

CR07080-2018

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SAN MIGUEL
FOOD AND BEVERAGE, INC.

San Miguel Food and Beverage, Inc.
FB

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type	SEC Form 17-C reporting on SMFB Audit and Board Assessment forms
Report Period/Report Date	Nov 13, 2018

Description of the Disclosure
Please see attached.

Filed on behalf by:

Name	Alexandra Trillana
Designation	Corporate Secretary and Compliance Officer

COVER SHEET

1 1 8 4 0
S. E. C. Registration Number

S A N M I G U E L F O O D A N D
B E V E R A G E , I N C .

(Company's Full Name)

23 r d F l r . J M T B l d g . A D B
A v e . P a s i g C i t y
(Business Address: No. Street City/Town/Province)

ALEXANDRA B. TRILLANA
Contact Person

(632) 317-5450
Company Telephone Number

Month Day

SEC Form
1 7 - C
FORM TYPE

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17(b)(3) THEREUNDER

1. **November 13, 2018**
Date of Report (Date of earliest event reported)
2. SEC Identification No. **11840**
3. BIR Tax Identification No. **000-100-341-000**
4. **SAN MIGUEL FOOD AND BEVERAGE, INC.**
Exact name of registrant as specified in its charter
5. **Philippines**
(Province, country or other jurisdiction of
Incorporation)
6. (SEC Use Only)
Industry Classification Code
6. **23/F The JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City**
1605
(Address of principal office) (Postal Code)
7. **(632) 317-5000** (Registrant's telephone number, including area code)
8. **Registrant has not changed address since its last report to this Honorable Commission**
(Former name or former address, if changed since last report)
9. Securities registered pursuant to Sections 8 and 12 of SRC

Title of Each Class	Outstanding as of September 30, 2018
Common	5,909,220,090
Preferred	15,000,000
	<u>5,924,220,090</u>

10. Indicate the item numbers reported herein:

Item 9. Other Events

At the meeting of the Board of Directors of San Miguel Food and Beverage, Inc. (respectively, the "Board" and the "Company") held on November 13, 2018:

- a. Upon the endorsement of the Audit Committee, the Board approved the submission to the SEC and PSE of the Quarterly Report of the Company (or SEC Form 17-Q), including financial statements as at and for the period ended September 30, 2018.
- b. Upon the endorsement of the Audit Committee, the Board approved the Internal Audit Plan as at and for the year ending December 31, 2018, for the Company and its food subsidiaries, as presented by the Internal Audit Group to the Audit Committee.
- c. The Board approved the declaration of cash dividends to shareholders of the Company as follows:

Preferred Shares Series 2 (PFP2)

Amount:	P14.14225 per share
Record Date:	November 27, 2018
Closing of Books:	November 28 to December 3, 2018
Payment Date:	December 12, 2018

- d. The Compliance Officer distributed the attached Internal Self-Rating Form to the Directors, together with the policy and procedures, including criteria, for the annual performance assessment of the Board, intended to appraise and improve the performance of the Board of Directors as a governing unit, the individual directors, the different Board Committees, as well as the President, in accordance with the Company's Manual on Corporate Governance.

The attached Self-Assessment Worksheet was also circulated for the members of the Audit Committee to accomplish annually pursuant to its Charter, as required by the SEC.

The directors were requested to return the accomplished forms to the Office of the Compliance Officer on or before December 7, 2018.

- e. The Board set the dates for the 2019 Board of Directors' and Committee meetings, as well as the Annual Stockholders' Meeting (ASM) of the Company. The ASM is scheduled on June 5, 2019, the first Wednesday of June, in accordance with the Company's By-laws. Stockholders who wish to propose the inclusion of additional items to the usual Agenda of the ASM and/or nominate candidates to the Board, may submit their proposals not later than January 31, 2019 to the Corporate Secretary at the 22nd Floor, The

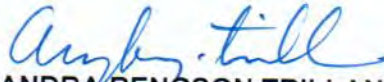
JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City, for the consideration of the Chairman and the appropriate Board Committees.

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Pursuant to the requirements of the Securities Regulation Code, the registrant duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SAN MIGUEL FOOD AND BEVERAGE, INC.

By:



ALEXANDRA BENGSON TRILLANA
Corporate Secretary and Compliance Officer

November 13, 2018.



ANNUAL BOARD PERFORMANCE ASSESSMENT

POLICY AND PROCEDURES

San Miguel Food and Beverage, Inc. (formerly San Miguel Pure Foods Company Inc., the “Company”) recognizes that in order to sustain good corporate governance within the organization, the same sound culture must be upheld and cultivated from the top. It is therefore of paramount importance to monitor the governance structure and performance of the Board and top management according to their roles, responsibilities and accountabilities.

Since the year 2011, it has been a policy and practice of the Company for its Board of Directors (“Board”) to conduct an annual self-assessment exercise through a questionnaire given to each director, for the purpose of evaluating and improving the performance of the Board in accordance with the best practices in corporate governance, and the effectiveness of the Company’s governance processes.

The Company continually reviews this assessment process to take into consideration leading practices in corporate governance. The attached self-rating form now covers appraisal of the Board as a governing unit, of individual directors, of the different Board Committees, as well as of management including the President.

Criteria and Process

The assessment criteria include the structure, efficiency, and effectiveness of the Board, participation and engagement of each member of the Board, contribution of each member director to their respective Committees, and the performance of management. The criteria also reflects the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company’s By-Laws, Manual on Corporate Governance, Board Committee Charters and governing policies.

The following rating system shall be used by the directors in accomplishing the self-rating form:

- E : Excellent**
- G : Good**
- VS : Very Satisfactory**
- S : Satisfactory**
- NI : Needs Improvement**

The form also allows the director to provide comments and suggestions to further enrich the assessment process. For further clarification on this policy and the performance assessment exercise, the Board may address their queries to the Compliance Officer.

Facilitated by the Compliance Officer, the annual self-rating form shall be accomplished and signed by each individual director. The Compliance Officer shall collate the accomplished forms thereafter.

The Compliance Officer may amend the self-rating form as deemed necessary, provided that the same shall be compliant with sound corporate governance standards and practices and applicable law.

BOARD OF DIRECTORS INTERNAL SELF-RATING FORM

San Miguel Food and Beverage, Inc.

INSTRUCTIONS:

Please accomplish this form by checking (✓) the item that corresponds to your answer. Each item represents the following:

- E : Excellent**
- G : Good**
- VS : Very Satisfactory**
- S : Satisfactory**
- NI : Needs Improvement**

NAME : _____

SIGNATURE : _____

DATE : _____

**PART 1
BOARD APPRAISAL**

1. The Board has the right size and composition to bring the requisite knowledge, abilities, diversity and skills to the table.

- E G VS S NI

Comments:

2. The Board, as a whole, possesses the right skills and background for the current issues facing the company.

- E G VS S NI

Comments:

3. The Board has sufficient diversity and independence among its directors, allowing it to constructively challenge one another and management in carrying out their respective functions and duties aligned with the company's strategic directions.

E G VS S NI

Comments:

4. The Board receives ongoing education, allowing directors to stay up to date with developments and to understand their impact.

E G VS S NI

Comments:

5. The frequency, duration and scheduling of Board meetings per year were adequate to ensure proper coverage of the Board's responsibilities.

E G VS S NI

Comments:

6. Directors receive adequate materials before the Board meeting.

E G VS S NI

Comments:

7. Meetings are effective with sufficient materials, limited presentation, and an atmosphere that encourages open dialogue.

E G VS S NI

Comments:

8. The non-executive directors have a separate meeting without any executive directors present to ensure that proper checks and balances are in place within the company.

E G VS S NI

Comments:

9. The Board receives appropriate information on industry trends and business environment to enable it to have sufficient insight when considering management's proposed plan/strategy.

E G VS S NI

Comments:

10. The Board evaluates the proposed plan/strategy including key assumptions, major risks, and required resources, and addresses critical issues.

E G VS S NI

Comments:

11. The Board constructively debates the proposed plan/strategy before granting approval.

E G VS S NI

Comments:

12. The Board monitors the continued viability of the plan/strategy ensuring that it is adjusted as needed to respond to the evolving environment.

E G VS S NI

Comments:

13. The Board thoroughly reviews major capital expenditures before approval and evaluates ultimate outcomes.

E G VS S NI

Comments:

14. Directors strengthen the tone at the top by clearly demonstrating the required ethical values.

E G VS S NI

Comments:

15. The Board regularly reviews and approves the Company's vision, mission and value statements to ensure continued relevance and applicability thereof.

E G VS S NI

Comments:

16. The Board demonstrates commitment to good corporate governance practices and provides oversight to ensure that the Company is operated in a moral, legal, and ethical manner.

E G VS S NI

Comments:

17. The Board regularly and consistently considers the interest of minority shareholders to ensure their equitable treatment in the decision making process.

E G VS S NI

Comments:

18. The Board ensures that the Company has a sound and effective internal control system in place, and understands management's role implementing such system.

E G VS S NI

Comments:

19. There are sound policies, procedures and a system in place for related party transactions, which a dedicated Committee effectively implements.

E G VS S NI

Comments:

20. There is a clear distinction in the roles and responsibilities between the Chairman and President.

E G VS S NI

Comments:

PART II
COMMITTEE APPRAISAL

1. The Board has an effective committee structure.

E G VS S NI

Comments:

2. The delegation of power from the Board to its Committees is appropriate with their relevant corresponding Charters.

E G VS S NI

Comments:

3. The Committees regularly provide a report to the full Board and sufficiently update the Board on recent developments or such other matters that may require Board action.

E G VS S NI

Comments:

4. The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.

E G VS S NI

Comments:

PART III
INDIVIDUAL DIRECTOR APPRAISAL

1. I understand and faithfully uphold the vision, mission, values and strategies of the company.

E G VS S NI

Comments:

2. I keep myself updated on the latest best practices in corporate governance and ensure I abide by them.

E G VS S NI

Comments:

3. I avoid entering into situations where I may be placed in a conflict of interest with that of the Company and I promptly disclose any conflict, which may occur.

E G VS S NI

Comments:

4. I have a good record of Board and Committee (where applicable) meeting attendance.

E G VS S NI

Comments:

5. I come to Board/Committee meetings on time, prepared and knowledgeable about the topics to be discussed.

E G VS S NI

Comments:

6. I actively participate in Board/Committee discussions with a sense of independence and objectivity.

E G VS S NI

Comments:

7. I am aware of all policies and procedures the Board is subjected to and actively adopt these in my function as a member of the Board.

E G VS S NI

Comments:

8. I am committed to accomplish all duties and responsibilities of a director and member of my Committee/s, if any, and will perform in the best interest of the Company.

E G VS S NI

Comments:

A. I believe the Board should focus on the following priorities for the upcoming year:

1. _____
2. _____
3. _____

B. Are there changes that would improve the Board's effectiveness that you would suggest?

1. _____
2. _____
3. _____

**PART IV
BOARD - MANAGEMENT RELATIONSHIP APPRAISAL**

1. The Board is comfortable with management's (i.e., President, Chief Finance Officer) plans to implement the approved strategy, goals and targets and is confident and satisfied in management's ability to carry out its responsibilities in the interest of the Company.

E G VS S NI

Comments:

2. Management has in place an effective process to identify risks and assess their potential impact.

E G VS S NI

Comments:

3. Management informs the Board of all key risks and the Board is confident management addresses them appropriately.

E G VS S NI

Comments:

4. The Board sufficiently challenges and supports management.

E G VS S NI

Comments:

5. The Board is effective in monitoring management's implementation of the company's strategy.

E G VS S NI

Comments:

6. The Board devotes sufficient time and effort to meeting key company executives.

E G VS S NI

Comments:

7. There is an open-line of communication and constructive interaction between directors and management.

E G VS S NI

Comments:

8. The Board continually monitors management's performance against clear and measurable objectives, providing constructive feedback and reinforces management's role in setting the tone at the top.

E G VS S NI

Comments:

**PART V
PRESIDENT APPRAISAL**

1. The President supervises, directs, controls and manages the business operations, affairs and properties of the company in a sound and prudent manner.

E G VS S NI

Comments:

2. The President consistently makes decisions that enable the company achieve its goals better.

E G VS S NI

Comments:

3. The President commits to the fundamental principles of good corporate governance and supports the Board in its governance duties.

E G VS S NI

Comments:

4. The President helps the Board establish the company's vision, mission, strategic objectives, policies and procedures, including mechanisms for effective monitoring of management's performance.

E G VS S NI

Comments:

5. The President maintains an effective working relationship with the Chairman and members of the Board.

E G VS S NI

Comments:

6. The President provides the Board complete, adequate and timely information on plans, performance, issues, developments and opportunities which would enable it to make appropriate decisions or directions.

E G VS S NI

Comments:

7. The President ensures that all resolutions and directions of the Board are carried into effect.

E G VS S NI

Comments:

8. The President effectively monitors the key risks and performance indicators to enable the Company to anticipate and prepare for the possible threats to its operational and financial viability.

E G VS S NI

Comments:

9. The President regularly monitors the adequacy and effectiveness of the Company's financial reporting, governance, operations and information systems, including the reliability and integrity of the financial and operational information.

E G VS S NI

Comments:

A. List the President's major accomplishments for the year that you think deserves recognition:

1. _____
2. _____
3. _____

B. List the areas that you think you would like the President to improve or prioritize:

1. _____
2. _____
3. _____

SAN MIGUEL FOOD AND BEVERAGE, INC.
AUDIT COMMITTEE SELF ASSESSMENT WORKSHEET

NAME:

DATE:

Responsibilities under the Code	Specific Areas/ Dimensions (Non-exclusive List)	ASSESSMENT		
		Is this part of the Audit Committee's Charter? (Yes or No)	Has this been Implemented? (if yes, cite reference document)	Follow-up Actions Needed
Setting of Committee Structure and Operation	<ol style="list-style-type: none"> 1. Committee size 2. Independence requirement 3. Qualifications, skills and attributes of members and Chair 4. Financial knowledge for members and Chair 5. Succession plan of members 6. Meetings (frequency, etc.) 7. Reporting to the Board and issuance of certifications on critical compliance issues 8. Evaluations 9. Resources including access to outside advisors 10. Training and education 			
Oversight on Financial Reporting and Disclosures	<ol style="list-style-type: none"> 1. Extent of understanding of the company's business and industry in which it operates 2. Compliance with financial reporting regulations 3. Recognition of management's responsibility over the financial statements 4. Appropriateness of accounting policies adopted by management 5. Reasonableness of estimates, assumptions, and judgments used in the preparation of financial statements 6. Identification of material errors and fraud, and sufficiency of risk controls 7. Actions or measures in case of finding of error or fraud in financial reporting 8. Review of unusual or complex transactions including all related party transactions 9. Determination of impact of new accounting standards and interpretations 10. Assessment of financial annual and interim reports as to completeness, clarity, consistency and accuracy of disclosures of material information including on 			

Responsibilities under the Code	Specific Areas/ Dimensions (Non-exclusive List)	ASSESSMENT		
		Is this part of the Audit Committee's Charter? (Yes or No)	Has this been Implemented? <i>(if yes, cite reference document)</i>	Follow-up Actions Needed
	subsequent events and related party transactions 11. Review and approval of management representation letter before submission to external auditor 12. Communication of the Audit Committee with legal counsel covering litigation, claims, contingencies or other significant legal issues that impact financial statements 13. Fair and balanced review of financial reports 14. Assessment of the correspondence between the company and regulators regarding financial statement filings and disclosures			
Oversight on Risk Management and Internal Controls	1. Obtaining management's assurance on the state of internal controls 2. Review of internal auditor's evaluation internal controls 3. Evaluation of internal control issues raised by external auditors 4. Assessment of control environment including IT systems and functions 5. Setting a framework for fraud prevention and detection including whistle-blower program 6. Deliberation on findings of weaknesses in controls and reporting process 7. Understanding and assessment of identified risks 8. Evaluation of sufficiency and effectiveness of risk management processes and policies 9. Preparation and implementation of a <i>Business Continuity Plan</i> 10. Promotion of risk awareness in the organization			
Oversight on Management and Internal Audit	1. Evaluation of compliance with the Code of Conduct for management 2. Communication with management and internal auditor 3. Assessment of adequacy of resources and independence of internal auditor 4. Qualifications of an internal auditor 5. In-house or outsource internal audit function 6. Compliance with International Standards on the Professional Practice of Internal			

Responsibilities under the Code	Specific Areas/ Dimensions (Non-exclusive List)	ASSESSMENT		
		Is this part of the Audit Committee's Charter? (Yes or No)	Has this been Implemented? <i>(if yes, cite reference document)</i>	Follow-up Actions Needed
	Auditing 7. Review and approval of internal audit annual plan 8. Extent and scope of internal audit work 9. Reporting process			
Oversight on External Audit	1. Assessment of independence and professional qualifications and competence of external auditor 2. Engagement and rotation process of external auditor or firm 3. Review and approval of scope of work and fees of external auditor 4. Assessment of non-audit services 5. Understanding disagreements between auditor and management 6. Actions on the findings of external auditor 7. Management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions 8. Evaluation of performance of external audit-reappointment and resignation 9. Compliance of external auditor with auditing standards 10. Completeness and timeliness of communication with external auditor as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management, and other material issues that affect the audit and financial reporting.			