AUDIT, RISK OVERSIGHT, AND SUSTAINABILITY COMMITTEE CHARTER

This Audit, Risk Oversight, and Sustainability Committee Charter (this "Charter") sets out the purpose, membership and qualifications, structure and operations, duties and responsibilities, reporting process and performance evaluation of the Audit, Risk Oversight and Sustainability Committee (the "Committee") of Ginebra San Miguel Inc. (the "Corporation").

1. PURPOSE

In accordance with the Amended By-laws and Amended Manual on Corporate Governance (the "CG Manual") of the Corporation, the Board of Directors (the "Board") of the Corporation constituted the Committee to enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations; be responsible for the oversight of the Corporation's enterprise risk management system to ensure its functionality and effectiveness; to undertake the review of the Corporation's related party transactions ("RPTs"); and such other functions as the Board may designate, as well as those as may be provided by the Securities and Exchange Commission (the "SEC").

In addition to the foregoing, pursuant to the mandate of the Securities and Exchange Commission through SEC Memorandum Circular No. 4, Series of 2019, on Sustainability Reporting Guidelines for Publicly Listed Companies, the Committee will likewise perform the following functions: (a) assist the Board in performing its duties to determine the policies, directions, and strategies of the Corporation towards achieving sustainable development; (b) fulfill its oversight responsibilities in relation to the implementation of such policies, directions, and strategies; (c) assess and manage non-financial performance across Environment, Social, and Governance aspects of the Corporation; and (d) enable the Corporation to measure and monitor its contributions towards achieving universal targets of sustainability in accord with the United Nations Sustainable Development Goals (SDGs).

The Committee is accountable to the Board for its performance.

2. MEMBERSHIP AND QUALIFICATIONS

2.1 Composition and Qualifications

The Committee shall be composed of at least three (3) appropriately qualified

non-executive Directors, two (2) of whom should be independent. The members of the Committee shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Committee shall be an Independent Director as defined in the CG Manual, and should not be the Chairman of the Board or of any other Committees.

2.2 Appointment

The Chairman and the members of the Committee shall be appointed by a majority vote of the members of the Board present 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 least quarterly, and periodically meet with the Internal Audit Group Head, and 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 all 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 Chairman, the Committee members present shall elect one of their members as Chairman of the meeting.

3.4 Secretary of the Meeting

The Corporation's Corporate Secretary 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 setting out 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 meetings 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 the organizational staff to attend the Committee meetings to 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 be given 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.

3.9 Authority

The Committee shall have the authority to conduct or order the investigation into any matter within its scope of responsibility, and all Directors, Officers and employees of the Corporation are enjoined to cooperate as requested by the Committee, without interference or censorship by Management.

4. DUTIES AND RESPONSIBILITIES

The Committee is tasked to perform functions relating to Audit, Risk Oversight, RPTs and Sustainability.

Audit Functions:

The Committee is responsible for overseeing the Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets. In relation to this, the Committee has the following duties and responsibilities, among others:

a) Recommend the approval of the Internal Audit Charter, which formally defines the role of Internal Audit and the audit plan, as well as oversee the implementation of the Internal Audit Charter.

b) Enhance the oversight capability of the Board over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations;

c) Assist the Board in the performance of its oversight responsibility for financial reports and financial reporting process, internal control system, audit process and in monitoring and facilitating compliance with both the internal financial management handbook and pertinent accounting standards, legal and regulatory requirements;

d) Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the, and crisis management;

e) Prior to the commencement of the audit, discuss and review all audit plans, scope and audit resources/expenses, and ensure proper coordination if more than one (1) audit firm is involved;

f) Formulate, adopt and implement a robust process for approving and recommending the appointment, reappointment, removal, and fees of the External Auditor. The appointment, reappointment, and removal of the External Auditor shall be recommended by the Committee and approved by the Board and ratified by the shareholders;

g) Be responsible for assessing the integrity and independence of the External Auditor and exercising effective oversight to review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements, as well as be responsible for reviewing and monitoring the External Auditor's suitability and effectiveness on an annual basis;

h) Perform oversight functions with respect to the Internal and External Auditor of the Corporation, ensuring the independence of one from the other, freedom from interference from outside parties, and their unrestricted access to such records, properties and personnel of the Corporation necessary to enable them to perform their respective audit functions, and review the reports submitted by them;

i) Evaluate and determine any non-audit work performed by External Auditor, including the fees therefor, and be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the External Auditor's objectivity and independence;

j) Establish and identify the reporting line of the Internal Auditor;

k) Oversee the Internal Audit Group, and recommend the appointment and/or grounds for approval of an Internal Audit Group Head. The Committee shall also approve the terms and conditions for outsourcing internal audit services;

l) Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;

m) Review all interim and annual financial statements before submission to the Board, with particular focus on the following:

- changes in accounting policies and practices;
- major judgmental areas;
- significant adjustments resulting from audit;
- going concern assumptions;

- compliance with accounting standards; and
- compliance with tax, legal and regulatory requirements;

n) Ensure that the accounting and auditing processes, practices and methods of the Corporation comply with Philippine and internationally-accepted standards;

o) Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation through a step-by-step procedures and policies handbook that will be used by the entire organization; and

p) Supervise Management in the formulation of rules and procedures on financial reporting and internal controls in accordance with the following, and such other guidelines as may be determined by the Board:

- The extent of Management's responsibility in the preparation of financial statements of the Corporation and the delineation of the responsibilities pertaining to the External Auditor must be clearly set out;
- The system of internal control should be effective in ensuring the integrity of financial reports and maintaining protection of the assets of the Corporation for the benefit of all stockholders and other stakeholders;
- The scope of the Internal Audit examinations based on approved audit plans should include, at the minimum, evaluation of adequacy and effectiveness of controls on governance, operations, information systems, protection of assets and compliance with contracts, laws, rules and regulations; and
- There should be consistent compliance with SEC's financial reporting requirements.

Risk Oversight Functions:

The Committee shall have the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place to guide the Board in arriving at well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities. In relation to this, the Committee shall have the following duties and responsibilities, among others:

a) Develop a formal enterprise risk management plan which contains the following elements: (1) common language or register of risks, (2) well-defined risk management goals, objectives and oversight, (3) uniform processes of assessing risks and developing strategies to manage prioritized risks, (4) designing and implementing risk management strategies, and (5) continuing assessments to improve risk strategies, processes and measures;

b) Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The Committee conducts regular discussions on the Corporation's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;

c) Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss;

d) Advise the Board on its risk appetite levels and risk tolerance limits;

e) Review at least annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Corporation;

f) Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its stakeholders;

g) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and

h) Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further actions or plans, as necessary.

Functions Relating to RPTs:

The Committee is also tasked to evaluate all material related party transactions of the Corporation. In relation to this, the Committee has the following duties and responsibilities, among others:

a) Evaluate on an ongoing basis, existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in

relationships should be reflected in the relevant reports to the Board and regulators/supervisors;

b) Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non- related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

- The related party's relationship to the Corporation and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the Corporation of the proposed RPT;
- The availability of other sources of comparable products or services; and
- An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;

c) Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Corporation's affiliation or transactions with other related parties;

d) Report to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;

e) Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and

f) Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

Functions Relating to Sustainability:

a) The Corporation aligns with San Miguel Corporation's (SMC) overarching sustainability targets, which shall be the basis for the Committee's oversight responsibilities, are as

follows:
(1) Establish a circular economy approach by 2040
(2) Net zero by 2050
(3) At least 15 million people uplifted by 2030
(4) A fully sustainable and ethical supply chain by 2040

b) Provide guidance to effectively manage sustainability risks and critical sustainability issues;

c) Encourage sustainability through progressive and innovative leadership;

d) Review the sustainability strategies and performance at the Board level, and recommend any necessary adjustments to improve performance;

e) Oversee the monitoring, reporting, and verification of the Sustainability Key Performance Indicators (KPI)s of the Corporation and their implementation through the Corporation's targets;

f) Review the effectiveness of the Corporation's policies, strategies, and initiatives in progressing towards the achievement of its sustainability targets;

g) Provide oversight and input to Management to ensure that the Corporation's targets, policies, and strategies pertaining to sustainability are aligned with, promote, and advance the Corporation's and SMC's vision and purpose;

h) Advise on the Corporation's Sustainability Report prior to reporting to the Board, including: (a) Assessment of issues material to its stakeholders and the initiatives undertaken to address said material issues; (b) Compliance with the Corporation's and SMC's sustainability policies; and (c) Changes in sustainability policies, strategies and initiatives, and their implementation;

i) Review issues relating to sustainability arising from independent audits and assurance reports, ratings agencies and any matters highlighted by the external parties;

j) Consider and recommend to the Board positioning on relevant emerging sustainability issues;

k) Provide the Board with assurance of the quality and technical content of the sustainability information used by the Board;

l) Oversee the stakeholder dialogue process and its outcomes that address social and environmental matters involving the Corporation – in particular, matters that may affect the Group's reputation. This shall include key concerns/allegations that are raised

by stakeholders, evolving public sentiments, and government regulations.

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 shall be included in the Corporation's annual report and other corporate disclosures as may be required by 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, including but not limited to those relating to material errors, fraud and sufficiency of risk controls.

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, the internal audit function, the general counsel and external auditor. 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.