

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

## **EXECUTIVE COMMITTEE CHARTER**

This Executive Committee Charter (this “Charter”) sets out the purpose, membership and qualifications, authority, duties and responsibilities of the Executive Committee (the “Committee”) of San Miguel Food and Beverage, Inc., formerly San Miguel Pure Foods Company Inc. (the “Company”), and the procedures which guide the conduct of its functions.

### **1. PURPOSE**

Pursuant to the Company’s By-laws, the Board of Directors (the “Board”) constituted the Committee to help and assist the officers of the Company in the management and direction of the affairs of the Company. When the Board is not in session, the Committee has the power to act and make decisions on behalf of the full Board, subject to the limitations and restrictions as may be provided in the By-laws and applicable laws, rules and regulations.

### **2. MEMBERSHIP AND QUALIFICATIONS**

2.1 Composition. The Committee shall be composed of not more than five (5) voting members of the Board. The Committee shall have a Chairperson appointed by the Board from among the members of the Committee. The Board may at any time increase or decrease the membership as it deems necessary.

2.2 Qualification. Each member of the Committee shall have the qualifications and none of the disqualifications of a director, as set out in the Company’s Manual on Corporate Governance. The Chairperson and the members of the Committee shall be appointed by the Board.

2.3 Appointment. The Chairperson and the members of the Committee shall be appointed by a majority vote of the members of the Board constituting a quorum either during the Organizational Board Meeting of the Company or, if there is a vacancy, during any meeting of the Board constituting a quorum. Membership shall be reviewed every year after election of the Board by the Company’s stockholders at their annual meeting, or earlier if the Board deems necessary.

2.4 Vacancy. Any vacancy in the Committee caused by death, resignation, inability, disqualification to act, or by any other cause, may be filled by the Board. The member so elected to fill the vacancy shall hold office for the remainder of the term of his predecessor, or until his successor shall have been elected and qualified.

### **3. STRUCTURE AND OPERATIONS**

3.1 Meetings. The Committee shall meet at such times and places as it considers necessary or appropriate to discharge its duties and responsibilities. Meetings of the Committee shall be called by the Chairperson of the Committee, any Committee member, or the Corporate Secretary of the Company.

3.2 Quorum. The attendance of at least a majority of the members shall constitute a quorum for the valid transaction of business by the Committee.

3.3 Actions and Resolutions. Despite quorum at the meeting, the Committee shall act by majority vote of all its members, on specific matters within the competence of the Board as may be delegated to the Committee in the By-laws or by majority vote of the Board.

Corporate policies, decisions or actions on matters not in furtherance of the businesses currently carried on by the Company shall be taken by the Committee only with the affirmative vote of at least two-thirds (2/3) of the entire membership of the Committee.

Notwithstanding the foregoing, the actions of the Committee may be taken without a meeting by the written consent of majority of the members of the Committee, when deemed necessary by the Committee or the Chairperson.

All actions of the Committee shall be valid and effective when done in accordance with this Charter.

3.4 Chairperson. The Chairperson of the Committee shall preside in all meetings of the Committee. In the absence of the Committee Chairperson, the Committee members present shall elect one (1) of their members as Chairperson of the meeting.

3.5 Secretary of the Meeting. The Company's Corporate Secretary shall be the secretary of the Committee.

3.6 Notice of the Meeting. A notice of each meeting confirming the date, time, venue, and agenda shall be sent to each member of the Committee at least one (1) working day prior to the date of the meeting. Nevertheless, the requirement of notice is deemed waived with the presence of all members of the Committee at the meeting. The notice will include the agenda items and materials to be taken up during the meeting. Other matters not included in the agenda may be discussed provided there is no objection from any member of the Committee.

3.7 Record of Meetings. Full minutes of the proceedings of, and resolutions made during, Committee meetings, shall be kept by the Corporate Secretary. Draft minutes shall be sent to the Committee members for their comment. Notices, minutes, agenda and supporting papers will be made available to any director upon request made to the Corporate Secretary.

3.8 Other Attendees. As necessary, the Committee may invite members of management and organization staff of the Company and any of its subsidiaries, or other persons whose advice and counsel are sought, to attend the Committee meetings and provide pertinent information or data. At the discretion of the Committee, separate meetings with any member of the Company's or its subsidiaries' management may be held,

whenever it is deemed appropriate by the Committee for the exercise of its functions.

3.9 Access to Resources. The Committee shall have full access to management, personnel and records of the Company and its subsidiaries for the purpose of performance of its duties and responsibilities hereunder. The Committee may also obtain external legal counsel or independent professional advice if it considers it necessary in the performance of its functions. The Committee shall be provided with sufficient resources by the Company to discharge its duties.

#### **4. DUTIES AND RESPONSIBILITIES**

4.1 The Committee shall have and may exercise all the powers and authority of the Board in the management and affairs of the Company, except with respect to the following items:

- 4.1.1 Approval of any action for which shareholders' approval is also required;
- 4.1.2 Filling of vacancies in the Board;
- 4.1.3 Amendment or repeal of the By-laws or the adoption of new By-laws;
- 4.1.4 Amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- 4.1.5 Distribution of cash dividends to shareholders; and
- 4.1.6 Such other matters as may be specifically excluded or limited by the Board, the By-laws, and/or applicable laws, rules and regulations.

4.2 The Committee may delegate to the officers and employees of the Company any authority of the Committee for the supervision and management of the usual and ordinary business of the Company or its subsidiaries.

4.3 The Committee shall perform such other duties and activities that the Committee or the Board considers appropriate in the context of this Charter.

#### **5. REPORTING PROCESS**

5.1 The Chairperson of the Committee or the member, officer, advisor or other representative so chosen by the Committee, shall report to the Board on the decisions and recommendations made by the Committee at the next regular meeting of the Board.

5.2 The Committee shall prepare a report of its activities to the Board, which may be included in the Company's annual report.

#### **6. PERFORMANCE EVALUATION**

6.1 The Committee shall assess its effectiveness periodically, with a view to ensuring that its performance accords with best practice. Such assessment must compare its performance with the requirements of this Charter, which shall be the basis of its formulation

of objectives and plans to improve its performance, including any recommendations for amendments to this Charter for approval by the Board.

6.2 This Charter shall be reviewed annually, updated as required, and shall be made available to any interested party upon written request to the Corporate Secretary.

## **7. AMENDMENT**

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.