

**MINUTES OF THE
REGULAR STOCKHOLDERS' MEETING
OF GINEBRA SAN MIGUEL INC.**

May 30, 2019 at 2:00 P.M.
Executive Dining Room, SMC Head Office Complex
40 San Miguel Ave., Mandaluyong City

Directors Present:

Eduardo M. Cojuangco, Jr. - Chairman
Ramon S. Ang
Francisco S. Alejo III
Aurora T. Calderon
Leo S. Alvez
Gabriel S. Claudio
Mario K. Surio
Minita V. Chico-Nazario – Independent Director
Aurora S. Lagman – Independent Director

In attendance:

Ferdinand K. Constantino, SMC Senior Vice President
and Chief Finance Officer
Virgilio S. Jacinto, GSMI Corporate Secretary
and Compliance Officer
Emmanuel B. Macalalag, GSMI General Manager
Cynthia M. Baroy, GSMI Chief Finance Officer
Conchita P. Jamora, GSMI General Counsel
and Asst. Corporate Secretary
Maila N. Pagsanhan, GSMI Associate General Counsel
Reyna-Beth D. De Guzman, Investor Relations Officer
Noel A. Baladiang, Partner, R.G. Manabat & Co.
Darwin P. Virocel, Partner, R.G. Manabat & Co.

Management Committee Members:

Noel T. Callanta
Charity Anne A. Chiong
Teodorico T. Lasin
Allan P. Mercado
Eileen C. Miranda
Ronald Rudolf C. Molina
Isadora A. Papica
Saturnino G. Pajarillo, Jr.

I. NATIONAL ANTHEM AND INVOCATION

The Corporate Secretary, Atty. Virgilio S. Jacinto, requested everyone to rise for the singing of the National Anthem and to remain standing for the Invocation to be led by Ms. Cynthia M. Baroy, Chief Finance Officer of the Company.

II. CALL TO ORDER/CERTIFICATION ON NOTICE AND QUORUM

The Chairman, Mr. Eduardo M. Cojuangco, Jr., presided and called the meeting to order. Atty. Jacinto recorded the minutes of the proceedings.

Atty. Jacinto confirmed that notices were duly sent to the stockholders of record of the Company and that there was a quorum for the meeting. He notified the assembly that there were present in the meeting, in person or by proxy, about 85.7% of the common shares of stocks and 100.0% of the preferred shares of stocks of the Company, or about 87.2% of the outstanding capital stock of the Company. Further, he added that for the record, proxies covering 84.9% of the outstanding shares of the Company were issued in favor of and held by the Chairman, authorizing him to vote for the approval of all corporate acts that required the conformity of the stockholders as provided in the agenda of the meeting. Finally, he stated that voting shall be made in accordance with the procedure set forth in the Information Statement that was distributed to the stockholders prior to the meeting.

Atty. Jacinto also advised the stockholders that an open forum will follow the presentation of the Annual Report for 2018 and, in order to give them a chance to ask their questions, the stockholders were requested to submit their questions in writing. He added that question forms were available from the ushers and usherettes and that the stockholders should identify themselves in the form. Finally, he said that in answering the questions, written questions submitted in advance would be given preference.

III. APPROVAL OF THE MINUTES OF THE REGULAR STOCKHOLDERS' MEETING ON MAY 31, 2018

The Chairman presented the first item in the agenda which was the approval of the Minutes of the Regular Stockholders' Meeting held on May 31, 2018. He informed the stockholders that a copy of the draft Minutes is posted in the Company's website, available for examination at the Office of the Corporate Secretary and posted at the registration area.

On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2019-05-30-01

“RESOLVED, that the Minutes of the Regular Stockholders' Meeting of Ginebra San Miguel Inc. held on May 31, 2018, be approved.”

IV. PRESENTATION OF THE ANNUAL REPORT

The Chairman proceeded to the next item in the agenda. He requested the General Manager of the Company, Mr. Emmanuel B. Macalalag, to present the Annual Report for 2018.

Mr. Macalalag presented to the stockholders the Company's Annual Report for 2018. A copy of his report is attached as Annex “A”.

After the report, Atty. Jacinto reminded the assembly that written questions submitted in advance will be given priority in the open forum.

During the open forum, the following written questions were raised and answered by Mr. Macalalag as follows:

Ms. Rosalina Lioanag from San Mateo, Rizal

“What contributed to the impressive performance of the Company in 2018 and how did the Company perform in the first quarter of 2019? What then is the outlook for the rest of the year?”

Mr. Macalalag replied that the performance of 2018 were driven mostly by the rising volumes which were supported by successful marketing and selling programs and coupled with good margin as well. In 2018, both volumes and margins were good resulting to a very good performance in 2018.

For the first quarter of 2019, results were also quite impressive. Volumes grew by 24% and Net Income was also more than double the same period last year. Thus, Management is confident that 2019 will be another good year for GSMI.

Ms. Monina Cortez from Quezon City

“Salamat po sa natanggap naming dibidendo nitong taon. Tuloy-tuloy na po ba ito?”

According to Mr. Macalalag, *“Pag nakita po natin ang performance this quarter at pagsisikapan po ng management na magtuloy-tuloy ang performance, pag ka ganoon po magtutuloy tuloy po ang dibidendo.”*

Mr. Juan Ma. Carlos Maningat from Pasig City

“Will there be an increase in excise tax? How will this impact on the Company?”

Mr. Macalalag responded that there is a pending bill in Congress to raise the excise tax on liquor/alcohol beverages and cigarettes. If this is approved, and the tax will be raised, there will be a need to increase prices. Normally, there is a temporary reaction on volume to price increases but somehow after a certain period *volume will recover*. Rest assured at this point, the Company is already trying to formulate strategies to mitigate the impact of price increase next year.

Ms. Ann Bularan-Santos from Valenzuela City

“Ano po ba ng pwedeng asahan ng mga fans sa Barangay Ginebra San Miguel basketball team ngayong taon?”

Mr. Macalalag reply was *“We are in Commissioner’s Cup this time, siguro ganadong Ganado na ang team natin na maipanalo ito dahil sila ho ang champion ng Commissioner’s cup last year. May pag-asa naman po siguro tayong manalo.”*

Apart from the written questions, there were two (2) stockholders who expressed their comments during the open forum:

Mr. Guillermo Gili commented on the absence of the identification cards of those personnel manning the registration table and expressed concern as to why the latter refused to acknowledge the certificates issued by his brokers. Mr. Ang answered Mr. Gili that he is familiar to the registration personnel and they recognized him. Mr. Ang added in jest that Mr. Gili failed to attend there (3) stockholders’ meeting.

Mr. Christopher Yu expressed his observation that the Company’s subsidiary or affiliate, Thai San Miguel, has been registering negative net income for the past years. Mr. Ang commented that we should trust the Company considering that there has been a substantial turn around on the financial performance of the Company last year. He expressed optimism that the Company’s net income for full-year 2019 will more than double to P2.5 billion from last year’s P1.05 billion based on the increase of the net income of the Company for the first (1st) quarter of 2019.

As there were no other questions, a stockholder moved to close the open forum, approve and ratify the Annual Report for 2018, as presented.

On motion duly made and seconded, and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2019-05-30-02

“RESOLVED, that the open forum of stockholders be closed and that the Annual Report for 2018, as presented, be approved.”

V. RATIFICATION OF ALL ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND THE CORPORATE OFFICERS

The Chairman proceeded to the next item in the agenda, which was the ratification of all acts and proceedings of the Board of Directors and corporate officers since the Regular Stockholders' Meeting held on May 31, 2018 until the date of this meeting. He informed the assembly that the list of the acts and proceedings for ratification was available for viewing at the registration area and was shown on the screen for reference.

On motion duly made and seconded, and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2019-05-30-03

“RESOLVED, that all acts, resolutions, and proceedings of the Board of Directors and corporate officers of the Company since the Regular Meeting of the Stockholders held on May 31, 2018 until the date of this meeting as reflected in the minutes of the meetings of the Board of Directors, as well as financial statements and records of the Company be approved, confirmed and ratified.”

VI. ELECTION OF DIRECTORS

The Chairman requested Atty. Jacinto to read the names of the nominees for election to the Board of Directors of the Company for 2019.

Atty. Jacinto informed the assembly that the qualifications of the nominees were evaluated and favorably recommended to the Board by the Corporate Governance Committee during its meeting held on March 13, 2019. He added that the names of the nominees were included in the Information Statement, and are presented on the screen. He then read the names of the nominees, who are as follows, namely:

1. Mr. Eduardo M. Cojuangco, Jr.
2. Mr. Ramon S. Ang
3. Mr. Francisco S. Alejo III
4. Ms. Aurora T. Calderon
5. Mr. Leo S. Alvez
6. Mr. Gabriel S. Claudio
7. Mr. Mario K. Surio
8. Ms. Minita V. Chico-Nazario – Independent Director
9. Ms. Aurora S. Lagman – Independent Director

The Chairman informed the stockholders that in compliance with the mandatory requirement of the Securities and Exchange Commission in electing Independent Directors, the nominees for election as Independent Directors, who are Minita V. Chico-Nazario and Aurora S. Lagman, were disclosed in the Information Statement distributed to the stockholders.

A stockholder moved that considering that the number of directors to be elected is nine (9) and there are only nine (9) nominees, the balloting be dispensed with and that all the nine (9) nominees be considered unanimously elected as Directors of the Company. The motion having been duly made and seconded, and there being no objection, the following resolution was approved by the stockholders present and/or presented:

Resolution No. 2018-05-30-04

“RESOLVED, that balloting be dispensed with and the following be considered unanimously elected as Directors of the Company:

Mr. Eduardo M. Cojuangco, Jr.
Mr. Ramon S. Ang
Mr. Francisco S. Alejo III
Ms. Aurora T. Calderon
Mr. Leo S. Alvez
Mr. Gabriel S. Claudio
Mr. Mario K. Surio
Ms. Minita V. Chico-Nazario – Independent Director
Ms. Aurora S. Lagman – Independent Director”

The Chairman, on behalf of Management, welcomed the newly-elected Directors of the Company. He also thanked the stockholders for their trust and confidence.

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman proceeded to the next item in the agenda, which was the appointment of External Auditor and requested Director Minita V. Chico-Nazario, Independent Director and Chairman of the Audit and Risk Oversight Committee, to present the recommendation of the said Committee on the matter.

Director Chico-Nazario informed the stockholders that after deliberation and evaluation of the Audit and Risk Committee during its meeting on March 13, 2019, the Committee agreed to favorably recommend the reappointment of the auditing firm of R.G Manabat & Co. as the External Auditor of the Company for the fiscal year 2019.

On motion duly made and seconded, and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2019-05-30-05

“RESOLVED, that the auditing firm of R.G. Manabat & Co. be designated as External Auditor of the Company for the fiscal year 2019.”

VIII. ADJOURNMENT

The Chairman asked if there were any other matters or business that the stockholders intend to present to the assembly.

On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders present and/or represented:

Resolution No. 2019-05-30-06

“RESOLVED, that the 2019 Regular Stockholders’ Meeting of the Company be adjourned.”

A copy of the voting results is attached as Annex “B”.

ATTESTED BY:

EDUARDO M. COJUANGCO, JR.
Chairman

VIRGILIO S. JACINTO
Corporate Secretary

DRAFT

2018 ANNUAL REPORT TO THE STOCKHOLDERS

Fellow stockholders, ladies and gentlemen, good afternoon.

Ginebra San Miguel Inc. had a breakthrough year in 2018. Our company returned to billion-level Net Income on the back of sales of 31.4 million cases, 13% higher than the year before and our highest volume since 2011. These gains were the result of our commitment to capture a much larger share of the liquor market and to improve margins through supply chain efficiencies.

Consolidated Revenues reached Php24.8 billion, 19% better than the previous year. Our Gross Contribution of Php6.6 billion was 23% better than the year before. Operating Income was at Php1.8 billion and Net Income at P1.05 billion; significantly higher by 40% and 75% respectively from year ago, our highest since 2005.

At the center of our efforts to connect consumers to our product was the thematic campaign "Ginebra Ako". The campaign celebrated the Filipino's strength and resiliency and showed how the Ginebra brand has become so much part of the Filipino's daily grind. That message and the ad's anthem resonated really well with our core drinkers, while our push for broader distribution helped put our product within arm's reach whenever the consumer wanted it. The result was a 13% jump in the volume of our flagship brand Ginebra San Miguel.

Our core brand for Visayas and Mindanao, Vino Kulafu also registered robust growth with volumes growing 6% over the previous year. Its "Dosenang Lakas" ad campaign which highlighted the 12-herb formulation that has made Vino Kulafu famous, helped raise brand awareness while an under-the-cap consumer promo ensured steady offtake at the retailer level.

We pride ourselves on being a spirits company with a portfolio of consumer-centric brands, and with the younger demographic, our GSM Blue has steadily gained patronage with volumes rising 69% from 2017 levels. We're pleased to report that GSM Blue and Primera Light Brandy emerged as potential volume drivers as we strive to expand our consumer base in the years ahead.

In 2018, we also made significant gains in our pursuit of greater efficiencies across the supply chain. We expanded our base of alcohol suppliers and managed to improve our bottle retrieval system. We also introduced new technologies and processes at our distillery to increase molasses yield. All these efforts temper production costs, and improve our margins.

With our motivated workforce and trade partners, we are confident that GSMI will have another good year in 2019. For the first quarter this year, sales volume surged 24% to post Consolidated Revenues of Php8.3 billion, up 28% compared to the same period last year. Operating Income reached Php986 million while Net Income was at Php616 million, both more than double the amount posted the year before.

Fellow stockholders, we've come a long way from those challenging times when our company was struggling and trying to hold its own against other rival companies. Today, we continue to focus our efforts on advancing our position in the liquor industry and sustaining our profitability.

On behalf of the members of the Board, I would like to extend my sincerest gratitude to all GSMI employees for their commitment and dedication. Our thanks also goes to you, our shareholders, for your continued trust and support.

Maraming salamat po at isang magandang hapon po sa inyong lahat.

DRAFT

ssp045
2019-05-30
04:25:18 PM

Ginebra San Miguel Inc.
PROXY VOTING MODULE
Stockholders' Meeting Vote Canvassing Results

PAGE 1

NOM. NO.	NOMINEE	VOTES
1	EDUARDO M. COJUANGCO, JR.	277,723,870
2	RAMON S. ANG	277,723,870
3	FRANCISCO S. ALEJO III	277,723,870
4	LEO S. ALVEZ	277,723,870
5	AURORA T. CALDERON	277,723,870
6	GABRIEL S. CLAUDIO	277,723,870
7	MARIO K. SURIO	277,723,870
8	MINITA V. CHICO-NAZARIO	278,141,670
9	AURORA S. LAGMAN	278,141,670
Total votes registered		2,503,275,030
Total votes counted for election of board nominees		2,500,350,430
Total uncast votes for election of board nominees		2,924,600

RES. NO.	RESOLUTION	SHARES VOTED	% TO TOTAL O.S.
2	Approval of the Minutes of the Regular Stockholders' Meeting held on May 31, 2018	278,141,670	87.160%
	For	278,141,670 -	87.160%
	Against	0 -	0.000%
	Abstain	0 -	0.000%
3	Presentation and Approval of the Annual Report of the Company for the year ended December 31, 2018	278,141,670	87.160%
	For	278,141,670 -	87.160%
	Against	0 -	0.000%
	Abstain	0 -	0.000%
4	Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers	278,141,670	87.160%
	For	278,141,670 -	87.160%
	Against	0 -	0.000%
	Abstain	0 -	0.000%
5	Appointment of R.G. Manabat & Co. as External Auditor of the Company for 2019	278,141,670	87.160%
	For	278,141,670 -	87.160%
	Against	0 -	0.000%
	Abstain	0 -	0.000%

SUMMARY REPORT		% TO
		TOTAL O.S.
OUTSTANDING COMMON SHARES	286,327,841	
OUTSTANDING PREFERRED SHARES	32,786,885	
TOTAL OUTSTANDING SHARES AS OF RECORD DATE	319,114,726	
TOTAL SHARES IN ATTENDANCE :		
Attending proxy assignees	271,058,321	
Attending stockholders	7,269,292	
	278,327,613	87.219%
LESS :		
Invalidated / knocked-off / Uncast shares - Proxy Assignees	0	
Knock-off by attending stockholder	0	
Invalidated shares - Stockholders	0	
Uncast shares of stockholders	185,943	
TOTAL SHARES/VOTES COUNTED	278,141,670	87.160%

*** END OF REPORT ***

sspx015
2019-05-30
04:23:35 PM

Ginebra San Miguel Inc.
PROXY VOTING MODULE
Voting Instructions (Grouped by Entry Date)
May 27, 2019 to May 30, 2019

ENTRY DATE	PX FORM	SH NUMBER	STOCKHOLDER NAME	ASSIGNED SHARES	PX GROUP	VOTING INSTRUCTIONS
05/29/2019	0000001	000000074706	SAN MIGUEL FOOD AND BEVERAGE, INC.	216,972,000	03	YYYY
05/29/2019	0000002	000000029335	SAN MIGUEL CORPORATION RETIREMENT PLAN	6,000	01	YYYY
05/29/2019	0000003	PCD000000139	SAN MIGUEL CORPORATION RETIREMENT PLAN	12,308,221	01	YYYY
05/29/2019	0000004	PCD000000142	SAN MIGUEL CORPORATION RETIREMENT PLAN-STP	1,446,715	01	YYYY
05/29/2019	0000005	PCD000000144	GINEBRA SAN MIGUEL, INC. RETIREMENT PLAN	4,500,000	01	YYYY
05/29/2019	0000006	PRF000000027	SAN MIGUEL CORPORATION	32,786,885	02	YYYY
05/29/2019	0000007	PCD000000137	DEUTSCHE BANK MANILA-CLIENTS A/C	2,620,700	01	YYYY
05/29/2019	0000008	PCD000000137	DEUTSCHE BANK MANILA-CLIENTS A/C	417,800	01	YYYY

TOTAL PROXIES : 8
TOTAL SHARES ASSIGNED : 271,058,321
TOTAL UNASSIGNED SHARES : 483,280
TOTAL PROXIES SUPERCEDED : 0
TOTAL SHARES SUPERCEDED : 0

*** END OF REPORT ***