

POLICY ON SECURITIES DEALING

I. POLICY STATEMENT

The directors, officers and employees of San Miguel Food and Beverage, Inc., formerly San Miguel Pure Foods Company Inc. (the "Company"), shall exercise extreme caution when dealing in the Company's securities and ensure that such dealings comply with this Policy and the requirements under the Securities Regulation Code ("SRC").

II. SCOPE

This Policy on Securities Dealing (the "Policy") sets out the conditions and rules under which the directors, officers and employees of the Company (the "Relevant Persons") shall deal in securities of the Company.

III. DEFINITIONS

- (a) The term "dealing" includes, subject to paragraph (f) below, any direct or indirect acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of the Company or any entity whose assets solely or substantially comprise securities of the Company, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of the Company or any such entity, in each case whether or not for consideration, and any agreement to do any of the foregoing, provided that advising, procuring or encouraging another person to buy, sell or otherwise deal in the Company's securities, or passing on information to any other person, if the Relevant Person knows or ought to reasonably know that such other person may use the information to buy, sell or deal in (or procure another person to buy, sell or deal in) the Company's securities shall likewise be considered as "dealing"; and "deal" shall be construed accordingly;
- (b) The term "associates" includes the Relevant Person's spouse or relatives by affinity or consanguinity within the second degree, either by marriage or domestic partnership, or any person controlled by the Relevant Person;
- (c) The term "beneficiary" includes any discretionary object of a discretionary trust (where the Relevant Person is aware of the arrangement) and any beneficiary of a non-discretionary trust;
- (d) The term "securities" means securities defined in Section 3.1 of the SRC, as amended from time to time, issued by the Company;
- (e) The term "material non-public information" refers to information relating to the Company that (a) has not been generally disclosed to the public; and (b) (i) would likely affect the market price of the Company's securities after being disseminated to the public and the

lapse of a reasonable time for the market to absorb such information, or (ii) would be considered by a reasonable person as important under the circumstances or will influence persons who commonly invest in the Company's securities in determining whether to buy, sell or hold the Company's securities;

- (f) "Blackout Period" shall have the meaning given it under Article IV (A) (3);
- (g) "Company" shall have the meaning given it under Article I;
- (h) "Relevant Persons" shall have the meaning given it under Article II;
- (i) "SRC" shall have the meaning given it under Article I; and
- (j) Notwithstanding the definition of "dealing" in paragraph (a) above, the following dealings are not subject to the provisions of the SRC:
 - (i) taking up of entitlements under a rights issue, bonus issue, capitalization issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a "dealing";
 - (ii) taking up of an offer made by the Company under any employee stock purchase plan or long term incentive plan for stock options;
 - (iii) allowing entitlements to lapse under a rights issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend);
 - (iv) exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into by the Relevant Person and the Company before a period during which the Relevant Person is prohibited from dealing under this Policy and/or the SRC at the pre-determined exercise price, being a fixed monetary amount determined at the time of grant of the share option or warrant or acceptance of an offer for shares;
 - (v) undertaking to accept, or the acceptance of, a mandatory tender offer for shares in the Company made to shareholders; and
 - (vi) an acquisition of qualification shares by a director where, under applicable law and/or the Company's constitutional documents, the final date for acquiring such shares falls within a period during which the director is prohibited from dealing

under this Policy and/or SRC and the director cannot acquire such shares at another time.

For purposes of this Policy, the grant to a Relevant Person of an option to subscribe or purchase the Company's securities shall be regarded as a dealing by him at the time of the grant, if the price at which such option may be exercised is fixed at the time of such grant. If, however, an option is granted to a Relevant Person on terms whereby the price at which such option may be exercised is to be fixed at the time of exercise, the dealing is to be regarded as taking place at the time of exercise.

IV. GUIDELINES

A. PROHIBITIONS

1. A Relevant Person must not deal in any of the securities of the Company at any time when he has knowledge or is in possession of material non-public information, unless the Relevant Person (a) proves that the information was not gained from his relationship with the Company, subject to paragraph B.2 below; or (b) if the other party selling to or buying from the Relevant Person (or his agent) is identified, the Relevant Person proves (i) that he disclosed the information to the other party, or (ii) that he had reason to believe that the other party otherwise is also in possession of the information.
2. A Relevant Person must not deal in the securities of the Company when by virtue of his position as a director of another listed company, he is in possession of material non-public information in relation to the Company's securities.
3. Relevant Persons who, by virtue of their functions and responsibilities, are considered to have knowledge or possession of material non-public information, are prohibited from dealing in the Company's securities during the following periods (each a "Blackout Period"):
 - (a) Ten (10) business days before and five (5) business days after the deadline for the Company to make a structured disclosure or any disclosure of its financial results for any year, half-year, quarter or any other interim period; and
 - (b) Five (5) business days before and five (5) business days after any non-structured disclosure of any material information other than financial results.
4. Relevant Persons who have knowledge or are in possession of material non-public information shall be prohibited from liquidating their options or selling their shares in the Company granted under the long term incentive plan for stock options or acquired under the employee stock purchase program, as the case may be, during Blackout Periods.

Where a Relevant Person is a sole trustee, the provisions of this Policy will apply to all dealings of the trust as if he were dealing on his own account (unless the Relevant Person is a bare trustee and neither he nor any of his associates is a beneficiary of the trust, in which case the provisions of this Policy will not apply).

5. Where a Relevant Person deals in the securities of the Company in his capacity as a co-trustee and he has not participated in or influenced the decision to deal in the securities and is not, and none of his associates is, a beneficiary of the trust, dealings by the trust will not be regarded as his dealings.
6. When a Relevant Person places investment funds comprising securities of the Company under professional management, discretionary or otherwise, the managers must nonetheless be made subject to the same restrictions and procedures as the Relevant Person himself in respect of any proposed dealings in the Company's securities.
7. The prohibitions on dealings in the Company's securities under this Policy apply to the Relevant Persons' associates who have knowledge or are in possession of material non-public information.

B. NOTIFICATION

1. Any Relevant Person of the Company who acts as trustee of a trust must ensure that his co-trustees are aware of the identity of any company of which he is a Relevant Person so as to enable them to anticipate possible difficulties. A Relevant Person having funds under management must likewise advise the investment manager.
2. Any Relevant Person who is a beneficiary, but not a trustee, of a trust which deals in securities of the Company must endeavour to ensure that the trustees notify him after they have dealt in such securities on behalf of the trust, in order that he in turn may notify the Company. For this purpose, he must ensure that the trustees are aware of the companies of which he is a Relevant Person.
3. The directors of the Company must, as a board and individually, endeavour to ensure that any employee of the Company, or director or employee of a subsidiary of the Company who, to their knowledge, because of such office or employment, is likely to be in possession of material non-public information in relation to the Company's securities, does not deal in those securities at a time when he would be prohibited from dealing by this Policy and/or the SRC.

C. DISCLOSURE

1. Relevant Persons shall comply with the disclosure requirements under the SRC in respect of their dealings with the Company's securities.

2. Directors and officers, in particular, shall disclose / report to the Company any of their dealings in the Company's shares within three (3) business days from the transaction.
3. The Company shall disclose in its annual or current reports, having made specific enquiry of all directors and officers, whether its directors and officers have complied with, or whether there has been any non-compliance with, the required standards set out in this Policy and SRC; and in the event of any non-compliance, an explanation of the remedial steps taken by the Company to address such non-compliance.

D. DEALING IN SHARES OF OTHER COMPANIES

Where a Relevant Person obtains material non-public information relating to a company other than the Company in the course of performing their duties in the Company, the foregoing prohibitions apply in respect of the securities of such other company. Moreover, Relevant Persons are also bound by a duty of confidentiality in relation to information obtained in the course of their duties in respect of third parties.

E. CONSEQUENCES FOR BREACH OF POLICY

Breach of this Policy or the SRC in respect of dealings in the Company's securities by the Relevant Persons may expose them to criminal and civil liability. Breach of this Policy or the SRC by Relevant Persons who are its officers or employees will also be regarded by the Company as serious misconduct, which may lead to disciplinary action and/or dismissal.

F. ADDITIONAL INFORMATION

Questions arising from the Company's securities dealing Policy or securities dealing requirements under the SRC may be raised with the Company's Chief Finance Officer, Compliance Officer, Corporate Secretary or General Counsel. A Relevant Person should consult/clarify with the foregoing persons before trading in any securities which may be affected by the Policy or SRC in the event of doubt as to its application to the circumstances of such Relevant Person.