

**MINUTES OF THE  
ANNUAL MEETING OF THE STOCKHOLDERS  
OF GINEBRA SAN MIGUEL INC.**

May 9, 2013 at 2:00 P.M.  
Executive Dining Room, SMC Head Office Complex  
40 San Miguel Ave., Mandaluyong City

**Directors Present:**

Eduardo M. Cojuangco, Jr.  
Ramon S. Ang  
Bernard D. Marquez  
Ferdinand K. Constantino  
Leo S. Alvez  
Gabriel S. Claudio  
Angelina S. Gutierrez

**Absent:**

Roberto V. Ongpin  
Minita V. Chico-Nazario

**I. CALL TO ORDER/CERTIFICATION ON NOTICE AND QUORUM**

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

The Corporate Secretary stated that notices were duly sent to stockholders of record of the Company and that there was a quorum. He also informed the assembly that there were present, in person or by proxy, holders of shares representing about 86.5% of the total outstanding capital stock of the Company and that the Chairman holds proxies for about 85.9% of the outstanding capital stock of the Company.

He also advised the stockholders that an open forum will follow the presentation of the 2012 Annual Report and in order to give the stockholders 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 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.

**II. APPROVAL OF THE MINUTES OF PREVIOUS MEETING OF STOCKHOLDERS**

The Chairman presented the first item in the agenda which is the approval of the Minutes of the Annual Stockholders' Meeting held on May 10, 2012.

On motion duly made and seconded, the Minutes of the Annual Stockholders' Meeting held on May 10, 2012 was approved by the stockholders present and/or represented.

**III. PRESENTATION OF THE ANNUAL REPORT**

The Chairman presented the 2012 Annual Report to the stockholders. A copy of the report is attached as Annex "A".

After the report, Atty. Jacinto announced that for the open forum, written questions submitted in advance will be addressed by the Chairman and officers of the Company.

During the open forum, a stockholder asked why the revenues of the Company were lower for two (2) straight years. The Chairman requested the President, Mr. Bernard D. Marquez, to answer the same. Mr. Marquez explained that for 2 years, the brandy volumes have declined as consumers shifted to competing brands. He also stated that, as a gin company, the focus in 2012 has been to strengthen the core brand Ginebra San Miguel and that this move proved successful as brand Ginebra San Miguel's volume grew 19% allowing the Company to sustain revenues at ₱15 billion, only slightly below 2011 level. With a reinvigorated core brand, GSMI now stands stronger to complete its turnaround.

Another stockholder inquired as to what the Company is doing to regain its former stature. Mr. Marquez explained that the Company believes that the strengthening of its core brand was a major step towards regaining its stature, and that it will give the Company a strong launch pad to execute both the Company's marketing and sales directions. He added that other brands have begun to "ride" on the regained strength of Ginebra San Miguel. Moreover, the Company's Marketing Group has adopted more innovative means of communication, while its sales force has been reconfigured to give focus to channel-specific needs. He also mentioned that within the Company a specific sales group focuses on traditional distribution channels while another serves modern trade and on-premise outlets. He assured the stockholders that all these activities are in place and that the Company is confident that it is now geared up to make a good comeback.

A stockholder inquired on the status of the Company's Non-Alcoholic Beverage business. Mr. Marquez explained that the direction to focus the distribution of Magnolia Fruit Drink and Healthtea to schools where carbonated beverages are discouraged has proven to be a good one. And through the "Iba ang Sigla" school caravan, a tie-up with the Department of Education, the non-alcoholic beverage volume lifted to 16% higher than 2011.

As there were no more questions, a stockholder moved to close the open forum and approve and ratify the 2012 Annual Report as presented.

Upon motion duly made and seconded, the open forum was closed and the 2012 Annual Report was approved and ratified by the stockholders present and/or represented.

#### **IV. 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 is the ratification of all acts and proceedings of the Board of Directors and corporate officers since the Annual Stockholders' Meeting held on May 10, 2012 until the date of this meeting.

A stockholder moved that the following resolution be approved:

"RESOLVED, that all acts, resolutions, and proceedings of the Board of Directors and corporate officers of the Company since the Annual Meeting of the Stockholders on May 10, 2012 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."

The motion was duly seconded and approved by the stockholders present and/or represented.

#### **V. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman proceeded to the next item in the agenda which is the appointment of external auditor and requested Director Angelina S. Gutierrez to present the recommendation of the Audit Committee on the matter.

Director Gutierrez informed the stockholders that after deliberation and evaluation, the Audit Committee, of which she is a member, recommends the appointment of the auditing firm of Manabat Sanagustin & Co., CPAs, as the external auditor of the Company for fiscal year 2013.

A stockholder moved that the auditing firm of Manabat Sanagustin & Co., CPAs, be designated as external auditor of the Company for the fiscal year 2013.

The motion was duly seconded and approved by the stockholders present and/or represented.

## **VI. ELECTION OF BOARD OF DIRECTORS**

The Chairman requested Atty. Jacinto to inform the stockholders of the nominees to the Board of Directors of the Company for 2013.

Atty. Jacinto read the names of the following qualified nominees:

1. Eduardo M. Cojuangco, Jr.
2. Ramon S. Ang
3. Bernard D. Marquez
4. Leo S. Alvez
5. Gabriel S. Claudio
6. Ferdinand K. Constantino
7. Joseph N. Pineda
8. Justice Minita V. Chico-Nazario – Independent Director
9. Justice Angelina S. Gutierrez – Independent Director

The Chairman informed the stockholders that in compliance with the mandatory requirement of the Securities and Exchange Commission for electing Independent Directors, the nominees for election as Independent Directors, who are Directors Angelina S. Gutierrez and Minita V. Chico-Nazario, were disclosed in the Information Statement circulated 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 was duly seconded and approved by the stockholders present and/or represented.

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

## **VII. ADJOURNMENT**


The Chairman asked if there are any other matters or business that the stockholders intend to discuss to the assembly. There being none, the Chairman entertained a motion to adjourn the meeting.

Upon motion duly made and seconded, the Chairman adjourned the meeting and thanked all the stockholders for their attendance.

ATTESTED BY:

  
**EDUARDO M. COJUANGCO, JR.**

Chairman

  
**VIRGILIO S. JACINTO**

Corporate Secretary