

*Draft only; For approval in the next stockholders' meeting.*

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS  
OF EMPERADOR INC.

held on 15 May 2023

Conducted virtually via <https://www.emperadorbrandy.com/asm2023/>

<b>Total Number of Outstanding and Voting Shares as of Record Date</b>	<b>Total Number of Shares Present:</b>	<b>Percentage of Total</b>
15,736,471,238	12,117,641,054	77.00%

**Directors Present:**

Andrew L. Tan	Chairman
Winston S. Co	President and CEO
Katherine L. Tan	Director and Treasurer
Kendrick Andrew L. Tan	Executive Director
Kevin Andrew L. Tan	Director
Enrique M. Soriano III	Lead Independent Director
Jesli A. Lapus	Independent Director

**Officers Present:**

Dina D.R. Inting	Chief Financial Officer, Corporate Information Officer and Compliance Officer
Anna Michelle T. Llovido	Corporate Secretary
Marydale C. Manato-Zoleta	Assistant Corporate Secretary
Mary Grace P. Maralit	Chief Audit Officer and Chief Risk Officer
Kenneth V. Nerecina	Investor Relations Officer
Glenn Manlapaz	CEO, Emperador International

**I. CALL TO ORDER**

The Chairman, Dr. Andrew L. Tan, called the Annual Stockholders' Meeting (the "Annual Meeting") to order at 9:07 a.m. He then asked the President and CEO, Mr. Winston S. Co, to preside over the Annual Meeting. The Corporate Secretary, Atty. Anna Michelle T. Llovido, recorded the proceedings of the Annual Meeting.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary certified that all stockholders as of April 14, 2023, the record date of the Annual Meeting, have been notified pursuant to the Corporation's By-Laws and applicable Securities and Exchange Commission (SEC) Circulars. Copies of the Notice of the Annual Meeting, the Agenda, and the Definitive Information Statement were made available through the Corporation's website and the Philippine Stock Exchange (PSE) Electronic Disclosure Generation Technology or PSE EDGE. Notices of the Annual Meeting were also published in The Philippine Star and The Manila Times on April 23 and 24, 2023, both in print and online. She further certified that there existed a quorum for the transaction of business for the Annual Meeting, there being present in person or represented by proxy, stockholders holding 77% of the entire subscribed and outstanding capital stock of the Corporation.

The Corporate Secretary stated that only stockholders who have successfully registered may participate in the Annual Meeting. Moreover, she explained the Procedures for Registration, Voting and Participation in the Annual Meeting which were contained in the Definitive Information Statement and implemented as follows: (i) stockholders signifying their intention to participate by remote communication have registered by submitting the requirements by email to the Corporate Secretary; (ii) stockholders who have registered have sent their questions and/or comments prior to the Annual Meeting through email at [corporatesecretary@emperadorinc.com](mailto:corporatesecretary@emperadorinc.com) until 5:00 p.m. of May 05, 2023, which would be taken up after the election of directors; (iii) the resolutions proposed to be adopted at the Annual Meeting will be shown on the screen; (iv) stockholders who have duly registered to participate by remote communication have casted their votes by proxy or in absentia by sending their accomplished ballots by email to the Corporate Secretary until 5:00 p.m. of May 05, 2023; and (v) the

Office of the Corporate Secretary has tabulated all valid and confirmed votes cast through electronic voting, together with the votes through proxies, and the voting results will be announced during the Annual Meeting and reflected in the minutes of the meeting.

### **III. APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL MEETING OF STOCKHOLDERS HELD ON 16 MAY 2022**

The Presiding Officer informed the stockholders that the next item on the agenda is the reading and approval of the Minutes of the Annual Meeting of the Stockholders held on May 16, 2022, and informed the stockholders that the copy of the Minutes of the 2022 Annual Meeting have been made available through the Corporation's website.

The Corporate Secretary announced that 100% of the voting shares represented in the Annual Meeting have voted in favor of the approval of the Minutes. Therefore, the Presiding Officer declared that the following resolution has been approved:

***“RESOLVED, to approve the Minutes of the Annual Stockholders’ Meeting held on 16 May 2022.”***

### **IV. REPORT OF MANAGEMENT**

The Presiding Officer then turned the floor over to the Chairman, Dr. Andrew L. Tan, who delivered the following message:

*Dear Stakeholders,*

*2022 was a landmark year for Emperador Inc. We made history as the first Philippine Stock Exchange, Inc. (PSE)-listed company to be dually listed on the Singapore Exchange Securities Trading Limited (SGX-ST), and the first Philippine company to be a constituent in the Straits Times Index (STI), the benchmark index of the SGX. We take great pride in realizing these two feats as they affirm our status as a global company, and provide numerous opportunities for us.*

*2022 was also an outstanding year for sales and operational performance as we recorded consolidated revenues of Php 62.8 billion, a 12% increase year on year. Brandy revenues grew 9% year on year to Php 40.7 billion, while whisky revenues grew 18% year on year to Php 22.1 billion. Our topline performance shows no signs of slowing down as demand for our market-leading brandies and world-renowned whiskies continues to be strong.*

*Though we achieved another banner year in revenues, 2022 was a tough year filled with challenges. As pandemic restrictions eased and conditions started to normalize, we began to see the consequences left by the global health crisis such as high inflation as well as supply chain and logistics challenges. Nevertheless, we were able to weather the storm and record a stable net income of Php 10.1 billion due to our diversified portfolio, varied markets, and our ability to respond quickly to changing landscapes.*

*Our brandy business had an exceptional year in 2022, showing good performance across all markets particularly in the Philippines, Spain, Mexico, and North America. As we continue to strive towards brandy excellence and excite the market with innovations, we are confident that our brandies will remain well-loved across the world.*

*2022 was another excellent year for our whisky segment with business performing strongly around the world particularly in the UK, Europe, Asia, and North America. Our whiskies also shined in global travel retail in 2022 as we received awards for best product, and nearly matched pre-pandemic sales. With our strong brand equities and spirit for tradition-grounded innovation, we will push forward as a whisky powerhouse.*

*As we further grow our business, we will continue to work towards a sustainable future. Ensuring that our operations contribute to the protection and betterment of people will remain our top priority.*

*To our stakeholders—our customers, employees, suppliers, partners, and shareholders—thank you for your support and trust. Without you, we would not have been able to achieve these milestones. We look forward to celebrating more successes with you in the future.*

*Our company has achieved great things in 2022. We have proven ourselves as a world-class liquor company with a strong portfolio of brandies and Scotch whiskies. Using our “contemporize, premiumize, and internationalize” strategy, we have conquered numerous markets and have made ourselves known globally. But we are not done yet—these are only the beginnings of an EMPIRE RISING.*

*Thank you.*

After the Chairman’s Message, the Presiding Officer turned over the floor to Mr. Kenneth Nerecina, Investor Relations Officer, for a presentation of the highlights for 2022 of the Corporation.

## **V. APPOINTMENT OF INDEPENDENT AUDITORS**

The Presiding Officer informed the stockholders that the Board of Directors, upon recommendation of the Audit Committee, has approved the engagement of Punongbayan and Araullo as independent auditors of the Corporation for the audit of the Corporation’s financial statements for the year ending December 31, 2023, and that this is now being submitted for approval by the stockholders.

The Corporate Secretary certified that 100% of the voting shares represented in the Annual Meeting have voted in favor of the engagement of Punongbayan and Araullo as independent auditors for the fiscal year ending December 31, 2023. Therefore, the Presiding Officer declared that the following resolution has been approved:

***“RESOLVED, to approve the appointment of Punongbayan & Araullo as the independent auditor of the Corporation for the audit of the Corporation’s financial statements for the year ending 31 December 2023.”***

## **VI. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES, AND OFFICERS**

The Presiding Officer informed the stockholders that the next item on the agenda is the ratification of all acts and resolutions of the Board of Directors, Board Committees and Management of the Corporation since the annual stockholders’ meeting on May 16, 2022 until May 14, 2023.

The Corporate Secretary certified that 100% of the voting shares represented in the Annual Meeting have voted in favor of the ratification of all acts and resolutions of the Board of Directors, Board Committees and Management of the Corporation since the annual stockholders’ meeting on May 16, 2022 until May 14, 2023. Therefore, the Presiding Officer declared that the following resolution has been approved:

***“RESOLVED, to ratify each and every act and resolution taken since the annual stockholders’ meeting on 16 May 2022 until 14 May 2023 (the “Period”), of the Board of Directors (the “Board”), the Board Committees exercising powers delegated by the Board, and each and every act, during the Period, of the Management of the Corporation performed in accordance with the resolutions of the Board, the Board Committees as well as with the By-laws of the Corporation.”***

## **VII. ELECTION OF DIRECTORS**

The Presiding Officer informed the stockholders that, for the current year 2023, the Corporation will be electing seven directors, at least two of whom shall be independent directors, pursuant to the Securities and Regulation Code and the Corporation's Revised Manual of Corporate Governance. Following the Corporation's secondary listing in the Singapore Stock Exchange on July 14, 2022, the Corporation is required to appoint an additional one (1) Singapore resident Independent Director.

Mr. Enrique Soriano, the Chairman of the Corporate Governance Committee, and in accordance with the Corporation's By-Laws and the Revised Manual of Corporate Governance, and requirements of the Singapore Stock Exchange, presented the Final List of Nominees for election as members of the Board of Directors, as follows: Andrew L. Tan, Winston S. Co, Kendrick Andrew L. Tan, and Kevin Andrew L. Tan as regular directors, and Enrique M. Soriano III, Jesli A. Lapus, and Ho Poh Wah (Jason Ho) as the independent directors. Mr. Soriano likewise reported that the nominees for election as directors of the Corporation possess all the qualifications and none of the disqualifications to hold office as directors of the Corporation.

The Corporate Secretary certified that each of the nominees have garnered at least 99.81% of the voting shares represented in the Annual Meeting. Therefore, the Presiding Officer declared that the following resolution has been approved:

***“RESOLVED, to elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:***

- 1. Andrew L. Tan***
- 2. Winston S. Co***
- 3. Kendrick Andrew L. Tan***
- 4. Kevin Andrew L. Tan***
- 5. Enrique M. Soriano III – Independent Director***
- 6. Jesli A. Lapus – Independent Director***
- 7. Ho Poh Wah (Jason Ho) – Independent Director.”***

## **VIII. OTHER MATTERS**

The Presiding Officer proceeded with the discussion of the questions raised by the stockholders via email prior to the Annual Meeting. Below is a summary of the questions and the answers that were given:

**Q (Lalaine Bautista):** Congratulations! The company has made great strides in the international market. Can you share with us your international strategy?

**A (President):** Thank you Ms. Bautista for the question. Your company is very different today than 10 years ago. Ten years ago, we were basically a one product, one country company. But today, Emperador is a global company with presence in six continents and more than a hundred countries across the world. And all the regions that we are present in, whether it be in North America, in Latin America, in Europe, in Greater Asia, in Middle East, we are growing. Our strategy is to stay focused on our brandy and whisky business and we are focused on premiumizing and contemporizing our products. We have transformed Whyte and Mackay, our whisky business, into a single malt company, so when you look at our whisky business, especially Whyte and Mackay, you should look at this company as a single malt company. Our key strategic decision moving forward is to build brands across the world, with innovation, with premiumization, and with contemporizing our products across the world.

**Q (Kevin Hao):** 2022 saw the re-opening of markets. Did the company benefit from this development? Where do you see growth moving forward?

**A (President):**

Thank you, Mr. Hao, for the question. Yes, the markets are opening and it is a welcome development for our company and for international companies like us. We were able to restart on-trade operations across many areas and we are also activating our international travel retail operations as well. At the end of 2022, we were already at pre-pandemic level, so this year 2023, we expect our travel retail revenues to exceed pre-pandemic levels. We have also invested alongside the reopening. We are seeing more international travelers and we have activated key international airports to engage with travelling consumers. In fact, we use travel retail as a platform to launch our Jura Islanders' Expressions Collection No. 1. We are very happy with the results we have received from this airport promotions.

On your second question with regards to where we see growth moving forward, as mentioned earlier, we are growing in all the regions that we are present in. We are growing in North America - that means the US and Canada; we are growing in Latin America; we are growing in Europe; we are growing in the Middle East; and more so, we are growing in Asia, more particularly, in Greater China. Of these markets, I think, two are key most important to us. One is North America. The US has always been an important region for us and we have been growing at 30% for the past three years and we believe that the growth trajectory will continue. Asia, particularly, Mainland China, is of special interest to us. We believe that with the opening up of China and with the growing middle class in China, this is the market to be in. And we are positioning ourselves to capture the growth that will be coming from China in particular.

Maybe this time may I ask Glenn Manlapaz, our CEO of Emperador International, to give more light to the Greater China outlook.

**Glenn Manlapaz:**

That was a very interesting question. The business was very resilient during the lockdown. As a matter of fact, not just for our brandy business but for both for brandy and whisky. The portfolios for both brandy and whisky have been in very high demand in the on-trade amidst the lockdowns globally. Now, the reopenings definitely is a welcome development because we can now engage more freely with the on-trade because the on-trade was severely affected by the lockdowns globally. And now with markets opening, we can now deal with them and we can now continue promoting our brands in this specific channel. Likewise, with the reopening of the markets, international travel has come back which means travel retail has come back. As a matter of fact, at the end of 2022, we were almost in the same level, as far as revenue from travel retail is concerned, with the pre-pandemic levels. Definitely, we topline our performing pre-pandemic revenues. Aside from a source of revenue, travel retail serves as a very strong stage in building our brands. As a matter of fact, in 2022, we made use of this platform and we even garnered several awards for our whisky brands particularly the Jura Single Malt Islanders' Expressions Collection No. 1, was given a very high level of recognition by international travel retail.

On your question on what excites us, definitely Greater China excites us. North America, particularly the US, excites us, and India. China as you know very well is a very big market for baijiu or white spirits but they are now moving from white spirits into brown spirits. Whisky is taking the lead in this particular migration of consumer preference in Greater China. As a matter of fact, during the height of the pandemic, we were doubling our business in Greater China from 2022 up to present so the demand is very high for our whisky business in Greater China. The US continues to be a large market where potential for single malt is always at its prime. And India is a market waiting to explode. With the trade agreement being signed or being agreed on by India and UK, if this happens this year which we believe it will, you



could just imagine the potential of whisky going into India. India now is the biggest country in the world by population and whisky is of a very high demand. The current situation in India has been very difficult for international brands to penetrate. But with the pending signing between the UK and India, this trade agreement will unleash or unshackle the barriers and we believe that with China, the US, and India combined, the demand for whisky is just going to keep growing and explode in the very near future. Thank you.

**Q (Ramoncito Inocencio):** How do you plan to sustain growth on whisky? Will there be significant capex for whisky this year?

**A (President):** Thank you for this interesting question. Yes, our youngest Dalmore is a 12-year-old. That means that the liquid that we are selling today for the Dalmore has been ageing in the warehouse for the past 12 years. And the youngest Jura is a 10-year-old. It takes time to make good single malt whisky. So how do we sustain the growth of whisky when there is long ageing period? I think that is a wonderful question. The liquids that are currently ageing in our warehouses are sufficient for us to reach our growth targets for the next ten years. Currently, four of our malt distilleries are distilling at full capacity and are being aged in our warehouses. Currently, we have enough liquid for our brands. Looking forward, ten to twelve years from today and looking at our annual growth projection, we believe that we have to increase our capacity. Therefore, we are on an expansion mode, meaning we have upgraded our facilities and we are building a new distillery for the Dalmore. More and more liquids are going into ageing. All of these are done to meet our next ten-to-twelve-year forecast and predictions. Yes, as we are currently speaking, we are expanding our distilleries and we are building more warehouses and more of our liquids are going into ageing. So we are in exciting times. As I mentioned earlier, we have already broken ground for our Dalmore facility and we will be able to start new distillation by the latter part of 2024. On the question on the CAPEX, this year we have set the budget at Php7billion. Out of the Php7billion, Php6billion will be for the whisky expansion and Php1billion will be for the brandy expansion.

**Q (Diego Berrenguer):** Where do you see the company in 10 years?

**A (President):** Thank you, Diego, for that most interesting question – ten-year outlook. Well, Emperador will be a very different company in ten years' time. We will be more international than what we are today. Today, 35% of our revenues come from international operations, more specifically, our whisky segment. By 2025, 50% of our revenues will be coming from international operations. And ten years from now, majority of our revenues will be from international operations. And we see ourselves operating in China with the joint venture by that time. And we will have grown our presence in North America, in Latin America, and we will have entered the African continent. What excites us is that when you look at the single malt and then you look at the international market and the growing of the single malts globally, we own two of the fastest growing single malts in the world. Out of the top 15 global brands, we have three brands in there. And out of the three brands, two of our brands are fastest and the second fastest growing single malts. The fastest growing single malt in the world is our Tamnavulin. The second fastest growing single malt is our Jura. When you look at the growth of our single malts globally, we are excited. We believe that the next ten years with our growth trajectory on the whisky side of the business, will be very exciting. And therefore, we are investing behind this growth expectation. Brandy side, we are premiumizing as well. We will be entering the China market very soon. And in ten years' time, a lot of things can happen. We believe that the

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Company will be more international than today, and our growth brands will propel us to new heights. We are excited for the next ten years.

**IX. ADJOURNMENT**

The Presiding Officer inquired if there were any other matter in the agenda. The Corporate Secretary replied there were none. Thus, the Annual Meeting was adjourned at 9:57 am.

CERTIFIED CORRECT:

**ANNA MICHELLE T. LLOVIDO**  
Corporate Secretary

NOTED:

**ANDREW L. TAN**  
Chairman