

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

held on 16 May 2016

at the 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 09:07 a.m.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that all stockholders as of 08 April 2016, 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 94.16% of the subscribed and outstanding capital stock of the Corporation.

III. APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL MEETING OF STOCKHOLDERS HELD ON 18 MAY 2015

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 2015.

A motion was made to dispense with the reading of the Minutes of the Previous Annual Meeting of the Stockholders held on 18 May 2015 as copies thereof had earlier been furnished to all stockholders in attendance and to approve these Minutes. After having been duly seconded, the Minutes of the Previous Annual Meeting of the Stockholders held on 18 May 2015 was approved.

IV. REPORT OF MANAGEMENT

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

We said early last year that 2015 would be the busiest and most exciting year for the company.

From a Philippine enterprise 37 years ago, the company has grown to become a global player with heritage brands under its portfolio. In a span of two years, our company has become global. Our products have access to 100 countries around the world. We acquired Whyte & Mackay in Scotland in 2014 and the Fundador brandy in Spain in 2015. The culmination of last year's initiatives was Fundador. We signed a deal in November 2015 to acquire Fundador and other Spanish brandy assets from Beam Suntory for 275 million euros. In particular, the products involved in the acquisition include the iconic Fundador Brandy - Spain's largest export brandy sold in more than 30 countries and a Philippine favorite for over 100 years; Terry Centenario, Spain's top-selling brandy; Tres Cepas, Equatorial Guinea's leading brandy; and Harvey's, the world's top sherry wine. Likewise acquired with Fundador Pedro Domecq were Bodegas Fundador, Spain's largest and oldest brandy cellar, along with production facilities, aging cellars, vineyards and state-of-the art blending and bottling facilities in Jerez. This opportunity has been a long time dream of mine. During my earlier years, I had my first sip of brandy to celebrate my college graduation. It was Fundador, and it then served as my inspiration. This was the reason why I named my brandy Emperador, as Fundador inspired it. Now I am very happy to have this iconic brand as part of the Emperador group. Overall, this acquisition has further strengthened Emperador's position as the world's largest brandy company and has made the Philippines one of the largest foreign investors in Spain.

Capitalizing on the acquisition of Whyte and Mackay in 2014, we made our luxury premium single malt products, The Dalmore and Jura, available in various supermarkets locally in 2015. We also opened exclusive boutiques around Metro Manila, where we exclusively sell Emperador and Fundador high-end brandies and whisky from the Whyte and Mackay portfolio.

In September 2015, we brought back Andy Player whisky to the Philippines after its 25-year break. This was a popular drink in the 1980s, coming back to the market with my personal blend that exudes hints of orange marmalade and maple syrup. We aim to reach the younger and sophisticated consumers. The opportunity to launch the

Andy Player whisky came in 2014 when we acquired Whyte and Mackay, which is a rich source of whisky raw materials. By entering into the whisky business, we are tapping a new liquor category and potentially paving the way for future-proofing our liquor dominance in the country.

On the financial aspect, our performance also marked a milestone. We reported consolidated revenues of almost PHP44 billion, up 36% year-on-year and our net income was nearly PHP7 billion. This was all due to both Emperador's domestic business as well as our foreign business that's largely driven by Whyte and Mackay.

The year 2015 proved to be as eventful as we foresaw. This was because of all the efforts of our people in Emperador and the support of all our stakeholders – consumers, dealers, fund managers, analysts, and of course, you our dear stockholders. This, as our Emperador brandy ad says in Filipino, is "Tagumpay nating lahat" or "Our shared success."

We look forward to constantly raising the bar in 2016 and beyond.

After the Chairman's Message, the Presiding Officer turned over the floor to Mr. Kenneth Nerecina who made a short presentation on the Company. Thereafter, the floor was opened for questions from the stockholders.

OPEN FORUM

Alfred Reiterer: Good morning, Mr. Chairman. I am Alfred Reiterer. May I have the floor? Congratulations to the great success in 2015. Congratulations that you could make your dream come true from childhood. Since you are still very young, can you tell us something about your dreams for the next years? What can we expect from Emperador?

Dr. Tan: Well, at the moment, I think the acquisitions in the last two years of Whyte and Mackay and Fundador gave us enough things on the plate, and in the next two years we need to be very focused and I think what is very important for us is to be able to sell more Emperador products to the world market. And in fact, we are actually doing that now and I'll let Mr. Winston Co explain.

Mr. Co: Yes, Sir. We are entering an exciting period in our corporate life. Today we are a global enterprise. We are in 100 countries around the world and in most airports when you go around the world you can see our products – the Whyte and Mackay products, the Dalmore and Jura, enjoying a very good position in the single malt whisky, and because of these acquisition, the integration of the Whyte and Mackay business and the Fundador business into our portfolio, we are now able to export our Emperador products outside into the international market. And looking forward today as you all know, we are already the largest brandy component in the world, and we have a very very good position in the single malt whisky in the world as well, so it is our dream that we make Emperador brandy a global brand as well. So in the next couple of years, our vision by 2020 is to make Emperador brandy a global brand, alongside Fundador and Whyte and Mackay brands.

Alfred Reiterer: So we can expect some more acquisitions?

Mr. Co: As mentioned earlier by our Chairman, we are happy where we are. I think there are huge opportunities within our current portfolio. But as an enterprise we always look at opportunities so if there are exciting opportunities out there, definitely we will consider.

Alfred Reiterer: Okay. Last question. Dividend policy for the future?

Mr. Co: We don't have a defined dividend policy. But historically we declare 40% of our earnings as dividends.

Alfred Reiterer: Will you give some dividend announcements today?

Mr. Co: Maybe in the forecoming days.

John T. Lao: Good morning. I would like to know what is the percentage of international sales in revenue and net income compared to the local sales in revenue and net income of the Company? What is the contribution margin of the international sales?

Kenneth Nerecina: In 2015 about 38% of our consolidated revenues came from Whyte and Mackay. So it's a 62%-38% split now between Emperador Distillers, Inc. and Whyte and Mackay.

John T. Lao: When you do envision that to improve? Because I think the international market is bigger than the Philippine market so I would expect the contribution of the international sales to be bigger than the Philippines.

Co: You are absolutely right. The international market can be a significant portion of our revenues moving forward, and also of our margins, definitely. But what you must remember that for Emperador brandy, we are also doing the international part of the business. We are exporting as well. So as we speak, we have signed an agreement to make Emperador brandy available in North America and United States so hopefully by the latter part of this year when you go to the United States of America, you will be able to see Emperador brandy there. Today we are in Canada. But in the next couple of months you'll see Emperador brandy in Spain. We are currently signing agreements with 10 Central Eastern Europe countries and we are currently three or four African countries as well, so we are moving forward into the international market not only using our Whyte and Mackay platform in the portfolio but also the Fundador platform, so there are great opportunities in using international market as well. And we expect both revenues, both international and domestic to go up. In terms of percentage, we are expecting revenues to be higher in international over time, because they are of high value products and the margins will move towards the same direction as well.

John T. Lao: So when do you expect the latest acquisitions to bear fruit and contribute substantially in the net income of the company?

Co: Well, today, both companies are accretive, and I would like to report that at the first year that we operated Whyte and Mackay it already contributed to both revenues and net income, and we expect Fundador to do the same this year so we expect margin contribution coming from Fundador as well. Both companies are accretive and we look at them as potential key drivers in moving this company forward in terms of revenues and profits.

Stockholder: Good morning Sir. I've been hearing a lot about premiumization. Can you expound on this?

Co: When you look at the stats or the numbers, 98% of the spirit market is domestic products. Only 2% comes from imported or premium brands. So we felt that there is an open space for this segment of the market to grow, especially with the improving Philippine economy. And we expect the economy to continue to grow about 6% GDP, and in the next couple of years there will be a transformation in our society. Our middle class is expecting to grow by double in 2020. So we are positioning ourselves to be able to premiumize our offering to the consumers. And when you look at the landscape and you look at our competitive set, as in our competitors, we are the only company in the Philippines that is poised or capable or premiumizing our products, and the way to do that is because we have assets, we have technologies abroad like from Scotland, Whyte and Mackay, from Fundador in Spain. We have the source materials, the technology to produce world-class, high quality products in the Philippines. At the same time, we are able to bring in our renowned brands, like Fundador, Whyte and Mackay, Jura, the Dalmore, into the Philippines and make them available to the consumers. So yes, that is our key thrust. We have the portfolio, we have the technologies, and we have the aged inventory to develop this premium segment.

Stockholder: Good morning Mr. Co. I have one question. Emperador, our company, is known for brandy. I'm just wondering what made us launch a whisky named Andy Player from last year.

Mr. Co: When you look at the Philippine landscape again, you know that our brandy own roughly 50% of the domestic liquor business. The other half is basically shared by our competitors. So being the largest and dominant player in the Philippines, we felt that it is time for us to occupy the whisky space because when you look at the landscape today, there is no domestic whisky player. And we felt that this a space that we need to own. And our Chairman, you know that way back, around 25 years, we introduced whisky, the Andy Player whisky. During that time it was one, if not the largest selling product in the market. So we felt that it was about time to bring it back, and with the resources we have in Scotland, we will be able to a world class whisky. In fact we have. And this is the first. We believe that is an innovation, and this is the perfect blend of our Chairman, Mr. Tan. And he has done an exceedingly fantastic job as well as the liquid and the packaging is concerned. I encourage everyone to buy a bottle and taste the product. This may be the only product in the entire world that you can drink neat, with ice, or with soda. And if you mix it with Coke, it's just a wonderful product. And I believe it is unique in the world. It fits well with the Filipino palette. So this is whisky made for the Filipinos. And in fact, we had an international conference with our dealers who came in three weeks ago. These are our regional partners from Africa, from Middle East, from Asia. They came here to have a conference with us and we presented our products and they were blown away by the quality, the standard and the uniqueness of this product. So we will see in the years ahead that not only Emperador, but also our Andy Player whisky in the international distribution. And we felt that it was about time that the Filipinos enjoy a world class whisky, at a slightly premium price than Emperador. Please buy a bottle and enjoy it.

Anne Panopio: Good morning, Sir. I am Anne Panopio. In the coming months, there will be an alcohol ban. How will this affect your business?

Mr. Co: Actually this is not something new. It has been done in Davao. But Davao is one of the highest alcohol consumption area in Mindanao, in spite of the ban, because somehow people eventually adjust. When you look at the local or the spirit, because we classify our products into fermented drinks, such as beer, and we have the imported spirits, the Jura, the Dalmore, the Johnnie Walker, and of course we have the mass market brands such as Emperador. In our research, 90% of the Emperador consumption are done at home. It's a home consumption. Only 10% is out of home. So we feel that it will have minimal impact to our products. And we have always been at the forefront of consumer education in terms of drinking, drinking responsibly, particularly our Emperador Light. So we feel that if there is any effect it will not be on the local domestic spirits but it might have an impact on beer because beer is more on trade, more on premise, and maybe a little bit of imported. But as far as home consumption is concerned, we believe that it is stable. In fact, it might grow in terms of home consumption.

Stockholder: Good morning. Once again congratulations on the Fundador acquisition. But can you please explain further the rationale behind the acquisition of Fundador? Why Fundador? Should we expect all the other brands under Fundador in our local markets as well?

Mr. Co: Well, Fundador has been an icon of premium brandy and spirits in the Philippines for the past 120 years, long before any of us in this room was born. It has been an icon here more than a century. And as the largest company in the Philippines and the largest brandy in the world, we felt the need to consolidate our position in the Philippines. So now we not only dominate the mass market, we also now have control of the premium market because Fundador is the largest selling premium brandy in the Philippines. Now we have fairly consolidated our position in the brandy segment so we own both the mass market, premium mass, and the premium segments of the brandy business. And that is a very very good position to be in. As mentioned earlier in the presentation, Fundador is in thirty countries around the world, and the largest and oldest company in Spain. Our footprint in Spain is that we have the largest selling brandy as well, which is Terry Centenario. So we felt that as a brandy company this is a very good acquisition and a very good addition to our current portfolio brands. It cements and strengthens our position here in the Philippines and abroad.

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 up to the date of this meeting. He informed the stockholders that these include, among others, the appointment of officers in the corporation, opening and maintenance of bank accounts and other bank transactions, approval and issuance of financial statements, appointment of proxies and nominees, designation of authorized contract signatories and representatives, 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 during the period 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 re-appoint Punongbayan and Araullo as external auditors of the Corporation for the audit of the corporation's financial statements for the year ending December 31, 2016, and that this is now being submitted for approval by the stockholders.

Upon motion made and duly seconded, the stockholders approved the re-appointment 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, 2016.

VII. ELECTION OF DIRECTORS

The Presiding Officer informed the stockholders that, for the current year 2016, 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 then requested Ms. Loren Kay Ostia, on behalf of the Nomination Committee, to present the Final List of Nominees for members of the Board of Directors.

Ms. Loren Kay Ostia, on behalf of the Nomination Committee, 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, Kingson U. Sian as regular directors and Alejo L. Villanueva, Jr. and Enrique M. Soriano III as the independent directors. Ms. Ostia likewise reported that the Final List of Nominees for election as directors of the corporation possess all the required 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 2016.

VIII. OTHER MATTERS

The Corporate Secretary informed the Presiding Officer that there are no other matters in the agenda.

IX. ADJOURNMENT

On motion made and duly seconded, the meeting was adjourned at 09:53 a.m.

CERTIFIED CORRECT:


DOMINIC V. ISBERTO
Corporate Secretary

NOTED:


ANDREW L. TAN
Chairman ✓