

EMPERADOR INC.

BOARD RISK OVERSIGHT COMMITTEE CHARTER

This Board Risk Oversight Committee Charter (the “Charter”) is promulgated by the Board Risk Oversight Committee (the “Committee”) of Emperador Inc. (the “Corporation”) and adopted by the Board of Directors (the “Board”) of the Corporation to provide for the purpose, membership structure, operations, duties and responsibilities of the Committee, including the procedures which shall guide the conduct of its functions.

Section 1. Purpose

Pursuant to the Revised Manual on Corporate Governance of the Corporation (the “Manual”), the Committee shall be responsible for the oversight of the Corporation’s Enterprise Risk Management system to ensure its functionality and effectiveness.

Section 2. Structure

2.1 Composition

The Committee shall be composed of at least three (3) members of the Board, the majority of whom should be independent directors, including the Chairman. The Chairman should not be the Chairman of the Board of Directors or of any other committee.

2.2 Qualifications

Each member of the Committee shall have all of the qualifications and none of the disqualifications of a director as provided under the Manual and the Corporation’s By-Laws.

2.3 Term

The Board shall appoint the members of the Committee at its annual organizational meeting and each member shall serve upon his appointment until the next organizational meeting of the Board, or unless removed or replaced by the Board.

2.4 Vacancy

Any vacancy in the Committee caused by the death, resignation, removal or disqualification of a member, or by any other cause, may be filled by the Board. The member appointed to fill the vacancy shall hold office for the remainder of the unexpired term of his predecessor, or until his successor shall have been duly appointed and qualified.

2.5 Compensation

Each committee members shall receive such emolument or compensation as may be fixed by the Board.

2.6 Committee Secretary

The Corporate Secretary or in his absence, the Assistant Corporate Secretary, shall act as the Committee Secretary who shall prepare the minutes of the meetings and keep the records of the Committee with confidentiality, unless required to be disclosed pursuant to laws, rules or regulations, or lawful orders issued by competent government authorities.

Section 3. Operation

3.1 Meetings

The Committee may meet and vote in person, teleconference, video conferencing facility or through such other similar means, at such times and places as it considers appropriate, at least once a year. The Chairman of the Committee, any Committee member, or the Corporate Secretary of the Corporation, may call a meeting of the Committee.

The Chair shall preside in all meetings. In the absence of the Chair, any member shall preside.

Meetings may be held, and the members can participate in meetings of the Committee, through teleconference, video conference or other similar means.

3.2 Quorum

Attendance of at least two (2) Committee members shall constitute a quorum for all meetings.

3.3 Voting

The affirmative vote of a majority of such quorum shall be required to authorize any corporate action.

3.4 Notices

A notice of each meeting of the Committee specifying the place, date, and time thereof, but need not state the agenda and matters to be discussed during the meeting, unless provided by the person who called the meeting, and shall be given to each member of the Committee personally, in writing or orally, or sent to him by mail, facsimile, electronic mail or other similar means at least two (2) days prior to the date of the meeting. Each member shall give the Committee Secretary his address, facsimile number and electronic mail address for the service of notices of meetings. A member may waive notice of any meeting of the Committee or may consent to shorter notice of any meeting. Any Committee meeting called by shorter notice shall be deemed to have been duly convened if it is so agreed by the members present in the meeting at which there is a quorum.

Section 4. Duties and Responsibilities

4.1 The Committee shall have the following powers, duties and responsibilities:

- A. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
 - B. Oversee the implementation of the enterprise risk management plan and conduct regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing these risks;
 - C. Evaluate **and approve** the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. It shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss; *(Amended as of 20 June 2022)*
 - D. Advise the Board on its risk appetite levels and risk tolerance limits;
 - E. Review **and approve** the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company; *(Amended as of 20 June 2022)*
 - F. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
 - G. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
 - H. Reports to the Board as deemed necessary on the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.
- 4.2 The Committee shall be guided by the Corporation's mission and vision in the fulfillment of its functions.

Section 5. Reporting

The Chairman of the Committee or his designate shall report directly to the Board all actions of the Committee at the meeting of the Board following such actions.

Any act of the Committee which is within the scope of its duties and responsibilities shall not require ratification or approval by the Board for its validity. However, such acts shall be subject to revision or alteration by the Board, provided that no rights or acts of third parties shall be affected by such revision or alteration.

Section 6. Resources and Authorities

The Chairman of the Committee shall have the resources and authorities appropriate to discharge its function, duties and responsibilities including the authority to obtain advice from external consultants and functional specialists within the Company.

Section 7. Effectivity

This Charter shall take effect immediately upon approval by the Board.

- Signature Page Follows -

APPROVED BY:

The undersigned members of the Board of Directors of Emperador Inc.:

(signed)
ANDREW L. TAN

(signed)
WINSTON S. CO

(signed)
KATHERINE L. TAN

(signed)
KENDRICK ANDREW L. TAN

(signed)
KEVIN ANDREW L. TAN

(signed)
DR. JESLI A. LAPUS

(signed)
ENRIQUE M. SORIANO III