

**SAN MIGUEL BREWERY INC.
EXECUTIVE COMPENSATION COMMITTEE CHARTER**

This Executive Compensation Committee Charter (“this Charter”) sets out the role, authority, duties and responsibilities of the Executive Compensation Committee (the “Committee”) of San Miguel Brewery Inc. (the “Company”), and the procedures which guide the conduct of its functions.

1. GENERAL ROLE AND AUTHORITY

1.1 Pursuant to the Company’s By-laws and Manual on Corporate Governance (“CG Manual”), the board of directors of the Company constituted the Committee to aid the board of directors in ensuring adherence by the Company to the best practices of good corporate governance. Specifically, the Committee has the overall responsibility for the evaluation and review of the Company’s compensation plans, policies, and programs for executive officers, the adoption of policies that govern the Company’s compensation and benefit programs, the oversight of plans for executive officers’ development and succession, and the fulfilment of its responsibilities as set forth in this Charter. The Committee is accountable to the board for its performance.

1.2 The Committee shall have full access to management, personnel and records for this purpose. The Committee may also obtain external legal counsel or independent professional advice if it considers necessary in the performance of its functions. The Committee shall be provided with sufficient resources by the Company to discharge its duties.

2. COMPOSITIONS AND QUALIFICATION

2.1 The Committee shall be composed of at least three (3) members of the board of directors of the Company, at least one (1) of whom shall be an independent director as defined in the Company’s CG Manual.

2.2 The Chairman and the members of the Committee are appointed by the board of directors. Membership shall be reviewed every year after election of the board of directors by the Company’s stockholders at their annual meeting, or earlier if the board of directors deems necessary.

2.3 Each member of the Committee shall have the qualifications and none of the disqualifications of a director as set out in the Company’s CG Manual.

2.4 The Chairman and members of the Committee may be removed from the Committee only by the board of directors.

3. MEETINGS

3.1 The Committee shall meet at such times and places as it considers appropriate, but no less than thrice a year.

3.2 A quorum will comprise any two Committee members.

3.3 The Chairman of the Committee shall preside in all meetings of the Committee. In the absence of the Committee Chairman, the Committee members present shall elect one of their members as Chairman of the meeting.

3.4 The Company's corporate secretary shall be the secretary of the Committee.

3.5 The Chairman of the Committee, any Committee member, or the secretary may call a meeting of the Committee.

3.6 A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee at least two (2) working days prior to the date of the meeting. The notice for members will include the agenda items to be discussed.

3.7 Full minutes of the proceedings of, and resolutions made during, Committee meetings shall be kept by the secretary of the Committee. Draft minutes shall be sent to the Committee members for their comment. Notices, minutes, agenda and supporting papers will be made available to any director upon request to the secretary of the Committee.

3.8 The Committee may invite any person to attend the meetings of the Committee, but not necessarily for the full duration of the meeting. At the discretion of the Committee, separate meetings with any member of the Company's management may be held, whenever it is deemed appropriate by the Committee for the exercise of its functions.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are:

4.1 In respect of the remuneration of corporate officers and directors:

- (a) make recommendations to the board on the Company's policy and structure for all remuneration of directors and senior management, and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) ensure that the Company (i) has coherent remuneration policies and practices which are observed and which enable it to attract and retain executives and directors who will create value for shareholders and support the Company; and (ii) fairly and responsibly rewards executives, taking into consideration the performance of the Company, the performance of such executives and the general pay environment;
- (c) provide in the Company's annual reports, information and proxy statements a clear, concise and understandable disclosure of all compensation that may be paid, directly or indirectly, to its directors and senior executive officers for the previous fiscal year and the ensuing year; and
- (d) ensure that no director is involved in deciding his own remuneration;

4.2 In respect of the business interest disclosures and conflict of interest:

- (a) ensure that the Full Business Interest Disclosure is part of the pre-employment requirements for all incoming officers, which among others, compel all officers to declare all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired; and
- (b) review the Company's policy on conflict of interest; and

4.3 In respect of career advancement:

- (a) review and recommend to the board of directors all promotions and appointments of officers of the Company and
- (b) review Company policies on promotion and career advancement directives and compliance of personnel concerned.

4.4 The Committee shall have the right to seek any information it considers necessary to fulfill its duties, which includes the right to obtain appropriate external advice at the Company's expense.

4.5 The Committee shall be provided with sufficient resources by the Company to discharge its duties under these terms of reference.

4.6 The Committee shall perform other duties and activities that the Committee or the board of directors considers appropriate in the context of this Charter.

5. REPORTING PROCEDURES

5.1 The Chairman of the Committee, or in his absence, the member elected by the members present in a meeting, shall report to the board on the decisions and recommendations made by the Committee following each meeting.

5.2 The Committee shall prepare an annual report of its activities to the board of directors for inclusion in the Company's annual report.

6. PERFORMANCE EVALUATION

6.1 The Committee shall assess its effectiveness periodically, with a view to ensuring that its performance accords with best practice. Such assessment must compare its performance with the requirements of this Charter, 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 of directors.

6.2 This Charter shall be reviewed annually, updated as required, and shall be made available to any requesting party upon written request to the Company secretary.