

A 2 0 0 1 1 7 5 9 5

S.E.C. Registration Number

E M P E R A D O R  
I N C .

(Company's Full Name)

7 / F 1 8 8 0 E A S T W O O D A V E N U E  
E A S T W O O D C I T Y C Y B E R P A R K  
1 8 8 E . R O D R I G U E Z J R . A V E .  
B A G U M B A Y A N Q U E Z O N C I T Y

(Business Address: No. Street City/ Town/ Province)

DINA D. INTING

Contact Person

8709-2038 to 41

Company Telephone Number

1 2 3 1

Month Day  
Fiscal Year

SEC FORM I-ACGR

FORM TYPE

Third Monday  
of May

Month Day  
Annual Meeting

Registration of  
Securities

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

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Cashier

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**SEC FORM – I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended **December 31, 2019**
2. SEC Identification Number **A200117595**
3. BIR Tax Identification No. **214-815-715-000**
4. Exact name of issuer as specified in its charter **EMPERADOR INC.**
5. **Metro Manila**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **7<sup>th</sup> Floor, 1880 Eastwood Avenue, Eastwood City CyberPark**  
**E. Rodriguez, Jr. Avenue, Bagumbayan**  
**Quezon City, Metro Manila, Philippines** **1110**  
Address of principal office Postal Code
8. **(632) 8709-2038 to 41**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<p><b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
<b>Recommendation 1.1</b>			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<ul style="list-style-type: none"> <li>2019 Annual Report p. 51-54 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant	<ul style="list-style-type: none"> <li>2019 Information Statement p. 9-13 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	Compliant	<ul style="list-style-type: none"> <li>Revised Manual of Corporate Governance pp. 4-12 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<b>Recommendation 1.2</b>			

<p>1. Board is composed of a majority of non-executive directors.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• 2019 Annual Report p. 52 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> <li>• General Information Sheet <a href="https://www.emperadorbrandy.com/general-information-sheet.html">https://www.emperadorbrandy.com/general-information-sheet.html</a></li> </ul>	
<p><b>Recommendation 1.3</b></p>			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p. 9 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• Board Charter p.12 <a href="http://emperadorbrandy.com/corporate-governance.html">http://emperadorbrandy.com/corporate-governance.html</a></li> </ul>	
<p>2. Company has an orientation program for first time directors.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p. 3, p. 19 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• Board Charter p.12</li> <li>• <a href="http://emperadorbrandy.com/corporate-governance.html">http://emperadorbrandy.com/corporate-governance.html</a></li> </ul>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Disclosure on the 2019 Annual Corporate Governance Training <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0cb8e679a4f40489efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0cb8e679a4f40489efdfc15ec263a54d</a></li> </ul>	

<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<ul style="list-style-type: none"> <li>Board Charter p. 2 <a href="http://emperadorbrandy.com/corporate-governance.html">http://emperadorbrandy.com/corporate-governance.html</a></li> </ul> <p>The Board is composed of six male directors and one female director, to wit:</p> <ul style="list-style-type: none"> <li>Andrew L. Tan</li> <li>Winston S. Co</li> <li>Katherine L. Tan</li> <li>Kendrick Andrew L. Tan</li> <li>Kevin Andrew L. Tan</li> <li>Alejo L. Villanueva, Jr.</li> <li>Enrique M. Soriano III</li> </ul>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	<ul style="list-style-type: none"> <li>2019 Annual Report, p. 52, 56 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<ul style="list-style-type: none"> <li>2019 Information Statement p.14 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	

4. Corporate Secretary attends training/s on corporate governance.	Compliant	<ul style="list-style-type: none"> <li>Disclosure on the Corporate Governance Training <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0cb8e679a4f40489efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0cb8e679a4f40489efdfc15ec263a54d</a></li> </ul>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.3 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<ul style="list-style-type: none"> <li>General Information Statement <a href="https://www.emperadorbrandy.com/general-information-sheet.html">https://www.emperadorbrandy.com/general-information-sheet.html</a></li> </ul>	
3. Compliance Officer is not a member of the board.	Compliant	<ul style="list-style-type: none"> <li>2019 Annual Report p. 55 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<ul style="list-style-type: none"> <li>Disclosure on Corporate Governance training <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0cb8e679a4f40489efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0cb8e679a4f40489efdfc15ec263a54d</a></li> </ul>	
<b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance, p. 8 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<b>Recommendation 2.2</b>			

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance, p. 8, p. 29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<ul style="list-style-type: none"> <li>Board Charter p.11 <a href="http://emperadorbrandy.com/corporate-governance.html">http://emperadorbrandy.com/corporate-governance.html</a></li> </ul>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<ul style="list-style-type: none"> <li>Corporate website <a href="http://emperadorbrandy.com/mission-vision-and-values.html">http://emperadorbrandy.com/mission-vision-and-values.html</a></li> <li>Revised Manual on Corporate Governance p. 8 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 8 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<b>Recommendation 2.3</b>			

1. Board is headed by a competent and qualified Chairperson.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.19-21 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>2019 Annual Report pp. 52 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance, p. 9 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance, p. 12-13 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.			



2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.10, p.14-15. p. 50 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>2019 Information Statement p. 12-13 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> <li>Amended By-Laws p. 9-12 <a href="https://www.emperadorbrandy.com/articles-of-incorporation-and-by-laws.html">https://www.emperadorbrandy.com/articles-of-incorporation-and-by-laws.html</a></li> </ul>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
<b>Optional: Recommendation to 2.6</b>			

1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance pp.8-9, p.12, p.18-19  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<ul style="list-style-type: none"> <li>Related Party Transaction Policy  <a href="https://emperadorbrandy.com/companys-policies.html">https://emperadorbrandy.com/companys-policies.html</a></li> </ul>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
<b>Supplement to Recommendations 2.7</b>			

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Related Party Transaction Policy <a href="https://emperadorbrandy.com/companys-policies.html">https://emperadorbrandy.com/companys-policies.html</a></li> <li>• Per the Revised Manual on Corporate Governance p.8 found at <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a>, the Board has the responsibility to define the threshold for disclosure and approval of RPTs and categorize such transactions. However, the Board has not yet defined the threshold and categories for disclosure and approval of RPTs.</li> <li>• The material RPTs approved are discussed in Note 22 of the Consolidated Financial Statements, p. 71-76.</li> </ul>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>Per the Company's Revised Manual on Corporate Governance, the Board has the responsibility to establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings. However, the Board has not yet established this voting system.</p> <p>The Company states the related party transactions in its Annual Report, Audited Financial Statements, and Definitive Information Statement, which are presented to all the stockholders for approval during the annual meeting.</p>	

**Recommendation 2.8**

<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Company's Revised Manual on Corporate Governance p. 9, found at <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a>, contains the Board's policy and responsibility for approving the selection of management.</p> <p>The Management team appointed are the ff:  Winston S. Co – President and Chief Executive Officer  Katherine L. Tan – Treasurer  Kendrick Andrew L. Tan – Executive Director  Dina D.R. Inting – Chief Financial Officer, Compliance Officer and Corporate Information Officer  Atty. Anna Michelle T. Llovido – Corporate Secretary</p>	
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2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	The Company's Revised Manual on Corporate Governance p. 8, p.12-13 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a> , contains the Board's policy and responsibility for assessing the performance of management.	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 8-9 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 2, 9-12, 17 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant	Per the Revised Manual on Corporate Governance p.17, the Audit Committee shall recommend the approval of the Internal Audit Charter. However, the Committee is yet to formalize its Internal Audit Charter.	
<b>Recommendation 2.11</b>			

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 2, 9-12, 15-16 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<ul style="list-style-type: none"> <li>Corporate website <a href="http://emperadorbrandy.com/enterprise-risk-management.html">http://emperadorbrandy.com/enterprise-risk-management.html</a></li> </ul>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	<ul style="list-style-type: none"> <li>Board charter <a href="http://emperadorbrandy.com/corporate-governance.html">http://emperadorbrandy.com/corporate-governance.html</a></li> </ul>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
<b>Additional Recommendation to Principle 2</b>			

1. Board has a clear insider trading policy.	Compliant	<p>The company's policy on insider trading policy/ respect for trade secrets and/or use of non-public information can be found at the following:</p> <ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 8 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Insider Trading Policy <a href="http://emperadorbrandy.com/companys-policies.html">http://emperadorbrandy.com/companys-policies.html</a></li> </ul>	
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**Optional: Principle 2**

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
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2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<p>The company discloses decisions requiring Board approval including declaration of dividends, notice and setting of annual stockholders' meeting, and other material transactions. These are disclosed with the PSE and posted at <a href="https://www.emperadorbrandy.com/sec-form-17-c.html">https://www.emperadorbrandy.com/sec-form-17-c.html</a></p>	
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**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1			
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.13-19 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> </ul>	
Recommendation 3.2			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 16-18 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> <li>It is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</li> </ul>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 16-18 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> </ul>	



<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• 2019 Annual Report p. 52 and 54 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> <li>• 2019 Information Statement p. 6-10 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Non-Compliant</p>		<ul style="list-style-type: none"> <li>• Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> </ul> <p>Although the Chairman of the Audit Committee is likewise the chairman of other committees, he is the Lead Independent Director which ensures his independence from management. He is also able to manage his time despite the multiple chairmanships.</p>

**Supplement to Recommendation 3.2**

<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance, p. 17 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• Audit Committee Charter <a href="http://emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf">http://emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf</a></li> <li>• Amended By-Laws p.13 <a href="https://www.emperadorbrandy.com/articles-of-incorporation-and-by-laws.html">https://www.emperadorbrandy.com/articles-of-incorporation-and-by-laws.html</a></li> </ul>	
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<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>Not compliant</p>		<p>According to the Audit Committee Charter, the Audit Committee reviews with management and external auditors the results of the audit, including any difficulties encountered and other issues warranting the attention of the Committee, and resolve any disagreements between management and the external auditors regarding financial reporting. Meetings are held in accordance with the results of the review. Audit Committee met with the external auditors and management on April 12, 2019 for the audit results, with the intention to have this meeting conducted on a regular basis</p>
<p><b>Optional: Recommendation 3.2</b></p>			
<p>1. Audit Committee meet at least four times during the year.</p>			
<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>			
<p><b>Recommendation 3.3</b></p>			

<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.13-15 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> </ul>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Non-compliant</p>		<ul style="list-style-type: none"> <li>Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> </ul> <p>The members of the Committee are composed of two independent Directors, including the Chairman, and an Executive Director. All independent directors of the Company are members of the Committee.</p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> </ul>	
<p><b>Optional: Recommendation 3.3.</b></p>			
<p>1. Corporate Governance Committee meet at least twice during the year.</p>			
<p><b>Recommendation 3.4</b></p>			

1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.15-16 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> <li>2019 Annual Report p. 54 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant		
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant		

### Recommendation 3.5

1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.18-19 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Board Committees, Functions and Members <a href="http://emperadorbrandy.com/board-committees.html">http://emperadorbrandy.com/board-committees.html</a></li> </ul>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant		

### Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Non-compliant		The Audit Committee has a charter. The other committees in the process of obtaining appropriate approvals for their respective charters. However, their purposes, memberships, structures and operations are provided in the Revised Manual on Corporate Governance.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		
3. Committee Charters were fully disclosed on the company's website.	Non-compliant		

**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.12 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Disclosure on the Attendance of the Board in the 2019 meetings <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=6cf075c1ca7252af0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=6cf075c1ca7252af0de8473cebbd6407</a></li> </ul>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		

3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long- term strategy of the company.	Compliant	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p.6 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• 2019 Annual Report p. 53-55 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> <li>• 2019 Information Statement p.7-10 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance, p. 21 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• No new directorship has been accepted by the Board of Directors during the period.</li> </ul>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			

2. Company schedules board of directors' meetings before the start of the financial year.			
3.			
4. Board of directors meet at least six times during the year.			
5. Company requires as minimum quorum of at least 2/3 for board decisions.			

**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs

**Recommendation 5.1**

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Two independent directors of constitute approximately 30% of the total number of directors in the Board. This is also in compliance with the SRC rules which only requires issuers of registered securities and public companies to have at least two (2) independent directors or at least twenty percent (20%) of its board size, whichever is less.	
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**Recommendation 5.2**

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<ul style="list-style-type: none"> <li>• 2019 Information Statement p. 9-10 , 12 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> <li>• 2019 Annual Report p. 54, 56 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
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**Supplement to Recommendation 5.2**



<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>Compliant</p>	<p>Per Company's Code of Business Conduct and Ethics found at <a href="http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html">http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html</a>, a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interest. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.</p> <p>In view of the above, the Company has no shareholder agreements, by-laws provisions or other arrangements that constrain the directors' ability to vote independently.</p>	
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**Recommendation 5.3**

<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 4 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>No Independent Director exceeded the cumulative of nine years, reckoned from 2012, during the period.</p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>		

**Recommendation 5.4**

<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.19 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>The company's Chairman of the Board is Dr. Andrew L. Tan. The company's Chief Executive Officer is Mr. Winston S. Co.</li> </ul>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.19-21 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>The Chairman of the Board and CEO are not related.</li> </ul>	

**Recommendation 5.5**

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.21 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>General Information Sheet <a href="https://www.emperadorbrandy.com/general-information-sheet.html">https://www.emperadorbrandy.com/general-information-sheet.html</a></li> <li>2019 Annual Report p. 52 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
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**Recommendation 5.6**

1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant.	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.10 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>There was no instance or transaction that may have compromised the impartiality of the directors.</li> <li>Related Party Transaction Policy <a href="https://emperadorbrandy.com/companys-policies.html">https://emperadorbrandy.com/companys-policies.html</a></li> </ul>	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	The non-executive directors who are also Independent Directors are part of the Board Committees and have had the required meetings under this provision, but such meetings are held with other executive director.	
2. The meetings are chaired by the lead independent director.	Compliant		
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.			
<b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 8 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. The Chairman conducts a self-assessment of his performance.	Compliant		

3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		The Board relies on its self-assessment and the feedback from the stockholders during annual meeting to assess its performance.

**Recommendation 6.2**

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.8-13  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul> <p>Some of the feedback mechanisms already in place by the Company are the following:</p> <ol style="list-style-type: none"> <li>Open Forum during the Annual Stockholders' Meetings</li> <li>Investor Relations office where the contact information of the Investor Relations Director are indicated in the website</li> </ol>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		

**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p>Compliant</p>	<p>The Board adopts a Code of Business Conduct and Ethics, which can be found at its corporate website, Corporate website  <a href="http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html">http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html</a>.</p> <p>The norms of conduct adopted by the Board is also contained in the Revised Manual of Corporate Governance p.10-11  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>Copies of the Code of Business Conduct and Ethics are disseminated to the Board, all senior management and employees thru the Company's Compliant Officer and by posting in its corporate website  <a href="http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html">http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html</a></p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Corporate website  <a href="http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html">http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html</a></li> </ul>	
<p><b>Supplement to Recommendation 7.1</b></p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>The Company's policy and procedure on curbing and penalizing bribery is indicated in its corporate website  <a href="http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html">http://emperadorbrandy.com/code-of-business-conduct-and-ethics.html</a></p>	
<p><b>Recommendation 7.2</b></p>			

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.11-12  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	The Directors, Senior Management, and employees of the Company are required to comply with the Code of Business Conduct and Ethics.	

**Disclosure and Transparency**

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

**Recommendation 8.1**

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 28-29  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul> <p>All reports and disclosures are made available to its shareholders and stakeholders thru comprehensive, accurate, reliable and timely disclosures and corporate website postings. The Company holds analysts' briefing quarterly and annually, and gives presentations on the Company's financial condition, results and business operations before (thru the Information Statement), during (thru presentations made by its Investor Relations Director) and after (thru the press briefing conducted immediately after) the Annual Stockholders' Meetings.</p>	
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**Supplement to Recommendations 8.1**

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty- five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>SEC Form 17-A and 17-Q are available on the corporate website, <a href="https://www.emperadorbrandy.com/company-disclosures.html">https://www.emperadorbrandy.com/company-disclosures.html</a> and the Philippine Stock Exchange, <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=632">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=632</a>.</p> <p>In accordance with the implementing Rules and Regulations of the Securities Regulation Code, the Company disclosed its its interim reports within 45 days after the end of each of the first three (3) quarters of each fiscal year.</p> <p>For the period covered, the reports were filed as follows:  First Quarter Report – May 15, 2019  Second Quarter Report – August 09, 2019  Third Quarter Report – November 08, 2019</p>	<p>The SEC Form 17-A (Annual Report) for year 2019 was disclosed on June 17, 2020, within the period allowed by the SEC due to the Covid-19 pandemic.</p>
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<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>The 2019 Annual Report p. 41, p. 58-59 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a>, discloses the degree of ownership concentration, particularly the security ownership of certain beneficial owners and management, and principal stockholders.</p>	
<p><b>Recommendation 8.2</b></p>			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 28 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Related Party Transaction Policy <a href="https://emperadorbrandy.com/companys-policies.html">https://emperadorbrandy.com/companys-policies.html</a></li> </ul>	
<p><b>Supplement to Recommendation 8.2</b></p>			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>The dealings of directors, Management, and top 100 shareholders involving the corporation's shares including their nature, number/percentage and date of transaction, as well as the disclosures on the share buy-back transactions of the company, are disclosed with the Philippine Stock Exchange at <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=632">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=632</a> and on in the corporate website, <a href="http://emperadorbrandy.com/company-disclosures.html">http://emperadorbrandy.com/company-disclosures.html</a></p>	

**Recommendation 8.3**

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>The directors' academic qualifications, membership in other boards, other executive positions, professional experiences, and expertise, and share ownership in the company are disclosed in the following reports:</p> <ul style="list-style-type: none"><li>• 2019 Annual Report, p. 52-54 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li><li>• 2019 Information Statement p. 7-10 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li><li>• Corporate website <a href="http://emperadorbrandy.com/board-of-directors-and-officers.html">http://emperadorbrandy.com/board-of-directors-and-officers.html</a></li></ul>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>The key officers' academic qualifications, membership in other boards, other executive positions, professional experiences, and expertise, are disclosed in the following reports:</p> <ul style="list-style-type: none"><li>• 2019 Annual Report, p. 56 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li><li>• 2019 Information Statement p. 8-13 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li></ul>	

**Recommendation 8.4**

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.12, 14 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.12, 14 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual of Corporate Governance p.12-13 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>2019 Annual Report p. 57 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>The Board thru its Related party Transaction Committee, is tasked with reviewing all material related party transactions of the Corporation, as indicated in the Revised Manual on Corporate Governance, p. 18-19. <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></p> <ul style="list-style-type: none"> <li>Related Party Transaction Policy <a href="https://emperadorbrandy.com/companys-policies.html">https://emperadorbrandy.com/companys-policies.html</a></li> </ul>	

2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	All material RPTs for the previous year are disclosed in the Notes to Consolidated Financial Statements p. 71-76 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.10 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Related Party Transaction Policy <a href="https://emperadorbrandy.com/companys-policies.html">https://emperadorbrandy.com/companys-policies.html</a></li> </ul>	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
<b>Recommendation 8.6</b>			

<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.28-29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul> <p>All material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders are disclosed with the Philippine Stock Exchange and posted on the company website.</p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>Compliant</p>	<p>For Whyte and Mackay and Fundador acquisition, the Company hired a financial consultant in valuating the property. For some other transactions, the Company hires a 3rd party real estate valuator and Purchase Price Study. It is in very rare cases that the Company does the valuation internally, but this is always based on market standards.</p>	
<p><b>Supplement to Recommendation 8.6</b></p>			
<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	<p>Compliant</p>	<p>As stated in the 2019 Annual Report, p.59 found at <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a>, the Company is not aware of the existence of persons holding more than five percent (5%) of the Company's common shares under a voting trust or similar agreement.</p>	
<p><b>Recommendation 8.7</b></p>			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a> </li> </ul>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	<p>Per the following link, the Company submitted its Revised Manual on Corporate Governance to PSE on 31 May 2017.</p> <p><a href="http://emperadorbrandy.com/manual-on-corporate-governance.html">http://emperadorbrandy.com/manual-on-corporate-governance.html</a>;  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=64f752449eee982e3318251c9257320d">http://edge.pse.com.ph/openDiscViewer.do?edge_no=64f752449eee982e3318251c9257320d</a></p> <p>There are no changes in the MCG, hence the company has not submitted any changes in the manual.</p>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:		<ul style="list-style-type: none"> <li>2019 Annual Report  <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a> </li> </ul>	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant		
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant		
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant		

**Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

**Recommendation 9.1**

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p.16 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• Audit Committee Charter <a href="http://emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf">http://emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf</a></li> <li>• Amended By-Laws <a href="https://www.emperadorbrandy.com/articles-of-incorporation-and-by-laws.html">https://www.emperadorbrandy.com/articles-of-incorporation-and-by-laws.html</a></li> </ul>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p>Stockholders representing 88.54% of the total subscribed and outstanding capital stock of the Company ratified reappointment of Punongbayan &amp; Araullo as the company's external auditor for the fiscal year ending 2019.</p> <p>The Minutes of the 2019 Annual Stockholders' Meeting can be found on the link: <a href="https://www.emperadorbrandy.com/minutes-of-annual-special-stockholders-meetings.html">https://www.emperadorbrandy.com/minutes-of-annual-special-stockholders-meetings.html</a></p>	



<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p.16 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• Audit Committee Charter <a href="http://emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf">http://emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf</a></li> </ul>	
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**Supplement to Recommendation 9.1**

<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p.16 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• Audit Committee Charter <a href="http://emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf">http://emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf</a></li> <li>• Annual Report, p.51 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
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**Recommendation 9.2**

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	<ul style="list-style-type: none"> <li>• Audit Committee Charter <a href="https://www.emperadorbrandy.com/board-committees.html">https://www.emperadorbrandy.com/board-committees.html</a></li> </ul>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant		
<b>Supplement to Recommendations 9.2</b>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<ul style="list-style-type: none"> <li>• Audit Committee Charter <a href="https://www.emperadorbrandy.com/board-committees.html">https://www.emperadorbrandy.com/board-committees.html</a></li> </ul>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant		
<b>Recommendation 9.3</b>			

<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.16-17 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>2019 Annual Report, p. 51 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> <li>2019 Information Statement p. 15 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	
<p>2. Audit Committee stays 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.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.16-17 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>Audit Committee Charter, p. 4 <a href="https://www.emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf">https://www.emperadorbrandy.com/images/about/EMP%20Audit%20Committee%20Charter.pdf</a></li> </ul>	
<p><b>Supplement to Recommendation 9.3</b></p>			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>2019 Annual Report, p.50 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> <li>2019 Information Statement p.17 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	
<p><b>Additional Recommendation to Principle 9</b></p>			

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p>Name of Audit Engagement Partner  <b>Romualdo V. Murcia III</b>  <b>SEC Group A Accreditation No. 0628-AR-4 from September 4, 2019 until September 4, 2022</b></p> <p>Name of Firm - <b>Punongbayan &amp; Araullo</b>  <b>Member Firm of Grant Thornton International Ltd.</b>  <b>SEC Group A Accreditation No. 0002-FR-5 from March 27, 2018 until March 26, 2021</b>  <b>20<sup>th</sup> Floor Tower 1, The Enterprise Center</b>  <b>6766 Ayala Avenue 1200 Makati City Philippines</b>  <b>Tel No. +632 988-2288</b></p>	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	<p>Compliant</p>	<p>In 2019, the members of Punongbayan and Araullo's Audit Engagement Team agreed to be subjected to the SOAR Inspection Program.</p>	

**Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

**Recommendation 10.1**

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.29  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
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2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>Aligned with GRI, CDP, SASB and TCFD, among others.</p> <ul style="list-style-type: none"> <li>2019 Sustainability Report <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
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**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p>The communication channels used by the company are the following:</p> <ol style="list-style-type: none"> <li>PSE disclosures - <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=632">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=632</a></li> <li>website - <a href="http://www.emperadorbrandy.com">http://www.emperadorbrandy.com</a></li> <li>Analyst's briefing and Media briefings</li> <li>press conferences</li> <li>Office of the Investor Relations</li> <li>Annual Stockholders' Meetings</li> </ol>	
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**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:	Compliant	<ul style="list-style-type: none"> <li>Corporate website <a href="http://emperadorbrandy.com/">http://emperadorbrandy.com/</a></li> </ul>	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		

c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<ul style="list-style-type: none"> <li>Corporate website <a href="http://emperadorbrandy.com/">http://emperadorbrandy.com/</a></li> </ul>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.12 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.12, p.15 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul> <p>The risk management system is reviewed annually.</p>	
<b>Supplement to Recommendations 12.1</b>			

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.12, p.15  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul> <p>The review on the effectiveness of the internal control system shall be done annually.</p>	
<b>Optional: Recommendation 12.1</b>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>			
<b>Recommendation 12.2</b>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	Compliant	Internal Audit is in-house.	
<b>Recommendation 12.3</b>			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	Non-Compliant		<p>Although the Company has no Chief Audit Executive (CAE), the internal audit functions are exercised by the in-house internal auditor, such as but not limited to:</p> <ol style="list-style-type: none"> <li>Evaluating the reliability and integrity of financial information.</li> <li>Evaluating the effectiveness and efficiency of operations and compliance with established policies and procedures.</li> </ol>
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>			

<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>			<p>3. Evaluating the means of safeguarding assets and verifying the existence of such assets. 4. Evaluating specific operations at the request of the Board or management,</p>
<b>Recommendation 12.4</b>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	Compliant	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p.15-16 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<b>Supplement to Recommendation 12.4</b>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	Compliant.	<p>The Board may seek external professional or technical opinion or advice as it deems necessary in connection with any matter which is pending before the Board, and which opinion or advice the members may consider in their individual assessment and evaluation of the issues.</p>	
<b>Recommendation 12.5</b>			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	Non-compliant		<p>Although the Company doesn't have a Chief Risk Officer, risk management is handled collectively by different groups, including legal, internal audit, finance, under the supervision of the Board Risk Oversight Committee to oversee the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>			



<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-compliant		The directors of the Company have reviewed the effectiveness of the Company's and its subsidiaries, affiliates and business segments internal control system and consider them effective and adequate. For each subsidiary, affiliate and business segment, internal controls are reviewed annually and are handled at that level. Any major findings that cannot be resolved at that level are elevated to the Company through the Audit Committee of the Board. For the past year, there has been no matter elevated to the Company level by any subsidiary, affiliate or business segment.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.25-28 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<ul style="list-style-type: none"> <li>Corporate website <a href="http://emperadorbrandy.com/manual-on-corporate-governance.html">http://emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	<ul style="list-style-type: none"> <li>2019 Information Statement p.5 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	

<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• 2019 Information Statement p.5 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> <li>• Revised Manual on Corporate Governance p. 25 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• 2019 Information Statement p.5-6 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> <li>• Revised Manual on Corporate Governance p. 25 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• Amended By-Laws, p.4-5 <a href="https://www.emperadorbrandy.com/articles-of-incorporation-and-by-laws.html">https://www.emperadorbrandy.com/articles-of-incorporation-and-by-laws.html</a></li> </ul>	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p. 25 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul> <p>While there is a risk that the controlling shareholders' voting power may be restrictive or authorize preferences, the Board is committed to respect the rights of the shareholders as provided for in the Corporation Code. These include the right to vote on all matters that require their consent or approval, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.</p>	

5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>The Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting, as contained in the Revised Manual of Corporate Governance p.26  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></p> <p>No shareholder called for a special stockholders' meeting and submitted a proposal or agenda item for consideration during the period.</p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.25-28  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	T
7. Company has a transparent and specific dividend policy.	Compliant	<ul style="list-style-type: none"> <li>2019 Information Statement p. 42-43  <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> <li>2019 Annual Report, p. 41-42  <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> <li>Disclosures on Cash Dividend Declaration  <a href="http://emperadorbrandy.com/dividends.html">http://emperadorbrandy.com/dividends.html</a></li> </ul>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	BDO Trusts and Investments Group, Inc., the Company's stock transfer agent.	
<b>Recommendation 13.2</b>			

1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	The 2019 Information Statement containing the Notice and Agenda of the 2019 annual stockholders' meeting was sent out on April 22, 2019, or 28 days before the meeting held on May 20, 2019 - <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<ul style="list-style-type: none"> <li>• 2019 Information Statement p. 7-10 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	
b. Auditors seeking appointment/re-appointment	Compliant	<ul style="list-style-type: none"> <li>• 2019 Information Statement p. 15-16 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	
c. Proxy documents	Compliant	<ul style="list-style-type: none"> <li>• 2019 Information Statement p.3 <a href="https://www.emperadorbrandy.com/sec-form-20-is.html">https://www.emperadorbrandy.com/sec-form-20-is.html</a></li> </ul>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
<b>Recommendation 13.3</b>			

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<p>The Minutes of the last ASM, which is uploaded in the Company's website, contains all the relevant questions raised and answers during the ASM.  <a href="https://www.emperadorbrandy.com/minutes-of-annual-special-stockholders-meetings.html">https://www.emperadorbrandy.com/minutes-of-annual-special-stockholders-meetings.html</a></p> <ul style="list-style-type: none"> <li>• The voting on resolutions was by poll.</li> <li>• There was opportunity to ask question and the answers given.</li> </ul>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant		
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor, Chief Financial Officer, Investor Relations Officer, and Corporate Secretary were present during the ASM.	
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p.27-28  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p.10, 28  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<b>Recommendation 13.5</b>			

1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	1. Name of Investor Relations Director - Mr. Kenneth V. Nerecina 2. Tel. No.: 8709-2222 3. Fax number: 8709-1966 4. Email: <a href="mailto:knerecinas@emperadordistillers.com">knerecinas@emperadordistillers.com</a> 5. Website: <a href="http://emperadorbrandy.com/investor-relations.html">http://emperadorbrandy.com/investor-relations.html</a>	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO was present during the ASM and gave a presentation on the updates and financial highlights of the Company.	

**Supplemental Recommendations to Principle 13**

<p>1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group</p>	<p>Compliant</p>	<p>As indicated in the Revised Manual of Corporate Governance p.4-5 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a>, the presence of Independent Directors and the combination of executive and non-executive Directors is one measure that the Company adapted in order that no director, small group of directors, and controlling shareholder group can dominate the decision-making process.</p> <p>Page 26 of the Revised Manual on Corporate Governance also recognizes that Shareholders' shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;</li> <li>b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and;</li> <li>c. In case of merger or consolidation.</li> </ol>	
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2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-compliant		The Company's public float as of 31 December 2019 is 12.94% in compliance with the requirement of SEC and PSE on minimum public ownership - <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=4eeb7199588571de0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=4eeb7199588571de0de8473cebbd6407</a>
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**Optional: Principle 13**

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			

**Duties to Stakeholders**

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**



<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>Stakeholders are any individual, organization or society at large who can either affect and/or be affected by the company's strategies, policies, business decisions and operations, in general which includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates</p> <ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p.2, 8, 28-29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• 2019 Sustainability Report <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<p><b>Recommendation 14.2</b></p>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p. 28-29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<p><b>Recommendation 14.3</b></p>			

<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 28-29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul> <p>The stakeholders can voice their concerns and/or complaints for possible violation of their rights to the following:</p> <p>1. Mr. Kenneth V. Nerecina - Investor Relations Director +632 8709-2222 <a href="mailto:kvnerecina@emperadordistillers.com">kvnerecina@emperadordistillers.com</a></p> <p>2. Ms. Dina D.R. Inting – Compliance Officer +632-8709-2038 <a href="mailto:dinainting@emperadorinc.com">dinainting@emperadorinc.com</a></p> <p>3. Atty. Anna Michelle T. Llovido – Corporate Secretary +632-8709-1111 <a href="mailto:michellellovido@emperadordistillers.com">michellellovido@emperadordistillers.com</a> <a href="mailto:corporatesecretary@emperadorinc.com">corporatesecretary@emperadorinc.com</a></p>	
<b>Supplement to Recommendation 14.3</b>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.10, p.28 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<b>Additional Recommendations to Principle 14</b>			
<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>Compliant</p>	<p>The Company has not yet sought any exemption for the application of any law, rule or regulation especially when it refers to a corporate governance issue.</p>	

2. Company respects intellectual property rights.	Compliant	<ul style="list-style-type: none"> <li>• 2019 Annual Report, p.23 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare		<ul style="list-style-type: none"> <li>• 2019 Sustainability Report p. 196 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		<ul style="list-style-type: none"> <li>• 2019 Sustainability Report p. 196 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p. 29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	<ul style="list-style-type: none"> <li>• Revised Manual on Corporate Governance p. 29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>• Executive Stock Option Plan found on the 2019 Annual Report p. 43, p. 58 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	

<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.28-29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>2019 Sustainability Report p. 195 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p. 9 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>2019 Sustainability Report p. 195 <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<b>Recommendation 15.2</b>			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p>Relative to senior management and employees, the Human Resources Department of each subsidiary and affiliate implements and monitors compliance with the code of ethics or conduct.</p> <ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	

<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>Relative to senior management and employees, the Human Resources Department of each subsidiary and affiliate implements and monitors compliance with the code of ethics or conduct.</p> <ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<p><b>Supplement to Recommendation 15.2</b></p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Policy on offering, paying and receiving bribes <a href="https://emperadorbrandy.com/code-of-business-conduct-and-ethics.html">https://emperadorbrandy.com/code-of-business-conduct-and-ethics.html</a></li> </ul>	
<p><b>Recommendation 15.3</b></p>			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Compliant</p>	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.29 <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> </ul>	


3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Reports of wrongdoing may be made directly to the Chairman for proper disposition to ensure confidentiality of information and protection of the identity of the whistle blower.</p> <p>Code of Conduct:  <a href="https://emperadorbrandy.com/code-of-business-conduct-and-ethics.html">https://emperadorbrandy.com/code-of-business-conduct-and-ethics.html</a></p>	
<p><b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p><b>Recommendation 16.1</b></p>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<ul style="list-style-type: none"> <li>Revised Manual on Corporate Governance p.29  <a href="https://www.emperadorbrandy.com/manual-on-corporate-governance.html">https://www.emperadorbrandy.com/manual-on-corporate-governance.html</a></li> <li>2019 Sustainability Report  <a href="https://www.emperadorbrandy.com/financial-reports.html">https://www.emperadorbrandy.com/financial-reports.html</a></li> </ul>	
<p><b>Optional: Principle 16</b></p>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates			

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of \_\_\_\_\_ on \_\_\_\_\_, 2020.

**SIGNATURES**



**ANDREW L. TAN**  
Chairman of the Board



**WINSTON S. CO**  
President and CEO



**ALEJO L. VILLANUEVA, JR.**  
Independent Director



**ENRIQUE M. SORIANO III**  
Independent Director



**DINA D. INTING**  
Compliance Officer




**ANNA MICHELLE T. LLOVIDO**  
Corporate Secretary

**MAKATI CITY**

**SUBSCRIBED AND SWORN** to before me this **AUG 27 2020** day of \_\_\_\_\_ 2020, affiant(s) exhibiting to me their Passport/SSS/TIN Nos., as follows:

NAME	PASSPORT/SSS/TIN NO.	DATE OF ISSUE	PLACE OF ISSUE
Andrew L. Tan	TIN 125-960-003		
Winston S. Co	TIN 126-339-464		
Alejo L. Villanueva, Jr.	TIN 107-279-348		
Enrique M. Soriano III	TIN 133-182-709		
Dina D. Inting	TIN 111-198-710		
Anna Michelle T. Llovido	TIN 212-970-782		

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Page No. 97 ;  
Book No. 82 ;  
Series of 2020.

  
**RUBEN T. RAMIREZ**  
Notary Public for Makati City  
Unit No. 101  
2086 E. Pascual St., Makati City  
IBP O.R. No. 0970/17/December 10, 2019  
Roll No. 28947/MCLE No. VI-0020246  
PTR No. MKT 8117044/1-02-2020  
Appointment No. M-158