the Manual on Corporate Governance

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes. All nominations for the election of directors by the stockholders shall be submitted in writing to the Board of Directors through the Corporate Secretary on or before January 20, or such earlier date or later date that the Board of Directors may fix, as provided in the Corporation's By-laws. Nominees are screened by the Nomination and Hearing Committee who evaluates their qualifications and disqualifications. The Nomination and Hearing Committee identifies and recommends qualified individuals for nomination and election of directors of the Corporation.

K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Corporation has a Corporate Affairs Office which has a Media Affairs Group who handles communication with media and an Internal Communications who handles internal publications, corporate intranet, internal digital signage. It likewise has the Investor Relations unit under the Chief Finance Officer (CFO) which handles regular communications with institutional investors.

All information/disclosures for release are cleared and approved by the General Counsel, CFO and the President.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	To effectively communicate the Corporation's performance, plans and strategies to the capital market, as well as, develop a long term relationship of trust with stakeholders, using the discipline in finance, communication and marketing and manage the content and flow of company information/disclosures to the financial markets.
(2) Principles	Provide a consistent and reliable information that would assist investors in their investment decision
(3) Modes of Communications	Company disclosures, One-on-one meetings, Email, Telephone calls
(4) Investors Relations Officer	Reyna-Beth de Guzman Contact no. +63 2 6323752 Email – rdeguzman@smg.sanmiguel.com.ph

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

Any major plans or extraordinary transactions of the Corporation passes through a team that evaluates the viability of the transaction and ensures that it will have a strategic fit with the Corporation. This is eventually presented to the board for approval.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

The Corporation gets the services of Investment Banks who provides advice on the fairness of transaction price.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

The Corporation's Corporate Social responsibility Projects are undertaken through the San Miguel Foundation, Inc. in cooperation with the Corporation's subsidiaries.

Initiative	Beneficiary
Education: 9,023 student assisted <ul style="list-style-type: none"> Classroom construction Scholarship Educational workshops Feeding 	7,050 students started to study in their new classrooms 91 students received a college/technical course scholarship 86 students participated 1,796 undernourished students received nutritious meals for 6 months
Enterprise: 172 individuals empowered <ul style="list-style-type: none"> Kawang-gawa project Mati fishermen livelihood project De Carmen Crab Livelihood project 	92 individuals received livelihood training 20 individuals received livelihood support 60 individuals received livelihood support
Environment: 8 areas rehabilitated <ul style="list-style-type: none"> Reforestration Buhisan Watershed Program Coastal/creek clean-up 	Borbon Environment Project Monte Maria Tree Planting Project Brgy. Sasa Mangrove Planting Plant nursery and training center Environmental partnership with San Carlos University Tipolo Creek Clean-Up Talamban Drainage Program Brgy. Sasa Coastal Clean-up
Community: 21,942 lives uplifted <ul style="list-style-type: none"> Medical mission Socialized housing Barangay strengthening Community clinic 	12,610 patients received immediate assistance 3,395 homes were built for families displaced by typhoons in Valenzuela City, Cagayan de Oro City, Iligan and Negros Oriental 127 barangay officials received capacity building and solid waste management trainings 5,810 patients received free quality health care services in Polo Brewery, San Fernando Brewery, Davao Brewery and Sumilao Community Clinic
Disaster: 75,880 survivors aided <ul style="list-style-type: none"> Habagat Typhoon Gener Eastern Visayas Flashfloods Typhoon Pable 	68,100 victims received relief assistance 2,550 victims received relief assistance 1,230 victims received assistance 4,000 victims received assistance

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	Annual submission of self-rating form	<ul style="list-style-type: none"> a) Fulfillment of the Board's key responsibilities; b) Board-Management relationship; c) effectiveness of board processes and meetings, and d) individual performance of board members.
Board Committees	Annual submission of self-rating form for audit committee	<ul style="list-style-type: none"> a) Quality and integrity of the Corporation's financial statements and financial reporting process b) Effectiveness of the Corporation's internal control systems c) Independence and performance of its internal and external auditors d) Compliance by the Corporation with accounting standards, legal and regulatory requirements, including the Corporation's disclosure policies and procedures e) Evaluation of management's process to assess and manage the Corporation's enterprise risk issues
Individual Directors	Annual submission of self-rating form, on portion on individual performance of board members	<ul style="list-style-type: none"> a) Understanding of the mission, values and strategies of the Corporation and awareness of expectations from the individual as a Board member. b) Awareness of the Corporation's By-laws and governing principles and policies. c) Consciousness of conflict of interest positions and the duty to disclose any such conflict d) Attendance at Board and

		<p>Committee meetings</p> <p>e) Attendance at meetings on time, prepared and knowledgeable about the issues to be discussed.</p> <p>f) Participation in the Board discussions with independence and objectivity.</p> <p>g) Expression of opinions on matters presented to the Board and support all Board decisions once they are made even in case of disagreement with the decision.</p> <p>h) Promotion of work and the mission of the Corporation in the community.</p>
CEO/President	<p>The Board of Directors of the Corporation, in exercise of its internal control functions, selects and appoints the Chief Executive Officer who possesses the ability, integrity and expertise essential for the position, and define, with the assistance of the Nomination and Hearing Committee, the duties and responsibilities of the Chief Executive Officer who is ultimately responsible for the Corporation's organization and operational controls.</p> <p>The Chairman and CEO, and the President and Chief Operating Officer are appraised in accordance with the Corporation's Performance Management System.</p>	<p>The basis for the assessment are the duties and responsibilities of the Chairman and CEO, and the President and Chief Operating Officer as well as key performance indicators in accordance with the Corporation's By-laws and Manual.</p>

N. INTERNAL BREACHES AND SANCTIONS


Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

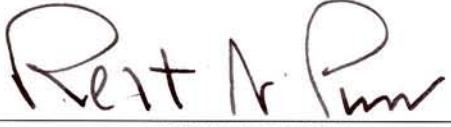
Violations	Sanctions
Violation of any provision of the Manual on Corporate Governance	First violation: reprimand
	Second violation: suspension from office, the duration of which shall be dependent on the gravity of the violations. This penalty is not applicable to directors
	Third violation: removal from office. For directors, Section 28 of the Corporation Code and the By-laws of the Corporation shall be observed.

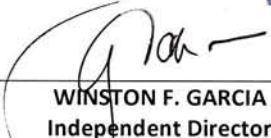
Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Mandaluyong, Metro Manila on May 10, 2013.

SIGNATURES


EDUARDO M. COJUANGCO, JR.
Chairman and Chief Executive Officer


RAMON S. ANG
President and Chief Operating Officer


REYNATO S. PUNO
Independent Director



WINSTON F. GARCIA
Independent Director


VIRGILIO S. JACINTO
Compliance Officer

SUBSCRIBED AND SWORN to before me this 10th day of May 2013, affiant(s) exhibiting to me their Passport Nos., as follows:

<u>NAME</u>	<u>PASSPORT NO.</u>	<u>DATE/ PLACE OF ISSUE</u>
Eduardo M. Cojuangco, Jr.	XX0410612	February 16, 2012; Manila
Ramon S. Ang	XX0748364	July 11, 2011; Manila
Reynato S. Puno	EB5206981	April 21, 2012; Manila
Winston F. Garcia	EB7161273	January 15, 2013; Manila
Virgilio S. Jacinto	EB0971552	Sept. 17, 2010; Manila

Doc No. 524;
Page No. 106;
Book No. II;
Series of 2013.


ALEXANDER G. BENGSON
NOTARY PUBLIC
Notary Public for Pasig City
22nd Floor, JMT Corporate Condominium,
ADB Ave., Ortigas Center, Pasig City
APPT No. 207 (2013-2014)/Roll No. 43959
PTR No. 8431231; 1/8/2013; Pasig City
IBP No. 921081; 1/8/2013; Pasig City

ANNEX “I”

SAN MIGUEL CORPORATION
LIST OF SEC FORM 17-C FILINGS

MIGUEL CORPORATION 17-C – 2014

Date Reported	Subject																												
Jan. 3	<p>We advise that the 240,196,000 common shares of Top Frontier Investment Holdings, Inc. ("Top Frontier"), held by the Corporation and declared as property dividends (the "Dividend Shares") in favor of the registered stockholders of the common shares of stock of the Corporation, as of record date of November 5, 2013 (the "Receiving Shareholders"), shall be distributed on <u>January 2, 2014</u> (the "Dividend Distribution Date").</p> <p>The Dividend Distribution Date was determined in accordance with our Letter-Advice, dated November 8, 2013, addressed to the Receiving Shareholders. The Securities and Exchange Commission approved the property dividend declaration on November 19, 2013, and the Certificate Authorizing Registration, evidencing payment of the relevant taxes due on the Dividend Shares, was issued by the Bureau of Internal Revenue on December 26, 2013. Since January 1, 2014 was a regular holiday, the Dividend Distribution Date was set on January 2, 2014.</p> <p>We have likewise enclosed herewith, for the information of the Exchange, a copy of the Notice to the Receiving Shareholders, dated January 3, 2013, relating to the Dividend Distribution Date and the disposition of the Dividend Shares.</p>																												
Jan. 7	<p>We advise that the Company disclosed to the Philippine Stock Exchange its Issued and Outstanding Shares as of December 31, 2013, as follows:</p> <table><tr><th>Class of Shares</th><th>Issued</th><th>Outstanding</th><th>Treasury</th></tr><tr><td>Common shares</td><td>3,282,756,743</td><td>2,376,994,783</td><td>905,761,960</td></tr><tr><td>Series "1" Preferred Shares</td><td>970,506,353</td><td>0</td><td>970,506,353</td></tr><tr><td>Series "2-A" Preferred Shares</td><td>721,012,400</td><td>721,012,400</td><td>0</td></tr><tr><td>Series "2-B" Preferred Shares</td><td>90,428,200</td><td>90,428,200</td><td>0</td></tr><tr><td>Series "2-C" Preferred Shares</td><td>255,559,400</td><td>255,559,400</td><td>0</td></tr><tr><td>T o t a l</td><td>5,320,263,096</td><td>3,443,994,783</td><td>1,876,268,313</td></tr></table>	Class of Shares	Issued	Outstanding	Treasury	Common shares	3,282,756,743	2,376,994,783	905,761,960	Series "1" Preferred Shares	970,506,353	0	970,506,353	Series "2-A" Preferred Shares	721,012,400	721,012,400	0	Series "2-B" Preferred Shares	90,428,200	90,428,200	0	Series "2-C" Preferred Shares	255,559,400	255,559,400	0	T o t a l	5,320,263,096	3,443,994,783	1,876,268,313
Class of Shares	Issued	Outstanding	Treasury																										
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Series "2-C" Preferred Shares	255,559,400	255,559,400	0																										
T o t a l	5,320,263,096	3,443,994,783	1,876,268,313																										
Jan. 9	<p>In connection with the distribution of the 240,196,000 common shares of Top Frontier Investment Holdings, Inc. ("Top Frontier") declared as property dividends (the "Dividend Shares") to common shareholders of the Corporation as of November 5, 2013 (the "Receiving Shareholders"), we further advise that the manner of distribution of the Dividend Shares shall be as follows:</p> <p>1. <u>Listing of the Dividend Shares.</u> As approved by the Exchange on December 18, 2013, Top Frontier will list the Dividend Shares, together with the remaining issued and outstanding common shares of Top Frontier (250,000,200 common shares), or a total of 490,196,200 common shares of Top Frontier (the "Listed Shares"). By way of compliance with the requirements of the Exchange, the Listed Shares shall be lodged with the Philippine Depositary and Trust Corp. ("PDTC") in the name of PCD Nominee Corporation ("PCD") in the following manner:</p> <p>(a) 203,980,332 Listed Shares will be lodged on January 9, 2014; and</p> <p>(b) 286,215,868 Listed Shares, subject of a lock-up for the duration of one hundred eighty (180) days or three hundred sixty five (365) days, as may be applicable, after the listing date of the Listed Shares, shall be lodged upon the expiration of the relevant lock-up periods.</p> <p>2. <u>Treasury Shares of Top Frontier.</u> 157,310,033 Dividend Shares shall become treasury shares of Top Frontier in accordance with the relevant provisions of the Corporation Code of the Philippines and applicable laws.</p>																												

	<p>3. <u>Transfer of the Dividend Shares</u>. Upon lodgement with the PDTC, the PCD shall distribute the Dividend Shares in the manner set forth below.</p> <p>(a) <u>Trading Participants</u> – A total of 9,692,373 Dividend Shares shall be delivered to the Trading Participants who hold the common shares of the Corporation on behalf of the Receiving Shareholders who are “zero-rated,” (in accordance with the Letter-Advice to the Receiving Shareholders dated November 8, 2013).</p> <p>(b) <u>BA Securities, Inc.</u> – A total of 36,977,926 Dividend Shares shall be delivered to BA Securities, Inc. (the “Broker”), the broker exclusively designated by Top Frontier to hold the Dividend Shares not otherwise covered by the Dividend Shares to be distributed to the Trading Participants as described in Item 3(a) above.</p> <p>4. <u>Transactions with the Broker</u>. The Receiving Shareholders whose Dividend Shares are held by the Broker, as described in Item 3(b) above, shall, upon full payment of taxes due on the Dividend Shares, if applicable, be required to open an account with the Broker (the “Shareholder Account”). Upon the listing of the Listed Shares, the Receiving Shareholder shall, thru the issuance of instructions to the Broker, have the option to: (a) retain the Dividend Shares in the Shareholder Account, (b) transfer the Dividend Shares to another broker duly accredited by the Exchange, or (c) request for the upliftment of the Dividend Shares and the issuance of stock certificates covering the Dividend Shares.</p> <p>For your information and reference.</p>																												
Jan. 14	Reply to PSE clarification relating to the news article entitled “SMC profit may hit P57b – Ang,” posted in Manila Standard Today.com on January 14, 2014.																												
Jan. 27	Reply to PSE clarification relating to the news article entitled “Angat plant seen likely to be finalized by March 25” posted in the BusinessMirror (Internet Edition) on January 26, 2014.																												
Feb. 3	<p>Disclosure of the Company relating to the news articles entitled, as follows:</p> <p>1. “SMC, Citra eye bond issue to bankroll P50-B road projects” posted in philSTAR.com on February 3, 2014.</p> <p>2. “SMC readies \$4-B cash pile for acquisitions” posted in Inquirer.net on February 2, 2014.</p> <p>3. “SMC gets \$6.6-B offers for stakes” posted in Manila Bulletin (Internet Edition) on January 30, 2014.</p>																												
Feb. 6	<p>We advise that the Company disclosed to the Philippine Stock Exchange its Issued and Outstanding Shares as of January 31, 2014, as follows:</p> <table><tr><th>Class of Shares</th><th>Issued</th><th>Outstanding</th><th>Treasury</th></tr><tr><td>Common Shares</td><td>3,282,768,496</td><td>2,376,938,386</td><td>905,830,110</td></tr><tr><td>Series “1” Preferred Shares</td><td>970,506,353</td><td>0</td><td>970,506,353</td></tr><tr><td>Series “2-A” Preferred Shares</td><td>721,012,400</td><td>721,012,400</td><td>0</td></tr><tr><td>Series “2-B” Preferred Shares</td><td>90,428,200</td><td>90,428,200</td><td>0</td></tr><tr><td>Series “2-C” Preferred Shares</td><td>255,559,400</td><td>255,559,400</td><td>0</td></tr><tr><td>TOTAL</td><td>5,320,274,849</td><td>3,443,938,386</td><td>1,876,336,463</td></tr></table> <p>Please note that the (net) decrease of 56,397 of the outstanding common shares is due to the issuance of 11,753 shares from exercised LTIP options and the reclassification of 68,150 shares from outstanding to treasury.</p> <p>On December 31, 2013, the increase in the number of issued common shares of 10,773 common shares is from the exercise of long term incentive plan (“LTIP”) options of some officers of the Company.</p>	Class of Shares	Issued	Outstanding	Treasury	Common Shares	3,282,768,496	2,376,938,386	905,830,110	Series “1” Preferred Shares	970,506,353	0	970,506,353	Series “2-A” Preferred Shares	721,012,400	721,012,400	0	Series “2-B” Preferred Shares	90,428,200	90,428,200	0	Series “2-C” Preferred Shares	255,559,400	255,559,400	0	TOTAL	5,320,274,849	3,443,938,386	1,876,336,463
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TOTAL	5,320,274,849	3,443,938,386	1,876,336,463																										

Feb. 17	<p>We advise that Privado Holdings Corp. ("Privado") acquired common shares of stock of San Miguel Corporation at the Exchange to the extent set forth below:</p> <table><tr><td>Date of Purchase</td><td>Number of Shares</td><td>Acquisition Price Per Share</td></tr><tr><td>February 14, 2014</td><td>50,000</td><td>P58.00</td></tr></table>	Date of Purchase	Number of Shares	Acquisition Price Per Share	February 14, 2014	50,000	P58.00				
Date of Purchase	Number of Shares	Acquisition Price Per Share									
February 14, 2014	50,000	P58.00									
March 20	<p>Disclosure of the Company relating to the news article entitled "San Miguel not selling Ginebra stake," posted in BusinessWorld Online on March 19, 2014.</p>										
March 26	<p>Disclosure of the Company relating to the news article entitled "San Miguel propose \$10-B Manila airport," posted in abs-cbnnews.com on March 25, 2014.</p>										
March 27	<p>In connection with the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, March 27, 2014, the Board approved the following:</p> <p>1. <u>Amendment of the Articles of Incorporation</u></p> <p>Amendment of the articles of incorporation of the Company to change the principal place of business from "Metro Manila" to 40 San Miguel Avenue, Mandaluyong City" in compliance with the SEC Memorandum Circular No. 6, Series of 2014. The Board likewise approved to endorse the matter for the approval of the stockholders of the Company.</p> <p>2. <u>Amendment of the Manual on Corporate Governance</u></p> <p>Amendment of the Manual on Corporate Governance of the Company to reflect the changes on the reporting on the compliance with the manual and the annual corporate governance training requirement on the members of the Board of Directors and the principal officers.</p> <p>3. <u>2014 Annual Stockholders Meeting</u></p> <p>Schedule of the Corporation's annual stockholders meeting for 2014 as follows:</p> <table><tr><td>June 10, 2014</td><td>Stockholders' Meeting 2:00 p.m. at the Valle Verde Country Club</td></tr><tr><td>May 9, 2014</td><td>Record Date</td></tr><tr><td>May 12 to 16, 2014</td><td>Closing of Books</td></tr><tr><td>May 26, 2014</td><td>Deadline for submission of proxies</td></tr><tr><td>June 2, 2014</td><td>Validation of proxies</td></tr></table>	June 10, 2014	Stockholders' Meeting 2:00 p.m. at the Valle Verde Country Club	May 9, 2014	Record Date	May 12 to 16, 2014	Closing of Books	May 26, 2014	Deadline for submission of proxies	June 2, 2014	Validation of proxies
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May 9, 2014	Record Date										
May 12 to 16, 2014	Closing of Books										
May 26, 2014	Deadline for submission of proxies										
June 2, 2014	Validation of proxies										
March 27	<p>Press Release entitled "SMC net income grows 210% to P53.6 billion, less unrealized forex losses."</p>										

April 4	<p>Please be informed that the following are the issued, outstanding and treasury shares of the Company as of March 31, 2014.</p> <table><tr><th>Class of Shares</th><th>Issued</th><th>Outstanding</th><th>Treasury</th></tr><tr><td>Common Shares</td><td>3,282,777,595</td><td>2,376,947,485</td><td>905,830,110</td></tr><tr><td>Series "1" Preferred Shares</td><td>970,506,353</td><td>0</td><td>970,506,353</td></tr><tr><td>Series "2-A" Preferred Shares</td><td>721,012,400</td><td>721,012,400</td><td>0</td></tr><tr><td>Series "2-B" Preferred Shares</td><td>90,428,200</td><td>90,428,200</td><td>0</td></tr><tr><td>Series "2-C" Preferred Shares</td><td>255,559,400</td><td>255,559,400</td><td>0</td></tr><tr><td>TOTAL</td><td>5,320,283,948</td><td>3,443,947,485</td><td>1,876,336,463</td></tr></table> <p>The increase of the issued and outstanding shares is due to the issuance of 9,099 shares from exercised LTIP options.</p>	Class of Shares	Issued	Outstanding	Treasury	Common Shares	3,282,777,595	2,376,947,485	905,830,110	Series "1" Preferred Shares	970,506,353	0	970,506,353	Series "2-A" Preferred Shares	721,012,400	721,012,400	0	Series "2-B" Preferred Shares	90,428,200	90,428,200	0	Series "2-C" Preferred Shares	255,559,400	255,559,400	0	TOTAL	5,320,283,948	3,443,947,485	1,876,336,463
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TOTAL	5,320,283,948	3,443,947,485	1,876,336,463																										
April 4	<p>Further to our previous disclosures relating to the above-captioned subject, we advise that, on April 1, 2014, we received from Atty. Cheryl S. Saldaña-de Leon, Corporate Secretary of Privado, a Letter-Notice informing the Office of the Corporate Secretary of SMC that Mr. Ramon S. Ang, President and Chief Operating Officer of SMC, acquired the 37.5% equity interest of Mr. Thomas A. Tan, an incumbent director of SMC in Privado.</p>																												
April 10	<p>In connection with the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held on April 10, 2014, we disclose that the Board declared cash dividends for Common Shares at P0.35 per share. The cash dividends are payable on May 16, 2014 to all common stockholders of record as of April 29, 2014. The stock and transfer books of the Corporation will be closed from April 30, to May 7, 2014.</p>																												
May 2	<p>Disclosure of the Company relating to the news article entitled "San Miguel Global Power's \$300-M bond issue draws final order of \$1B," posted in Manila Bulletin (Internet Edition) on April 30, 2014.</p>																												
May 6	<p>Disclosure of the Company relating to the news article entitled "GMA, San Miguel confirm talks," posted in BusinessWorld Online on May 5, 2014.</p>																												
May 12	<p>Disclosure of the Company with respect to the news article entitled "SMC forecasts double-digit growth, to buy \$300-M 6 Panamax vessels," posted in Manila Bulletin (Internet Edition) on May 9, 2014,</p>																												
May 12	<p>We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, May 12, 2014, the Board of Directors of the Corporation declared cash dividends on the Series "2" Preferred Shares of the Corporation to be paid on (a) June 27, 2014, and (b) September 26, 2014, as follows:</p> <table><tr><th>Subseries</th><th>Dividend Amount for each Payment Date</th></tr><tr><td>Subseries "A"</td><td>₱1.40625</td></tr><tr><td>Subseries "B"</td><td>₱1.4296875</td></tr><tr><td>Subseries "C"</td><td>₱1.50</td></tr></table>	Subseries	Dividend Amount for each Payment Date	Subseries "A"	₱1.40625	Subseries "B"	₱1.4296875	Subseries "C"	₱1.50																				
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Subseries "B"	₱1.4296875																												
Subseries "C"	₱1.50																												

	<p>For the June 27, 2014 payment date, the cash dividend shall be paid to the holders of the Series “2” Preferred Shares as of June 13, 2014. The books of the Corporation will be closed from June 16 to 20, 2014.</p> <p>For the September 26, 2014 payment date, the cash dividend shall be paid to the holders of the Series “2” Preferred Shares as of September 11, 2014. The books of the Corporation will be closed from September 12 to 18, 2014.</p>																												
May 12	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, May 12, 2014, the Board of Directors confirmed and ratified the redemption of the remaining balance amounting to USD212.8 million of the Corporation’s USD600 million exchangeable bonds issued by the Company on April 20, 2011.																												
May 12	Enclosed is a copy of our press statement entitled “SMC starts strong with P195-B in revenues for the first quarter,” which we will release to the press today.																												
May 12	<p>Please be informed that the following are the issued, outstanding and treasury shares of the Company as of April 30, 2014.</p> <table> <tr> <th>Class of Shares</th> <th>Issued</th> <th>Outstanding</th> <th>Treasury</th> </tr> <tr> <td>Common Shares</td> <td>3,282,781,898</td> <td>2,378,029,361</td> <td>904,752,537</td> </tr> <tr> <td>Series “1” Preferred Shares</td> <td>970,506,353</td> <td>0</td> <td>970,506,353</td> </tr> <tr> <td>Series “2-A” Preferred Shares</td> <td>721,012,400</td> <td>721,012,400</td> <td>0</td> </tr> <tr> <td>Series “2-B” Preferred Shares</td> <td>90,428,200</td> <td>90,428,200</td> <td>0</td> </tr> <tr> <td>Series “2-C” Preferred Shares</td> <td>255,559,400</td> <td>255,559,400</td> <td>0</td> </tr> <tr> <td>TOTAL</td> <td>5,320,288,251</td> <td>3,445,029,361</td> <td>1,875,258,890</td> </tr> </table> <p>The increase of the issued and outstanding shares is due to the issuance of 4,303 shares from exercised LTIP options and 1,077,573 shares pursuant to the exercise of the exchange right under section 6.2.1 of the Terms and Conditions of the Company’s Exchangeable Bonds (the “Exchange Right”). There is a corresponding decrease in the number of treasury shares as the additional issuance of common shares due to the exercise of the Exchange Right of the holders of exchangeable bonds were out of the treasury shares.</p>	Class of Shares	Issued	Outstanding	Treasury	Common Shares	3,282,781,898	2,378,029,361	904,752,537	Series “1” Preferred Shares	970,506,353	0	970,506,353	Series “2-A” Preferred Shares	721,012,400	721,012,400	0	Series “2-B” Preferred Shares	90,428,200	90,428,200	0	Series “2-C” Preferred Shares	255,559,400	255,559,400	0	TOTAL	5,320,288,251	3,445,029,361	1,875,258,890
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TOTAL	5,320,288,251	3,445,029,361	1,875,258,890																										
May 15	<p>Disclosure of the Company with respect to the following news articles entitled:</p> <ol style="list-style-type: none"> 1. “SMC submits proposal for \$10-B new airport,” posted in philSTAR.com on May 15, 2014. 2. “SMC ties up with Spain’s largest brewery,” posted in philSTAR.com on May 15, 2014. 																												

May 23

Further to our May 12, 2014 disclosures on the redemption of the remaining relating US\$600million exchangeable bonds of the Company, we advise as follows:

Issuance of Common Shares

On April 29, 2014, the Company issued an additional 1,077,573 common shares of the Company in the name of the PCD Nominee Corporation, and subsequently lodged with ATR-Kim Eng Securities, pursuant to the exercise of the exchange right by Standard Chartered Bank under Section 6.2.1 of the Terms and Conditions of the Company's Exchangeable Bonds (the "Exchange Right"), at the Exchange Price of P80.44 per share and fixed exchange rate of P43.34 to US dollar. The resulting change in the capital structure of the Company was disclosed to the Exchange on May 12, 2014.

Final Summary of Transactions

In summary, a total number of 9,794,587 common shares of the Company were issued pursuant to the Exchange Right. set forth below is a final summary of the issuances pertaining to lodgements and crossing of common shares of the Company:

<u>Date of Transaction</u>	<u>Lodgement</u>	<u>Crossing</u>
December 8, 2011	765,451	
December 8, 2011		612,361
February 1, 2012	76,545	
February 10, 2012		76,545
February 16, 2012		76,545
March 1, 2012	76,775	76,545
March 5, 2012		76,775
July 9, 2012	154,015	154,015
July 10, 2012	77,007	
July 13, 2012		77,007
November 29, 2012	394,717	394,717
December 3, 2012	236,830	236,830
December 6, 2012	78,943	
December 14, 2012		78,943
December 19, 2012	315,772	
January 14, 2013	552,603	
January 18, 2013		552,603
January 31, 2013	157,887	
February 1, 2013	554,371	
February 8, 2013		157,887
February 8, 2013		554,371
February 20, 2013	79,940	
February 20, 2013	639,527	639,527
February 20, 2013	639,527	639,527
February 21, 2013	1,438,937	1,438,937
February 21, 2013	399,704	399,704
February 21, 2013	1,199,114	1,199,114
March 8, 2013		315,772
March 12, 2013	799,409	
March 13, 2013		79,940
March 15, 2013		799,409
May 6, 2013	79,940	
May 20, 2013		79,940
April 29, 2014	1,077,573	
May 22, 2014		1,077,573
TOTAL	9,794,587	9,794,587

June 4	<p>Please be informed that the following are the issued and outstanding shares of the Company as of May 31, 2014.</p> <table><tr><th>Class of Shares</th><th>Issued</th><th>Outstanding</th></tr><tr><td>Common Shares</td><td>3,282,786,757</td><td>2,378,034,220</td></tr><tr><td>Series "1" Preferred Shares</td><td>970,506,353</td><td>0</td></tr><tr><td>Series "2-A" Preferred Shares</td><td>721,012,400</td><td>721,012,400</td></tr><tr><td>Series "2-B" Preferred Shares</td><td>90,428,200</td><td>90,428,200</td></tr><tr><td>Series "2-C" Preferred Shares</td><td>255,559,400</td><td>255,559,400</td></tr><tr><td>TOTAL</td><td>5,320,293,110</td><td>3,445,034,220</td></tr></table> <p>The increase in the issued and outstanding shares of the Company is due to the issuance of 4,859 common shares due to the exercise of Long Term Incentive Plan options of entitled employees of the Company.</p>	Class of Shares	Issued	Outstanding	Common Shares	3,282,786,757	2,378,034,220	Series "1" Preferred Shares	970,506,353	0	Series "2-A" Preferred Shares	721,012,400	721,012,400	Series "2-B" Preferred Shares	90,428,200	90,428,200	Series "2-C" Preferred Shares	255,559,400	255,559,400	TOTAL	5,320,293,110	3,445,034,220
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TOTAL	5,320,293,110	3,445,034,220																				
June 9	<p>Disclosure of the Company with respect to the news article entitled "Apo geothermal draws nine interested parties," posted in BusinessWorld Online on June 9, 2014.</p>																					
June 10	<p>We advise that, at the Annual Stockholders' Meeting of San Miguel Corporation (the "Corporation") held on June 10, 2014, at the Valle Verde Country Club, Inc. Capt. Henry P. Javier Street, Oranbo, Pasig City, the stockholders of the Corporation approved the amendment to Article III of the Amended Articles of Incorporation of the Corporation, changing its principal office from Metro Manila, Philippines to No. 40 San Miguel Avenue, Mandaluyong City, Metro Manila, Philippines.</p>																					
June 10	<p>In connection with the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held on June 10, 2014, we make the following disclosure:</p> <p>The Board declared cash dividends for common shares at ₱0.35 per share.</p> <p>The cash dividends for the common shares are payable on July 21, 2014 to all stockholders of record of the common shares as of June 27, 2014. The stock and transfer books of the Corporation will be closed from June 30 to July 4, 2014.</p>																					
June 10	<p>We advise that, at the Annual Stockholders' Meeting of San Miguel Corporation (the "Corporation") held on June 10, 2014, at the Valle Verde Country Club, Inc. Capt. Henry P. Javier Street, Oranbo, Pasig City, the following were approved:</p> <p>1. <u>Election of Directors</u></p> <p>The following directors were duly elected by the stockholders of the Corporation:</p> <p>Eduardo M. Cojuangco, Jr. Ramon S. Ang Leo S. Alvez Aurora T. Calderon Joselito D. Campos, Jr. Ferdinand K. Constantino Menardo R. Jimenez Estelito P. Mendoza Alexander J. Poblador Horacio C. Ramos Thomas A. Tan Iñigo Zobel Winston Garcia – Independent Director</p>																					

	<p>Reynato S. Puno – Independent Director Margarito B. Teves – Independent Director</p> <p>2. <u>Appointment of External Auditors</u></p> <p>The stockholders of the Corporation approved the appointment of the auditing firm of R. G. Manabat & Co., CPAs as the External Auditor of the Corporation for the year 2014.</p>
June 10	<p>Please be informed that, at the Organizational Meeting of the Board of San Miguel Corporation (the “Corporation”) held on June 10, 2014, at the Valle Verde Country Club, Inc. Capt. Henry P. Javier Street, Oranbo, Pasig City, the following by-law officers of the Corporation were duly elected:</p> <p>Eduardo M. Cojuangco, Jr - Chairman and Chief Executive Officer Ramon S. Ang - Vice Chairman, President and Chief Operating Officer Ferdinand K. Constantino - Chief Finance Officer-Treasurer Virgilio S. Jacinto - General Counsel, Corporate Secretary and Compliance Officer Mary Rose S. Tan - Assistant Corporate Secretary Lorenzo G. Timbol - Assistant Corporate Secretary</p> <p>The following Committee members were also elected:</p> <p><u>Executive Committee</u></p> <p>Eduardo M. Cojuangco, Jr. – Chairman Ramon S. Ang Estelito P. Mendoza Menardo R. Jimenez Iñigo Zobel Ferdinand K. Constantino</p> <p><u>Audit Committee</u></p> <p>Margarito B. Teves – Chairman Estelito P. Mendoza Winston F. Garcia Ferdinand K. Constantino Leo S. Alvez</p> <p><u>Executive Compensation Committee</u></p> <p>Menardo R. Jimenez – Chairman Winston F. Garcia Reynato S. Puno Joselito D. Campos, Jr. Ferdinand K. Constantino Aurora T. Calderon</p> <p><u>Nomination and Hearing Committee</u></p> <p>Estelito P. Mendoza - Chairman Ramon S. Ang Ferdinand K. Constantino Reynato S. Puno Alexander J. Poblador Leo S. Alvez</p> <p>Maria Cristina Menorca – Ex Oficio Member</p>

June 11	Disclosure of the Company with respect to the news article entitled “Diversification starting to bear fruits for SMC,” published in the June 11, 2014 issue of The Philippine Star.
June 13	Disclosure of the Company with respect to the news article entitled “SMC disqualified from Cavite-Laguna toll road project,” posted in Inquirer.net on June 13, 2014.
July 7	Disclosure of the Company with respect to the news article entitled “SMC prepared to spend \$10B for asset acquisitions in region,” posted in Manila Bulletin (Internet Edition) on July 4, 2014.
July 17	In connection with the Regular Meeting of the Board of Directors of San Miguel Corporation (the “Corporation”) held today, July 17, 2014, the Board approved to amend the Manual on Corporate Governance of the Company (the “Manual”) to comply with SEC Memorandum Circular No. 9, Series of 2014. We shall provide the Exchange with a copy of the Manual upon submission to the Securities and Exchange Commission.
July 18	Disclosure of the Company relating to the news article entitled “15 bidders for Bulacan water” posted in BusinessWorld Online on July 17, 2014.
July 18	We submit herewith the Company’s Amended Manual on Corporate Governance filed with the Securities and Exchange Commission today, July 18, 2014, duly signed by the Chairman and President of the Company. As previously disclosed to the Exchange on July 17, 2014, the amendments to the Manual on Corporate Governance of the Company were approved by the Board of Directors during its meeting held on the same day, in compliance with SEC Memorandum Circular No. 9, Series of 2014.
July 28	Disclosure of the Company relating to the news article entitled “SMC-Lucio Tan showdown over PAL looms,” posted in Inquirer.net on July 28, 2014.
July 31	Disclosure of the Company relating to the news article entitled “Ang expects completion of PAL buyout in 3 rd qtr,” posted in philSTAR.com on July 31, 2014.
Aug. 4	Disclosure of the Company relating to the news article entitled “Submission of bids for P2.5-B ITS deal moved as govt revises terms,” posted in BusinessMirror (Internet Edition) on August 3, 2014.
August 11	Press Release entitled “SMC net income grows six-fold to P18.4 billion.”
August 20	Disclosure of the Company relating to the news article entitled “More tycoons join bid for Laguna Lakeshore development,” posted in Inquirer.net on August 20, 2014.
Sept. 8	Disclosure of the Company relating to the news article entitled “PAL buyout a ‘one deal,’” posted in philSTAR.com on September 7, 2014.
Sept. 8	Disclosure of the Company and the Group of Dr. Lucio C. Tan relating to the Philippine Airlines.

Sept. 9	Disclosure of the Company relating to the news article entitled "Tan has 7 days to buy back PAL," posted in philSTAR.com on September 9, 2014.
Sept. 11	Disclosure of the Company relating to the news article entitled "SMC bids for United Biscuits," posted in manilastandardtoday.com on September 10, 2014.
Sept. 16	Disclosure of the Company relating to the news article entitled "Tan gets back PAL for \$1.3 B," posted in philSTAR.com on September 16, 2014.
Sept. 18	<p>We advise that at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, September 18, 2014, the Board of Directors authorized the (i) execution of the Amended and Restated Deposit Agreement ("ARDA") with J.P. Morgan as depositary bank, amending the Deposit Agreement entered into between the Company and Morgan Guaranty Trust Company of New York on October 1, 1990 relating to the American Depositary Receipts ("ADR") issued by the Company (the "Deposit Agreement"), and (ii) filing of U.S. SEC Form F-6, which is the registration statement for the ADRs</p> <p>The execution of the ARDA is being made in order to update the terms and conditions of the Deposit Agreement to comply with existing U.S. Securities Laws and practices relating to ADRs. The ARDA shall cover only the existing ADRs which were issued pursuant to the Original Deposit Agreement.</p>
Sept. 18	<p>We advise that at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, September 18, 2014, the Board of Directors approved the declaration of cash dividends on the common shares at ₱0.35 per share.</p> <p>The cash dividends for the common shares are payable on November 7, 2014 to all stockholders of record of the common shares as of October 17, 2014. The stock and transfer books of the Corporation will be closed from October 20 to 24, 2014.</p>
Sept. 23	Disclosure of the Company relating to the news article entitled "SMC lost money on PAL investment," posted in Inquirer.net on September 23, 2014.
Sept. 25	Disclosure of the Company relating to the news article entitled "SMC selling bank unit, mulls overseas oil, gas deal," posted in Manila Bulletin Yahoo News Philippines," on September 25, 2014.

Sept. 30	Disclosure of the Company with respect to the news article entitled “4 companies eye operations contract of LRT2,” posted in InterAksyon.com on September 29, 2014.								
Oct. 13	We advise that today, October 13, 2014, San Miguel Corporation received from the Securities and Exchange Commission the Certificate of Filing of its Amended Articles of Incorporation dated October 3, 2014. A copy of the said Certificate with the Amended Articles of Incorporation is attached.								
Nov. 7	Disclosure of the Company relating to the news article entitled “8 groups keen on P18.7 –b Rizal dam,” posted in Manila Standard Today on November 6, 2014.								
Nov. 10	Enclosed is a copy of our press statement entitled “SMC revenues and earnings surge 10% and 31% from Jan-Sept,” which we will release to the press today.								
Nov. 10	<p>We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, November 10, 2014, the Board of Directors of the Corporation declared cash dividends on the Series "2" Preferred Shares of the Corporation to be paid on (a) December 23, 2014, and (b) March 25, 2015, as follows:</p> <table data-bbox="609 913 1226 1087"> <tr> <th><u>Subseries</u></th><th><u>Dividend Amount for each Payment Date</u></th></tr> <tr> <td>Subseries “A”</td><td>₱1.40625</td></tr> <tr> <td>Subseries “B”</td><td>₱1.4296875</td></tr> <tr> <td>Subseries “C”</td><td>₱1.50</td></tr> </table> <p>For the December 23, 2014 payment date, the cash dividend shall be paid to the holders of the Series “2” Preferred Shares as of November 28, 2014. The books of the Corporation will be closed from December 1 to 5, 2014.</p> <p>For the March 25, 2015 payment date, the cash dividend shall be paid to the holders of the Series “2” Preferred Shares as of February 27, 2015. The books of the Corporation will be closed from March 2 to 6, 2015.</p>	<u>Subseries</u>	<u>Dividend Amount for each Payment Date</u>	Subseries “A”	₱1.40625	Subseries “B”	₱1.4296875	Subseries “C”	₱1.50
<u>Subseries</u>	<u>Dividend Amount for each Payment Date</u>								
Subseries “A”	₱1.40625								
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Dec. 11	<p>We advise that at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, December 11, 2014, the Board of Directors approved the declaration of cash dividends on the common shares at ₱0.35 per share.</p> <p>The cash dividends for the common shares are payable on February 2, 2015 to all stockholders of record of the common shares as of January 7, 2015. The stock and transfer books of the Corporation will be closed from January 8 to 15, 2015.</p>								