COVER SHEET

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S.E.C. Registration Number

JG SUMMIT HOLDINGS, INC.

(Company's Full Name)

44/F ROBINSONS-EQUITABLE TOWER, ADB AVE. COR. POVEDA RD ORTIGAS CENTER, PASIG CITY

(Business Address: No. Street City/Town/Province)

ARLENE S. DENZON
Compliance Officer

Contact Person

633-7631 to 40

Company Telephone Number

1	2		3	1
Month			Day	

Fiscal Year

FORM TYPE

Second Thursday of June

Month Day

Annual Meeting

CERTIFICATION
CORPORATE GOVERNANCE MANUAL COMPLIANCE

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks: pls. use blank ink for scanning purposes

JG SUMMIT
HOLDINGS, INC.
43rd FLOOR ROBINSONS EQUITABLE TOWER ADB AVE. COR. POVEDA RD. ORTIGAS CENTER, PASIG CITY
TEL. NO.: 633-7631, 637-1670, 240-8801 FAX NO.: 633-9387 OR 633-9207

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July 30, 2014

Director Justina F. Callangan
Corporate Governance and Finance Department
Securities and Exchange Commission
SEC Building, EDSA, Greenhills
Mandaluyong City

Dear Director Callangan,

In accordance with SEC Memorandum Circular No. 9 (Series of 2014) dated May 6, 2014, JG Summit Holdings, Inc. is hereby resubmitting its Corporate Governance Manual. As advised by SEC, the signatory portion is modified from the Chairman of the Board to the Compliance Officer jointly signing with the Company President.

Thank you.

Sincerely yours,

ARLENE S. DENZON
Compliance Officer

JG SUMMIT HOLDINGS, INC.
Metro Manila

SECRETARY'S CERTIFICATE

I, ROSALINDA F. RIVERA, of legal age, Filipino, with office address at the 40th Floor, Robinsons Equitable Tower, ADB Avenue cor. Poveda Street, Ortigas Center, Pasig City, being the duly elected Corporate Secretary of **JG SUMMIT HOLDINGS, INC.**, the ("Corporation") with office address at the 43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City, after having been duly sworn in accordance with law, hereby depose and state that the following resolution was duly adopted by the Board of Directors of the Corporation on June 26, 2014:

> "RESOLVED, that the Board of Directors of JG Summit Holdings, Inc. (the "Corporation") hereby approves the revisions made to the Corporate Governance Manual of the Corporation in accordance with SEC Memorandum Circular No. 9, Series of 2014.
>
> APPROVED: June 26, 2014."

ROSALINDA F. RIVERA
Corporate Secretary

ATTESTED BY:

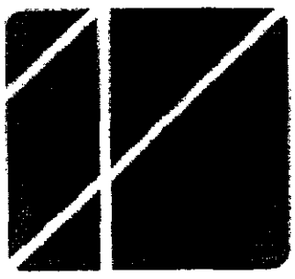
LANCE Y. GOKONGWEI
President and Chief Operating Officer

SUBSCRIBED AND SWORN to before me this JUL 3 0 2014 at ~~Pasig~~ QC City, affiant exhibiting to me her Drivers License No. N0194172453 valid until June 12, 2015.

Doc No. 215;
Page No. 43;
Book No. I;
Series of 2014.
/lbo

CLARENCE T. BALLICUD
Notary Public for Quezon City
Commission No. NP-263 (2014-2015)
Until December 31, 2015
2nd Floor Galleria Corporate Center,
Edsa corner Ortigas Avenue, Quezon City
Roll No. 42852
PTR No. 9143368; 1/13/2014- Quezon City
IBP No. 954795; 1/10/2014-Quezon City
MCLE Compliance No. IV-0003080

JG SUMMIT HOLDINGS, INC.



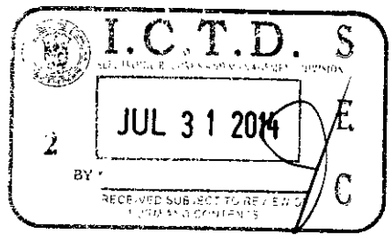
CORPORATE GOVERNANCE MANUAL

JG SUMMIT HOLDINGS, INC.
CORPORATE GOVERNANCE MANUAL

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JG SUMMIT HOLDINGS, INC.
CORPORATE GOVERNANCE MANUAL



ARTICLE I
INTRODUCTION

The Board of Directors ("Board") of JG Summit Holdings, Inc. represents the shareholders' interests in its objective to continuously improve the value of the Corporation and to achieve a successful and long-term business. The Board believes that it has to be actively responsible to ensure that the Corporation is properly managed to attain this result. In addition to fulfilling its obligations for increased shareholder value, the Board has responsibility to other stakeholders as well – customers, employees, suppliers, financiers, government, business partners, and to the communities and environment it operates in, all of whom are important to a successful business.

The Board and Management of the Corporation commit themselves to the principles and best practices as contained in this Corporate Governance Manual. The Board and Management, employees, and shareholders believe that corporate governance is a necessary component of what constitutes sound business management and will therefore undertake every effort necessary to create and strengthen awareness within the organization.

ARTICLE II
GOVERNANCE

The Board is primarily responsible for the governance of the Corporation.

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

The Board formulates the corporation's vision, mission, strategic objectives, policies, and procedures that shall guide its activities, including the means to effectively monitor Management's performance. Corollary to setting the policies for the accomplishment of the corporate objectives, the Board provides an independent check on Management.

1. Composition of the Board of Directors

The Board shall be composed of at least five (5), but not more than fifteen (15), members who are elected by the stockholders.

The Corporation shall have at least two (2) Independent Directors or such number of Independent Directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

The membership of the Board may be a combination of Executive and Non-Executive Directors (which include Independent Directors) in order that no Director or small group of Directors can dominate the decision-making process.

The Non-Executive Directors of the Corporation should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

2. Board Meeting and Quorum Requirements

The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Securities and Exchange Commission ("Commission").

Independent Directors should always attend board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) Independent Director in all its meetings.

To monitor the Directors' compliance with the attendance requirements, the Corporation shall submit to the Commission, within five (5) days from the end of the corporation's fiscal year an advisement letter on Directors' record of attendance in board meetings.

3. Duties and Functions of the Boards

To ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and responsibilities:

3.1. Implement, with the assistance of the Nomination Committee, a selection process of competent Directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest, and highly-motivated Management Officers. Adopt an effective succession planning program for Management.

3.2. Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets, and Management's over-all performance.

3.3. Ensure the Corporation's faithful compliance with all applicable laws and regulations, and applicable best business practices.

3.4. Establish and maintain an Investor Relations Program that will keep the stockholders informed of important developments in the Corporation. The Corporation's Chief Executive Officer (CEO) shall exercise oversight responsibility over this program.

3.5. Identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely, and effective communication with them.

3.6. Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's internal control systems in order to maintain and ensure its adequacy and effectiveness.

3.7. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.

3.8. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children, and dependent siblings and parents, and of interlocking Director relationships by members of the Board.

3.9. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.

3.10. Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including regulatory authorities.

3.11. Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.

3.12. Keep the activities and decisions of the Board within its authority under the Articles of Incorporation and By-Laws, and in accordance with existing laws, rules, and regulations.

3.13. Appoint a Compliance Officer who shall have the rank of at least Vice President.

4. Specific Duties and Responsibilities of a Director

A Director's Office is one of trust and confidence. A Director should act in the best interest of the Corporation in a manner characterized by transparency, accountability, and fairness. He should also exercise leadership, prudence, and integrity in directing the Corporation towards sustained progress.

A Director should observe the following norms of conduct:

4.1. Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation. The basic principle to be observed is that a Director should not use his position to profit or to gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of

interest may arise on the part of a Director, he should fully and immediately disclose it and should not participate in the decision-making process. A Director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the Director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or to gain financial advantage at the expense of the Corporation.

4.2. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities. A Director should devote sufficient time to familiarize himself with the Corporation's business. He should be constantly aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and Committee meetings, review meeting materials and, if called for, ask questions or seek explanation.

4.3. Act judiciously. Before deciding on any matter brought before the Board, a Director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

4.4. Exercise independent judgment. A Director should view each problem or situation objectively. If a disagreement with other Directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollary, he should support plans and ideas that he thinks are beneficial to the Corporation.

4.5. Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its Articles of Incorporation and By-Laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. A Director should keep abreast with industry developments and business trends in order to promote the Corporation's competitiveness.

4.6. Observe confidentiality. A Director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as Director. He should not reveal confidential information to unauthorized persons without the authority of the Board.

4.7. Have a working knowledge of the corporation's control systems. A Director shall ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment.

5. Qualifications of a Director

In addition to the pertinent provisions of the Articles of Incorporation and By-Laws of the Corporation, and qualifications for membership in the Board as provided for in the Corporation Code, Securities Regulation Code, and other relevant laws, the following general guidelines shall be observed in the initial evaluation of Director-nominees to the Board:

5.1. He should be a holder of at least one (1) share of stock of the Corporation;

5.2. He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;

5.3. He shall be at least twenty one (21) years old;

5.4. He must have a practical understanding of the business of the Corporation;

5.5. He shall have been proven to possess integrity and probity;

5.6. He shall be diligent and assiduous in the performance of his functions; and

5.7. He must be a member in good standing in relevant industry, business or professional organizations.

6. Permanent Disqualification of a Director

Any of the following shall be a ground for the permanent disqualification of a Director:

6.1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.

6.2. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from (a) acting as underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as a director or officer of a bank, quasi-bank, trust company, investment house or as investment company; or (c) engaging in or continuing any conduct or practice in any of the capacities mentioned above or willfully violating the laws that govern securities and banking activities

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.

6.3. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

6.4. Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any of its rule, regulation or order;

6.5. Any person earlier elected as Independent Director who becomes an officer, employee or consultant of the same corporation.

6.6. Any person judicially declared to be insolvent;

6.7. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and

6.8. Any person convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

7. Temporary Disqualification of a Director

The Board may provide for the temporary disqualification of a Director for any of the following reasons:

7.1. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;

7.2. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family, or serious accident. This disqualification applies for purposes of the succeeding election;

7.3. Dismissal/termination for cause as Director of any corporation covered by this Code. This disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination.

7.4. If the beneficial equity ownership of an Independent Director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.

7.5. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified Director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

8. Internal Control Responsibilities of the Board

The control environment of the Corporation consists of (a) the Board which ensures that the Corporation is properly and effectively managed and supervised; (b) Management that actively manages and operates the Corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

8.1. The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

- Definition of the duties and responsibilities of the CEO;
- Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;
- Evaluation of proposed Senior Management appointments;
- Evaluation of appointments of Management Officers; and
- Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees and management succession plan.

8.2. The Corporation's systems of effective organizational and operational controls shall be continuously developed and updated based on, among others, the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.

8.3. A Corporation shall establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board shall appoint a Corporate Auditor to perform the internal audit function, and shall require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Corporate Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

9. Adequate and Timely Information for the Board

To enable the Directors to properly fulfill their duties and responsibilities, Management should provide the Directors with complete, adequate, and timely information about the matters to be taken in their meetings.

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a Director to enable him to properly perform his duties and responsibilities. Hence, the Directors should be given independent access to Management and to the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts, and internal financial documents.

The Directors, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.

10. Accountability and Audit

The Board is primarily accountable to the stockholders. The Board regularly provides its stockholders with a balanced and comprehensible assessment of the Corporation's performance, position and prospects through its website and its submissions and disclosures to the Commission and Exchange.

Thus, it is essential that Management provide the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management shall formulate, with oversight of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- The extent of its responsibility in the preparation of the financial statements of the Corporation, with the corresponding delineation of the responsibilities that pertain to the External Auditor, should be clearly defined.

- An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation for the benefit of all stockholders and other stakeholders.

- On the basis of the approved Internal Audit Plan, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Corporation's governance, operations and information systems, including the reliability and integrity of financial and operation information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules, and regulations.

- The Corporation should consistently comply with the financial reporting requirements of the Commission.

- The External Auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency. The Corporate Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities, and performance relative to the Internal Audit Plan as approved by the Audit Committee. The annual report should include significant risk exposures, control issues, and such other matters as may be needed or requested by the Board and Management. The Corporate Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, the Corporate Auditor shall disclose to the Board and Management the reasons why he has not fully complied with the said documents.

The Board, after consultations with the Audit Committee, shall recommend to the stockholders an External Auditor duly accredited by the Commission who shall undertake an independent audit of the Corporation, and shall provide an objective assurance on the matter by which the financial statements shall be prepared and presented to the stockholders. The External Auditor shall not, at the same time, provide internal audit services to the Corporation. Non-audit work may be given to the External Auditor, provided it does not conflict with his duties as an independent External Auditor, or does not pose a threat to his independence.

If the External Auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Corporation's annual and current reports. The report shall include a discussion of any disagreement between the External Auditor and the Corporation on accounting principles or practices, financial disclosures or audit procedures which the former External Auditor and the Corporation failed to resolve satisfactorily. A preliminary copy of said report shall be given by the Corporation to the External Auditor before its submission.

If the External Auditor believes that any statement made in the Annual Report, Information Statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matters in the said reports.

11. The Chairman of the Board and The Chief Executive Officer (CEO)

If the need arises, the roles of Chairman and the CEO may be separated in order to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chairman and CEO upon their election.

If the roles of Chairman and CEO are unified, the proper checks and balances shall be laid down to ensure that the Board gets the benefit of independent views and perspectives.

The duties and responsibilities of the Chairman in relation to the Board may include, among others, the following:

- Ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary.
- Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the Directors and Management; and
- Maintain qualitative and timely lines of communication and information between the Board and Management.

12. Remuneration of Directors and Management Officers

The levels of remuneration of the Corporation should be sufficient to be able to attract and retain the services of qualified and competent Directors and Officers. A portion of the remuneration of Executive Directors may be structured or be based on corporate and individual performance.

Formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual Directors and Officers may be established for the Corporation depending on the particular needs of the Corporation. No Director should participate in deciding on his remuneration.

The Corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its Directors and top four (4) Management Officers during the preceding fiscal year.

13. Directorships and Officerships in Other Corporations

A Director shall exercise due discretion in accepting and holding directorships or officerships in other corporations. A Director may hold any number of directorships or officerships outside of the Corporation provided that, in the Director's opinion, these other positions do not detract or compromise the Director's capacity to diligently perform his duties as a Director of the Corporation.

Any limitation in the number of directorships outside of the Company as may be adopted by Corporation shall not include directorships in the Corporation's subsidiaries, affiliates, parent company (if any), and affiliates and subsidiaries of such parent company.

14. Training of New Directors and Senior Management Officers

Every Director shall receive appropriate orientation when he is first appointed to the Board of Directors, in order to ensure that incoming Directors are familiar with the Corporation's business and governance processes.

Likewise, Management Officers shall receive appropriate orientation on his duties as a management executive and how to discharge these duties when he is first appointed to the Corporation. This would ensure that incoming Senior Management Officers are familiar with the Corporation's business and governance processes.

If necessary, a new Director or Senior Management Officer may be required to attend a seminar on corporate governance that shall be conducted by a duly recognized private or government institute.

15. Board Committees

To aid in complying with the principles of good corporate governance, the Board shall establish the necessary specialized Committees with specific responsibilities to assist in the development and implementation of systems and practices that would promote good corporate governance.

The Board shall establish the Audit, Nomination, and Remuneration and Compensation Committees. Depending on foreseen governance requirements and circumstances, the Board may form a new committee or disband a current committee.

ARTICLE III
AUDIT COMMITTEE

1. Mission of the Audit Committee

The mission of the Audit Committee is to assist the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Corporation's stakeholders for the continuous improvement of risk management systems, internal control systems, governance processes, business operations, and proper safeguarding and use of the Corporation's resources and assets.

2. Organizational Status

2.1. The Board establishes the Audit Committee and appoints the members of the Committee.

2.2. This Audit Committee reports functionally to the Board.

2.3. The Audit Committee shall be composed of at least three (3) members from the Board, at least one (1) of whom shall always be an Independent Director. The Board shall ensure that each member should have adequate competence and/or experience on accounting, finance and audit to enable them to discharge their responsibilities.

2.4. The Board shall appoint an Independent Director as Committee Chairman.

2.5. The Audit Committee, as a body, shall have neither executive nor managerial powers nor duties in the Corporation except those relating to the management of the Corporate Auditor.

3. Functions

The Audit Committee shall have the following functions:

3.1. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal controls, audit process and monitoring of compliance with applicable laws, rules and regulations.

3.2. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function may include regular receipt from Management of information on risk exposures and risk management activities.

3.3. Perform oversight functions over the Corporation's Internal and External Auditors. It should ensure that the Internal and External Auditors are given reasonable access to all material records, properties and personnel to enable them to perform their respective audit functions.

3.4. Review the Annual Internal Audit Plan to ensure its conformity with the objectives of the Corporation. The Plan shall include the audit scope, resources, and budget necessary to implement it.

3.5. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope, and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

3.6. Ensure the establishment of an Internal Audit Department and the appointment of a Corporate Auditor and the terms and conditions of its engagement and removal.

3.7. Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security.

3.8. Review the reports submitted by the Internal and External Auditors.

3.9. Review the quarterly, half-year, and annual financial statements before their submission to the Board, with particular focus on the following:

- any change/s in accounting policies and practices;
- major judgmental areas;
- significant adjustments resulting from the audit;
- going concern assumptions;
- compliance with accounting standards; and
- compliance with tax, legal, and regulatory requirements.

3.10. Coordinate, monitor, and facilitate compliance with laws, rules, and regulations.

3.11. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. If the non-audit work is allowed, this should be disclosed in the Corporation's Annual Report.

3.12. Establish and identify the reporting line of the Corporate Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

3.13. The Audit Committee shall ensure that, in the performance of the work of the Corporate Auditor, he shall be free from interference by outside parties.

4. Meetings

4.1. The Audit Committee shall meet as many times as the Committee deems necessary.

4.2. The notice and agenda for each meeting shall be circulated to all Audit Committee members before each meeting.

4.3. The Audit Committee may invite other Directors and Management Officers to attend any meeting.

4.4. The Audit Committee Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.

4.5. A quorum shall be present as long as an Independent Director is present or if at least a majority of the members of the Audit Committee are present. No business shall be transacted at any meeting unless a quorum is present.

4.6. Voting on all Audit Committee resolutions shall be carried by a simple majority of votes. Each member is entitled to one vote save and except that in the event of an equality of votes, the Audit Committee Chairman shall have the casting vote.

4.7. The Audit Committee shall cause proper records of its proceedings to be kept. Members may nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.

4.8. Minutes of each meeting are to be prepared and subsequently circulated to the Audit Committee members for approval.

4.9. The minutes shall be circulated to the Board and the Corporate Secretary for record purposes.

4.10. The Audit Committee may make further rules of procedures or vary or amend existing ones from time to time as the Committee deems fit.

ARTICLE IV
NOMINATION COMMITTEE

1. Mission of the Nomination Committee

The mission of the Nomination Committee is to provide the shareholders with an independent and objective evaluation and assurance that the membership of the Board and other appointments that require Board approval are competent and will foster the long-term success of the Corporation and secure its sustained competitiveness.

2. Organizational Status

2.1. The Board establishes the Nomination Committee and appoints the members of the Committee.

2.2. The Nomination Committee shall report directly to the Board.

2.3. The Nomination Committee may be composed of at least three (3) members from the Board, one (1) of whom shall be an Independent Director. The Board shall ensure that the members of the Nomination Committee are appropriately qualified to discharge their responsibilities.

2.4. The Nomination Committee shall appoint one of its members to be the Committee Chairman.

3. Functions

The Nomination Committee shall be responsible for ensuring that the selection of new members of the Board is transparent with the end objective of having the Board increase shareholder value. For this purpose, the Nomination Committee shall:

3.1. Pre-screen, evaluate the qualifications and shortlist all candidates nominated to become a Director in accordance with pertinent provisions of the Articles of Incorporation and By-Laws of the Corporation, as well as established guidelines on qualifications and disqualifications.

3.2. Recommend guidelines in the selection of nominee/s for Director/s which may include the following based on the perceived needs of the Board at a certain point in time:

- Nature of the business of the Corporations which he is a Director of
- Age of the Director nominee
- Number of directorships/active memberships and officerships in other corporations or organizations

- Possible conflict of interest

3.3. Recommend guidelines in the determination of the optimum number of directorships/active memberships and officerships in other corporations allowable for Directors. The capacity of Directors to serve with diligence shall not be compromised.

3.4. Recommend to the Board regarding the size and composition of the Board in view of long term business plans, and the needed appropriate skills and characteristics of Directors.

3.5. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Directors.

4. Meetings

4.1. The Nomination Committee shall meet as many times as the Committee deems necessary.

4.2. The notice and agenda for each meeting shall be circulated to all Nomination Committee members before each meeting.

4.3. The Nomination Committee may invite other Directors and Management Officers to attend any meeting.

4.4. The Nomination Committee Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.

4.5. A quorum shall be present if at least a majority of the members of the Nomination Committee are present. No business shall be transacted at any meeting unless a quorum is present.

4.6. Voting on all Nomination Committee resolutions shall be carried by a simple majority of votes. Each member is entitled to one vote save and except that in the event of an equality of votes, the Nomination Committee Chairman or the member presiding over the meeting shall have the casting vote.

4.7. The Nomination Committee shall cause proper records of its proceedings to be kept. Members may nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.

4.8. Minutes of each meeting are to be prepared and subsequently circulated to the Committee members for approval.

4.9. The minutes shall be circulated to the Board and the Corporate Secretary for record purposes.

4.10. The Nomination Committee may make further rules of procedures or vary or amend existing ones from time to time as the Committee deems fit.

ARTICLE V
REMUNERATION AND COMPENSATION COMMITTEE

1. Mission of the Remuneration and Compensation Committee

The mission of the Remuneration and Compensation Committee is to objectively recommend a formal and transparent framework of remuneration and evaluation for Directors and key Management Officers to ensure that their compensation is consistent with the corporation's culture, strategies and the business environment in which it operates and to enable them to run the Corporation successfully.

2. Organizational Status

2.1. The Board establishes the Remuneration and Compensation Committee and appoints the members of the Committee.

2.2. The Remuneration and Compensation Committee shall report directly to the Board.

2.3. The Remuneration and Compensation Committee may be composed of at least three (3) members from the Board, one (1) of whom shall be an Independent Director.

2.4. The Remuneration and Compensation Committee shall appoint one of its members to be Committee Chairman.

3. Functions

The Remuneration and Compensation Committee recommends for Board approval a formal and transparent policy and system of remuneration and evaluation of the Directors and Management Officers. For this purpose, the Committee shall

3.1. Recommend a formal and transparent procedure for developing a policy on executive remuneration and evaluation and for fixing the remuneration packages of Directors and Management Officers that is consistent with the Corporation's culture, strategy, and business environment.

3.2. Recommend the amount of remuneration, which shall be in a sufficient level to attract and retain Directors and Management Officers who are needed to run the company successfully.

3.3. Disallow any Director to decide his remuneration.

3.4. Ensure that Full Business Interest Disclosure is part of the pre-employment requirements for all incoming Management Officers, which among others compel all

Management Officers to declare under the penalty of perjury all of their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.

3.5. Review recommendations concerning the existing Human Resources Development Handbook, with the objective of strengthening provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives, and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

3.6. Provide in the Corporation's Annual Reports, information and proxy statements a clear, concise and understandable disclosure of aggregate compensation of its Executive Officers for the previous fiscal year and the ensuing year as prescribed by the Commission or other regulatory agency.

4. Meetings

4.1. The Remuneration and Compensation Committee shall meet as many times as the Committee deems necessary.

4.2. The notice and agenda for each meeting shall be circulated to all Committee members before each meeting.

4.3. The Remuneration and Compensation Committee may invite other Directors and Management Officers to attend any meeting.

4.4. The Committee Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.

4.5. A quorum shall be present if at least a majority of the members of the Remuneration and Compensation Committee are present. No business shall be transacted at any meeting unless a quorum is present.

4.6. Voting on all Remuneration and Compensation Committee resolutions shall be carried by a simple majority of votes. Each member is entitled to one vote save and except that in the event of an equality of votes, the Remuneration and Compensation Committee Chairman or the member presiding over the meeting shall have the casting vote.

4.7. The Remuneration and Compensation Committee shall cause proper records of its proceedings to be kept. Members may nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.

4.8. Minutes of each meeting are to be prepared and subsequently circulated to the Remuneration and Compensation Committee members for approval.

4.9. The minutes shall be circulated to the Board and the Corporate Secretary for record purposes.

4.10. The Remuneration and Compensation Committee may make further rules of procedures or vary or amend existing ones from time to time as the Committee deems fit.

ARTICLE VI
DISCLOSURE AND TRANSPARENCY

The Board have strong adherence to the principles of transparency, accountability and fairness in order to ensure good corporate governance. The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

The Board shall ensure that the following are complied with:

1. All material information about the Corporation which could adversely affect its viability or the interests of the stockholders and other stakeholders shall be publicly and timely disclosed. Such information should include, among others earning results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

2. The Board shall ensure that the Corporation complies with the rules and regulations of the Exchange and the Commission pertaining to the disclosure of material information.

3. The Corporation and its officers, staff and any other person who are privy to the material non-public information are prohibited to communicate material non-public information about the Corporation to any person, unless the Corporation is ready to simultaneously disclose the material non-public information to the Commission and to the Exchanges except if the disclosure is made to:

   - A person who is bound by duty to maintain trust and confidence to the Corporation such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and

   - A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain.

ARTICLE VII
STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS

The Corporation recognizes that the strongest proof of good corporate governance is what is publicly seen and experienced by its stockholders. Therefore, the following provisions are

issued for the guidance of all internal and external parties concerned, as governance covenant between the Corporation and all its stockholders.

1. Stockholders' Rights

The Board shall be committed to respect the following rights of the stockholders in accordance with the Corporation Code and the Corporation's Articles of Incorporation and By-Laws:

- Right to Vote on All Matters that Require Their Consent or Approval
- Right to Inspect Corporate Books and Records
- Right to Information
- Right to Dividends
- Appraisal Right

2. Promotion of Shareholders' Rights

The Board shall be transparent and fair in the conduct of the annual and special stockholders meetings of the Corporation. The stockholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

It shall be the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for violation of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

ARTICLE VIII
INTERNAL AUDIT

1. Mission of Internal Audit

The mission of Internal Audit is to provide independent and objective assurance within the Corporation, designed to add value and improve the Corporation's operations. It helps the Corporation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2. Organizational Status

2.1. The Corporate Auditor heads the Internal Audit.

2.2. The Corporate Auditor reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

2.3. The Corporate Auditor shall have no executive or managerial powers and duties in the Corporation except those relating to the management of the Internal Audit.

2.4. Internal Audit shall have an independent status and will not be involved in the day-to-day internal checking systems of the business units and corporate centers in the Corporation. It is the responsibility of Management to plan, organize, and direct activities to provide reasonable assurance that established goals will be achieved. Internal Audit will examine and evaluate the planning, organizing, and directing processes established and maintained by Management.

3. Purpose and Scope of Work

The purpose of Internal Audit is to examine and evaluate whether the Corporation's risk management, controls, and processes, as designed by Management, are adequate, efficient, and functioning in a manner to ensure that:

3.1. Programs, plans, goals and objectives are achieved.

3.2. Employee's actions are in compliance with policies, code of conduct, standards, procedures, and applicable laws and regulations.

3.3. Authorities and responsibilities are clear, properly assigned, and documented.

3.4. Risks are appropriately identified, evaluated, and managed.

3.5. Changes in functions, services, processes, and operations are properly evaluated.

3.6. Significant legislative or regulatory issues impacting the Corporation are recognized and addressed appropriately.

3.7. Control activities are integral part of daily operations.

3.8. Adequate controls are incorporated into information technology systems.

3.9. Assets or resources are acquired economically, used efficiently, and adequately protected or safeguarded.

3.10. Financial, management, and operating information are reliable, timely, relevant, accurate, accessible, and provided in a consistent format.

3.11. Channels of communication are effective to ensure that interaction with business units and corporate centers occurs as needed.

3.12. Continuous quality improvement is fostered in the business unit and corporate center's control processes.

4. Responsibility

The Internal Audit shall be solely responsible for the planning, implementation, and reporting of the internal audits. For this purpose, Internal Audit shall:

4.1. Prepare a forward Strategic Audit Plan to set the direction and approach of audits in the long term.

4.2. In consultation with the Chief Executive Officer and Management Officers, prepare a detailed and flexible Annual Internal Audit Plan using risk-based, process focused methodology. This Annual Internal Audit Plan is submitted to the Audit Committee for approval.

4.3. Implement the approved Annual Internal Audit Plan in an effective, professional, and timely manner.

4.4. Report in a timely manner significant issues noted during the audit relating to the adequacy, efficiency, and effectiveness of policies, controls, processes, and activities of the Corporation. As directed by or under the policies of the Audit Committee, furnishes auditees and/or any other member of Management copies of the reports.

4.5. Recommend any improvement in policies and procedures, systems of controls, processes, and other financial and operational matters to assist Management in the effective discharge of their responsibilities, in order to minimize or prevent waste, extravagance, negative image, and fraud. Management is responsible to implement specific recommendations.

4.6. Draw attention to any failure to take remedial actions

4.7. Report quarterly to the Audit Committee on the performance of the Internal Audit, which includes the status of audits, compliance with Annual Internal Audit Plan, significant interim changes, and the sufficiency of available resources to Internal Audit.

4.8. Keep informed the Audit Committee of emerging trends and successful practices in the field of internal audit.

4.9. Coordinate with External Auditors and ensure that the audit works are complementary to optimize coverage at a reasonable cost.

4.10. Comply with standards that are promulgated by the relevant professional and regulatory bodies.

5. Authority

Subject to the approval of the Audit Committee, the Internal Audit is authorized to:

5.1. Decide on the nature, scope, timing, and frequencies of audit.

5.2. Allocate resources and apply different techniques required to accomplish audit objectives.

5.3. Assess and recruit personnel with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter provided within policy and approved budget.

5.4. Have discussions with Management and employees of the Corporation at any reasonable time.

5.5. Attend or participate in meetings relating to the Board's oversight responsibilities for auditing, financial reporting, corporate governance, and control.
5.6. Have full and free access to the Audit Committee.

5.7. Obtain the necessary assistance of business unit or corporate center, as well as other specialized services from within or outside the organization.

ARTICLE IX
CORPORATE SECRETARY

The Corporate Secretary, a Filipino citizen and a resident of the Philippines, is an officer of the Corporation and must be exemplary in performance. The Corporate Secretary shall

1. Be loyal to the mission, vision, and objectives of the Corporation.

2. Work fairly and objectively with the Board, Management, stockholders, and other stakeholders.

3. Possess appropriate administrative and interpersonal skills.

4. Have a working knowledge of the operations of the Corporation.

5. Be aware of the laws, rules, and regulations necessary in the performance of his duties and responsibilities.

6. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meeting of the Board and its Committees, as well as other official records of the Corporation.

7. Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Corporation.

8. As to agenda, get a complete schedule thereof at least for the current year and put the Board on notice before every meeting.

9. Inform the members of the Board, in accordance with the By-Laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

10. Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so.

11. Ensure that all Board procedures, rules, and regulations are strictly followed by the Directors.

12. Submit within five (5) days from the end of the corporation's fiscal year an advisement letter on the attendance of the Directors during Board meetings.

ARTICLE X
COMPLIANCE OFFICER

The Board shall appoint a Compliance Officer who shall have direct reporting responsibilities to the Chairman of the Board. The appointment of the Compliance Officer shall be disclosed immediately to the Commission. All correspondences relative to his functions as such shall be addressed to the said Compliance Officer.

The Compliance Officer shall perform the following duties:

1. Monitor the actual compliance by the Corporation with the provisions and requirements of this Corporate Governance Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Chairman of the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation.

2. Appear before the Commission when summoned in relation to compliance with this Manual.

ARTICLE XI
EDUCATION AND TRAINING

An adequate number of printed copies of this Manual must be reproduced under the supervision of the Compliance Officer. Electronic copies of this Manual shall be maintained in the official website and internal electronic portals of the company.

This Corporate Governance Manual shall be made available for inspection by any stockholder of the Corporation at reasonable hours on business days.

All Directors and Management Officers are tasked to ensure the thorough dissemination of this Corporate Governance Manual to all employees and related third parties, and to likewise enjoin compliance.

ARTICLE XII
PENALTIES FOR NON-COMPLIANCE

To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the company's Directors, Management Officers, staff, subsidiaries and affiliates and their respective Directors, Management Officers and staff in case of violation of any of the provision of this Manual:

- First Violation - The subject person shall be reprimanded.
- Second Violation - Suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation.
- Third Violation - The maximum penalty of removal from office shall be imposed.

The commission of a third violation of this Manual by any Director of the Corporation or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

ARTICLE XIII
MONITORING AND ASSESSMENT

1. The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Manual. The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Corporation's Annual Report.

2. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. The establishment of such evaluation system, including the features thereof, may be disclosed in the Corporation's Annual Report or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be approved by the Board.

3. The Corporation shall ensure that its business processes and practices are consistent with the provisions of this Manual.

4. This Manual shall be subject to review as the need arises in order to take into account the Corporation's changing needs, business, technological and environmental conditions, and regulatory requirements. Any recommended changes to the Manual shall be subject to approval by the Board.

ARTICLE XIV
ADOPTION AND EFFECTIVITY

This revised manual shall take effect on August 1, 2014.

SIGNED:

ARLENE S. DENZON
Compliance Officer

LANCE Y. GOKONGWEI
President and CEO