

SAN MIGUEL FOOD AND BEVERAGE, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

June 2, 2021

The Annual Meeting of the Stockholders of San Miguel Food and Beverage, Inc. will be held on **Wednesday, June 2, 2021, at 2:00 P.M.**

Due to continuing health and safety concerns relating to the coronavirus disease 2019, the Company will not hold a physical meeting and will instead conduct the meeting virtually and streamed live through https://www.smfb.com.ph/stockholdersmeeting_2021. Stockholders can therefore only attend the meeting remotely.

The meeting will be presided by Vice-Chairman, President and Chief Executive Officer Mr. Ramon S. Ang, who shall act as Chairman of the meeting.

The Agenda of the meeting is as follows:

1. Certification of Notice and Quorum
2. Approval of the Minutes of the Annual Stockholders' Meeting held on June 24, 2020
3. Presentation of the Annual Report and Approval of the 2020 Audited Financial Statements
4. Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers
5. Appointment of External Auditor for 2021
6. Election of the Board of Directors
7. Other Matters
8. Adjournment

The rationale and explanation of each relevant Agenda item requiring shareholder approval may be found in Appendix 1 of this Notice. The dividend policy of the corporation may be found in the Definitive Information Statement sent together with this Notice (the "DIS"). A draft of the minutes of the annual stockholders' meeting for approval, as well as acts and resolutions of the Board of Directors from June 24, 2020, may likewise be found in the DIS.

The DIS with its annexes, including Management's Discussion and Analysis of Financial Position and Financial Performance and 2020 Audited Consolidated Financial Statements, will be available for download at <http://www.smfb.com.ph/disclosures/l/information-statements--sec-form-20-is->. The main body of the DIS will be distributed to stockholders of record. The Company will post its interim unaudited financial statements for the first quarter of 2021 on SEC Form 17-Q on the company website at the link: <http://www.smfb.com.ph/disclosures/l/quarterly-reports--sec-form-17-q-> on May 15, 2021. Upon written request, stockholders will be provided a copy of the Company's DIS with annexes, 2020 Annual Report on SEC Form 17-A and/or 2021 first quarter report, free of charge.

During the meeting, the Company shall entertain questions and comments from the stockholders after the presentation of the Annual Report. Questions and comments must be submitted either in advance or during the meeting by email to smfbasm2021@sanmiguel.com.ph. The Company shall send its responses to questions that were not answered during the meeting separately.

Votes will be cast through ballots or proxies. The deadline for submission of ballots and proxies is on **May 19, 2021**. For your convenience, a sample of a ballot/proxy is included in this notice and is available for download from the Company's website. For an individual, his/her ballot or proxy must be accompanied by a valid government-issued ID with a photo. For a corporation, its proxy must be accompanied by its Corporate Secretary's certification setting the representative's authority to represent the corporation in the meeting. Ballots and proxies may be sent through email at smfbasm2021@sanmiguel.com.ph or by mail to the office of SMC Stock Transfer Service Corporation at the 2nd Floor, SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City 1550. Proxies need not be notarized. Validation of proxies will be on **May 26, 2021** at 10:00 a.m. at the above office of SMC Stock Transfer Service Corporation. Only the stockholders attending through proxies or who have submitted ballots, all of whom have been validated to be stockholders of record of the Company as of **May 3, 2021** will be considered in computing stockholder attendance at the meeting and in determining quorum. Hard copies of the ballots and proxies and notarized Secretary's Certificates should be immediately sent after the lifting of any relevant community quarantine and when offices resume normal operations, where applicable.


ALEXANDRA BENGSON TRILLANA
Corporate Secretary

RATIONALE AND EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDER APPROVAL

Approval of the Minutes of the Annual Stockholders' Meeting held on June 24, 2020

A draft of the minutes of the Annual Stockholders' Meeting held on June 24, 2020 is attached to the Definitive Information Statement for the Annual Stockholders' Meeting on June 2, 2021 and available for viewing in the Company's website at the following link: https://www.smfb.com.ph/files/reports/Draft_SMFB_Annual_SH_minutes_-_JUNE_24_2020_v4_clean.pdf.

Shareholders will vote for the adoption of a resolution approving the minutes of the June 24, 2020 Annual Stockholders' Meeting.

Presentation of the Annual Report and Approval of the 2020 Audited Financial Statements

The audited consolidated financial statements of the Company and its subsidiaries as at and for the year ended December 31, 2020 is included in the Definitive Information Statement attached to this Notice of meeting and posted in the Company's website at least twenty-one (21) days prior to the 2021 Annual Stockholders' Meeting, at the following link: <http://www.smfb.com.ph/disclosures/1/information-statements--sec-form-20-is->. At the meeting, President and Chief Executive Officer Mr. Ramon S. Ang will deliver a report to the stockholders on the performance of the Company in 2020. After the report, there will be an open forum wherein stockholders will be given the opportunity to ask questions and comment on such report.

Shareholders will vote for the adoption of a resolution closing the stockholders' open forum and approving the Annual Report of the Company for 2020, including the Audited Consolidated Financial Statements of the Company and its subsidiaries as of and for the year ended December 31, 2020, as presented.

Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers

Ratification by the stockholders will be sought for all the acts and resolutions of the Board of Directors and corporate officers of the Company taken or adopted since the Annual Stockholders' Meeting on June 24, 2020 until June 2, 2021. These acts and resolutions include the appointment of officers, lead independent director and members of the Board Committees, declaration of dividends, approval of the self-assessment forms for members of the Corporate Governance Committee, Board Risk Oversight Committee and Related Party Transactions Committee, approval of the submission to the SEC of valid official and alternate email addresses and cellular phone numbers of the Company, approval of the audit plans of both external and internal auditors (including consolidated outsourcing plan of the Internal Audit Group), approval of audit fees of the external auditor, contracts and agreements, projects, treasury and other matters approved by the Board during its meetings and/or covered by disclosures to the SEC and PSE and posted in the Company's website. These acts and proceedings are further discussed in the Definitive Information Statement sent together with this Notice of meeting (see *Action with Respect to Reports*). The acts of management, including audit fees negotiated 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.

Shareholders will vote on a resolution approving, confirming and ratifying all acts, resolutions and proceedings of the Board of Directors and corporate officers of the Company since the Annual Stockholders' Meeting on June 24, 2020 until June 2, 2021, 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.

Appointment of External Auditor for 2021

The Audit Committee will recommend to the stockholders the reappointment of the external auditor, R.G. Manabat & Co., for the fiscal year 2021 of the Company. The profile of R.G. Manabat & Co. may be found at the following link: <http://www.kpmg.com.ph/>.

Shareholders will vote on a resolution for the reappointment of said accounting firm as independent external auditor of the Company for 2021.

Election of the Board of Directors

In accordance with the By-laws, Manual on Corporate Governance and the SEC rules, any stockholder, including minority stockholders, may submit nominations to the Board of Directors of the Company. Immediately following the Board meeting on November 4, 2020, the Company disclosed that its 2021 Annual Stockholders' Meeting (ASM) will be on June 2, 2021 (the first Wednesday of June), as set by the Board in accordance with the Company's By-laws. Stockholders were invited to propose the inclusion of additional items to the usual Agenda of the ASM and/or nominate candidates to the Board, by January 31, 2021, for the consideration of the Chairman and the appropriate Board Committees.

The Corporate Governance Committee determines 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 and manner of voting for directors are provided in the Definitive Information Statement sent together with this Notice of meeting, for consideration by the stockholders.

The shareholders will cast their votes for the election of the Board of Directors of the Company from among the nominees presented. Shareholders will then vote on a resolution for the election of the fifteen (15) nominees with the greatest number of votes as directors of the Company, to serve as such beginning June 2, 2021 and until their successors are elected and qualified.

Other Matters

The Chairman will open the floor for stockholders to present any other matter or business, for consideration. No resolution, other than the resolutions explained in this Notice of meeting and Definitive Information Statement attached hereto, will be submitted for voting by the shareholders.

Finally, the Chairman will entertain a motion to adjourn the meeting.