

**EMPERADOR INC.**

**CORPORATE GOVERNANCE COMMITTEE CHARTER**

This Corporate Governance Committee Charter (the "Charter") is promulgated by the Corporate Governance Committee (the "Committee") of **EMPERADOR INC.** (the "Corporation") and adopted by the Board of Directors ("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 tasked to assist the Board in the performance of its corporate governance responsibilities.

**Section 2. Structure**

2.1 Composition

The Committee shall be composed of three (3) members of the Board, two of whom should be an independent director, including the Chairman.

2.2 Qualifications

Each member of the Committee shall have all of the qualifications and none of the disqualifications of a director 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 for a period of one (1) year or until their successor(s) shall have been duly appointed on 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 twice 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 and 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:

- (i) Oversee the implementation of the corporate governance framework and periodically review to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;



- (ii) Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- (iii) Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- (iv) Recommend continuing relevant education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- (v) Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- (vi) Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates;
- (vii) Determine the nomination and election process for the Corporation's directors and the general profile of board members that the Corporation may need to ensure that appropriate knowledge, competencies and expertise that complement the existing skills of the Board;
- (viii) Review, evaluate, pre-screen and shortlist all candidates nominated to become a member of the Board of Directors and other appointments requiring Board approval to ensure that candidates possess all the required qualifications, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members; and
- (ix) Ensure that the following nomination and election policy and procedures are conducted:
  - a. Nomination of independent directors shall be conducted by a committee prior to a stockholders' meeting. All recommendations shall be signed by nominating stockholders and shall bear the conformity of the nominees.
  - b. The committee shall pre-screen the nominees and prepare a final list of candidates.
  - c. The final list of candidates shall contain the business and/or professional experience of the nominees for independent directors, which list shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nominees for independent directors shall be identified in such report including any relationship to the nominees.
  - d. Only nominees whose names appear in the final list of candidates shall be eligible for election as independent directors. No other nominations shall be entertained after the final list of candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.



- e. The conduct of the election of independent directors shall be made in accordance with the standard election procedures of the Company in its By-laws, subject to pertinent laws, rules and regulations of the Commission.
  - f. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure those independent directors are elected during the stockholders' meeting.
  - g. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.
- (x) Perform other duties and activities that the Board may consider appropriate in the context of this Charter.

The Committee shall be guided by the Corporation's mission and vision in the fulfillment of its functions.

4.2 All nominees for election or appointment of the following shall be referred to the Committee for pre-screening and evaluation of their qualifications:

- (i) Board of Directors;
- (ii) President and/or Chief Executive Officer;
- (iii) Chief Finance Officer or Treasurer;
- (iv) Group Directors or Vice Presidents;
- (v) Corporate Secretary or Assistant Corporate Secretary; and
- (vi) Other executive officers of the Corporation whose appointments are required to be submitted for the approval of the Board.

#### **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 Committee shall have full access to all relevant information, data, records and personnel of the Corporation or such 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. ✓



**APPROVED BY:**

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

(signed)  
**DR. 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**

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(signed)  
**ENRIQUE M. SORIANO III**