

**MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
OF EMPERADOR INC.**
held on 20 August 2020
Conducted virtually via <https://www.emperadorbrandy.com/asm2020/>

I. CALL TO ORDER

The President, Mr. Winston S. Co, acted as Presiding Officer and called the Annual Stockholders' Meeting (the "Annual Meeting") to order at 10:08 a.m. 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 July 22, 2020, 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. Notice of the Annual Meeting was also published in the Manila Bulletin on July 29, 2020 and the Philippine Star on July 30, 2020, 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 95.79% 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 until 5:00 p.m. of August 13, 2020, 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 August 13, 2020; 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 20 MAY 2019

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 20, 2019, and informed the stockholders that the copy of the minutes of the 2019 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 of the annual stockholders' meeting held on May 20, 2019. Therefore, the Presiding Officer declared that the following resolution has been approved:

***"RESOLVED, to approve the minutes of the Annual Stockholders'
Meeting held on 20 May 2019."***

IV. REPORT OF MANAGEMENT

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

My dear stockholders, good morning.

Ladies and gentlemen, 2019 marks our 49th anniversary. From humble beginnings 40 years ago, we have now become a global company. The company is well-placed to continue and improve its international presence and competitive positioning. Today, Emperador products can be found in more than 100 countries encompassing six continents around the world. I am very grateful and I am extending my deepest gratitude to our stakeholders, employees and partners for four decades of growth, expansion and success.

It is fitting that last year's revenues reached an all-time high of P51.6 billion, rising 10% year-on-year as both the Brandy and Scotch Whisky segments registered positive performances. Excluding a non-recurring change, net profit jumped 4.0% to P7.1 billion and the portion attributable to owners rose 5.1% to P7 billion.

Your company continues to strive for product excellence and giving greater satisfaction to consumers' experience. Whyte and Mackay was named Scotch Whisky Producer of the Year and Fundador Supremo 18 won the Worldwide Brandy Trophy Award at the International Wine and Spirits Competition in 2019. These are testaments to our continued pursuit of innovation, quality and excellence.

Meanwhile, the year 2020 sees a liquor tax hike in the Philippines. The new taxation is a headwind for the domestic alcoholic beverage industry. And, again in early summer, the COVID-19 pandemic caught the world by surprise. Countries responded by imposing strict stay home quarantine. In the Philippines, the liquor ban was imposed by the local government units during the period of the Enhanced Community Quarantine. Our global presence continued to generate revenues and profit during the hard lockdown in the Philippines.

During this time, your company has responded by looking after the welfare of its employees and the needs of communities, here in the Philippines and abroad.

Emperador remains steadfast and resilient in these unprecedented times. 2020 is a watershed year. As a well-managed company, Emperador will emerge stronger and pave the avenue for future growth.

Thank you.

After the Chairman's Message, the Presiding Officer turned over the floor to Mr. Kenneth Nerecina, Investor Relations Director, for a presentation on the updates and financial highlights for 2019 of the Corporation.

V. AMENDMENT OF SECTIONS 5 AND 7 OF ARTICLE II AND SECTIONS 7 OF ARTICLE III OF THE AMENDED BY-LAWS

The Presiding Officer informed the stockholders that the next item on the agenda was the approval of the proposed amendments to the Amended By-Laws of the Corporation to allow stockholders and board meetings by remote communication and that the Board approved the proposed amendments during its meeting on July 8, 2020.

The Corporate Secretary certified that 100% of the voting shares represented in the Annual Meeting have voted in favor of the adoption of the resolutions amending Sections 5 and 7 of Article II and Sections 7 of Article III of the Corporation's Amended By-laws to allow our stockholders to participate and vote in the Annual Meeting through remote communication or alternative modes of communication, and also allow members of our Board of Directors to participate and vote in the board meetings through remote communication. Therefore, the Presiding Officer declared that the following resolution has been approved:

"RESOLVED, as endorsed by the Board of Directors, to approve the Amendments of Sections 5 and 7 of Article II and Sections 7 of Article III of the Corporation's Amended By-laws to allow the stockholders to participate and vote in the Annual Stockholders' Meeting through remote communication or alternative modes of communication, and also allow the Board of Directors to participate and vote in the board meetings through remote communication."

VI. 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 external auditors of the Corporation for the audit of the Corporation's financial statements for the year ending December 31, 2020, 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 external auditors for the fiscal year ending December 31, 2020. Therefore, the Presiding Officer declared that the following resolution has been approved:

"RESOLVED, to approve the appointment of PunongBayan & Araullo as the external auditor of the Corporation for the audit of the Corporation's financial statements for the year ending December 31, 2020."

VII. 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 since the annual stockholders' meeting on May 20, 2019 until August 19, 2020.

The Corporate Secretary certified that 99.99% 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 20, 2019 until August 19, 2020. 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 May 20, 2019 until August 19, 2020 (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."

VIII. ELECTION OF DIRECTORS

The Presiding Officer informed the stockholders that, for the current year 2020, 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.

Ms. Pilar Hernandez, on behalf of the Corporate Governance Committee, and in accordance with the Corporation's By-Laws and the Corporate Governance Manual, 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, and Kevin Andrew L. Tan as regular directors, and Alejo L. Villanueva, Jr. and Enrique M. Soriano III as the independent directors. Ms. Hernandez 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 99.83% 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. **Katherine L. Tan**
4. **Kendrick Andrew L. Tan**
5. **Kevin Andrew L. Tan**
6. **Enrique M. Soriano III – Independent Director**
7. **Alejo L. Villanueva, Jr. – Independent Director"**

IX. 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 (Leo Caguron):** Can you indicate your domestic and overseas capex this year and the next, taking into account the global pandemic?
- A (President):** Considering the current environment, we have held back Capex by about 40% this year. As you know, we have 3 criteria for Capex expenditures: 1. Work improvement and capacity expansion (ROI), 2. Strategic projects on sustainability and compliance, and 3. Expenditure level in line with depreciation. We don't want to under spend, as it may impact our capacity to deliver results in the future. We will resume to normal level of reinvestment when the world gets back to normal.
- Q (Don Mendoza):** What is your outlook for the rest of 2020 given the fluidity of the COVID situation?
- A (President):** This has been an extra-ordinary year. Despite the challenges, your company has performed remarkably well delivering positive results in the 2nd quarter and for the 1st half of the year. The positive performance shows the ability of the management to deliver results, not only in the Philippines but across the globe. It also exhibits the brand strengths as consumers sought out our brands here and abroad. Given the fluidity of the situation, it is difficult to see a clear path ahead. However, if the situation remains stable and the world returns to some form of normalcy, we expect both our brandy and whisky businesses to perform quite good this year and hopefully to beat last year's performance.
- Q (Tristan Guiam):** What brandy and whisky products have sold more in recent months amid lockdowns, quarantines, and liquor bans? I just heard about our stock being included in the main benchmark index Philippine Stock Exchange index or PSEi, comprised of 30 stocks. What are your thoughts about this development and how does this benefit our stock and shareholders??
- A (President):** In response to your first question, the Emperador brandy has performed very well in the Philippines. I believe there is a consumer psychology, an assurance to go with trusted brands during times of uncertainty. Emperador is a trusted brand enjoyed by millions of Filipinos, here locally and abroad. Fundador Brandy, which is the largest and oldest Spanish brandy, is growing in the USA, Canada, and Latin America during the lockdown. Again, it is a heritage brand in the Philippines. Our brandies in Mexico led

by El Presidente brandy grew by 8% to own 57% of the Mexico's brandy segment. Terry Centenario, the largest selling brandy in Spain also grew by 8% this year. In UK, Jura Single Malt Whisky grew by 34% in volume, Tamnavilin by 52% and W&M by 58%, just to name a few recognizable, heritage brands that continue to do well during this particular time. And, special mention to Claymore Blended Whisky, which is now the 2nd largest selling standard blended whisky in Hong Kong. And, the brand now is moving into China. Your company owns some of the most iconic and recognizable brands in the world. This is something we as shareholders should be very proud of. To answer your second question, we are happy that we are now part of the PSEI. The inclusion in the PSEI reflects company status, recognition of performance, the value of the company and strict adherence to corporate governance. And now, we represent one of the sectors of the Philippine economy. It raises the company profile to the investing public as a valued company worth investing into.

X. 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 10:53 a.m.

CERTIFIED CORRECT:


ANNA MICHELLE T. LLOVIDO
Corporate Secretary

NOTED:


ANDREW L. TANT
Chairman