

**MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
OF EMPERADOR INC.**

held on 20 May 2019, 9:00 o'clock a.m.

Grand Ballroom, Eastwood Richmond Hotel, 17 Orchard Road, Eastwood City
Bagumbayan, Quezon City, Metro Manila, Philippines

I. CALL TO ORDER

The President, Mr. Winston S. Co, acted as Presiding Officer and called the meeting to order at 09:15 a.m.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that all stockholders as of 10 April 2019, the record date of the Annual Meeting, have been notified of the Annual Meeting and that there exists a quorum for the transaction of business for the Annual Meeting, there being present in person or represented by proxy, stockholders holding 88.54% of the entire subscribed and outstanding capital stock of the Corporation.

III. APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL MEETING OF STOCKHOLDERS HELD ON 21 MAY 2018

The Presiding Officer informed the stockholders that the next item on the agenda is the reading and approval of the Minutes of the Previous Annual Meeting of the Stockholders held on 18 May 2018.

A motion was made to dispense with the reading of the Minutes of the Previous Annual Meeting of the Stockholders held on 21 May 2018 as copies thereof had earlier been furnished to all stockholders in attendance and to approve the same. After having been duly moved and seconded, the Minutes of the Previous Annual Meeting of the Stockholders held on 21 May 2018 was approved.

IV. REPORT OF MANAGEMENT

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

Dear stockholders, ladies and gentlemen, good morning.

The year 2018 wrote another great chapter in Emperador Inc.'s continuing story of global expansion and premiumization in the spirits industry. And it was a record-breaking year for our company, posting P47.1 billion in revenues, a jump of 10.3% compared to that of the previous year at P42.7 billion. By ratio, whisky accounted for 28%, and brandy 72%. Net income reached P6.8 billion.

With more than 80% of revenues coming from Spain, United Kingdom, and the Philippines, and the balance from other European, American, and African markets, our Bodegas Fundador is truly a global brandy company. Our global brandy business is further fortified by the Domecq trademarks in Spain, reaching as far as the USA and South America, particularly Brazil and Colombia.

Our Spanish brandies continue to be top selling brands in key countries of Latin and North America, and Fundador brandy is doing very well in the Philippines. The introduction of Fundador Supremo Brandy de Jerez via Travel Retail channel in Europe and Asia has created a springboard for further catapulting Fundador to the super premium space. Late last year, we launched an aggressive marketing campaign in the Philippines for another premium Spanish brandy, Tres Cepas Light,

In 2018, Emperador Light celebrated its success with the "Galing ng Pilipino" thematic campaign that pays tribute to the enduring spirit of every Filipino, and the qualities that make the Filipino truly a cut above the rest: Magaling. Ibang Klase ang Talino. May sipag na angat sa iba. The campaign is anchored on the original song titled "Ating Tagumpay," endorsed by one of the country's biggest celebrities, Coco Martin.

Going to our whisky business, 2018 was an exceptional year for Whyte and Mackay with the business growing in every region of the world. Mainly operating in the United Kingdom, it continues to expand its footprint in the international markets, including Travel Retail. More than 40% of brand revenues come from the UK and other European countries and around 23% from Asia and the Pacific, with the balance coming from the Middle East and the Americas as well as Travel Retail.

Asia was particularly strong in 2018 with revenues more than doubling as our brands enjoyed fantastic success across a number of markets. Our flagship single malt whisky, The Dalmore, saw strong sales in Africa, Asia, Canada, France, Germany, Pacific, Travel Retail and UK. Jura also saw strong sales in Asia, France, Germany and Pacific.

Our continued focus on the malt whisky market is further complemented by single malt whiskies, Tamnavulin and Fettercairn, as well as blended malt whisky, Shackleton. We now have a compelling malt whisky portfolio that we envision to serve as a long-term growth catalyst for Whyte and Mackay.

All these achievements in brandy and whisky are guided by our unwavering commitment to provide fantastic, superb and iconic drinks to consumers from all walks of life all over the globe, and our vision of bringing world-class products to the Philippines and Emperador products to the rest of the world.

Thank you.

After the Chairman's Message, the Presiding Officer turned over the floor to Mr. Kenneth Nerecina, Investor Relations Director, for a short presentation on the updates and financial highlights for 2018 of the corporation. Thereafter, the floor was opened for questions from the stockholders.

Stockholder 1: Good morning, I am Clowey Lima. My question is – There was a recent disclosure about the extension of the share buyback program of the company. May I know why there is an extension for another year?

Mr. Co: We announced a Php5B share buy-back two years ago. As of date, we have bought back about Php2B worth of shares in the market and we felt that there is still an opportunity for us to buy and there's a balance of Php3B from the fund so we have decided to continue, to use this amount of money to continue doing the buy-back program for another twelve months. We believe that our share price is currently undervalued, so there is an upside to it.

Stockholder 2: My name is Stephen Soliven. I am a stockholder. I have a question regarding the audited financial report. I noticed that there was a drastic decline in our cash equivalent, from Php10B to Php6B, or roughly Php4B, whereas our trade and other receivables increased by roughly the same amount, from Php14B to Php18B. Is this an indication of laxity in our cash collection? Thank you.

Mr. Co: Actually, a lot of these are deployed into inventory. When you look at our whisky business, especially for the Dalmore, the Jura, the Tamnavulin, you know, as mentioned earlier by our Chairman, Dr. Tan, is that part of our strategy is to focus on the malt business which is a growing segment in the liquor industry, not only here in the Philippines but globally. So we have to sustain our growth for the whisky business and for example, when you buy a bottle of Jura or Dalmore, it is aged for 12 years. So when we decided to expand the brands internationally and globally, we are looking at the horizon of 12 years and beyond, so the stocks that we are aging today following our growth projection, will require some significant capital requirements, therefore, we are aging quite a significant amount of spirits in our warehouses in Scotland and for the brandy in Jerez, Spain, to sustain our future growth. So basically, that would be the explanation.

Stockholder 3: Good morning. I am Mariz Marbela. My question is, what do you think is the outlook for our brandy and whisky businesses this year?

Mr. Co: As mentioned by the Chairman's report, we have a twin strategy - the premiumization of the brandy business and the malt focus on our whisky business. I think this twin strategy will do exceedingly well for us not only for this year but in the years to come.

Stockholder 4: Good morning. I am Diego Berenguer. Last year, there was news about our government increasing liquor tax. Is there any update on this?

Mr. Co: Currently, the bill is still in Congress. It is still a wait and see scenario but we believe that with a new Congress, they will take this up within the year. Anyway, the tax would apply to everyone so we will wait and see what happens to the new taxes being proposed.

Stockholder 5: Good morning. I'm Gerry Elle. From 2014 to 2017, our company acquired Whyte and Mackay in Scotland, Fundador brandy in Spain, and Domecq in Mexico. Do you still see our company making acquisitions this year, or in a couple of years?

Mr. Co: Thank you Gerry for that wonderful question. Yes, we are into global expansion consistent with our premiumization strategy. Way back in 2014, we bought Whyte and Mackay which has been fully integrated into our business. The business is going very well as you have seen in the financial report. Whyte and Mackay business is in a good space. It is a global brand and it is on the apex of the single malt whisky. It is our joy and our pride to own this jewel in our portfolio.

For Fundador, the Fundador is a heritage brand not only here in the Philippines but also in Spain. We are growing here in the Philippines. The premiumization is happening in the brandy business and our growth of the brandy premium business is growing at a very healthy pace as well here in the Philippines.

Recently we acquired the Mexican business. This gave us a footprint into the Latin American countries and the business is doing well. For the first year that we acquired it, we are already positive in terms of performance. We achieved our target at the same time we have grown our market share in Mexico during that period.

Whyte and Mackay are in more than 102 countries. We are in more than 360 airports, anywhere you go in the world, any airports that you go to, from Asia, Latin America to North America to Europe, you can see our products in travel retail.

So your question is, do you see our company making more acquisitions this year or the next? Our focus this year and the next few years is to integrate the business and at the same time to bring all the brands, and the footprint of our brands, to make it more international.

Of course, if there is an opportunity for us, we will take a look at it. But from now and in the near future, we will be focusing on what we have and growing it internationally.

V. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES, AND MANAGEMENT

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 from May 22, 2018 up to the date of this meeting. He informed the stockholders that these include, among others, the appointment of officers, maintenance of bank accounts and other bank transactions, approval and issuance of financial statements, declaration of dividends, appointment of proxies and nominees, appointment of authorized signatories and representatives to various corporate contracts, and other similar activities of the Company which were duly adopted in the ordinary course of business.

Upon motion made and duly seconded, the stockholders ratified all acts and resolutions of the Board of Directors, Board Committees and Management of the corporation from May 22, 2018 up to the date of this meeting.

VI. APPOINTMENT OF EXTERNAL AUDITORS

The Presiding Officer informed the stockholders that the Board of Directors, upon recommendation of the Audit Committee, has resolved to reappoint Punongbayan and Araullo as external auditors of the Corporation for the audit of the corporation's financial statements for the year ending December 31, 2019, and that this is now being submitted for approval by the stockholders.

Upon motion made and duly seconded, the stockholders approved the reappointment of Punongbayan and Araullo as the external auditors of the Corporation for the audit of the Corporation's financial statements for the year ending December 31, 2018.

VII. ELECTION OF DIRECTORS

The Presiding Officer informed the stockholders that, for the current year 2019, 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. He requested Ms. Marianne Roca, on behalf of the Corporate Governance Committee, to present the Final List of Nominees for members of the Board of Directors.

Ms. Roca, on behalf of the Corporate Governance Committee, then presented the Final List of Nominees for election as members of the Board of Directors, as follows: Andrew L. Tan, Winston S. Co, Katherine L. Tan, Kendrick Andrew L. Tan, Kevin Andrew L. Tan as regular directors and Alejo L. Villanueva, Jr. and Enrique M. Soriano III as the independent directors. Ms. Roca likewise reported that the Final List of 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 then informed the Presiding Officer that no further nominations shall be allowed pursuant to the corporation's By-Laws, as amended.

Upon motion made and duly seconded, since there were only seven nominees and there are only seven seats in the Board, all seven nominees were considered elected to the Board of Directors for the current year 2019 by acclamation.

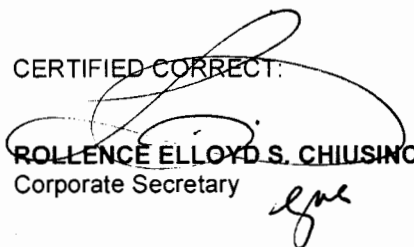
VIII. ADJOURNMENT

The Presiding Officer inquired if there were any other matter in the agenda. The Corporate Secretary replied there were none. Thus, on motion duly made and seconded, the meeting was adjourned at 09:50 a.m.

NOTED-


ANDREW L. TAN
Chairman

CERTIFIED CORRECT:


ROLLENCE ELLOYD S. CHIUSINCO
Corporate Secretary