

**MINUTES OF THE  
REGULAR ANNUAL STOCKHOLDERS' MEETING  
OF GINEBRA SAN MIGUEL INC.  
June 23, 2020 | Tuesday | 2:00 P.M.**

The Regular Annual Stockholders' Meeting of the Company ("Meeting") was conducted via remote communication and livestreamed at the Company's website: <http://www.ginebrasanmiguel.com>. Stockholders of record at the close of business hours on May 15, 2020 were entitled to vote at this Meeting and validated ballots and proxies were considered for purposes of determining the quorum and voting results. These are in accordance with the Notice of the Meeting and the Information Statement of the Company that were posted in the Company's website and in the PSE Edge.

**Directors Present:**

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 Legal Counsel  
Noel A. Baladiang, Partner, R.G. Manabat & Co.  
Reyna-Beth D. De Guzman, Investor Relations Officer  
Noel A. Baladiang, 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.

Before the Meeting formally started, President Ramon S. Ang, on behalf of the Board of Directors, officers and employees of the Company, extended their heartfelt condolences to the family of the Company's beloved Chairman and Chief Executive Officer, Mr. Eduardo M. Cojuangco, Jr., who passed away on the evening of June 16, 2020. He also extended deepest gratitude and sincerest appreciation to the Chairman for his invaluable service and contribution to the Board and the Company. Thereafter, a moment of silence was observed to pray for Chairman Cojuangco.

## **II. CALL TO ORDER/CERTIFICATION ON NOTICE AND QUORUM**

The President, Mr. Ramon S. Ang, 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 based on the proxy and ballots emailed to the Corporate Secretary and which validated with the assistance of the Company's stock transfer agent, SMC Stock Transfer Service Corporation, about 87.36% of the common shares of stocks and 100.0% of the preferred shares of stocks of the Company, or about 88.66% of the outstanding capital stock of the Company. Atty. Jacinto confirmed, for the record, proxies covering 88.66% of the outstanding capital stock of the Company were issued in favor of and held by President Ramon S. Ang, authorizing him to vote for the election of directors and 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 has been made available in the Company's website and in the PSE Edge.

Atty. Jacinto acknowledged the attendance of the following directors, namely:

1. Francisco S. Alejo III
2. Aurora T. Calderon
3. Leo S. Alvez
4. Gabriel S. Claudio
5. Mario K. Surio
6. Minita V. Chico-Nazario – Independent Director
7. Aurora S. Lagman – Independent Director

He also acknowledged the attendance of the Company's officers led by its General Manager, Mr. Emmanuel B. Macalalag and its Chief Finance Officer, Ms. Cynthia M. Baroy. The presence of the representative of R.G. Manabat & Co., the Company's external auditor for 2019, was also acknowledged.

Atty. Jacinto advised the stockholders that an open forum will follow the presentation of the Annual Report for 2019. He also informed the assembly that question sent to the Company's dedicated email address for the meeting will be entertained while question not answered during the Meeting will be replied to by the Office of the Corporate Secretary.

## **III. APPROVAL OF THE MINUTES OF THE REGULAR STOCKHOLDERS' MEETING ON MAY 30, 2019**

The President presented the first item in the agenda which was the approval of the Minutes of the Regular Stockholders' Meeting held on May 30, 2019. He informed the stockholders that a copy of the draft Minutes is attached to the Information Statement and posted in the Company's website.

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. 2020-06-23-01**

“RESOLVED, that the Minutes of the Regular Stockholders’ Meeting of Ginebra San Miguel Inc. held on May 30, 2019, be approved.”

**IV. PRESENTATION OF THE ANNUAL REPORT**

The President 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 2019.

Mr. Macalalag presented to the stockholders the Company’s Annual Report for 2019. A copy of his report is attached as Annex “A”.

During the open forum, the following written questions were raised and answered by President Ang as follows:

*Ms. Lucy Claire Lim from Novaliches, Quezon City*

*“Given the COVID-19 situation, how did the Company perform in the first quarter of 2020 and what is the outlook for the rest of the year?”*

Mr. Ang replied that for the first two (2) months of 2020, the Company was doing very good but then because of the lockdown, the last fifteen (15) days of the first quarter affected the Company’s first quarter earnings compared to last year. He added the Company’s first quarter earnings is about 474 million pesos or about 23% lower than last year. He concluded that while the 2<sup>nd</sup> quarter performance was the one mostly affected by the COVID-19 situation, the Company is confident that for the full year it will still have a strong income, though a bit lower than last year.

*Mr. Melvin Gomez from Manila City*

*“Ano po ang epekto ng kasalukuyang pandemic sa kakayanan ng kumpanya para makapagbigay ng dibidendo?”*

According to Mr. Ang since the Company is still earning, it will still be declaring dividends. He noted that during hard times like this, hard liquor sales is better than beer and he thinks Ginebra will be okay for the whole year of 2020 and that it will be able to declare dividends.

As there were no other questions, a stockholder moved to close the open forum, approve and ratify the Annual Report for 2019, 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. 2020-06-23-02**

“RESOLVED, that the open forum of stockholders be closed and that the Annual Report for 2019, as presented, be approved.”

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

The President 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 30, 2019 until the date of this Meeting. He informed the assembly that the list of the acts and proceedings for ratification 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. 2020-06-23-03**

“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 30, 2019 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**

Mr. Ang requested Atty. Jacinto to read the names of the nominees for election to the Board of Directors of the Company for 2020.

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 11, 2020. He added that the names of the nominees were included in the Information Statement. In light of the untimely demise of Mr. Eduardo M. Cojuangco, Jr., the remaining nominees are the following, namely:

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

Mr. Ang also 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 of the Company.

A stockholder moved that balloting be dispensed with and that all the eight (8) 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. 2020-06-23-04**

“RESOLVED, that balloting be dispensed with and the nominees presented earlier be considered unanimously elected as Directors of the Company.”

The President, 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 President 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 11, 2020, the Committee favorably recommends the reappointment of the auditing firm of R.G Manabat & Co. as the External Auditor of the Company for the fiscal year 2020.

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. 2020-06-23-05**

“RESOLVED, that the auditing firm of R.G. Manabat & Co. be designated as External Auditor of the Company for the fiscal year 2020.”

**VIII. ADJOURNMENT**

The President 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:

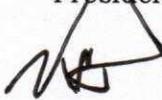
**Resolution No. 2020-06-23-06**

“RESOLVED, that the 2020 Regular Annual Stockholders’ Meeting of the Company be adjourned.”

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

ATTESTED BY:

  
**RAMON S. ANG**  
President

  
**VIRGILIO S. JACINTO**  
Corporate Secretary

**2019 ANNUAL REPORT TO THE STOCKHOLDERS**

Fellow stockholders, ladies and gentlemen, good afternoon.

It’s not the best of times to meet. While our country, along with the rest of the world, continues to grapple with the Covid-19 pandemic, our company is also mourning the passing of our Chairman, Amb. Eduardo M. Cojuangco Jr. Mr. Cojuangco has guided San Miguel Corporation, and particularly, we are proud to say, Ginebra San Miguel, for so many years. The entire Ginebra family is deeply saddened by his passing.

Even as we mourn, we wish to acknowledge too, the efforts of our SMC management to respond to this public health crisis that’s upended our lives.

Ginebra San Miguel is perhaps the first company in the Philippines to reconfigure its operations and redirect its resources to supporting the fight against Covid-19. We are so proud of that. By shifting our operations from liquor manufacturing to the production of 70% ethyl alcohol, the San Miguel Group has been able to donate 1.3 million liters of alcohol to hospitals, parishes and local government units nationwide. It’s been our privilege serve our country in its time of need.

Let us now proceed to our report.

In 2019, our efforts to expand our distribution network, combined with strong, consistent marketing communication, delivered for us a record year and a new sales volume milestone: 35.9 million cases, 14% higher than the previous year, and our highest in nine years.

One of the true strengths of brand Ginebra San Miguel—apart from attributes such as taste, quality, and heritage—has always been its ability to connect with, it’s consumers. We continue to nurture and evolve this bond through marketing campaigns that happily, have hit the mark.

In 2019, our thematic campaign “Pilipino Ako. Ginebra Ako”, further strengthened our core drinkers’ affinity with the brand, while at the same time broadening its appeal to a wider market. As a result, sales volume for our flagship Ginebra San Miguel rose 13% from the prior year.

Vino Kulafu also continued to register robust gains. The brand’s thematic campaign, “Lakas sa Magandang Bukas”, combined with an under-the-cap consumer promo and on-ground activations in select territories in Visayas and Mindanao, pushed volumes up 8% versus 2018.

GSM Blue had an amazing 2019, breaching the million-case mark on the back of a 62% volume increase from year-ago levels. Better distribution, ad campaigns targeting younger consumers, and sampling activities, helped sustain the brand’s popularity and visibility.

Measures to improve efficiency were also implemented throughout various areas of our supply chain. We continue to benefit from broadening our sourcing of molasses and alcohol. Process innovation at our distillery, which improved yields; and the efficient running of our bottling plants, kept production costs down, despite higher molasses prices, thereby leading to better margins.

Following strong sales volumes, consolidated revenues for 2019 grew 17% over the previous year to Php 29 billion. Gross contribution increased 23% to Php 8.1 billion and income from operations rose to Php 2.9 billion. Net Income ended at Php1.67 billion, 59% higher than in 2018—the highest since 2005.

We started 2020 strong, with a new thematic campaign, “One Ginebra Nation”. However, our operations ground to a halt as soon as the Enhanced Community Quarantine (ECQ) and subsequent liquor bans were declared.

As a result, volumes for the first three months of the year fell 14% compared to the same period last year. First quarter consolidated revenues of Php 7.45 billion and gross contribution of Php 1.8 billion, were both lower than in the previous year. Income from operations of Php 686 million was down 30%, but bottom line remained positive at Php 474 million, though 23% lower from the year before.

With many cities and provinces in the country already lifting ECQ and their liquor ban, we’ve moved quickly to revive our selling operations, replenishing our products in trade. We’ve seen definite signs of a recovery with regards to sales volumes, and the coronavirus notwithstanding, we’re cautiously optimistic about our outlook for this year. While the crisis is still evolving, bringing with it so many uncertainties, we’re confident that our strong customer relationships, deep consumer insights and the strength of our brands will carry us through. Our employees rallied together magnificently in the crisis and I couldn’t be prouder to be counted among them. Our employees exemplify the true spirit of One Ginebra Nation.

Thank you, fellow stockholders, for your trust and support for our company. Maraming salamat po at isang magandang hapon po sa inyong lahat.

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

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NOM. NO.	NOMINEE	VOTES
1	EDUARDO M. COJUANGCO, JR.	282,217,583
2	RAMON S. ANG	281,167,501
3	FRANCISCO S. ALEJO III	281,167,501
4	LEO S. ALVEZ	281,272,034
5	AURORA T. CALDERON	281,167,501
6	GABRIEL S. CLAUDIO	281,167,501
7	MARIO K. SURIO	281,272,034
8	MINITA V. CHICO-NAZARIO	282,762,579
9	AURORA S. LAGMAN	282,706,509
Total votes registered		2,546,215,128
Total votes counted for election of board nominees		2,534,900,743
Total uncast votes for election of board nominees		11,314,385

RES. NO.	RESOLUTION	SHARES VOTED	% TO TOTAL O.S.
2	Approval of the Minutes of the Regular Stockholders' Meeting held on May 30, 2019	282,912,792	88.656%
	For	282,912,792 -	88.656%
	Against	0 -	0.000%
	Abstain	0 -	0.000%
3	Presentation of the Annual Report of the Company for the year ended December 31, 2019	282,912,792	88.656%
	For	282,843,252 -	88.634%
	Against	0 -	0.000%
	Abstain	69,540 -	0.022%
4	Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers	282,912,792	88.656%
	For	282,808,022 -	88.623%
	Against	0 -	0.000%
	Abstain	104,770 -	0.033%
5	Appointment of R.G. Manabat & Co. as External Auditor of the Company for 2020	282,912,792	88.656%
	For	282,912,792 -	88.656%
	Against	0 -	0.000%
	Abstain	0 -	0.000%

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

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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	281,613,650	
Attending stockholders	1,299,142	
	282,912,792	88.656%
LESS :		
Invalidated / knocked-off / Uncast shares - Proxy Assignees	0	
Knock-off by attending stockholder	0	
Invalidated shares - Stockholders	0	
Uncast shares of stockholders	0	
TOTAL SHARES/VOTES COUNTED	282,912,792	88.656%
NOTE:		
Total no. of stockholders in attendance	4	
Total no. of stockholder with ballots	4	

\*\*\* END OF REPORT \*\*\*