

RULES OF OPERATION

of the

Board of Directors

of

Zwack Unicum Likőripari és Kereskedelmi Nyilvánosan Működő Részvénytársaság

Pursuant to Act V of 2013 and the Statutes of **Zwack Unicum Likőripari és Kereskedelmi Nyilvánosan Működő Részvénytársaság** (hereinafter referred to as the "**Company**"), the Company shall be managed by a Board of Directors. The objective of the present rules of operation is to determine the basic regulations governing the formation, the operation and the scope of authority of the Board of Directors.

The Board of Directors of the Company is a body of the Company under the exclusive supervision of the Shareholders' Meeting, and is under the obligation to report its activities at the Shareholders' Meeting.

The primary duty of the Board of Directors is (i) to represent the Company in the presence of third persons, courts and other authorities, (ii) to perform all works connected with the employment policy of the Company, (iii) to manage the Company and (iv) to exercise the employer's right on behalf of the Company, taking into consideration the shareholders interests and applicable laws. The Board of Directors, as corporate body, is entitled to convene a Shareholders' Meeting when it deems fit.

(1) The members of the Board of Directors:

- 1.1 The Company shall have a Board of Directors consisting of minimum six (6) and maximum eight (8) members.
- 1.2 The members of the Board of Directors shall be elected by the Shareholders' Meeting for successive periods of 4 year(s), except if stated otherwise by the Shareholders' Meeting. The members of the Board of Directors may be re-elected following expiration of the term of their duty.
- 1.3 [Deleted on May 23, 2013]
- 1.4 Both Hungarian and foreign citizens with adequate professional qualifications and experience may be elected as members of the Board of Directors if they meet the conditions set forth by Hungarian law and sign the written legal statement of acceptance, thus becoming a member of the Board of Directors.

For as long as Peter Zwack & Consorten AG and/or Peter Zwack & Consorten Handels

AG (hereafter together referred to as: "PZHAG") jointly own more than 50% of the issued share capital of the Company, PZHAG may appoint and initiate the replacement from time to time of a maximum of four (4) executive and two (2) non-executive directors, and four (4) members of the Supervisory Board, which persons shall be elected or replaced by the Shareholders' Meeting of the Company.

For as long as Diageo Holdings Netherlands B.V. respectively a company ultimately controlled by Diageo plc (hereafter together referred to as: "Diageo") own at least 26% of the issued share capital of the Company, Diageo may appoint and initiate the replacement from time to time two (2) non-executive directors, and two (2) members of the Supervisory Board, which persons shall be elected or replaced by the Shareholders Meeting of the Company.

- 1.5 Any person whose qualifications are considered inadequate by mandatory law may not become a member of the Board of Directors. Moreover, any event occurring after a person's election to the Board of Directors that excludes or is incompatible by mandatory law with membership shall prevent said member from performing his duties as a member of the Board of Directors.
- 1.6 Membership on the Board of Directors shall cease:
 - (a) upon expiration of the member's term of office;
 - (b) when the member is dismissed by the Shareholders' Meeting;
 - (c) upon the member's resignation;
 - (d) in case of the member's death;
 - (e) if any of the legally disqualifying conditions occur.
- 1.7 The member of the Board of Directors shall inform the Board of Directors of any disqualifying conditions within three (3) days following such occurrence.
- 1.8 The Board members shall comply with restrictions on their activities, business participations and executive offices, as set out in the Statutes of the Company and applicable Hungarian legislation.
- 1.9 Only the Shareholders' Meeting shall be entitled to dismiss members from the Board of Directors.
- 1.10 Should the number of directors fall below three, the Shareholders' Meeting shall be convened for the election of new Directors.
- (2) Responsibilities and fiduciary duties of the members of the Board of Directors:
- 2.1 The members of the Board of Directors are required to act responsibly and perform their fiduciary duties as those expected from persons in similar positions and performing

similar duties.

2.2 Should the members of the Board of Directors not meet their duties, they shall be liable for any damages caused thereby as stipulated in the relevant provisions of the Civil Code of Hungary.

2.3 The members of the Board of Directors shall fulfil their obligations personally and, as such, shall not be permitted to delegate such obligations to any other persons. The members of the Board of Directors shall attend the Shareholders' Meetings.

(3) Commitment to protect confidential information:

The information obtained by the members of the Board of Directors shall be kept as confidential business information and the members shall be personally responsible for preventing incompetent persons from obtaining confidential documents and information, available only to the Board of Directors members.

(4) Chair of the Board of Directors:

4.1 The first Board of Directors shall elect from among its members a Chair and a Vice-Chair.

4.2 The Chair of the Board of Directors shall determine the strategic objectives of the day-to-day operations of the Board of Directors.

4.3 The responsibilities of the Chair of the Board of Directors - without limitation - shall be the following:

- (a) to coordinate the operation of the Board;
- (b) to represent the Board's standpoints;
- (c) to oversee the technical preparation of the Board of Directors' Meetings;
- (d) to call and chair at the meetings of the Board of Directors;
- (e) to appoint the keeper of the Minutes at the meetings of the Board of Directors;
- (f) to submit the proposals and all matters to vote and evaluate the result of the voting;
- (g) to convene and chair the Shareholders' Meetings.

4.4 The Board of Directors shall be represented by the Chair during the Shareholders'

Meetings.

(5) Vice-Chair of the Board of Directors:

In the event that the Chair is incapacitated, he/she shall be replaced by the Vice-Chair for said period of incapacity; if both Chair and Vice-Chair are incapacitated, they will be replaced by a member of the Board of Directors following a decision taken by the Board of Directors for said period of incapacity.

(6) The General Manager:

6.1 The Board of Directors shall appoint a General Manager from among its members or from among the employees of the Company, the term and tasks of which are to be determined by the Board of Directors. The Board of Directors may revoke this appointment.

6.2 The Company shall enter into an employment contract with the General Manager. In this case the Board of Directors shall exercise the employer's right over the Managing Director.

6.3 The General Manager shall be responsible for the supervision of the employees and shall exercise the employer's rights over the employees of the Company and make decisions regarding the day-to-day operations of the Company.

(7) Competence and authority of the Board of Directors:

7.1 The Board of Directors shall establish its own Organizational and Operational Rules (Rules of Operation) and tasks on the basis of the Statutes of the Company and the applicable laws.

7.2 The tasks of the Board of Directors - in addition to those that are specified in the Statutes of the Company - in particular, but without limitation, shall be the following:

(a) preparing or having prepared the annual report of the Company prepared in accordance with the Act on Accounting and the International Financial Reporting Standards (IFRS) through the Chair or the General Manager (if he/she is the member of the Company) and submit these to the Shareholders' Meeting;

(b) report on the management, financial position and business policy of the Company at least once a year to the Shareholder's meeting and at least once in every three months to the Supervisory Board;

(c) keeping the books of the Company pursuant to relevant legal regulations;

- (d) convening a Shareholders' Meeting and informing the Supervisory Board if
 - (i) the Company has lost 1/3 of its registered capital; or
 - (ii) the Company has failed to pay its debts and the assets of the Company do not cover the payment obligations.

7.3 The Board of Directors - in addition to those that are specified in the Statutes of the Company - shall have exclusive competence in the following matters:

- (a) approval of the business plan of the Company;
- (b) acquiring, selling, transferring or pledging/mortgaging real properties; except for the properties approved by the annual business plan of the Company, and for transactions not exceeding HUF 10,000,000 in value. For such limited value, the aggregate value of the transactions concluded between two Board Meetings shall be taken into consideration, and the Board of Directors shall be given notice of all such transactions at the subsequent Board Meeting;
- (c) approving loans, the term of which shall exceed one year and the pledging or mortgaging of the Company's assets in connection with such loan agreements;
- (d) undertaking or modifying pension schemes or other support obligations; not included the premature retirement in connection to changes in the number of employees, not exceeding HUF 1,000,000 (one million) per person or HUF 5,000,000 (five million) per year;
- (e) change the structure and size of the sales force of the Company during any one Financial Year affecting more than 10% of the sales force, provided that more than ten people are affected;
- (f) approve and implement the Company's long term strategy and policy matters having implications extending beyond the current Financial Year as referred to in Sections 7.3. (g), (h) and (r) but the directors appointed by Diageo shall jointly ensure that by withholding their agreement the development of the business will not be paralysed;
- (g) the acquisition, disposal or leasing of any business or assets or entering into a limited partnership representing or which is likely to represent more than twenty five per cent (25%) of the forecast depreciation, as calculated in accordance with IAS, charged in that Financial Year of the Company;
- (h) the borrowing or the issuing of any debt representing at least one per cent (1%) of the net asset value of the Company calculated as of the end of the current year, so far as such borrowing does not represent normal fluctuation in the funding of its business;

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- (i) appoint key staff within the Company, provided that if unanimity is not reached after the nomination of two candidates, decisions will be passed by majority vote;
- (j) appoint auditors other than from any of the recognized international accounting firms and appoint lawyers other than with international experience;
- (k) approve the annual accounts (however, if, despite using their best endeavours the directors fail to reach a unanimous board approval of the annual accounts they will be approved, subject to Hungarian law, by the meeting of the shareholders);
- (l) any material change to the accounting policies or practices of the Company;
- (m) enter into any contract or transaction with a Co-Shareholder or company or person associated with a Co-Shareholder, not included the business transactions within the ordinary course of business under arms length business conditions;
- (n) enter into any new unlimited partnership agreement or profit sharing arrangement on or after the date of this document;
- (o) change the dividend policy, or introduce any other method affecting such policy, as a result of which the Company would pay to PZHAG or Diageo in another way than that described in the Shareholders Agreement, as amended from time to time;
- (p) terminate the protection of the logos or trademarks owned by the Company (either by lack of use or by other methods) or materially change any such logo or trademark in any way which might prejudice their validity;
- (r) change the authorized and issued share capital of the Company;
- (s) any capital expenditure or any leasing contract in any Financial Year the total cost of which is more than 25% higher than the forecast total depreciation charge, as calculated in accordance with IFRS, in that Financial Year;
- (t) the introduction or amendment of any executive or employee share option or profit sharing scheme;
- (u) in any Financial Year the creation or giving of any guarantee, indemnity, surety, encumbrance or attachment of any nature whatsoever in respect of all or any material part of its assets or the acceptance by it of any such arrangement for its benefit, other than to secure an amount which is less than one per cent (1%) of the Net Asset Value of the Company, forecast as at the end of the current year, or the making of any advance, loan or deposit of money in an amount which exceeds one per cent (1%) of the Net Asset Value of the Company;
- (v) the entry into any contract or arrangement outside the ordinary course of business which, when taken together with any other such contract or arrangement to which

this paragraph relates and which has the same or similar subject matter, could involve in the aggregate in any Financial Year expenditure or the incurring of any other obligations by it which exceeds the higher of five per cent (5%) of the combined after tax profit of the previous Financial Year of the Company, as calculated in accordance with IFRS, or 50,000,000 HUF (fifty million Hungarian Forints) (such latter amount for the purposes of this clause to be increased annually by the increase in the Hungarian Consumer Price Index over such period calculated from the year 2013);

(z) the initiation, conduct, settlement or abandonment of litigation or any admission of liability which might prejudice the Company's Intellectual Property Rights.

7.4 The Board of Directors shall perform its tasks on the basis of the strategic program set forth by the Shareholders' Meeting and the Rules of Operation of the Company.

7.5 The Board of Directors shall exercise its rights at board meetings or by written resolutions holding a formal meeting.

(8) Meetings of the Board of Directors:

8.1 The Board of Directors shall meet when necessary and at least once quarterly.

8.2 It is the task of the Chair - or in the case of his incapacity, that of the deputy Chair - to convene the meeting of the Board of Directors.

8.3 The convocation of a Board of Directors' Meeting can be initiated by any two members of the Board, provided that the objective and reason for calling such meeting is given.

8.4 Should the Chair of the Board of Directors fail to convene such meeting within eight days, the meeting shall be convened by said two members of the Board of Directors.

8.5 The General Manager, the Supervisory Board or the auditor of the Company may also propose the calling of a meeting of the Board of Directors by submitting a request in writing to the Chair of the Board of Directors.

Should the above indicated persons request the convocation of the Board of Directors Meeting the Chair, or if the Chair fails to take the necessary actions, the deputy Chair shall, without deliberation, convene such a meeting within 15 days.

8.6 The Board of Directors shall be convened in such a way that the person(s) entitled to convene such meeting shall send notification by facsimile and a copy to be sent by registered mail (international return receipt requested) to the members of the Board of Directors and to the (permanent or casual) participants of such meetings, specifying the date, time, location and agenda, at least 15 days prior to the set date.

The convocation of the Board of Directors meeting shall be considered proper when the date is specified at the previous meeting. The notification should contain any possible written proposals.

- 8.7 In the case of urgency, the meeting of the Board of Directors can be convened by facsimile within a shorter period of time but a minimum notice of 3 days prior to the date of the meeting is to be given, with indication as to the matter of urgency. In such case the provision specified in Section 8.6 shall not be applicable.

(9) Attendance of the Board Meetings:

- 9.1 Certain persons (such as the Chair of the Supervisory Board or the auditor of the Company) who have been invited to all or some of the meetings of the Board of Directors with the right of consultation and presenting proposals - depending on the agenda - may from time to time attend the Board of Directors meetings.

- 9.2 The Board of Directors may also have closed (in camera) sessions, or discuss selected items on the agenda at closed sessions. Only the Board of Directors members and persons invited by the latter may attend said closed sessions.

- 9.3 The Board of Directors may pass resolutions without any or all Board members being physically present at the Meeting of the Board of Directors, by way of using electronic communications devices. For the sake of clarification, the Board of Directors may pass resolutions / can have meetings where certain members are physically present whilst other Board members participate in the meeting by using electronic communications devices. The use of such devices shall enable the Board member to take part in the conversation and debate at the Meeting of the Supervisory Board without any restrictions and troubles. The use of such devices is equivalent to the personal participation in the Meeting.

The exercise of Board member's rights by way of electronic communication devices may only take place through such devices that allow that the identity of the Board members can be undoubtedly established. The voice of the Board member using the device shall be transmitted to the other Board members taking part in the Board Meeting and the voices of the other Board members must be simultaneously transmitted to the Board member using the electronic communications device.

At a Board Meeting held through the use of an electronic communications device, no such requirements can be determined that would discriminate any of the Board members in a detrimental way.

Board members and all other persons invited to the Meeting may freely decide as to how they wish to attend the Board Meeting. Board members and all other persons invited taking part in the Meeting are required to inform the Chair of the Board of Directors of their way of participation on the Board Meeting at least five days prior to the date of the

Board Meeting. In the case of the Board Meeting convened according to Section 8.7, Board members and all other persons invited taking part in the Meeting are required to inform the Chair of the Board of Directors of way of participation on the Board Meeting at least two days prior to the date of the Board Meeting.

All costs incurred as a result of the Board Meeting or of the use of electronic communications device shall be borne by the Company. Such costs may not be transferred to the Board members.

Each resolution passed during the exercise of Board members' rights as described above shall be incorporated in minutes taken simultaneously with the voting at the Board Meeting. The minutes shall be authenticated by at least two Board members.

(10) Quorum:

10.1 The Board of Directors shall have a quorum when the six-sevenths (6/7) majority of its members are present. Should a quorum in the first properly called Board Meeting not have been constituted, then the board members present shall resolve to reconvene that meeting with an identical agenda not earlier than on the same day in the following week and not later than within fourteen (14) days at the same place of the originally convoked meeting. Each board member shall be notified at least five (5) days in advance in writing in respect to the time and place of the reconvened meeting. Such second meeting shall have quorum when four (4) board members are present.

10.2 The Board of Directors shall also have a quorum when the meeting has not been properly called but all members and regular participants are present and each of the members has agreed to discuss the items on the agenda.

(11) Passing resolutions:

11.1 In all matters specified in Section 7.3./e-r of this Rules of Operation shall be passed with unanimous vote of the directors present at the meeting of the Board of Directors, otherwise the decisions shall be passed by a simple majority vote of the directors present. Each member of the Board of Directors shall have one vote.

11.2 [Deleted on May 23, 2013]

11.3 The Board of Directors may make decisions in writing, in lieu of holding a meeting but taking into account the requirements for unanimous vote. In such cases the Chair of the Board of Directors shall simultaneously send in writing to all members of the Board of Directors the draft resolution, which has to be answered within eight (8) days. The answer shall be given by signing the relevant part (approved, opposed or abstained) of the draft resolution. The answer shall be returned by mail and simultaneously by telefax and addressed to the Board of Directors. Such comments shall unambiguously reflect the member's standpoint and include the date of signature. The signature of the

boardmember on the written resolution shall be attested to by two witnesses.

Should the Board of Directors fail to receive the necessary number of votes, or the number of votes obtained not be sufficient to pass the resolution, or should any member require that a board meeting be held to pass the resolution on said issues, the Chair of the Board of Directors shall immediately call for an extraordinary meeting of the Board of Directors.

(12) Working conditions of the Board of Directors:

12.1 Any costs associated with the normal operations of the Board of Directors conducted pursuant to these Rules of Operation shall be borne by the Company.

12.2 It is the General Manager's responsibility to provide the Company with the necessary conditions for the operation of the Board of Directors (keeper of the minutes, premises, working conditions, etc.).

The present Rules of Operation have been passed by unanimous vote at the Meeting of the Board of Directors held on January 30, 2018.

Sándor Zwack
Chair of the Board of Directors

Board member

Board member