

JG SUMMIT
HOLDINGS, INC.

Internal Audit Charter

INTERNAL AUDIT CHARTER

INTRODUCTION

The JG Summit Holdings, Inc. (JGSHI) Internal Audit will operate to make positive contributions to the realization of JGSHI's vision. This Charter sets the framework within which the Internal Audit will function to achieve its objective.

PURPOSE, MISSION AND VISION STATEMENT

Purpose. To provide independent, objective assurance and consulting services designed to add value and improve the JGSHI's operations.

Mission. To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit helps JGSHI accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Vision. To be the trusted advisors of the Conglomerate's Board and Management and be world-class internal audit professionals who deliver independent, objective, quality, agile and efficient audit services covering the critical risks, enabled by innovative audit systems and technologies.

STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

The Internal Audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (the Standards), and the Definition of Internal Auditing. The Chief Audit Executive (CAE) will report periodically to the President/Chief Executive Officer (CEO) and Audit Committee regarding the Internal Audit's conformance to the Code of Ethics and the Standards.

AUTHORITY

The Chief Audit Executive (CAE) will report functionally to the Audit Committee and administratively to the President/Chief Executive Officer (CEO). To establish, maintain, and assure that the Internal Audit has sufficient authority to fulfill its duties, the Audit committee will:

- Approve the Internal Audit's charter.
- Approve the risk-based internal audit plan.
- Approve the Internal Audit's budget and resource plan.
- Receive communications from the CAE on Internal Audit's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the CAE.
- Approve the remuneration of the CAE.
- Make appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.

The CAE will have unrestricted access to, and communicate and interact directly with, the Audit Committee, including in meetings without management present.

The Audit Committee authorizes the Internal Audit to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of JGSHI, as well as other specialized services from within or outside JGSHI, in order to complete the engagement.

INDEPENDENCE AND OBJECTIVITY

The Chief Audit Executive (CAE) will ensure that the Internal Audit remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, where no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

Where the CAE has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The CAE will confirm, at least annually, to the Audit Committee, the organizational independence of the Internal Audit.

SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for JG Summit Holdings, Inc. (JGSHI). The Internal Audit assessments include evaluating whether:

- Risks relating to the achievement of JGSHI's strategic objectives are appropriately identified and managed.
- The actions of JGSHI's officers, directors, employees, and contractors are in compliance with JGSHI's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.

- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Company.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Internal Audit will provide the following services to JGSHI:

- 1) **Assurance Services** – these refer to the objective examination of evidence to provide an independent assessment of risk management, control or governance processes for the organization.
- 2) **Consulting Services** – are advisory or partnering activities intended to add value and improve the company's risk management, governance and control processes without internal auditors assuming management responsibility. The nature and scope of the work to be performed under these engagements are agreed upon with the clients/proponents.
- 3) **Investigative Services** – an investigation is a special purpose type of audit. Its primary purpose is to gather, develop, examine and/or evaluate evidence to determine if there has been an improper act committed by a person or entity and allegations of an improper act which carry with them the possibility of legal action, whether in the form of hearings, litigations, or criminal proceedings.

The Chief Audit Executive (CAE) also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimize duplication of work.

Identified opportunities for improving the efficiency of governance, risk management, and control processes during audit engagements will be communicated to the appropriate level of management.

RESPONSIBILITY

The Chief Audit Executive (CAE) has the responsibility to:

- Submit, at least annually, to the Audit Committee a risk-based internal audit plan for review and approval.
- Communicate to the Audit Committee the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in JG Summit Holdings, Inc. (JGSHI) business, risks, operations, programs, systems, and controls.
- Communicate to the Audit Committee any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to the Audit Committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact JGSHI are considered and communicated to the Audit Committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the Internal Audit.

- Ensure adherence to JGSHI's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to the Audit Committee.
- Ensure conformance of the Internal Audit with the Standards, with the following qualifications:
 - If the Internal Audit is prohibited by law or regulation from conformance with certain parts of the Standards, the CAE will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - If the Standards are used in conjunction with requirements issued by other authoritative bodies, the CAE will ensure that the Internal Audit conforms with the Standards, even if the Internal Audit also conforms with the more restrictive requirements of other authoritative bodies.

INTERNAL AUDIT PLAN

At least annually, the Chief Audit Executive (CAE) will submit to the Audit Committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as a budget and resource requirements for the next calendar year. The CAE will communicate the impact of resource limitations and significant interim changes to the Audit Committee.

The Internal Audit Plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of the Audit Committee. The CAE will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to the Audit Committee through periodic activity reports. The Audit Committee has the final approval of the plan and any changes.

INTERNAL AUDIT REPORTING AND MONITORING

A written report will be prepared by the Internal Audit and issued by the Chief Audit Executive (CAE) or the designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit highlights or high-impact audit results will also be communicated to the Audit Committee.

The internal audit report must include management's response and corrective action taken on the specific findings and recommendations. Management's response should be within specified remediation period stipulated in the Audit Issue Monitoring and Remediation Policy; it should include a timeline for actions to be taken and documentation for acceptance of risk, if any.

The Internal Audit will be responsible for necessary follow-up on engagement findings and recommendations with respective second line assurers (i.e., Internal Control Group). All audit issues will be maintained in the Audit Issue Database and remain in an Open status until remediated or Closed.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM (QAIP)

The Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the Internal Audit Activities (IAA). The program will include an evaluation of Internal Audit's conformance with the Standards and an evaluation of whether internal auditors apply the Institute of Internal Auditors' Code of Ethics. The program will also assess the efficiency and effectiveness of the IAA and identify opportunities for improvement.

The QAIP will include a combination of internal and external assessments:

- 1) Internal Assessments conducted by Internal Audit must include:

- a) Ongoing monitoring of the performance of the internal audit activity
 - b) Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices done at least annually.
- 2) External Assessments conducted at least once every five (5) years by a qualified, independent assessor or assessment team from outside the Company. The selection of the assessor and scope of the external assessment is reviewed and approved by the Audit Committee.

The CAE will communicate to the Audit Committee on Internal Audit's QAIP, including results of internal assessments (both ongoing and periodic) and external assessments.

AMENDMENT AND RATIFICATION OF CHARTER

The Chief Audit Executive (CAE) is responsible for maintaining the Internal Audit Charter. Amendment of this Charter is subject to the review and approval of the Audit Committee. The Charter will be reviewed and ratified by the Audit Committee annually in conjunction with the Audit Plan as stated in the minutes of the respective meeting.

ADOPTION AND EFFECTIVITY

The effectivity of this Charter is upon the approval of the JGSHI Audit Committee.


Endorsed by:


Rya Aissa S. Agustin
Chief Audit Executive (CAE)

November 4, 2022

Date

Approved by:


Antonio L. Go
Chairman of the Audit Committee

November 15, 2022

Date

Noted by:


Lance Y. Gokongwei
JGS President / Chief Executive Officer (CEO)

Date