



EXECUTIVE COMPENSATION COMMITTEE CHARTER

This Executive Compensation Committee Charter (“this Charter”) sets out the purpose, membership and qualifications, structure and operations, duties and responsibilities, reporting process and performance evaluation of the Executive Compensation Committee (the “Committee”) of Ginebra San Miguel Inc. (the “Corporation”), and the procedures which guide the conduct of its functions.

1. PURPOSE

In accordance with the By-laws and Manual on Corporate Governance, as amended (the “CG Manual”), of the Corporation, the Board of Directors (the “Board”) of the Corporation constituted the Committee to assist the Board in the evaluation and review of the Corporation’s remuneration policy and programs for its Directors and Officers. The Committee is accountable to the Board for its performance.

2. MEMBERSHIP AND QUALIFICATIONS

2.1 Composition and Qualification

The Committee shall be composed of at least three (3) Directors, at least one (1) of whom shall be an Independent Director as defined in the CG Manual.

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.

2.2 Appointment

The Chairman and the members of the Committee are appointed by a majority vote of the members of the Board constituting a quorum during the organizational meeting of the Board. Any vacancy occurring in the Committee may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, during any meeting of the Board.

Membership in the Committee shall be reviewed every year after election of the Board by the Corporation's stockholders at their regular meeting or earlier, if the Board deems necessary.

2.3 Removal

The Chairman of the Committee or any of its members may be removed from office by action of the Board.

3. STRUCTURE AND OPERATIONS

3.1 Meetings

The Committee shall meet at such times and places as it considers appropriate and as designated in the notice. The Chairman of the Committee, any Committee member, or the Corporate Secretary of the Corporation may call a meeting of the Committee.

3.2 Quorum

Attendance of at least a majority of the Committee members shall constitute a quorum for the Committee to transact business in a meeting to be convened. 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 of their members as Chairman of the meeting.

3.4 Secretary of the Meeting

The Corporate Secretary of the Corporation shall be the secretary of the Committee. He/she shall record or see to the proper recording of the minutes and transactions 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 five (5) working days prior to the date of 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. Notices, minutes, agenda and materials presented during the meeting 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 to attend the Committee meeting and provide relevant information or data necessary for the matters for discussion during the Committee meeting. At the discretion of the Committee, separate meetings with any member of the Corporation's 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 the Corporate Secretary, Management, personnel and records of the Corporation for the purpose of performing its duties and responsibilities hereunder. The Committee may also obtain independent professional advice if it considers it necessary in the performance of its functions. The Committee shall be provided sufficient resources by the Corporation to discharge its duties.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are to:

- a) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate Officers and Directors, and provide oversight over remuneration of Senior Management and other key personnel, ensuring that compensation is consistent with the Corporation's culture, strategy and control environment;

- b) Designate the amount of remuneration, which shall be in a sufficient level to attract and retain Directors and Officers who are needed to run the Corporation successfully;
- c) Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming Officers, which, among others, compels all Officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- d) Disallow any Director to decide his or her own remuneration;
- e) Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its Directors and senior executive Officers for the previous fiscal year and the ensuing year;
- f) Review any existing Human Resources Development or Personnel Handbook ("Personnel Handbook") to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts; and
- g) In the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above.

5. REPORTING PROCESS

5.1 Report of Meetings Convened

The Chairman of the Committee, or in his/her absence, the Chairman of the meeting, shall report to the Board on the decisions and recommendations made by the Committee during the meeting it has convened in the next scheduled Board meeting.

5.2 Other Reports

The Committee shall prepare such reports as may be necessary to document the activities of the Committee in the performance of its functions and duties. Such reports may be included in the Corporation's annual report and other corporate disclosures as

may be required by the Securities and Exchange Commission (the "SEC") and/or a stock exchange such as the Philippine Stock Exchange, Inc. (the "Exchange").

5.3 Report on Critical Issues / Issuance of Certifications

The Committee shall render the necessary reports to the Board and issue such certifications as it may deem appropriate on critical compliance issues which it has discovered, reviewed and evaluated in the performance of its functions under this Charter.

6. PERFORMANCE EVALUATION

The Committee shall assess its effectiveness periodically, with the end in view of ensuring that its performance accords with best practice. Such assessment must compare its performance with the requirements of this Charter and the CG Manual, 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.

The Committee shall assess its performance through a self-assessment worksheet (the "Assessment") that substantially adopts the pertinent and relevant guidelines of the SEC.

The Assessment shall be accomplished by the Committee on an annual basis or in such shorter intervals as may be set by the Board. The results of the Assessment shall be validated by the Corporation's Compliance Officer.

A feedback mechanism shall be in place to receive comments from Management. This should facilitate dialogue within the organization about possible ways to improve its performance.

The entire assessment process shall be documented and shall form part of the records of the Corporation that may be examined by the SEC and/or the Exchange, where appropriate, from time to time.

7. ANNUAL REVIEW

This Charter shall be reviewed annually, updated as required, and copies of this Charter shall be made available to any requesting party upon written request to the Corporate Secretary.

8. 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.