

Tin Abenes
Bjain Habes 11-09-15



Note:

FOR : **MR. EDUARDO M. COJUANGCO, JR.** DATE : November 6, 2015

FROM : OFFICE OF THE COMPLIANCE OFFICER

SUBJECT : **Board of Directors Internal Self-Rating Form**

Further to the Amended Manual on Corporate Governance of San Miguel Pure Foods Company, Inc. (the "Company"), the Board of Directors of the Company approved on November 9, 2011, the creation and implementation of an internal self-rating system to evaluate the performance of the Board.

The purpose of this Self-Rating Form is to assess and improve the performance of the Board of Directors in accordance with the best practices in corporate governance, and the effectiveness of the Company's governance processes.

Please read each statement and rank your response on the 5-point scale directly below each statement, with "1" indicating that you strongly disagree with the statement and "5" indicating that you strongly agree with the statement. Additional space is also provided for comments you may have on each statement, if any.

This assessment will cover four broad areas of Board performance:

- Fulfillment of the Board's Key Responsibilities
- Board – Management Relationship
- Effectiveness of Board Processes and Meetings
- Individual Performance of Board Members

Kindly accomplish the attached form and return the same to Atty. Alexandra B. Trillana, the Corporate Secretary of the Company, at the 22nd Floor JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City, in a sealed envelope on or before December 11, 2015 (Friday). We wish to assure you that your responses shall be treated with utmost confidentiality.

Thank you.

Handwritten signature of Ma. Soledad E. Olives in cursive.

Ma. Soledad E. Olives
Compliance Officer



Board of Directors Internal Self-Rating Form

I. Fulfillment of the Board’s Key Responsibilities

- 1. The Board demonstrates commitment to good corporate governance practices and provides oversight to ensure that the Company is operated in a moral, legal and ethical manner and that decisions are carried out in accordance with applicable laws and by its own by-laws and policies.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

- 2. The Board has established a clear strategic direction for the Company designed to maximize long-term shareholder value. This is reflected in the strategic priorities that have been approved and is clearly linked to and supported by the short to medium-term operating or business plans.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

- 3. The Board reviews and approves an annual capital and operating budget. It effectively monitors performance against budget throughout the year and ensures corrective action if negative variances occur.

1	2	3	4	5
----------	----------	----------	----------	----------



Comments:

--

4. The Board regularly monitors the Company's income statement, balance sheet and cash flows and ensures that financial statements released to the regulatory agencies and to the general public represent a fair and true picture of the Company's financial standing.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

5. The Board is vigilant regarding the management of enterprise-wide risks and ensures that the Company has appropriate policies and procedures in place to effectively identify, monitor and mitigate these risks.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

6. The Board regularly considers the performance of peer or comparable companies in tracking the Company's performance and uses these as benchmarks for management.

1	2	3	4	5
----------	----------	----------	----------	----------



Comments:

--

7. The Board regularly and consistently considers the interests of minority shareholders and ensures their equitable treatment in its decision making processes. The interests of all other shareholder groups are also carefully considered.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

8. The Board reviews the Company's human resources policies, conflict of interest situations, compensation program for employees and Management succession plan.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

9. Overall, the Board has added significant value to the Company.

1	2	3	4	5
----------	----------	----------	----------	----------



Comments:

--

II. Board – Management Relationship

1. There is a clear understanding of where the role of the Board ends and where that of Management begins.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

2. The Board complies with the requisite guidelines in determining the participation of the Board and Committees in major business policies or decisions.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

3. The Board continuously interacts with Management in order to understand the businesses better and to drive improvements in the Company’s performance.

There is a frank and open two-way discussion which fosters critical thinking and incisive questioning.

1	2	3	4	5
----------	----------	----------	----------	----------



Comments:

--

- The Board considers the correlation between executive pay and Company performance and ensures that an appropriate system of incentives is in place, which clearly distinguishes and rewards performers from non-performers.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

III. Effectiveness of Board Processes and Meetings

- The frequency, duration and scheduling of Board and Committee meetings are adequate to ensure proper coverage of the Board's responsibilities.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--



2. The Board is able to balance and allocate its time effectively in discussing issues related to the Company's strategy and long-term competitiveness, as well as to short-term or quarterly financial and operating results.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

3. Board members receive materials for the Board and Committee meetings that are adequate in terms of content coverage, relevance and level of information detail.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

4. Board members attend all Board and Committee meetings and are well informed of the agenda and prepared on the issues to be discussed.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--



5. Board and Committee agendas are realistic in terms of the breadth of topics to be covered given the time available and are managed effectively given the relative importance of the topics for discussion.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

6. Board meetings are conducted in a manner that ensures open communication, meaningful participation, and timely resolution of issues. All Board members exercise independent judgment. Management reports and discusses bad news, anticipated bad news and risk-related issues with the Board.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

7. Board members have a wide and diverse range of expertise and occupational and personal backgrounds and contribute effectively to the issues being discussed on the basis of their particular area of expertise.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--



8. The Board has instituted a formal review process for monitoring the effectiveness of the Board and is committed to improving its overall performance as a Board.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

9. Overall, the Company has effective Board processes and meetings.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

IV. Individual Performance of Board Members

1. I understand the mission, values and strategies of the Company and I am aware of what is expected of me as a Board member.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--



2. I am aware of the Company's by-laws and governing principles and policies and I update myself on the latest best practices in corporate governance.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

3. As a Board member I consciously avoid entering into situations where I may be placed in a conflict of interest with that of the Company and if such a potential conflict exists or appears, I disclose this immediately to the Board.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

4. I have a good record of Board and Committee meeting attendance.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

5. I come to meetings on time, prepared and knowledgeable about the issues to be discussed.

1	2	3	4	5
----------	----------	----------	----------	----------



Comments:

--

6. I actively participate in the Board discussions with independence and objectivity.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

7. I express my opinions on matters presented to the Board and support all Board decisions once they are made even if I personally disagree with the decision.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

8. I promote the work and the mission of the Company in the community whenever I have the chance to do so.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--



9. Overall, I feel that I have personally added significant value to the Board.

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:

--

Name of Director:

Signature: _____

Date Submitted: _____