

SAN MIGUEL FOOD AND BEVERAGE, INC.

RELATED PARTY TRANSACTIONS COMMITTEE CHARTER

This Related Party Transactions Committee Charter (this “Charter”) sets out the role, authority, duties and responsibilities of the Related Party Transactions 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 and Manual on Corporate Governance (the “CG Manual”), the Board of Directors of the Company (the “Board”) constituted the Committee, which is tasked with reviewing all material related party transactions (“RPTs”) of the Company. The Committee is accountable to the Board for its performance.

2. MEMBERSHIP AND QUALIFICATIONS

2.1 Composition. The Committee shall have a minimum of three (3) voting members of the Board, all of whom should be non-executive directors. Two (2) members of the Committee should be Independent Directors (as defined in the CG Manual), including the Chairman.

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 CG Manual. The Chairman and the members of the Committee are appointed by the Board.

2.3 Appointment. The Chairman and the director-members of the Committee shall be appointed by a majority vote of 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 Removal. The Chairman of the Committee or any of its director-members may be removed from office only by the Board.

3. STRUCTURE AND OPERATIONS

3.1 Meetings. The Committee shall meet at such times and places as it considers appropriate, but no less than two (2) times a year. The Chairman of the Committee, any Committee member, or the Corporate Secretary of the Company, may call a meeting of the Committee.

3.2 Quorum. Attendance of at least two (2) Committee members shall constitute a quorum for the Committee to transact business. The Committee shall act only on the affirmative vote of at least a majority of the members present at a meeting at which there is a quorum.

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

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

3.5 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 two (2) working days prior to the date of the meeting. The notice will include the agenda items and materials to be taken up during the meeting.

3.6 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 to the Corporate Secretary.

3.7 Other Attendees. As necessary, the Committee may invite members of management and organization staff of the Company and any of its subsidiaries, to attend the Committee meeting 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.

3.8 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

The Committee has the following duties and responsibilities, among others:

4.1 Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators or supervisors;

4.2 Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirements) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

- (a) The related party's relationship to the Company and interest in the transaction;
- (b) The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- (c) The benefits to the Company of the proposed RPT;
- (d) The availability of other sources of comparable products or services; and
- (e) An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;

4.3 Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;

4.4 Reports to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;

4.5 Ensures that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process;

4.6 Oversees the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs, including a periodic review of RPT policies and procedures;

4.7 Acts within such powers, duties and authority granted upon it by the Board.

5. REPORTING PROCESS

5.1 The Chairman of the Committee, or in his absence, the member elected by the members present in a meeting, shall report to the Board on the decisions and recommendations made by the Committee following each meeting.

5.2 The Committee shall prepare an annual 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.