



FOR : **DIRECTORS, OFFICERS AND KEY EMPLOYEES** DATE : 26 February 2019
FROM : **OFFICE OF THE COMPLIANCE OFFICER**
SUBJECT : Securities Dealing Policy

The Securities and Exchange Commission has issued a new Code of Corporate Governance for Publicly Listed Companies, effective as of 1 January 2017 (the “2017 CG Code”).

One of the changes required by the 2017 CG Code is for publicly listed companies to have a policy requiring all directors and officers to disclose / report to the company any dealings in the company’s shares within three business days from the transaction.

The rationale is that directors and officers often have access to material inside information on the company. Hence, to reduce the risk that directors and officers might take advantage of this information, it was determined crucial for companies to have a policy requiring directors and officers to timely disclose to the company any dealings in its shares. This internal disclosure requirement facilitates compliance with the corresponding disclosure obligations under the Securities Regulation Code (the “Law”).

San Miguel Food and Beverage, Inc. (our “Company”) thus advises all its directors and officers to observe the foregoing requirement, which supplements the securities dealing policy (the “Policy”) of the San Miguel Group.

To refresh our memory, as it applies to our Company, the Policy provides that by virtue of their functions and responsibilities, directors, officers and certain key employees are considered to have access to “insider information,” i.e., knowledge of material non-public information about the Company and its subsidiaries, particularly those operating companies under its Food, Beer and Spirits Divisions.

Therefore, such directors, officers and key employees with access to inside information are prohibited from trading in our Company’s shares at any time when they have knowledge or possession of material non-public information about our Company, and during a specified time frame, or a “blackout period.”

The blackout periods are:

- (a) Ten business days before and five business days after the deadline for the corporation to make a structured report or any other disclosure of its financial results for any year, half year, quarter or any other interim period; and

- (b) Five business days before and five business days after any non-structured disclosure of any material information other than financial results.

The structured reports refer to disclosures made by our Company regularly and during identifiable periods. The best example would be our Company's financial results, which are submitted to the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) 45 days after the end of the quarter and 105 days from the end of the fiscal year. Another example would be the results of operations, which are made public during quarterly investor briefings, or through press releases.

Non-structured disclosures, on the other hand, refer to disclosures that may be made by our Company from time to time as significant or material developments transpire. Examples of these types of disclosures would be on mergers, acquisitions, disposals, restructuring initiatives, and public offerings. Officers and employees privy to such initiatives or transactions are prohibited from dealing in our Company's shares until the details of such transactions are made public.

Please note that the blackout periods extend to a period of five business days after the disclosures are made. This rule seeks to prevent people with access to inside information from gaining an unfair advantage over the investing public.

If you have questions about the Policy, or how it applies to you, please feel free to get in touch with the undersigned Compliance Officer. We would also appreciate that you circulate this memo to your key employees who may have access to inside information of your respective companies.

In closing, we reiterate the requirement under the 2017 CG Code, for directors and officers to inform our Company (through the undersigned Compliance Officer) of any of their dealings in our Company's shares within three business days from the transaction.

This will also enable us to assist in your compliance with your obligation under the Law, SEC and PSE rules, as amended, to disclose to the SEC and the PSE any change in your shareholdings in our Company as a result of any purchase, sale or any other dealing that relates to the Company's shares, within five trading days after the event.

We continually review our Group's corporate governance standards and procedures in order to ensure that our corporate governance systems remain consistent with best practices.

Thank you for your compliance.


ALEXANDRA B. TRILLANA
Compliance Officer

Noted by:


RAMON S. ANG
President