

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

May 8, 2014 at 2:00 P.M.  
Executive Dining Room, SMC Head Office Complex  
40 San Miguel Ave., Mandaluyong City

**Directors Present:**

Ramon S. Ang  
Bernard D. Marquez  
Ferdinand K. Constantino  
Joseph N. Pineda  
Leo S. Alvez  
Gabriel S. Claudio  
Minita V. Chico-Nazario  
Angelina S. Gutierrez

Apology :

Eduardo M. Cojuangco, Jr.

**In attendance:**

Virgilio S. Jacinto  
Cynthia M. Baroy  
Nelson S. Elises  
Rosalina A. Lioanag  
Atty. Conchita P. Jamora

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

The Vice Chairman, Mr. Ramon S. Ang, acting as Chairman of the meeting presided and called the meeting to order. The Corporate Secretary, Atty. Virgilio S. Jacinto, recorded the minutes of the proceedings.

Atty. Jacinto informed the attendees that notices were duly sent to the stockholders of record of the Company and that there was a quorum. He also notified the assembly that there were present in the meeting, in person or by proxy, about 81.6% of the common shares of stocks and 100% of the preferred shares of stocks of the Company, or about 83.49% of the outstanding capital stock of the Company. Further, he added that proxies covering 83.4% of the outstanding shares of the Company (common and preferred) were issued in favor of and held by the Chairman, authorizing him to vote for the approval of corporate acts that require the conformity of the stockholders.

Atty. Jacinto also advised the stockholders that an open forum will follow the presentation of the 2013 Annual Report 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.

**II. APPROVAL OF THE MINUTES OF THE REGULAR STOCKHOLDERS MEETING ON MAY 9, 2013**

The Chairman presented the first item in the agenda which is the approval of the Minutes of the Annual Stockholders' Meeting held on May 9, 2013. He informed the stockholders that copies of Minutes were available at the registration area.

A stockholder manifested that he will abstain from voting because he was not given a copy of the Minutes.

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. 2014-05-08-01**

RESOLVED, that the Minutes of the Annual Stockholders' Meeting of Ginebra San Miguel Inc. held on May 9, 2013, be approved."

**III. PRESENTATION OF THE ANNUAL REPORT**

The Chairman proceeded to the next item in the agenda and requested Mr. Bernard D. Marquez, the President of the Company, to present the 2013 Annual Report.

Mr. Marquez presented to the stockholders the Company's 2013 Annual Report. A copy of his report is attached as Annex "A".

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

During the open forum, a stockholder asked how the Company performed in the first quarter and the outlook for full year. The Chairman requested the President, Mr. Bernard D. Marquez, to answer the same. Mr. Marquez explained that the liquor sales volume for the first quarter of 2014 is up 10% versus last year. This is driven primarily by the growth of the Company's Ginebra San Miguel brand which is up 20% versus last year. As a result of this volume growth together with price adjustments, Revenues for the first quarter is up 21% versus last year. Together with the combination of fixed cost management, improvement in operations resulting to lower alcohol cost and improvement in second-hand bottle usage, the Company managed to have an operating profit of PHP44 million for the year, a turnaround from a negative PHP390 million from last year. He said that the Company expects the same performance and the same growth rate to be sustained for the rest of the year.

Another stockholder inquired if there were new products to be introduced this year to compete with brandy. Mr. Marquez replied that the Company is in the process of developing new products, not only for the brandy segment but also for the Company's core product, which is gin. He assured the stockholders that innovation and product development continue to be a thrust of the organization for it to grow this year and the years to come.

As there were no more questions, a stockholder moved to close the open forum and approve and ratify the 2013 Annual Report 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. 2014-05-08-02**

“RESOLVED, that the open forum of stockholders be closed and that the 2013 Annual Report of the Company, as presented, be approved and ratified.”

**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 last Stockholders' Meeting held on May 9, 2013 until the date of this meeting.

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. 2014-05-08-03**

“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 9, 2013 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.”

**V. APPROVAL OF THE AMENDMENT TO ARTICLE III OF THE AMENDED ARTICLES OF INCORPORATION OF THE COMPANY**

The Chairman proceeded with the approval of the amendment to Article III of the Amended Articles of Incorporation of the Company and requested Atty. Jacinto to explain the amendment.

Atty. Jacinto apprised the stockholders that by way of compliance with Memorandum Circular No. 6, Series of 2014, issued by the Securities and Exchange Commission on February 20, 2014, the Board of Directors, during its meeting on March 26, 2014, approved to amend Article III of the Amended Articles of Incorporation of the Company to change the Principal Office of the Company from Metro Manila, Philippines to 3<sup>rd</sup> and 6<sup>th</sup> Floors, San Miguel Properties Centre, St. Francis Street, Ortigas Center, Mandaluyong City, Philippines.

The following resolution, which was approved by the Board during the meeting, was shown in the screen:

*“RESOLVED, as it is hereby resolved, that Article III of the Amended Articles of Incorporation of the Company be amended as follows:*

*THIRD: The principal office of the Corporation is located at 3rd and 6th Floors, San Miguel Properties Centre, St. Francis Street, Ortigas Center, Mandaluyong City, Philippines.*

*RESOLVED, FURTHER, that the directors and officers of the Company be authorized and directed to file the necessary documents with the Securities and Exchange Commission and*

*other government agencies, and to do all things necessary, to carry out and effect the foregoing resolutions."*

Atty. Jacinto explained that as stated in the Information Statement that was distributed to the stockholders, an affirmative vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock present or represented by proxy at the meeting is necessary for the approval of the amendment.

On motion duly made and seconded and there being no objection, the following resolution was approved by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock present and/or represented:

**Resolution No. 2014-05-08-04**

"RESOLVED, that the amendment of the Company's Amended Articles of Incorporation to change the Principal Office of the Company from Metro Manila, Philippines to 3rd and 6th Floors, San Miguel Properties Centre, St. Francis Street, Ortigas Center, Mandaluyong City, Philippines, as presented by the Corporate Secretary, be approved."

**VI. APPROVAL OF THE AMENDMENT TO ARTICLE I, SECTION I OF THE AMENDED BY-LAWS OF THE COMPANY**

The Chairman again requested Atty. Jacinto to discuss the next item in the agenda, which is the approval of the amendment to Article I, Section 1 of the Amended By-laws of the Company.

According to Atty. Jacinto, during the March 26, 2014 meeting of the Board of Directors, the Board also approved to amend Article I, Section 1 of the Amended By-Laws of the Company to change the date of the regular meeting of the stockholders from the second Thursday of May to last Thursday of May.

The following resolution, which was approved by the Board during the meeting, was shown in the screen:

*"RESOLVED, as it is hereby resolved, that Article I, Section 1 of the Amended By-Laws of the Company be amended as follows:*

*Section 1. Regular Meeting – The regular meetings of the stockholders shall be held on the last Thursday of May of each year at the stated date and hour, as may be determined by the Board of Directors. The Board of Directors may, however, provide that the regular meeting shall be held at another date and time as shall be specified in the notices of the meeting.*

*RESOLVED, FURTHER, that the directors and officers of the Company be authorized and directed to file the necessary documents with the Securities and Exchange Commission and other government agencies, and to do all things necessary, to carry out and effect the foregoing resolutions."*

Atty. Jacinto explained that the new date of the regular stockholders' meeting will provide the Company sufficient time to prepare and submit the financial and reportorial requirements required by governmental agencies in compliance with applicable laws, rules and regulations relative, among others, to the holding of the Annual Stockholders' Meeting.



Atty. Jacinto stated that the affirmative vote of stockholders representing at least a majority of the outstanding capital stock present or represented by proxy at the meeting is necessary for the approval of the amendment.

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. 2014-05-08-05**

"RESOLVED, that the amendment of the Company's Amended By-Laws to change the date of the regular meeting of the stockholders from second Thursday of May to last Thursday of May, as presented by the Corporate Secretary, be approved."

**VII. ELECTION OF BOARD 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 2014.

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 Minita V. Chico-Nazario and Angelina S. Gutierrez, were disclosed in the Information Statement distributed to the stockholders.

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. 2014-05-08-06**

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

**VIII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman proceeded to the next item in the agenda which is the appointment of external auditor and requested Director Minita V. Choco-Nazario, Chairperson of the Audit Committee, to present the recommendation of the Audit Committee on the matter.

Director Chico-Nazario informed the stockholders that after deliberation and evaluation, the Audit Committee recommends the appointment of the auditing firm of R.G Manabat & Co. as the external auditor of the Company for fiscal year 2014.

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. 2014-05-08-07**

"RESOLVED, that the auditing firm of R.G. Manabat & Co. be designated as external auditor of the Company for the fiscal year 2014."

**IX. ADJOURNMENT**

The Chairman asked if there were any other matters or business that the stockholders intend to present to the assembly. A stockholder congratulated the Chairman that despite a loss last year there was still an increment of income from last year. He further relayed to the Chairman the difficulty experienced by some stockholders in entering the venue due to the implementation of certain security measures. The Chairman explained that the guards were properly informed about the meeting and if there were lapses, he asked for the stockholders' understanding.

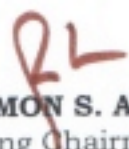
After addressing the stockholder, the Chairman entertained a motion to adjourn the meeting.

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. 2014-05-08-08**

"RESOLVED, that the 2014 Annual Stockholders' Meeting of the Company be adjourned."

ATTESTED BY:

  
**RAMON S. ANG**  
Acting Chairman

  
**VIRGILIO S. JACINTO**  
Corporate Secretary