



## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

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 and duties in the Corporation except those relating to the management of the Corporate Auditor.



## JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL

### 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.





## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

- 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.



# JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL

## 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





## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

- 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.



# JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL

## 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.





## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

- 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.



## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

- 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 ensure that the following are complied with:

1. All material information (i.e., anything that could potentially affect share price) about the Corporation which could adversely affect its viability or the interests of the stockholders shall be publicly and timely disclosed. Material information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.
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.





# **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

## **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.



## JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL

- 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.





## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

### **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.



## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

- 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, and stockholders.
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.





## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

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 every 30<sup>th</sup> day of January of each year (as may be required by the Commission), an annual certification as to 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. Issue a certification every January 30<sup>th</sup> of the year on the extent of the Corporation's compliance with this Corporate Governance Manual for the previous calendar year, if there are any deviation, explain the reason for such deviation or such other report, survey or scorecard as may be required by the Commission.
3. 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.



## **JG SUMMIT HOLDINGS, INC. CORPORATE GOVERNANCE MANUAL**

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.





**JG SUMMIT HOLDINGS, INC.  
CORPORATE GOVERNANCE 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**

**17 MAR 2010**

This manual was adopted by the Board of Directors of the Corporation on \_\_\_\_\_ and shall be effective on April 01, 2010.

**SIGNED:**

**JAMES L. GO**  
Chairman of the Board/CEO