

### TERMS OF THE TENDER OFFER

- Offeror** : San Miguel Brewery Inc. (the "**Offeror**" or "**SMB**")
- Subject Shares** : The 94,239,810 common shares of stock of SMB, constituting approximately 0.61% of its outstanding capital stock (the "**Tender Offer Shares**" or "**Shares**"), which are held by shareholders other than San Miguel Corporation, Kirin Holdings Company, Limited and the directors of SMB.
- Eligible Shareholders** : Any **registered** owner of any number of Tender Offer Shares as of any date during the Tender Offer Period, as hereinafter defined, is entitled to sell its/his/her Tender Offer Shares to the Offeror subject to and in accordance with these Terms of the Tender Offer.
- Shareholders whose Shares are lodged with the Philippine Depository & Trust Corp. ("PDTTC") should have the same Shares uplifted or certificated before tendering the same to the Offeror.**
- Tender Offer Price** : PhP20.00 per Share.
- Tender Offer Period** : From 9:00 a.m. on March 4, 2013 up to 12:00 noon on April 3, 2013 (the "**Tender Offer Period**"). The Offeror reserves the right to extend the Tender Offer Period with the approval of the Securities and Exchange Commission ("**SEC**").
- Target Completion Date** : Within ten (10) business days from the last day of the Tender Offer Period, or on or before April 18, 2013, or such extended date as may be approved by the SEC.
- Application to Tender Shares** : Any Eligible Shareholder who wishes to offer all or a portion of the Tender Offer Shares held by him/her/it for sale to the Offeror (each, a "**Tendering Shareholder**") may do so by submitting a duly accomplished Application to Tender Shares in San Miguel Brewery Inc. ("**Application**") in triplicate copies, together with all applicable documentary requirements, to:

**SMC Stock Transfer Service Corporation**  
(the "**Tender Offer Agent**")

at its following address:

2/F SMC Head Office  
40 San Miguel Avenue, Mandaluyong City,

with contact details:

Contact Person	Tel. No.	Email
Celine Justiniano	632 3449	mcjustiniano@smg.sanmiguel.com.ph
Camille Domingo	632 3451	cdomingo@smg.sanmiguel.com.ph
Abigail Mungcal	632 3452	amungcal@smg.sanmiguel.com.ph

during business hours on any business day during the Tender Offer Period. No Application will be received after the end of the Tender Offer Period, or after 12:00 noon on April 3, 2013.

A Tendering Shareholder must submit the following documentary requirements:

1. Duly accomplished Application;
2. Original stock certificate(s) covering the Tender Offer Shares, duly endorsed and to be verified by the Tender Offer Agent as valid and authentic certificate(s).  
For those with lost stock certificate(s), [i] one (1) original and duly notarized affidavit of loss in the form attached as Schedule "B" to the Application; [ii] copy of the affidavit of loss as published in a newspaper of general circulation; [iii] affidavit of publication; and [iv] bond in an amount equivalent to twice the Tender Offer Price multiplied by the number of Shares covered by each lost stock certificate;
3. Duly executed and notarized Deed of Absolute Sale of Shares, in the form attached as Schedule "A" to the Application;
4. For individuals:
  - Photocopies of two (2) valid identification cards, i.e. driver's license, tax identification card, SSS/GSIS card or passport showing the Tendering Shareholder's specimen signature and photograph;
  - Duly accomplished signature card containing the specimen signature of the Tendering Shareholder and verified by the Tender Offer Agent;
  - For a Tendering Shareholder acting through an attorney-in-fact, a duly notarized Special Power of Attorney, in the form attached as Schedule "C" to the Application. (**Note:** Endorsement of stock certificate/s must be done by the Tendering Shareholder himself/herself). For a married individual, his/her spouse must sign in the space provided in the Special Power of Attorney to indicate marital consent to the sale of the Shares;
  - For a Tendering Shareholder acting through an attorney-in-fact, photocopies of two (2) valid identification cards of the attorney-in-fact, i.e. driver's license, tax identification card, SSS/GSIS card or passport showing the attorney-in-fact's specimen signature and photograph;
5. For Corporations:
  - A notarized Board Resolution (in the form of the Secretary's Certificate attached as Schedule "D" to the Application) authorizing the sale of the Tender Offer Shares subject of the Application, designating signatories for the purpose and indicating the specimen signatures of these signatories;
  - Copy of the SEC Registration or equivalent constitutive document of the Tendering Shareholder certified as true copy of the original by the SEC or Corporate Secretary or equivalent person having official custody of company records;

- Copy of the latest Articles of Incorporation and By-Laws or equivalent constitutive document of the Tendering Shareholder certified as true copy of the original by the SEC or Corporate Secretary or equivalent person having official custody of company records;
  - Photocopies of two (2) valid identification cards i.e. driver's license, tax identification card, SSS/GSIS card or passport of the authorized signatories containing the authorized signatories' signature and photograph;
6. For partnerships:
- A notarized Partnership Resolution (in the form of the Partnership Certificate attached as Schedule "E" to the Application) authorizing the sale of the Tender Offer Shares subject of the Application, designating signatories for the purpose and indicating the specimen signatures of these signatories;
  - Copy of the SEC Registration or equivalent constitutive document of the Tendering Shareholder certified as true copy of the original by the SEC or Partnership Secretary or equivalent person having official custody of the partnership records;
  - Copy of the latest Articles of Partnership or equivalent constitutive document of the Tendering Shareholder certified as true copy of the original by the SEC or Partnership Secretary or equivalent person having official custody of the partnership records;
  - Photocopies of two (2) valid identification cards i.e. driver's license, tax identification card, SSS/GSIS card or passport of the authorized signatories containing the authorized signatories' signature and photograph;
7. Duly accomplished and signed capital gains tax return (BIR Form 1707, attached as Schedule "F" to the Application);
8. **If available**, documentary proof of cost of acquisition of the Shares tendered sufficient for purposes of obtaining from the Bureau of Internal Revenue ("**BIR**") a Certificate Authorizing Registration ("**CAR**") that will authorize the transfer of the legal title to the Shares tendered to the name of the Offeror (e.g., Subscription Agreement for Shares acquired in the Initial Public Offering (IPO) of the Shares or PSE Trading Participant's confirmation of purchase of shares or deed of absolute sale covering the Shares if acquired through a private sale); and
9. A duly signed and notarized Special Power of Attorney, in the form attached as Schedule "G" (for individual shareholders) and Schedule "G-1" (for corporate and other juridical shareholders) to the Application, authorizing the Offeror or any designated representative thereof to file the capital gains tax return with the BIR, pay the corresponding capital gains tax and procure the release of the corresponding CAR, for and on behalf of the Tendering Shareholder.

Only Applications with complete and correct supporting documentary requirements shall be received by the Tender Offer Agent.

**Acceptance of Tendered Shares** : Applications received by the Tender Offer Agent shall be verified by the Offeror for completeness and correctness and only those Applications determined to be complete and correct shall be accepted by the Offeror.

Tendered Shares subject of Applications accepted by the Offeror shall be deemed accepted as of April 12, 2013, or such extended date as may be approved by the SEC (“Acceptance Date”).

Tendering Shareholders whose Applications have been rejected shall be notified by the Tender Offer Agent through the contact number indicated in their Applications within five (5) business days from the last day of the Tender Offer Period.

Incomplete and/or incorrect Applications, together with all submitted attachments, shall be returned to the Tendering Shareholders concerned and shall be made available for pick up at the office of the Tender Offer Agent after April 11, 2013 or the fifth business day from the last day of the Tender Offer Period.

**Withdrawal of Tender** : Tender Offer Shares tendered may be withdrawn by the Tendering Shareholder at any time during the Tender Offer Period, by submitting to the Tender Offer Agent a written request for withdrawal together with the “Applicant’s Copy” of the Application to Tender Shares in San Miguel Brewery Inc.

The written request for withdrawal must specify the name of the Tendering Shareholder, the number of Shares to be withdrawn and the serial numbers of the stock certificates evidencing the same Shares. The Offeror shall have the right, in its sole discretion, to determine the validity of the written request.

The Tender Offer Shares shall be returned in the same form it was received to the Tendering Shareholder within ten (10) business days from the end of the Tender Offer Period. The cost of returning the Tender Offer Shares shall be borne by the shareholder making the withdrawal.

**Settlement** : SMB shall pay each Tendering Shareholder whose tendered Shares have been accepted in the following manner:

- Ninety percent (90%) of the total Tender Offer Price due to the relevant Tendering Shareholder (the “**Initial Payment**”) shall be payable on the Acceptance Date.
- The ten percent (10%) balance of the purchase price (“**Balance Amount**”) shall be withheld and retained by the Offeror to cover the capital gains tax due from the Tendering Shareholder. Any amount remaining on the Balance Amount shall be released to the Tendering Shareholder after the CAR shall have been procured.

All payments shall be made through check payable in the name of the Tendering Shareholder. When collecting payment, the Tendering Shareholder shall present the "Applicant's Copy" of the Application as well as proper identification (e.g., driver's license, passport). Duly authorized representatives shall be required to present an authorization from the Tendering Shareholder.

The check payments representing the Initial Payment for the accepted tendered Shares shall be made available for pick up by the Tendering Shareholders starting on the Acceptance Date at the offices of the Tender Offer Agent.

The check representing the remaining balance of the Balance Amount shall be made available for pick up at the offices of the Tender Offer Agent within five (5) business days from SMB's receipt of the corresponding CAR. Tendering Shareholder shall be notified by the Tender Offer Agent of the availability of the check payments for the balance of the Balance Amount through the contact number indicated in their Applications in due course.

**Taxes and Expenses**

- : The documentary stamp tax on the purchase and sale of the Tender Offer Shares shall be for the account of and borne by the Offeror.

The capital gains tax on the sale of the Tender Offer Shares to the Offeror shall be for the account of and borne by the Tendering Shareholder. Said capital gains tax shall be deducted from the Balance Amount to be withheld by the Offeror and shall be remitted by the Offeror to the BIR on behalf and for the account of the Tendering Shareholder.

The incidental administrative costs and expenses for procuring the CAR for each Tendering Shareholder shall be borne by SMB.

Except as aforementioned, all other costs and expenses to be incurred in connection with the tender of the Tender Offer Shares shall be for the respective accounts of the Offeror and the Tendering Shareholders.

**Representations and Warranties of the Tendering Shareholder**

- : By accepting the Tender Offer and tendering the Tender Offer Shares, each Tendering Shareholder is deemed to have represented and warranted to the Offeror as follows:

- a. All information contained in the Application and its attachments are true and correct and the signatures thereon are genuine, properly authorized and obtained without use of fraud, coercion or any other vice of consent.
- b. The Tendering Shareholder is the registered and absolute legal and beneficial owner of, with good and marketable title to the Shares. The Shares have been validly issued, and are fully paid, non-assessable and free of any claims, liens, encumbrances or any restriction apart from those specified in the Articles of Incorporation of the Offeror or any amendment thereof.
- c. The Tendering Shareholder has obtained all the required approvals and authorizations to enable it/him/her to transfer the Shares to the Offeror, and there is no objection, adverse claim, dispute or notice concerning its/his/her right to tender and transfer the Shares.

- d. On the Acceptance Date, the Offeror will obtain full and valid title to the Shares, free and clear from any warrants, interests, options, liens, claims, objections, disputes and encumbrances and will be able to freely and fully exercise all rights and privileges arising from ownership of such Shares.
- e. For corporate shareholders, the transfer of the Shares to the Offeror shall not constitute a breach of the constitutive documents of the Tendering Shareholder or of any agreement or arrangement, law, order or regulations or other issuances applicable to the Tender Offer Shares or the Tendering Shareholder.
- f. The Tendering Shareholder has read and understood and relied solely upon the provisions of the SEC Form 19-1 for the Tender Offer and its annexes and the terms and conditions stated therein, and unconditionally accepts said terms and conditions. The Tendering Shareholder understands that no person has been authorized to give information or to make any representation with respect to the Tender Offer other than those specified and made in the SEC Form 19-1 and its annexes.

**SEC Form 19-1  
and other Tender  
Offer Documents**

- : The terms set out in SEC Form 19-1 filed with the SEC on February 19, 2013 shall form integral parts of these Terms of the Tender Offer. Copies of the SEC Form 19-1, the Application form and the Terms of the Tender Offer shall be delivered via courier to the stockholders of the Offeror. These are likewise available at the office of the Tender Offer Agent or may be downloaded from the Company's website, [www.sanmiguelbrewery.com.ph](http://www.sanmiguelbrewery.com.ph)