

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Mar 25, 2015
2. SEC Identification Number  
11840
3. BIR Tax Identification No.  
000-100-341-000
4. Exact name of issuer as specified in its charter  
SAN MIGUEL PURE FOODS COMPANY INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
23/F, The JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City, Metro Manila  
Postal Code  
1605
8. Issuer's telephone number, including area code  
(632) 702-5000
9. Former name or former address, if changed since last report  
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding	
Common (PF)	166,667,096	
Preferred (PFP2)	15,000,000	

11. Indicate the item numbers reported herein  
Item 9. Other Events

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**San Miguel Pure Foods Company, Inc.  
PF**

**PSE Disclosure Form 16-1- Update on Corporate Actions/  
Material Transactions/Agreements  
References: SRC Rule 17 (SEC Form 17-C) and  
Section 16 of the Revised Disclosure Rules**

**Subject of the Disclosure**

SMPFC Certificate of Filing Enabling Resolution.

**Background/Description of the Disclosure**

Please see attached.

**Other Relevant Information**

None.





REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills  
City Of Mandaluyong, Metro Manila

COMPANY REG. NO. 11840

**CERTIFICATE OF FILING OF ENABLING RESOLUTION**

**KNOW ALL PERSONS BY THESE PRESENTS:**

THIS IS TO CERTIFY that the Enabling Resolution No. 2015-11-05-01 of:

**SAN MIGUEL PURE FOODS COMPANY, INC.**

copy annexed, adopted on November 05, 2014 by its Board of Directors on the terms and conditions of its preferred shares of stock was filed with this office and attached to the other papers pertaining to said corporation, pursuant to Section 6 of the Corporation Code of the Philippines.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 16<sup>th</sup> day of March, Twenty Fifteen.



  
**FERDINAND B. SALES**

Director

Company Registration and Monitoring Department



SEC COPY

COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

23	r	d	F	i	r.		J	M	T		B	i	d	g.		A	D	B	
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(Business Address: No. Street City/Town/Province)

ALEXANDRA B. TRILLANA

Contact Person

(632) 702-5450

Company Telephone Number

ENABLING RESOLUTIONS

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Month

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Day

	L	E	T	T	E	R	
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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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Document I. D.

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Cashier

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STAMPS

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SECURITIES AND EXCHANGE COMMISSION  
Company Registration and Monitoring  
Department (CRMD)  
Office of the Director



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: [mis@sec.gov.ph](mailto:mis@sec.gov.ph)

By: *CRMD*

Date: *16 FEB 2015*

Time: *10:40 AM*

102132015001881

CORPORATE & PARTNERSHIP REGISTRATION DIVISION  
*2/17/15*

Barcode Page (Other Docs)

Non-Company Related Document(s)

Receiving Officer/Encoder : Dharril Curañes

Receiving Branch : Head Office

Receipt Date and Time : February 13, 2015 04:21:16 PM

Document Details

Sender Name	SAN MIGUEL PUREFOODS/ALEXANDRA BENGSON TRILLANA
Contact Information	7025000
Received From	Head Office
Department	Company Registration and Monitoring Department
Addressee	DEPARTMENT ACCOUNT - CRMD
Subject	RE: SAN MIGUEL PURE FOODS COMPANY INC. - ENABLING RESOL
Document Type	Letter
Remarks	FOR: DIR. SALES / DATED 02/13/2015 W/ ATTACHMENTS ORIGINAL

*CPRO*  
*2/17*  
*Ms. Cabatiz jls.*  
*advised to pay*  
*filing fee*  
*mls*  
*2/17*



February 13, 2015

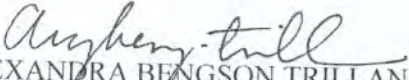
**SECURITIES AND EXCHANGE COMMISSION**  
EDSA, Mandaluyong City

**ATTENTION:**        **ATTY. FERDINAND SALES**  
Director  
Company Registration and Monitoring Department

Ladies and Gentlemen:

In connection with the public offering of 15,000,000 Series 2 Preferred Shares of San Miguel Pure Foods Company Inc. (the "Company"), we submit herewith the Enabling Resolutions approved by the Board of Directors of the Company, incorporating the terms of the Series 2 Preferred Shares, in compliance with Article Seventh of the Amended Articles of Incorporation of the Company.

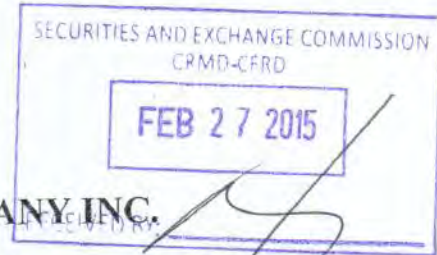
Very truly yours,

  
ALEXANDRA BENGLSON TRILLANA  
Corporate Secretary





**DIRECTORS' CERTIFICATE OF**  
**SAN MIGUEL PURE FOODS COMPANY INC.**



**KNOW ALL MEN BY THESE PRESENTS:**

We, the undersigned, being at least a majority of the members of the Board of Directors and the Chairman and Corporate Secretary of **SAN MIGUEL PURE FOODS COMPANY INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at the 23<sup>rd</sup> Floor, The JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City, do hereby certify that:

1. At the regular meeting of the Board of Directors of the Corporation held on November 5, 2014 at the 8<sup>th</sup> Floor, Board Room, San Miguel Head Office Complex, 40 San Miguel Avenue, Mandaluyong City, at which meeting a quorum was present and acting throughout, the Board approved the following resolutions:

**Resolution No. 2014-11-05-01**

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Board of Directors of San Miguel Pure Foods Company Inc. (the "Company") approves and authorizes:

- (a) the public offer of up to 25,000,000 unissued preferred shares of the Company (the "Preferred Shares") at the issue price of One Thousand Pesos (P1,000.00) per share (the "Offer"), as covered by the approval of the stockholders during its Special Stockholders' Meeting on November 3, 2010;
- (b) the registration of the Preferred Shares with the Securities and Exchange Commission ("SEC"), including the signing, execution and delivery by the Company of the Registration Statement and Prospectus for the Offer (the "Registration Statement"), as well as any other required documents for the registration of the Preferred Shares, and the filing thereof with the SEC;
- (c) the listing of the Preferred Shares subscribed as a result of the Offer with the Philippine Stock Exchange ("PSE"), including the signing, execution and delivery by the Company of the listing application for the Preferred Shares and any other required documents for the listing of the Preferred Shares, and the filing thereof with the PSE; and
- (d) the disclosures contained and required in the Registration Statement to be filed by the Company with the SEC and the PSE in connection with the registration and listing of the Preferred Shares;



“RESOLVED, FURTHER, that the Board of Directors assumes responsibility for the information contained in the Registration Statement and the Prospectus and any further amendment or supplement thereto;

RESOLVED, FURTHER, that the Board of Directors authorizes Management:

- (a) to fix the dividend rate(s), payment terms, redemption period(s) and such other details of the terms and features of the Preferred Shares and the Offer, which Management may deem necessary or desirable for the successful marketing and distribution of the Preferred Shares;
- (b) to effect any such revisions to the Prospectus for the Offer as may be required, necessary or appropriate to comply with all applicable laws and regulations and to reflect any agreements or arrangements relating to the Offer that may be entered into by the Company; and
- (c) to engage the services of such underwriters, legal counsel, financial and other advisers and agents, and other relevant parties as may be necessary or appropriate, under such terms and conditions as Management may deem advantageous to the Company;

“RESOLVED, FURTHER, that the Board of Directors authorizes the following officers of the Company to sign the Sworn Registration Statement for the registration of the Preferred Shares with the SEC:

- (a) Francisco S. Alejo III – President and CEO
- (b) Zenaida M. Postrado – Chief Finance Officer
- (c) Mauvir C. Buzon – Comptroller and Principal Accounting Officer
- (d) Alexandra B. Trillana – Corporate Secretary

“RESOLVED, FINALLY, that any one or more Directors, Officers or authorized signatories of the Company be, as he or she is hereby, authorized and directed to negotiate, sign, execute and submit for and on behalf of the Company any and all agreements and documents necessary or appropriate to effect the foregoing resolutions, including but not limited to the Authority to Examine Bank Accounts of the Company, Letter on the Expenses of the Offer, Mandate Letter of the Underwriter(s) for the Offer and Application for Listing of the Preferred Shares.”

2. At the special meeting of the Board of Directors of the Corporation held on February 3, 2015 at the 8<sup>th</sup> Floor, Board Room, San Miguel Head Office Complex, 40 San Miguel Avenue, Mandaluyong City, at which meeting a quorum was present and acting throughout, the Board approved the following resolutions:

**Resolution No. 2015-02-03-04**

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Board of Directors of San Miguel Pure Foods Company Inc. (the “Company”) approves the public offer of up



to 15,000,000 unissued cumulative, non-voting, non-participating, and non-convertible Series "2" preferred shares of the Company with a par value of P10.00 per share (the "PFP Series 2 Shares") at the offer or issue price of One Thousand Pesos (P1,000.00) per share (the "Offer"), under the terms and conditions attached to this Resolution as Annex "A" (the "Terms of the Offer") and covered by the approval of the Board of Directors granted during its meeting on November 5, 2014;

RESOLVED, FURTHER, that the Board of Directors authorizes Management to finally determine the dividend rate(s) and make other changes to the Terms of the Offer as Management may deem necessary or desirable for the successful marketing and distribution of the PFP Series 2 Shares;

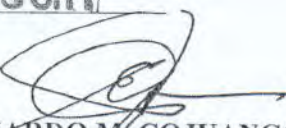
RESOLVED, FINALLY, that any one or more Directors, Officers or authorized signatories of the Company be, as he or she is hereby, authorized and directed to sign, execute and deliver for and on behalf of the Company, the foregoing enabling resolutions and any and all other agreements, undertakings, certifications and documents necessary or appropriate in connection with the Offer."

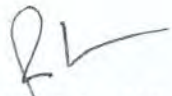
3. Pursuant to the above resolutions, on February 11, 2015, Management has determined that subject to the following initial dividend rate and step up rate for the PFP Series 2 Shares being as follows, the Terms of the Offer previously approved by the Board on February 3, 2015, shall remain unchanged:

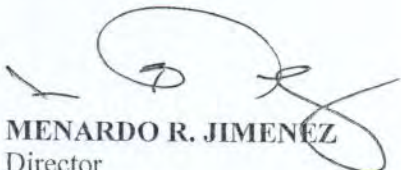
- (a) **Initial Dividend Rate for Series 2 Preferred Shares: 5.6569% per annum**
- (b) **Step Up Rate for Series 2 Preferred Shares: 3.75% per annum + the simple average of the closing per annum rates of the 7-year PDST-R2, or if the 7-year PDST-R2 is not available or cannot be determined, any such successor rate that is generally accepted by the market or a self-regulatory organization, for three consecutive days ending on (and including) the fifth anniversary from the listing date, as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider)**

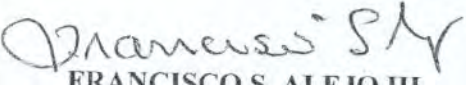
4. The Terms of the Offer, as finalized on February 11, 2015, is attached to this Directors' Certificate as Annex "B".

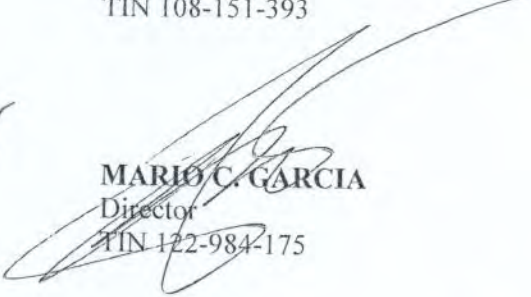
IN WITNESS WHEREOF, we have signed this Certificate on this 13 day of FEB 2015 at PASIG CITY

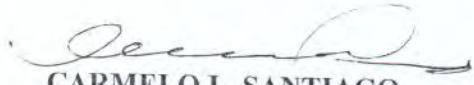
  
**EDUARDO M. COJUANGCO, JR.**  
 Chairman and Director  
 Chairman of the Board of Directors' Meeting  
 TIN 104-095-966

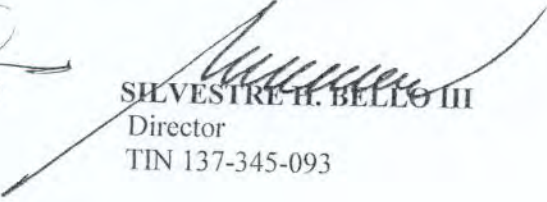
  
**RAMON S. ANG**  
 Director  
 TIN 118-247-725


  
**MENARDO R. JIMENEZ**  
 Director  
 TIN 108-151-393

  
**FRANCISCO S. ALEJO III**  
 Director  
 TIN 111-770-011

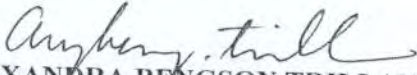
  
**MARIO C. GARCIA**  
 Director  
 TIN 122-984-175

  
**CARMELO L. SANTIAGO**  
 Director  
 TIN 131-029-990

  
**SILVESTRE H. BELLO III**  
 Director  
 TIN 137-345-093

  
**EDGARDO P. CRUZ**  
 Director  
 TIN 175-722-001

ATTESTED BY:

  
**ALEXANDRA BENGSON TRILLANA**  
 Corporate Secretary  
 Secretary of the Board of Directors' Meeting  
 TIN 189-741-659



FEB 13 2016

PASIG CITY

SUBSCRIBED AND SWORN TO before me on \_\_\_\_\_, at \_\_\_\_\_,  
affiants exhibiting to me their competent evidence of identity:

Eduardo M. Cojuangco, Jr.	Passport No.	: XX0410612
	Expiry Date	: February 15, 2017
	Place Issued	: Manila
Ramon S. Ang	Passport No.	: XX0748364
	Expiry Date	: July 10, 2016
	Place Issued	: Manila
Francisco S. Alejo III	Passport No.	: EB6193070
	Expiry Date	: August 23, 2017
	Place Issued	: Manila
Menardo R. Jimenez	Passport No.	: EB7993512
	Expiry Date	: April 26, 2018
	Place Issued	: Manila
Carmelo L. Santiago	Passport No.	: EB7866633
	Expiry Date	: April 12, 2018
	Place Issued	: Manila
Mario C. Garcia	Passport No.	: EB0110373
	Expiry Date	: April 15, 2015
	Place Issued	: Manila
Silvestre H. Bello III	Passport No.	: EB4954091
	Expiry Date	: March 14, 2017
	Place Issued	: Manila
Edgardo P. Cruz	Passport No.	: XX7984215
	Expiry Date	: April 25, 2018
	Place Issued	: Manila
Alexandra B. Trillana	Passport No.	: EC0224777
	Expiry Date	: February 5, 2019
	Place Issued	: Manila

Doc. No. 59 ;  
Page No. 13 ;  
Book No. VI ;  
Series of 2015.

  
**MA. FRANCESCA Q. BALTAZAR**

Notary Public for Pasig City  
Commission until 31 December 2016  
22<sup>nd</sup> Floor, JMT Corporate Condominium,  
ADB Ave., Ortigas Center, Pasig City  
APPT No. 94 (2015-2016)/Roll No. 57174  
PTR No. 0396440; 1/13/2015; Pasig City  
IBP No. 0990397; 1/12/2015; Makati City



**SAN MIGUEL PURE FOODS COMPANY INC.  
PERPETUAL SERIES 2 PREFERRED SHARES  
Offer Term Sheet**

<b>San Miguel Pure Foods Company Inc. - Perpetual Series 2 Preferred Shares</b>	
Issuer	San Miguel Pure Foods Company Inc. (the "Company" or the "Issuer").
Offer Size	₱10 billion base offer size, with an oversubscription option of up to ₱5 billion.
Instrument	Cumulative, non-voting, non-participating, non-convertible Peso-denominated Perpetual Preferred Shares ("Preferred Shares"). The Preferred Shares will be issued in one or more Subseries: Subseries 2A Preferred Shares (PFP2A) and Subseries 2B Preferred Shares (PFP2B).
Oversubscription Option	In the event of an oversubscription, the Joint Issue Managers, in consultation with the Issuer, reserve the right to increase the Offer Size by up to ₱5 billion, subject to the registration requirements of the SEC.
Registration and Listing	To be registered with the SEC and listed on the PSE, subject to compliance with SEC regulations and PSE listing rules.
Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners	BPI Capital Corporation China Banking Corporation RCBC Capital Corporation SB Capital Investment Corporation Standard Chartered Bank
Underwriters	The Joint Lead Underwriters, together with a syndicate of participating underwriters, to be formed by the Joint Issue Managers in consultation with the Issuer.
Use of Proceeds	To refinance the Issuer's ₱15 billion Outstanding Preferred Shares which are callable on March 3, 2014 or on any dividend payment date thereafter.
Par Value	The Preferred Shares shall have a par value of ₱10.00 per share.





**SAN MIGUEL PURE FOODS COMPANY INC.**  
**PERPETUAL SERIES 2 PREFERRED SHARES**  
**Offer Term Sheet**

**Offer Price** The Preferred Shares shall be offered at a price of ₱1,000.00 per share.

**Dividend Rate** As and if cash dividends are declared by the Board of Directors, cash dividends on the Preferred Shares shall be at the fixed rate of:

Subseries 2A Preferred Shares: [●]% per annum;

Subseries 2B Preferred Shares: [●]% per annum;

in all cases calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (each, the “Initial Dividend Rate” for the relevant Subseries).

The PDST-R2 benchmark rate would be based on the simple average of the closing per annum rates of the 5-year PDST-R2 for Subseries 2A Preferred Shares and 7-year PDST-R2 for Subseries 2B Preferred Shares (or if the 5-year PDST-R2 or the 7-year PDST-R2 is not available or cannot be determined, any successor rate that is generally accepted by the market or a self-regulating organization), for three (3) consecutive days ending on (and including) the pricing date as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider).

Dividend Rate means (a) from the Listing Date up to the Step Up Date, the Initial Dividend Rate, and (b) from the Step Up Date, the higher of the Initial Dividend Rate and the Step Up Rate. (Please see below relevant definitions.)

**Dividend Rate Step Up** Unless the Preferred Shares shall have been redeemed by the Company, in respect of Subseries 2A Preferred Shares, on the 5<sup>th</sup> anniversary of the Listing Date (the “Subseries 2A Step Up Date”) and in respect of Subseries 2B Preferred Shares, on the 7<sup>th</sup> anniversary of the Listing Date (the “Subseries 2B Step Up Date”), the Initial Dividend Rate shall be adjusted to:

(a) for Subseries 2A Preferred Shares, on the Subseries 2A Step Up Date, the simple average of the closing per annum rates of the 7-year PDST-R2, or if the 7-year PDST-R2 is not available or cannot be determined, any successor rate that is generally accepted by the market or a self-regulatory organization, for three (3) consecutive days ending on (and including) the fifth anniversary from



**SAN MIGUEL PURE FOODS COMPANY INC.  
PERPETUAL SERIES 2 PREFERRED SHARES  
Offer Term Sheet**

the Listing Date as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider), in each case, plus 150% of the Initial Spread for Subseries 2A Preferred Shares; and

(b) for Subseries 2B Preferred Shares, on the Subseries 2B Step Up Date, the simple average of the closing per annum rates of the 10-year PDST-R2, or if the 10-year PDST-R2 is not available or cannot be determined, any successor rate that is generally accepted by the market or a self-regulatory organization, for three (3) consecutive days ending on (and including) the seventh anniversary from the Listing Date, as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider) in each case, plus 150% of the Initial Spread for Subseries 2B Preferred Shares.

(The date of the listing of Subseries 2A Preferred Shares and the Subseries 2B Preferred Shares is referred to as the "Listing Date". The Subseries 2A Step Up Date and Subseries 2B Step Up Date are each referred to as a "Step Up Date". The adjusted rates referred to in (a) and (b) are each referred to as a "Step Up Rate".)

However, if the Initial Dividend Rate is higher than the applicable Step Up Rate, there shall be no adjustment on the Dividend Rate, and the Initial Dividend Rate shall continue to be the Dividend Rate.

**Dividend Payment Dates**

Cash dividends on the Preferred Shares will be payable once for every Dividend Period on such date set by the Board of Directors at the time of declaration of such dividends (each a "Dividend Payment Date") in accordance with the terms and conditions of the Preferred Shares, which date shall be any day within the period commencing on (and including) the last day of a Dividend Period and 15 calendar days from the end of the relevant Dividend Period. A "Dividend Period" shall refer to (i) March 3 to June 2, (ii) June 3 to September 2, (iii) September 3 to December 2, or (iv) December 3 to March 2 of each year. If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment as to the amounts of dividends to be paid.

The dividends on the Preferred Shares will be calculated





**SAN MIGUEL PURE FOODS COMPANY INC.  
PERPETUAL SERIES 2 PREFERRED SHARES  
Offer Term Sheet**

on a 30/360-day basis.

If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid.

**Conditions on Declaration and  
Payment of Cash Dividends**

The declaration and payment of cash dividends for each Dividend Period will be subject to the sole and absolute discretion of the Board of Directors to the extent permitted by applicable laws and regulations, and the covenants (financial or otherwise) in the agreements to which the Company is a party. The Board of Directors will not declare and pay dividends for any Dividend Period where payment of the Dividend would cause the Company to breach any of its financial covenants.

If the profits available to distribute as dividends are, in the Board's opinion, not sufficient to enable the Company to pay in full on the same date both dividends on the Preferred Shares and the dividends on other shares that are scheduled to be paid on or before the same date as the dividends on the Preferred Shares and have an equal right to dividends as the Preferred Shares, the Company is required first, to pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that dividend payment date on any shares with a right to dividends ranking in priority to that of the Preferred Shares, and second, to pay dividends on the Preferred Shares and any other shares ranking equally with the Preferred Shares as to participation in profits pro rata to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on past cumulative dividends on any shares ranking equal in the right to dividends with the Preferred Shares.

The profits available for distribution are, in general and with some adjustments, equal to the Company's accumulated, realized profits less accumulated, realized loss.

Dividends on the Preferred Shares will be cumulative. If for any reason the Company's Board does not declare a dividend on the Shares for a Dividend Period, the Company will not pay a dividend for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of



**SAN MIGUEL PURE FOODS COMPANY INC.  
PERPETUAL SERIES 2 PREFERRED SHARES  
Offer Term Sheet**

the Shares prior to such Dividend Period.

Holders of Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Shares.

The Issuer will covenant that, in the event (a) any dividends due with respect to any Preferred Shares then outstanding for any period are not declared and paid in full when due, or (b) any other amounts payable under the Preferred Share terms and conditions are not paid in full when due for any reason:

It will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking junior to Preferred Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking junior to Preferred Shares);

Subject to legal requirements, the Issuer will procure that no subsidiary over which the Issuer has a Controlling Participation will pay any discretionary dividends or other discretionary distributions on, or at the Issuer's discretion repurchase or redeem, any security ranking senior to the respective subsidiary's common shares other than those senior securities held by the Issuer or a wholly-owned subsidiary thereof (or contribute any moneys to a sinking fund for the purposes of any such redemption).

"Controlling Participation" shall refer to the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of the corporation, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the Board of Directors or similar body governing the affairs of the corporation.

**Optional Redemption**

As and if approved by the Board of Directors (or the Executive Committee), the Company may redeem in cash:

in whole (not in part), the Subseries 2A Preferred Shares on the 3<sup>rd</sup> anniversary of the Listing Date or on any Dividend Period thereafter, and

in whole (not in part), the Subseries 2B Preferred Shares on the 5<sup>th</sup> anniversary of the Listing Date or on any Dividend Period thereafter (each of the dates when the Subseries 2A Preferred Shares or the Subseries 2B



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Preferred Shares may be redeemed pursuant to this paragraph, an "Optional Redemption Date"),

after giving not less than 30 nor more than 60 days' written notice prior to the in

tended date of redemption, at a redemption price (the "Redemption Price") equal to the Offer Price of the Preferred Shares plus all dividends due them on the actual date of redemption as well as all accumulated dividends due and payable, or dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods. Such notice to redeem shall be deemed irrevocable upon issuance thereof.

For the avoidance of doubt, on the applicable Optional Redemption Date, the Company has the option to redeem, without preference or priority, in whole (not in part), any or both of the Subseries.

Redemption Due to an Accounting Event, Tax Event or Change of Control

The Company may also redeem the Preferred Shares, in whole (not in part), at any time if an Accounting Event, Tax Event or Change of Control (each as defined below) has occurred and is continuing, having given not less than 30 nor more than 60 days' written notice prior to the intended date of redemption, such notice to be deemed irrevocable upon issuance thereof.

Accounting Event

An accounting event ("Accounting Event") shall occur if an opinion of a recognized accountancy firm authorized to perform auditing services in the Republic of the Philippines has been delivered to the Company stating that the Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Company prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Company for the preparation of its audited consolidated financial statements for the relevant financial year and such event cannot be avoided by the Company taking reasonable measures available to it.

Tax Event

A tax event ("Tax Event") shall occur if payments on the Preferred Shares become subject to additional or higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures





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available to the Company.

**Change of Control (“CoC Event”)**

Change in Control shall be deemed to have occurred if any person or persons acting in concert or any third person or persons acting on behalf of such person(s) at any time acquire(s) directly or indirectly a Controlling Participation in the Company pursuant to the Philippine laws.

The Dividend Rate will be increased by 400 basis points commencing and including the day falling 180 days after the day on which a CoC Event has occurred. If a Change of Control has occurred, the Issuer may at any time redeem the Preferred Shares (in whole, not in part) at the Redemption Price, which shall include dividends computed on the applicable Dividend Rate plus the additional 400 basis points commencing and including on the day on which a CoC Event has occurred.

**No Sinking Fund**

The Company is not legally required, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Preferred Shares.

**Purchase of the Preferred Shares**

Upon listing on the PSE, the Company may purchase the Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other Preferred Shares. The Preferred Shares so purchased may either be redeemed (pursuant to the terms and conditions of the Preferred Shares) and cancelled or kept as Treasury Shares, as applicable.

**Taxation**

All payments in respect of the Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines, including, but not limited to, stamp, issue, registration, documentary, value-added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Company will pay additional amounts so that holders of the Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Provided, however, that the Company shall not be liable for, and the foregoing payment undertaking of the Company shall not apply to:

(a) the final withholding tax applicable on dividends earned on the Preferred Shares as prescribed under the



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National Internal Revenue Code of 1997;

(b) as applicable, any income tax (whether or not subject to withholding), percentage tax, stock transaction tax and documentary stamp tax on the redemption of the Preferred Shares or on the liquidating distributions as may be received by a holder of Preferred Shares,

(c) any expanded value-added tax which may be payable by any holder of the Preferred Shares on any amount to be received from the Company under the terms and conditions of the Preferred Shares;

(d) any withholding tax on any amount payable to any holder of Preferred Shares or any entity which is a non-resident foreign corporation; and

(e) any applicable taxes on any subsequent sale or transfer of the Preferred Shares by any holder of the Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

All sums payable by the Company to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax-exempt status from the tax authorities.

Documentary stamp tax for the primary issue of the Preferred Shares and the documentation, if any, shall be for the account of the Company

**Form, Title and Registration of the Preferred Shares**

The Preferred Shares will be issued in scripless form through the electronic book-entry system of SMC Stock Transfer Service Corporation as Registrar for the Offer, and lodged with Philippine Depository and Trust Corporation as Depository Agent on Listing Date through PSE Trading Participants nominated by the accepted Applicants. For this purpose, Applicants shall indicate in the proper space provided for in the Application form ("Application to Purchase") the name of a PSE trading participant under whose name their Shares will be registered.

After Listing Date, shareholders may request the Registrar, through their nominated PSE trading participant, to (a) open a scripless registry account and have their holdings of the Preferred Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Preferred Shares. Any expense that will be incurred in relation to such registration or issuance shall



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be for the account of the requesting shareholder.

Legal title to the Preferred Shares will be shown in an electronic register of shareholders (the "Registry of Shareholders") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Registrar shall send (at the cost of the Company) at least once every year a statement of account to all shareholders named in the Registry of Shareholders confirming the number of Shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder.

**Selling and Transfer Restrictions**

Initial placement and subsequent transfers of interests in the Preferred Shares shall be subject to normal selling restrictions for listed securities that may prevail in the Philippines from time to time.

**Eligible Investors**

The Preferred Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, provided that the Preferred Shares shall not be sold to persons classified as U.S. Persons under the Foreign Account Tax Compliance Act of the United States (FATCA), as this may be amended from time to time. "U.S. Persons" means any of the following: (i) a U.S. citizen (including dual citizen); (ii) a U.S. resident alien for U.S. tax purposes; (iii) a U.S. partnership; (iv) a U.S. corporation; (v) any U.S. estate; (vi) any U.S. trust if: (y) a court within the United States is able to exercise primary supervision over the administration of the trust; or, (z) one or more U.S. persons have the authority to control all substantial decisions of the trust; and (vi) any other person that is not a non-US person.

The Company may reject an Application or reduce the number of Shares applied for subscription or purchase for purposes of complying with any applicable constitutional or statutory minimum Filipino ownership requirement. In determining compliance with such nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of Outstanding Shares of Stock entitled to vote in the election of directors, and (b) the total number of Outstanding Shares of Stock, whether





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or not entitled to vote in the election of directors, as set out in applicable regulations.

Law may restrict subscription to the Preferred Shares in certain jurisdictions. Foreign investors interested in subscribing for or purchasing the Preferred Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, shall warrant that their purchase of the Preferred Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Preferred Shares.

Governing Law	The Preferred Shares will be issued pursuant to the laws of the Republic of the Philippines.
Procedure for Application	<p>Applications to Purchase may be obtained from any of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by the Applicant or an authorized signatory of the Applicant and accompanied by two completed signature cards, the corresponding payment for the Preferred Shares covered by the Application to Purchase and all other required documents including documents required for registry with the Registrar and Depository Agent ("Application"). The duly executed Application to Purchase and required documents should be submitted to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agents on or prior to set deadlines for submission of Applications to Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners and Selling Agents, respectively. If the Applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents:</p> <ul style="list-style-type: none"> <li>a. a certified true copy of the Applicant's latest articles of incorporation and by-laws, general information sheet or equivalent constitutive documents, each as amended to date, duly certified by the corporate secretary (or equivalent officer);</li> <li>b. a certified true copy of the Applicant's SEC certificate of registration, duly certified by the corporate secretary (or equivalent officer); and</li> <li>c. a duly notarized corporate secretary's certificate setting</li> </ul>



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forth the resolution of the Applicant's board of directors or equivalent body authorizing (i) the purchase of the Preferred Shares indicated in the Application and (ii) the designated signatories authorized for the purpose, including their respective specimen signatures.

Individual Applicants must also submit a photocopy of any one of the following identification cards ("ID"): passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank.

An Applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates must also submit the documents described in page 56 and 57 of this Prospectus.

**Payment for the Preferred Shares**

The Preferred Shares must be paid for in full upon submission of the Application. The purchase price must be paid in full in Pesos upon the submission of the duly completed and signed Application to Purchase and signature card together with the requisite attachments. Payment for the Preferred Shares shall be made either by: (i) a personal or corporate check drawn against an account with a BSP authorized bank at any of its branches located in Metro Manila; or (ii) a manager's or cashier's check issued by an authorized bank. All checks should be made payable to "[●]", crossed "Payee's Account Only," and dated on or before the date as the Application. The Applications and the related payments will be received at any of the offices of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agents. Applicants submitting their Application to a Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner may also remit payment for their Preferred Shares through the Real Time Gross Settlement ("RTGS") facility of the BSP to the Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner to whom such Application was submitted or via direct debit to their deposit account maintained with such Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner. Cash payments shall not be accepted.

Should the Applicant elect to pay through RTGS, the Application should be accompanied by an instruction issued by the Applicant to effect payment through RTGS in an amount equal to the total Offer Price of the Offer Shares applied for, to be effected and fully funded not later than [●] p.m. on [●].



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Should the Applicant elect to pay by a debit memo or instruction, the Application should be accompanied by a debit memo or instruction issued by the Applicant in an amount equal to the total Offer Price applied for in favor of the Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner to whom the Application is submitted, to be effected no later than [●] on [●].

**Acceptance/Rejection of Application**

The actual number of Preferred Shares that an Applicant will be allowed to subscribe for is subject to the confirmation of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. The Company reserves the right to accept or reject, in whole or in part, or to reduce any Application due to any grounds specified in the Underwriting Agreement to be entered into by the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. Applications which were unpaid or where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Moreover, any acceptance or receipt of payment pursuant to the Application does not constitute approval or acceptance by the Company of the Application.

An Application, when accepted, shall constitute an agreement between the Applicant and the Company for the subscription to the Preferred Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in the Prospectus. Notwithstanding the acceptance of any Application by the Company, the actual subscription by the Applicant for the Preferred Shares will become effective only upon listing of the Preferred Shares on the PSE and upon the obligations of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled, on or before the Listing Date, in accordance with the provision of the said agreement. If such conditions have not been fulfilled on or before the periods provided above, all Application payments will be returned to the Applicants without interest.

**Refunds for Rejected Applications**

In the event that the number of Preferred Shares to be allotted to an Applicant, as confirmed by a Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner or Selling Agent, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Company, then the Company shall refund,





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	without interest, within five Banking Days from the end of the Offer Period, all or the portion of the payment corresponding to the number of Preferred Shares wholly or partially rejected. All refunds shall be made through the Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner or Selling Agent with whom the Applicant has filed the Application at the Applicant's risk.
<b>Features of the Preferred Shares</b>	
No Voting Rights	Holders of the Preferred Shares shall not be entitled to vote at the Company's stockholders' meetings, except as otherwise provided by law.
Non-Participating	Holders of the Preferred Shares shall not be entitled to participate in any other or future dividends beyond the dividends specifically payable on the Preferred Shares.
Non-Convertible	Holders of the Preferred Shares shall have no right to convert the Preferred Shares to any other preferred shares or Common Shares of the Company.
No Pre-emptive Rights	Holders of the Preferred Shares shall have no pre-emptive rights to subscribe to any shares (including, without limitation, Treasury Shares) that will be issued or sold by the Company.
Liquidation Rights	In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of the Company, the holders of the Preferred Shares shall enjoy preference in the payment, in full or, if the remaining assets of the Company are insufficient, on a pro-rata basis as among all holders of Outstanding Preferred Shares, of the issue price of their Shares plus any previously declared and unpaid dividends, before any asset of the Company is paid or distributed to the holders of Common Shares.
<b>Other Terms of the Offer</b>	
Offer Period	The Offer Period shall commence at 9:00 a.m. on [February 16, 2015] and end at 5:00 p.m. on [March 5, 2015]. The Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners reserve the right



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to extend or terminate the Offer Period with the approval of the SEC and the PSE.

Minimum Subscription to the Preferred Shares	Each application shall be for a minimum of fifty (50) Preferred Shares, and thereafter, in multiples of ten (10) Preferred Shares. No application for multiples of any other number of Preferred Shares will be considered.
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Expected Timetable	<p>The timetable of the Offer is expected to be as follows:</p> <p>Dividend Rate Setting..... [February 11, 2015]</p> <p>Dividend Rate Announcement and Allocation of the Preferred Shares..... [February 12, 2015]</p> <p>Offer Period..... [February 16 to March 5, 2015]</p> <p>PSE Trading Participants' Commitment Period..... [February 18, 2015]</p> <p>PSE Trading Participants' Allocation..... [February 19, 2015]</p> <p>Settlement Date for Trading Participants.....[March 5, 2015]</p> <p>Settlement Date, Listing Date, and Commencement of Trading on the PSE..... [March 12, 2015]</p> <p>The dates included above are subject to the approval of the PSE and the SEC, market and other conditions, and may be changed.</p>
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Selling Agents	Trading Participants of the Philippine Stock Exchange
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Depository Agent	Philippine Depository and Trust Corporation.
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Registrar and Paying Agent	SMC Stock Transfer Service Corporation
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Counsel to the Issuer

Picazo Buyco Tan Fider & Santos

Counsel to the Joint Issue Managers,  
Joint Lead Underwriters, and Joint  
Bookrunners

[Signature page follows]





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SAN MIGUEL PURE FOODS COMPANY INC.

By:

A handwritten signature in black ink, appearing to read "Zenaida M. Postrado".

**ZENAIDA M. POSTRADO**  
Chief Financial Officer



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**San Miguel Pure Foods Company Inc. - Perpetual Series 2 Preferred Shares**

**Issuer** San Miguel Pure Foods Company Inc. (the "Company" or the "Issuer").

**Offer Size** ₱10 billion base offer size, with an oversubscription option of up to ₱5 billion.

**Instrument** Cumulative, non-voting, non-participating, non-convertible Peso-denominated Perpetual Preferred Shares ("Preferred Shares"). The Preferred Shares will be issued as Series 2 Preferred Shares (PFP2).

**Oversubscription Option** In the event of an oversubscription, the Joint Issue Managers, in consultation with the Issuer, reserve the right to increase the Offer Size by up to ₱5 billion, subject to the registration requirements of the SEC.

**Registration and Listing** To be registered with the SEC and listed on the PSE, subject to compliance with SEC regulations and PSE listing rules.

**Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners** BPI Capital Corporation  
China Banking Corporation  
RCBC Capital Corporation  
SB Capital Investment Corporation  
Standard Chartered Bank

**Other Underwriters** The syndicate of Co-Lead Underwriters and Participating Underwriters formed by the Joint Issue Managers in consultation with the Issuer.

**Use of Proceeds** To refinance the Issuer's ₱15 billion Outstanding Preferred Shares which are callable on March 3, 2014 or on any dividend payment date thereafter.





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**Par Value**

The Preferred Shares shall have a par value of ₱10.00 per share.

**Offer Price**

The Preferred Shares shall be offered at a price of ₱1,000.00 per share.

**Dividend Rate**

As and if cash dividends are declared by the Board of Directors, cash dividends on the Preferred Shares shall be at the fixed rate of:

Series 2 Preferred Shares: 5.6569% per annum;

in all cases calculated by reference to the Offer Price thereof in respect of each Dividend Period (each, the "Initial Dividend Rate" for the relevant Series).

Dividend Rate means (a) from the Listing Date up to the Step Up Date, the Initial Dividend Rate, and (b) from the Step Up Date, the higher of the Initial Dividend Rate and the Step Up Rate. (Please see below relevant definitions.)

**Dividend Rate Step Up**

Unless the Series 2 Preferred Shares shall have been redeemed by the Company on the 5<sup>th</sup> anniversary of the Listing Date (the "Series 2 Step Up Date"), the Initial Dividend Rate shall be adjusted, for Series 2 Preferred Shares, on the Series 2 Step Up Date, the simple average of the closing per annum rates of the 7-year PDST-R2, or if the 7-year PDST-R2 is not available or cannot be determined, any successor rate that is generally accepted by the market or a self-regulatory organization, for three (3) consecutive days ending on (and including) the fifth anniversary from the Listing Date as shown on the PDEX page (or such successor page) of Bloomberg (or such successor electronic service provider), in each case, plus 3.75%.

(The date of the listing of Series 2 Preferred Shares is referred to as the "Listing Date". The Series 2 Step Up Date is referred to as a "Step Up Date". The adjusted rate referred to is referred to as a "Step Up Rate".)

However, if the Initial Dividend Rate is higher than the applicable Step Up Rate, there shall be no adjustment on the Dividend Rate, and the Initial Dividend Rate shall continue to





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be the Dividend Rate.

**Dividend Payment Dates**

Cash dividends on the Preferred Shares will be payable once for every Dividend Period on such date set by the Board of Directors at the time of declaration of such dividends (each a "Dividend Payment Date") in accordance with the terms and conditions of the Preferred Shares, which date shall be any day within the period commencing on (and including) the last day of a Dividend Period and 15 calendar days from the end of the relevant Dividend Period. A "Dividend Period" shall refer to (i) March 12 to June 11, (ii) June 12 to September 11, (iii) September 12 to December 11, or (iv) December 12 to March 11 of each year. If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment as to the amounts of dividends to be paid.

The dividends on the Preferred Shares will be calculated on a 30/360-day basis.

If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid.

**Conditions on Declaration and  
Payment of Cash Dividends**

The declaration and payment of cash dividends for each Dividend Period will be subject to the sole and absolute discretion of the Board of Directors to the extent permitted by applicable laws and regulations, and the covenants (financial or otherwise) in the agreements to which the Company is a party. The Board of Directors will not declare and pay dividends for any Dividend Period where payment of the Dividend would cause the Company to breach any of its financial covenants.

If the profits available to distribute as dividends are, in the Board's opinion, not sufficient to enable the Company to pay in full on the same date both dividends on the Preferred Shares and the dividends on other shares that are scheduled to be paid on or before the same date as the dividends on the Preferred Shares and have an equal right to dividends as the Preferred Shares, the Company is required first, to pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that dividend payment date on any shares with a right to





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dividends ranking in priority to that of the Preferred Shares, and second, to pay dividends on the Preferred Shares and any other shares ranking equally with the Preferred Shares as to participation in profits pro rata to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on past cumulative dividends on any shares ranking equal in the right to dividends with the Preferred Shares.

The profits available for distribution are, in general and with some adjustments, equal to the Company's accumulated realized profits less accumulated realized loss.

Dividends on the Preferred Shares will be cumulative. If for any reason the Company's Board does not declare a dividend on the Shares for a Dividend Period, the Company will not pay a dividend for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Shares prior to such Dividend Period.

Holders of Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Shares.

The Issuer will covenant that, in the event (a) any dividends due with respect to any Preferred Shares then outstanding for any period are not declared and paid in full when due, or (b) any other amounts payable under the Preferred Share terms and conditions are not paid in full when due for any reason:

It will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking junior to Preferred Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking junior to Preferred Shares);

Subject to legal requirements, the Issuer will procure that no subsidiary over which the Issuer has a Controlling Participation will pay any discretionary dividends or other discretionary distributions on, or at the Issuer's discretion repurchase or redeem, any security ranking senior to the respective subsidiary's common shares other than those senior securities held by the Issuer or a wholly-owned





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subsidiary thereof (or contribute any moneys to a sinking fund for the purposes of any such redemption).

"Controlling Participation" shall refer to the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of the corporation, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the Board of Directors or similar body governing the affairs of the corporation.

**Optional Redemption**

As and if approved by the Board of Directors (or the Executive Committee), the Company may redeem in cash, in whole (not in part), the Series 2 Preferred Shares on the 3<sup>rd</sup> anniversary of the Listing Date or on any Dividend Period thereafter, (each of the dates when the Series 2 Preferred Shares may be redeemed pursuant to this paragraph, an "Optional Redemption Date"), after giving not less than 30 nor more than 60 days' written notice prior to the intended date of redemption, at a redemption price (the "Redemption Price") equal to the Offer Price of the Preferred Shares plus all dividends due them on the actual date of redemption as well as all accumulated dividends due and payable, or dividends in which the declaration and/or payment have been deferred, in respect of prior Dividend Periods. Such notice to redeem shall be deemed irrevocable upon issuance thereof.

For the avoidance of doubt, on the applicable Optional Redemption Date, the Company has the option to redeem, without preference or priority, in whole (not in part), the Series 2 Preferred Shares.

**Redemption Due to an Accounting Event, Tax Event or Change of Control**

The Company may also redeem the Preferred Shares, in whole (not in part), at any time if an Accounting Event, Tax Event or Change of Control (each as defined below) has occurred and is continuing, having given not less than 30 nor more than 60 days' written notice prior to the intended date of redemption, such notice to be deemed irrevocable upon issuance thereof.

**Accounting Event**

An accounting event ("Accounting Event") shall occur if an opinion of a recognized accountancy firm authorized to perform auditing services in the Republic of the Philippines





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has been delivered to the Company stating that the Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Company prepared in accordance with PFRS, or such other accounting standards which succeed PFRS as adopted by the Company for the preparation of its audited consolidated financial statements for the relevant financial year and such event cannot be avoided by the Company taking reasonable measures available to it.

**Tax Event**

A tax event ("Tax Event") shall occur if payments on the Preferred Shares become subject to additional or higher withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Company.

**Change of Control ("CoC Event")**

Change in Control shall be deemed to have occurred if any person or persons acting in concert or any third person or persons acting on behalf of such person(s) at any time acquire(s) directly or indirectly a Controlling Participation in the Company pursuant to the Philippine laws.

The Dividend Rate will be increased by 400 basis points commencing and including the day falling 180 days after the day on which a CoC Event has occurred. If a Change of Control has occurred, the Issuer may at any time redeem the Preferred Shares (in whole, not in part) at the Redemption Price, which shall include dividends computed on the applicable Dividend Rate plus the additional 400 basis points commencing and including on the day on which a CoC Event has occurred.

**No Sinking Fund**

The Company is not legally required, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Preferred Shares.

**Purchase of the Preferred Shares**

Upon listing on the PSE, the Company may purchase the Preferred Shares at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other Preferred Shares. The Preferred Shares so purchased may either be redeemed (pursuant to the terms





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and conditions of the Preferred Shares) and cancelled or kept as Treasury Shares, as applicable.

**Taxation**

All payments in respect of the Preferred Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines, including, but not limited to, stamp, issue, registration, documentary, value-added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Company will pay additional amounts so that holders of the Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Provided, however, that the Company shall not be liable for, and the foregoing payment undertaking of the Company shall not apply to:

(a) the final withholding tax applicable on dividends earned on the Preferred Shares as prescribed under the National Internal Revenue Code of 1997;

(b) as applicable, any income tax (whether or not subject to withholding), percentage tax, stock transaction tax and documentary stamp tax on the redemption of the Preferred Shares or on the liquidating distributions as may be received by a holder of Preferred Shares;

(c) any expanded value-added tax which may be payable by any holder of the Preferred Shares on any amount to be received from the Company under the terms and conditions of the Preferred Shares;

(d) any withholding tax on any amount payable to any holder of Preferred Shares or any entity which is a non-resident foreign corporation; and

(e) any applicable taxes on any subsequent sale or transfer of the Preferred Shares by any holder of the Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

All sums payable by the Company to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present sufficient proof of such tax-exempt status from the tax authorities.





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Documentary stamp tax for the primary issue of the Preferred Shares and the documentation, if any, shall be for the account of the Company.

**Form, Title and Registration of the Preferred Shares**

The Preferred Shares will be issued in scripless form through the electronic book-entry system of SMC Stock Transfer Service Corporation as Registrar for the Offer, and lodged with Philippine Depository and Trust Corporation as Depository Agent on Listing Date through PSE Trading Participants nominated by the accepted Applicants. For this purpose, Applicants shall indicate in the proper space provided for in the Application form ("Application to Purchase") the name of a PSE trading participant under whose name their Shares will be registered.

After Listing Date, shareholders may request the Registrar, through their nominated PSE trading participant, to (a) open a scripless registry account and have their holdings of the Preferred Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Preferred Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.

Legal title to the Preferred Shares will be shown in an electronic register of shareholders (the "Registry of Shareholders") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Preferred Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Registrar shall send (at the cost of the Company) at least once every year a statement of account to all shareholders named in the Registry of Shareholders confirming the number of Shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder.

**Selling and Transfer Restrictions**

Initial placement and subsequent transfers of interests in the Preferred Shares shall be subject to normal selling restrictions for listed securities that may prevail in the Philippines from time to time.





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**Eligible Investors**

The Preferred Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, provided that the Preferred Shares shall not be sold to persons classified as U.S. Persons under the Foreign Account Tax Compliance Act of the United States (FATCA), as this may be amended from time to time. "U.S. Persons" means any of the following: (i) a U.S. citizen (including dual citizen); (ii) a U.S. resident alien for U.S. tax purposes; (iii) a U.S. partnership; (iv) a U.S. corporation; (v) any U.S. estate; (vi) any U.S. trust if: (y) a court within the United States is able to exercise primary supervision over the administration of the trust; or, (z) one or more U.S. persons have the authority to control all substantial decisions of the trust; and (vii) any other person that is not a non-US person.

The Company may reject an Application or reduce the number of Shares applied for subscription or purchase for purposes of complying with any applicable constitutional or statutory minimum Filipino ownership requirement. In determining compliance with such nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of Outstanding Shares of Stock entitled to vote in the election of directors, and (b) the total number of Outstanding Shares of Stock, whether or not entitled to vote in the election of directors, as set out in applicable regulations.

Law may restrict subscription to the Preferred Shares in certain jurisdictions. Foreign investors interested in subscribing for or purchasing the Preferred Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, shall warrant that their purchase of the Preferred Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Preferred Shares.

**Governing Law**

The Preferred Shares will be issued pursuant to the laws of the Republic of the Philippines.

**Procedure for Application**

Applications to Purchase may be obtained from any of the Joint Issue Managers, Joint Lead Underwriters and Joint





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Bookrunners, Other Underwriters or Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by the Applicant or an authorized signatory of the Applicant and accompanied by two completed signature cards, the corresponding payment for the Preferred Shares covered by the Application to Purchase and all other required documents including documents required for registry with the Registrar and Depository Agent ("Application"). The duly executed Application to Purchase and required documents should be submitted to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners (which may be through the Other Underwriters) or Selling Agents on or prior to set deadlines for submission of Applications to Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners and Selling Agents, respectively. If the Applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents:

- a. a certified true copy of the Applicant's latest articles of incorporation and by-laws, general information sheet or equivalent constitutive documents, each as amended to date, duly certified by the corporate secretary (or equivalent officer);
- b. a certified true copy of the Applicant's SEC certificate of registration, duly certified by the corporate secretary (or equivalent officer); and
- c. a duly notarized corporate secretary's certificate setting forth the resolution of the Applicant's board of directors or equivalent body authorizing (i) the purchase of the Preferred Shares indicated in the Application and (ii) the designated signatories authorized for the purpose, including their respective specimen signatures.

Individual Applicants must also submit a photocopy of any one of the following identification cards ("ID"): passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank.

An Applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates must also submit the documents described in the Section on "Taxation" in pages 148 to 151 of the Prospectus.





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**Payment for the Preferred Shares**

The Preferred Shares must be paid for in full upon submission of the Application. The purchase price must be paid in full in Pesos upon the submission of the duly completed and signed Application to Purchase and signature card together with the requisite attachments. Payment for the Preferred Shares shall be made either by: (i) a personal or corporate check drawn against an account with a BSP authorized bank at any of its branches located in Metro Manila; or (ii) a manager's or cashier's check issued by an authorized bank. All checks should be made payable to "**San Miguel Pure Foods Preferred Shares Offer**", crossed "Payee's Account Only," and dated on or before the date as the Application. The Applications and the related payments will be received at any of the offices of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners (which may be through the Other Underwriters) or Selling Agents. Applicants submitting their Application to a Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner may also remit payment for their Preferred Shares through the Real Time Gross Settlement ("RTGS") facility of the BSP to the Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner to whom such Application was submitted or via direct debit to their deposit account maintained with such Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner. Cash payments shall not be accepted.

Should the Applicant elect to pay through RTGS, the Application should be accompanied by an instruction issued by the Applicant to effect payment through RTGS in an amount equal to the total Offer Price of the Offer Shares applied for, to be effected and fully funded not later than 5:00 p.m. on March 5, 2015.

Should the Applicant elect to pay by a debit memo or instruction, the Application should be accompanied by a debit memo or instruction issued by the Applicant in an amount equal to the total Offer Price applied for in favor of the Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner to whom the Application is submitted, to be effected no later than 5:00 p.m. on March 5, 2015.

**Acceptance/Rejection of Application**

The actual number of Preferred Shares that an Applicant will be allowed to subscribe for is subject to the confirmation of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. The Company





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reserves the right to accept or reject, in whole or in part, or to reduce any Application due to any grounds specified in the Underwriting Agreement to be entered into by the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. Applications which were unpaid or where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Moreover, any acceptance or receipt of payment pursuant to the Application does not constitute approval or acceptance by the Company of the Application.

An Application, when accepted, shall constitute an agreement between the Applicant and the Company for the subscription to the Preferred Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in the Prospectus. Notwithstanding the acceptance of any Application by the Company, the actual subscription by the Applicant for the Preferred Shares will become effective only upon listing of the Preferred Shares on the PSE and upon the obligations of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled, on or before the Listing Date, in accordance with the provision of the said agreement. If such conditions have not been fulfilled on or before the periods provided above, all Application payments will be returned to the Applicants without interest.

**Refunds for Rejected Applications**

In the event that the number of Preferred Shares to be allotted to an Applicant, as confirmed by a Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner or Selling Agent, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Company, then the Company shall refund, without interest, within five Banking Days from the end of the Offer Period, all or the portion of the payment corresponding to the number of Preferred Shares wholly or partially rejected. All refunds shall be made through the Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner or Selling Agent with whom the Applicant has filed the Application at the Applicant's risk.

**Features of the Preferred Shares**





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**No Voting Rights**

Holders of the Preferred Shares shall not be entitled to vote at the Company's stockholders' meetings, except as otherwise provided by law.

**Non-Participating**

Holders of the Preferred Shares shall not be entitled to participate in any other or future dividends beyond the dividends specifically payable on the Preferred Shares.

**Non-Convertible**

Holders of the Preferred Shares shall have no right to convert the Preferred Shares to any other preferred shares or Common Shares of the Company.

**No Pre-emptive Rights**

Holders of the Preferred Shares shall have no pre-emptive rights to subscribe to any shares (including, without limitation, Treasury Shares) that will be issued or sold by the Company.

**Liquidation Rights**

In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of the Company, the holders of the Preferred Shares shall enjoy preference in the payment, in full or, if the remaining assets of the Company are insufficient, on a pro-rata basis as among all holders of Outstanding Preferred Shares, of the issue price of their Shares plus any previously declared and unpaid dividends, before any asset of the Company is paid or distributed to the holders of Common Shares.

**Other Terms of the Offer**

**Offer Period**

The Offer Period shall commence at 9:00 a.m. on February 16, 2015 and end at 5:00 p.m. on March 5, 2015. The Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE.

**Minimum Subscription to the Preferred Shares**

Each application shall be for a minimum of fifty (50) Preferred Shares, and thereafter, in multiples of ten (10) Preferred Shares. No application for multiples of any other





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number of Preferred Shares will be considered.

**Expected Timetable**

The timetable of the Offer is expected to be as follows:

Dividend Rate Setting..... February 11, 2015

Dividend Rate  
Announcement and  
Allocation of the  
Preferred Shares..... February 12, 2015

Offer Period..... February 16 to  
March 5, 2015

PSE Trading Participants'  
Commitment Period..... February 18, 2015

PSE Trading Participants'  
Allocation..... February 19, 2015

Settlement Date,  
Listing Date, and  
Commencement of  
Trading on the PSE..... March 12, 2015

The dates included above are subject to the approval of the PSE and the SEC, market and other conditions, and may be changed.

**Selling Agents**

Trading Participants of the Philippine Stock Exchange

**Depository Agent**

Philippine Depository and Trust Corporation.

**Registrar and Paying Agent**

SMC Stock Transfer Service Corporation

**Counsel to the Issuer**

Picazo Buyco Tan Fider & Santos

**Counsel to the Joint Issue Managers,  
Joint Lead Underwriters and Joint**

SyCip Salazar Hernandez & Gatmaitan



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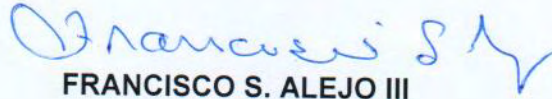
Bookrunners



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**SAN MIGUEL PURE FOODS COMPANY INC.**

By:

  
**FRANCISCO S. ALEJO III**  
President *anyht*