

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF**

**SAN MIGUEL FOOD AND BEVERAGE, INC.**

**Held on 24 June 2020**

**via live streaming at [www.smfb.com.ph](http://www.smfb.com.ph)**

**SHAREHOLDERS PRESENT:**

See Record of Attendance attached as **Annex "A"** to these minutes.

**DIRECTORS PRESENT:**

**MR. RAMON S. ANG** – Vice Chairman, President and Chief Executive Officer

**MR. FRANCISCO S. ALEJO III** – Chief Operating Officer, Food Division

**MR. ROBERTO N. HUANG** – Chief Operating Officer, Beer Division

**MR. EMMANUEL B. MACALALAG** – Chief Operating Officer, Spirits Division

**MR. FERDINAND K. CONSTANTINO** – Treasurer

**MS. AURORA T. CALDERON**

**MR. JOSEPH N. PINEDA**

**MR. MENARDO R. JIMENEZ**

**MS. MA. ROMELA M. BENGZON**

**MR. CARMELO L. SANTIAGO**

(also Chairman of Related Party Transactions Committee)

**MS. MINITA V. CHICO-NAZARIO**

(also Chairman of Corporate Governance Committee)

**MR. RICARDO C. MARQUEZ**

(also Chairman of Board Risk Oversight Committee)

**MR. CIRILO P. NOEL**

(also Chairman of Audit Committee)

**MR. WINSTON A. CHAN**

**IN ATTENDANCE:**

MR. ILDEFONSO B. ALINDOGAN – Chief Finance Officer, Chief Strategy Officer  
MS. KRISTINA LOWELLA I. GARCIA – Investor Relations Manager  
ATTY. ALEXANDRA B. TRILLANA – Corporate Secretary, Compliance Officer  
ATTY. MA. CELESTE L. RAMOS – Assistant Corporate Secretary  
R.G. MANABAT & CO. (Mr. John Molina, representative)  
SMC STOCK TRANSFER SERVICE CORP. (Mr. Ike Yusingco, representative)

**I. CALL TO ORDER/CERTIFICATION OF NOTICE AND QUORUM**

The live stream of the meeting at [www.smfb.com.ph](http://www.smfb.com.ph) started promptly at 2:00 p.m. After the national anthem and invocation, there was a moment of silence for Mr. Eduardo M. Cojuangco, Jr., Chairman of the Board of Directors of the Company, who passed away on June 16, 2020. The Vice Chairman, Mr. Ramon S. Ang, then acted as Chairman of the meeting. He called the meeting to order and presided over the proceedings.

The Corporate Secretary, Atty. Alexandra B. Trillana, certified that there was a quorum for the valid transaction of business. There was present in person, by attendance advice emailed to the Company, or by proxy, 89.95% of the outstanding capital stock of the Company. She informed the assembly that the Chairman held proxies for 89.62% of the outstanding capital stock of the Company and that he was voting in favor of all corporate actions in the Agenda submitted for approval in the meeting, or as instructed in the proxies.

Atty. Trillana also acknowledged the attendance of the members of the Board of Directors, as listed above, as well as the Company's key officers, R.G. Manabat & Co./KPMG, the external auditor for the year 2019, and SMC Stock Transfer Service Corporation, the Company's stock transfer agent.

The stockholders were advised that after the Annual Report for 2019, questions and comments, if any, emailed to the dedicated email address for the meeting [smfbasm2020@sanmiguel.com.ph](mailto:smfbasm2020@sanmiguel.com.ph) will be read

and addressed. Questions not answered during the meeting will be replied to by the Office of the Corporate Secretary or Investor Relations Manager.

The full agenda of the meeting was presented. The Corporate Secretary said that the rationale and brief explanation of each item in the agenda were provided in the Notice and the Definitive Information Statement (DIS) for the meeting posted in the Company's website as early as June 1, 2020.

As stated in the DIS, the method of voting for all matters submitted to a vote at the meeting is by ballot or by proxy validly submitted by outstanding stockholders of record as of May 26, 2020. A sample ballot/proxy, which enabled stockholders to vote in writing on each item or proposal in the Agenda, was provided in the DIS and made available for download in the Company's website.

Each stockholder will be allowed one vote per share and the election of the Board of Directors will be by cumulative voting by the common shareholders.

Where a quorum is present, a simple majority vote of the stockholders holding common shares, by ballot or proxy validly submitted, will be needed for the approval of the minutes of the previous stockholders' meeting, the approval of the annual report and 2019 audited financial statements, the ratification of all acts of the Board of Directors and management since the last annual stockholder's meeting, and the appointment of the external auditor of the Company for 2020.

In the election of directors, the 15 qualified nominees who get the highest votes shall be deemed duly elected as directors. A stockholder may distribute his votes per share to as many persons as there are directors to be elected, or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares he has, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares he owns as shown in the books of the Company multiplied by the whole number of directors to be elected.

Each proposed resolution for consideration by the stockholders was presented as these were taken up.

## **II. APPROVAL OF THE MINUTES OF PREVIOUS MEETING OF STOCKHOLDERS**

The Chairman referred to the next item on the Agenda, which is the approval of the minutes of the annual meeting of the stockholders held on June 5, 2019, a copy of which had been attached to the DIS, as well as posted on the Company's website.

Upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

### **Resolution No. 2020-06-24-01**

**“RESOLVED**, That the minutes of the Annual Stockholders' Meeting of the Company held on June 5, 2019, be approved.”

With the vote of the Chairman, majority of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes is provided in **Annex “B”** hereof.

## **III. PRESENTATION OF ANNUAL REPORT AND APPROVAL OF 2019 AUDITED FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company as at and for the year ended December 31, 2019 had likewise been attached to the DIS for the meeting and posted on the Company's website.

Upon the request of the Chairman, Mr. Ildefonso B. Alindogan, Vice President, Chief Finance Officer and Chief Strategy Officer, delivered the Annual Report for 2019. A copy of the Annual Report is attached to these minutes as **Annex “C”**.

After the report, Ms. Kristina Garcia, Investor Relations Manager, informed the Chairman that there were no questions submitted by email despite opportunity given to the stockholders to do so.

There being no questions or comments, upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

**Resolution No. 2020-06-24-02**

**“RESOLVED**, That the Question and Answer session of stockholders be closed, and that the Annual Report of the Company for 2019 as presented, including the 2019 Audited Consolidated Financial Statements of the Company and its subsidiaries, be approved and ratified.”

With the vote of the Chairman, majority of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes is provided in **Annex “B”** hereof.

**IV. RATIFICATION OF ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS**

The Chairman proceeded to the next item on the Agenda, which is the ratification of all acts and proceedings of the Board of Directors and corporate officers since June 5, 2019 until the date of this meeting, June 24, 2020.

The Corporate Secretary explained that the ratification by the stockholders is sought for the acts and resolutions of the Board of Directors, its Committees, as well as acts of officers of the Company taken or adopted since the annual stockholders’ meeting on June 5, 2019, until the date of this meeting, June 24, 2020, as approved by the Board during its meetings and/or covered by disclosures to the Securities and Exchange Commission (SEC) and Philippine Stock Exchange and posted on the Company’s website. The acts of management at the direction of the Company’s Board of Directors and officers are those undertaken to implement the resolutions of the Board or its committees, or conducted in the regular course of business. A

summary of these acts and resolutions, which included the approval of the fees paid to the external auditor as negotiated by management, were set out in the DIS and presented at the meeting for reference.

Upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

**Resolution No. 2020-06-24-03**

**“RESOLVED**, That all acts, resolutions and proceedings of the Board of Directors and Corporate Officers of the Company since the Annual Meeting of the Stockholders on June 5, 2019 until today, June 24, 2020, as set forth in the minutes of the meetings of the Board of Directors, as well as the financial statements and records of the Company, be approved, confirmed and ratified.”

With the vote of the Chairman, majority of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes is provided in **Annex “B”** hereof.

**V. APPOINTMENT OF EXTERNAL AUDITOR FOR 2020**

The stockholders proceeded to consider the nomination for the position of external auditor of the Company.

The Chairman of the Audit Committee, Independent Director Cirilo P. Noel, informed the assembly that after evaluation, the Audit Committee recommends the appointment of the accounting firm R.G. Manabat & Co., as the external auditor of the Company for fiscal year 2020. The audit plan for 2020 shall be presented to the Audit Committee for approval, while the fees payable to the auditor shall, with the authority of the Audit Committee, be negotiated by management to be in the best interest of the Company.

Upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

**Resolution No. 2020-06-24-04**

**“RESOLVED**, That the accounting firm of R.G. Manabat & Co. be appointed as external auditor of the Company for fiscal year 2020.”

With the vote of the Chairman, majority of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes are provided in **Annex “B”** hereof.

**VI. ELECTION OF BOARD OF DIRECTORS**

The next item on the Agenda is the election of the members of the Board of Directors of the Company.

The Chairperson of the Corporate Governance Committee, Independent Director Minita V. Chico-Nazario, informed the assembly that in accordance with the By-laws, Manual on Corporate Governance and rules of the SEC, any stockholder, including minority stockholders, may submit nominations to the Board of Directors of the Company. The Corporate Governance Committee will determine whether the nominees for directors, including nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board were provided in the DIS for this meeting, for consideration by the stockholders.

In light of the untimely demise of Mr. Eduardo M. Cojuangco, Jr. in the evening of June 16, 2020, the Corporate Secretary read the names of the remaining nominees to the Company’s Board of Directors as endorsed by the Corporate Governance Committee, all of whom were determined to possess the qualifications and none of the disqualifications under the Company’s By-laws and Manual on Corporate Governance.

They are:

Ramon S. Ang  
Francisco S. Alejo III

Roberto N. Huang  
Emmanuel B. Macalalag  
Ferdinand K. Constantino  
Aurora T. Calderon  
Joseph N. Pineda  
Menardo R. Jimenez  
Ma. Romela M. Bengzon  
Carmelo L. Santiago  
Minita V. Chico-Nazario  
Ricardo C. Marquez  
Cirilo P. Noel  
Winston A. Chan

The Corporate Secretary said that the nominees for independent directors as identified in the DIS for the meeting, are Mr. Carmelo L. Santiago, Ms. Minita V. Chico-Nazario, Mr. Ricardo C. Marquez, Mr. Cirilo P. Noel and Mr. Winston A. Chan. This is in accordance with the mandatory requirement by the SEC of electing independent directors.

A stockholder moved for the election of the nominees as Board of Directors of the Company. The motion was duly seconded by another stockholder.

There being no objection to the motion, the following resolution presented was approved:

**Resolution No. 2020-06-24-05**

**“RESOLVED**, That the following be elected as members of the Board of Directors of the Company, to serve as such beginning June 24, 2020 and until their successors are elected and qualified:

Mr. Ramon S. Ang  
Mr. Francisco S. Alejo III  
Mr. Roberto N. Huang  
Mr. Emmanuel B. Macalalag  
Mr. Ferdinand K. Constantino  
Ms. Aurora T. Calderon  
Mr. Joseph N. Pineda  
Mr. Menardo R. Jimenez



Ms. Ma. Romela M. Bengzon  
Mr. Carmelo L. Santiago (Independent)  
Ms. Minita V. Chico-Nazario (Independent)  
Mr. Ricardo C. Marquez (Independent)  
Mr. Cirilo P. Noel (Independent)  
Mr. Winston A. Chan (Independent).”

Accordingly, the Chairman declared the nominees as duly elected members of the Board of Directors of the Company. On behalf of management, the Chairman welcomed the newly elected Board of Directors and thanked the stockholders for their vote of confidence.

## **VII. ANNOUNCEMENT OF RESULTS**

The Vote Canvassing Results stating the number of votes for and against the relevant items in the Agenda, as well as those that abstained from voting, and including the votes garnered by each nominee to the Board of Directors (as earlier posted in the Company’s website), is attached to these minutes as **Annex “B”**. With regard to the election of the Board of Directors, the Chairman distributed his votes equally for all nominees, unless otherwise instructed in the proxies held by him.

## **VIII. ADJOURNMENT**

The Chairman asked if there were any other matters that any stockholder wished to bring up to the assembly.

There being no other matters, the Chairman entertained a motion for adjournment. A stockholder moved to adjourn the meeting, which motion was duly seconded by another stockholder. No objection being made, the Chairman adjourned the meeting and thanked all stockholders for their attendance and participation.

**ATTESTED BY:**

**RAMON S. ANG**

Vice Chairman and Chairman of the Meeting

Certified Correct:

**ALEXANDRA BENGSON TRILLANA**

Corporate Secretary

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San Miguel Food and Beverage, Inc.  
PROXY VOTING MODULE  
List of Stockholder Attendees

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BALLOT NUMBER	ATTENDEE NAME	SHARES
000002	DEUTSCHE BANK MANILA-CLIENTS A/C	19,386,062
000003	DEUTSCHE BANK MANILA-CLIENTS A/C	123,120
TOTAL NO. OF ATTENDEES		: 2
TOTAL NO. OF SHARES WITH BALLOT		: 19,509,182
TOTAL NO. OF SHARES W/OUT BALLOT		: 0
TOTAL NO. OF SHARES		: 19,509,182

\*\*\* END OF REPORT \*\*\*

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San Miguel Food and Beverage, Inc.  
PROXY VOTING MODULE  
Stockholders' Meeting Vote Canvassing Results

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NOM. NO.	NOMINEE	VOTES
1	EDUARDO M. COJUANGCO, JR.	5,310,824,633
2	RAMON S. ANG	5,312,052,212
3	FRANCISCO S. ALEJO III	5,313,057,996
4	ROBERTO N. HUANG	5,313,057,996
5	EMMANUEL B. MACALALAG	5,313,057,996
6	FERDINAND K. CONSTANTINO	5,313,057,996
7	AURORA T. CALDERON	5,303,443,869
8	JOSEPH N. PINEDA	5,310,786,963
9	MENARDO R. JIMENEZ	5,313,020,326
10	MA. ROMELA M. BENGZON	5,290,252,260
11	CARMELO L. SANTIAGO	5,311,440,000
12	MINITA V. CHICO-NAZARIO	5,312,997,010
13	RICARDO C. MARQUEZ	5,315,230,373
14	CIRILO P. NOEL	5,314,224,589
15	WINSTON A. CHAN	5,315,230,373
Total votes registered		79,728,455,595
Total votes counted for election of board nominees		79,661,734,592
Total uncast votes for election of board nominees		66,721,003

RES. NO.	RESOLUTION	SHARES VOTED	% TO TOTAL O.S.
2	Approval of the Minutes of the Annual Stockholders' Meeting on June 5, 2019	5,315,230,373	89.948%
	For	5,315,230,373	89.948%
	Against	0	0.000%
	Abstain	0	0.000%
3	Approval of the Annual Report and Audited Financial Statements of the Company for the year ended December 31, 2019	5,315,230,373	89.948%
	For	5,315,107,253	89.946%
	Against	0	0.000%
	Abstain	123,120	0.002%
4	Ratification of all the acts of the Board of Directors and Officers since the 2019 Annual Stockholders' Meeting	5,315,230,373	89.948%
	For	5,315,107,253	89.946%
	Against	0	0.000%
	Abstain	123,120	0.002%
5	Appointment of R.G. Manabat & Co. as external auditor of the Company for fiscal year 2020	5,315,230,373	89.948%
	For	5,315,230,373	89.948%
	Against	0	0.000%
	Abstain	0	0.000%

SUMMARY REPORT

% TO  
TOTAL O.S.

OUTSTANDING COMMON SHARES	5,909,220,090	
OUTSTANDING PREFERRED SHARES	0	
TOTAL OUTSTANDING SHARES AS OF RECORD DATE	5,909,220,090	
TOTAL SHARES IN ATTENDANCE :		
Attending proxy assignees	5,295,721,191	
Attending stockholders	19,509,182	
	5,315,230,373	89.948%
LESS :		
Invalidated / knocked-off / Uncast shares - Proxy Assignees	0	
Knock-off by attending stockholder	0	
Invalidated shares - Stockholders	0	
Uncast shares of stockholders	0	
TOTAL SHARES/VOTES COUNTED	5,315,230,373	89.948%

NOTE:

Total no. of stockholders in attendance 2  
Total no. of stockholder with ballots 2

\*\*\* END OF REPORT \*\*\*

**San Miguel Food and Beverage, Inc.**  
**Message to the Stockholders**  
**June 24, 2020**

Good afternoon, Mr. Chairman, members of the Board, fellow stockholders, friends from the media, guests.

Before anything, we hope that you are keeping well during these difficult times. Our thoughts are with those who might be in harm's way, and we hope that they are well and are coping."

The COVID-19 pandemic has upended virtually all the normal routines in our lives and work. Businesses—and the larger economy—have been impacted by the coronavirus. The situation is still unfolding and unclear, depending on the duration and extent of the pandemic and the measures taken to control it.

San Miguel Food and Beverage, Inc. (SMFB) has been an integral part of the Filipino lifestyle for 130 years. Through our operating businesses, San Miguel Brewery Inc., San Miguel Foods, and Ginebra San Miguel Inc., you can trust SMFB will continue being there for Filipinos in the ways that matter most.

Over the last three months, the men and women of SMFB have worked around the clock to help feed the nation. When the crisis struck, we quickly responded by supporting communities across the Philippines. We donated canned goods, poultry, flour, biscuits, and coffee, among others, to over 1.6 million families. We also repurposed our spirits facilities to produce over 1.2 million liters of alcohol that we distributed to close to 4,000 hospitals, medical facilities and government offices nationwide.

Recognizing the importance of nutrition, we also revived the nutribun, a vitamin-fortified bread that was first introduced in the 1970s to combat malnutrition. We've since distributed over 600,000 nutribuns to vulnerable communities nationwide.

For the broader market, we also made our products more accessible by adding new distribution channels: rolling reefer van stores stationed at a number of Petron stations, a fleet of Manukang Bayan on Wheels for easier access on the

community level; an on-line ordering system; and a rolling market, Kadiwa ni Ani at Kita, the Department of Agriculture's flagship relief program.

Very early on in the crisis our President and Chief Executive Officer, Ramon S. Ang, gave us very clear marching orders—ensure food sufficiency and availability. Feed the hungry, take care of the sick. We are grateful for his leadership. If the dedication and commitment of our people was constant and unwavering, it was because we were inspired by his example.

Allow me to turn to our 2019 performance:

SMFB entered the crisis with a solid balance sheet. Consolidated revenues amounted to P310.79 billion in 2019, 9 percent better than the prior year. Consolidated net income of P32.28 billion, was 6 percent higher year-on-year. Consolidated operating income amounted to P47.78 billion, up 4 percent from 2018.

We are determined to learn from our response to the crisis and confident of our ability to grow in the future for the benefit of all our stakeholders. For instance we know that among our priorities should be to to accelerate our online selling platforms and review again our end-to-end supply strategy. Having said that, let's keep in mind that the pandemic and it's effect on the economy and consumer spending will likely impact our results for 2020. SMFB registered a strong start to 2020, with all divisions generating sales volume growth during the first two months, before finally seeing the impact of the pandemic in the last weeks of the quarter. Our first quarter 2020 results reflected a 9 percent decline in consolidated revenues to P69.02 billion for the period as the impact of COVID-19 weighed down our performance in the latter part of the quarter. This was partially offset, however, by higher sales from the Food Division.

An increase in excise taxes for the Beer and Spirits Divisions in the early part of this year adversely affected consolidated operating income and consolidated net income as they both declined by 20 percent to P8.64 billion and P5.83 billion, respectively.

The Enhanced Community Quarantine (ECQ), and imposition of a liquor ban across key cities negatively impacted sales of alcoholic beverages brought

whatever momentum we were seeing in the Beer and Spirits divisions in the early part of the year to temporary halt.

Yet we know that SMFB has the fundamentals that will enable us to weather the current situation: a strong balance sheet, manageable debt service obligations, and ample liquidity. We are also taking the appropriate steps to managing our expenses and capital expenditures moving forward.

Following the consolidation of our operating businesses in 2018, we started broadening our category reach to capitalize on synergies and further strengthen our business. We have also started to leverage on the extensive networks that each business has built through the years and have maximized the unique value proposition of San Miguel's other businesses.

Apart from growing our businesses further, one of our key take-aways from this pandemic is the need for more inclusive growth. On the business level, we commit to providing opportunities to those from the most vulnerable communities from supporting learning and skills training programs, to providing jobs, to raw materials sourcing. We believe that access to opportunity paves the way to more resilient communities and a more resilient economy.

While the future remains uncertain, we are determined to learn from our response to the crisis. A statesman once said "never waste a good crisis" and clearly, we haven't. The pandemic, however challenging and difficult, has also brought out the best in us and has made us a more efficient, resilient company than ever before.

Thank you for your support.