



JG SUMMIT
HOLDINGS, INC.

**JG SUMMIT HOLDINGS, INC.
BOARD OF DIRECTORS CHARTER**

A. Board of Directors

The Board of Directors (the “Board”) is primarily responsible for the governance of the Corporation and provides an independent check on management.

1. Composition of the Board of Directors

Subject to the provisions of the Corporation’s Articles of Incorporation, the Board shall be composed of at least five (5), but not more than eleven (11), members who are elected by the Shareholders and shall have at least three (3) Independent Directors or at least one-third (1/3) of the members of the Board, whichever is higher.¹ The Board shall adopt a policy on diversity which will aim to achieve a board composition that is diverse in knowledge, experience, competence and expertise.

The Board shall be composed of Executive and Non-Executive Directors, which include Independent Directors, majority of whom shall be Non-Executive Directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper check and balance.

2. Qualifications for or Disqualifications from Directorship

2.1. Qualifications of a Director

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

- 2.1.1. He should own at least one (1) share of stock of the Corporation;
- 2.1.2. He must have a practical understanding of the business of the Corporation;
- 2.1.3. He shall have been proven to possess integrity and probity.

The Corporate Governance and Sustainability Committee, may consider and recommend to the Board other qualifications which are now or may hereafter be provided in the relevant existing laws or any amendments thereto or new law applicable to the Corporation.

¹ Subject to SEC approval on the amendment of By-Laws and Revised Corporate Governance Manual approved by the Board on 29 March 2023.

2.2. Permanent Disqualification of a Director

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

2.2.1. Any person convicted by final judgment or order by a competent judicial or administrative body of any of the following:

- (i) 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;
- (ii) An offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- (iii) Any person who has been adjudged by final judgment or order of the Securities and Exchange Commission ("SEC"), Bangko Sentral ng Pilipinas (BSP), 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 Revised Corporation Code, or any other law, rule, regulation or order administered by the SEC or BSP.

2.2.2. A person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC, BSP 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 SEC, BSP or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporation Code, Securities Regulation Code or any other law administered by the SEC or BSP, or under any rule or regulation

issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is 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;

2.2.3. Any person judicially declared to be insolvent;

2.2.4. 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

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

2.3. Temporary Disqualification of a Director

The Governance, Nomination, Remuneration and Sustainability Committee may consider and recommend to the Board the temporary disqualification of a Director for any of the following reasons:

2.3.1. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations;

2.3.2. 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;

2.3.3. Dismissal/termination for cause as Director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. The disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination.

In the case of Par. 2.3.1, the 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.

3. Responsibilities, Duties and Functions of the Board

3.1. General Responsibility of the Board

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 the Corporation, its Shareholders and Stakeholders, as a whole.

The Board shall formulate and annually review the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

The Board shall exercise care, skill and judgment and observe good faith and loyalty in the conduct and management of the business and affairs of the Corporation. The Board shall ensure that all its actions are within the scope of power and authority as prescribed in the Articles of Incorporation, By-Laws, and in existing laws, rules and regulations.

3.2. Duties and Functions of the Board

To ensure high standard for the Corporation, its Shareholders and other Stakeholders, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and responsibilities:

- 3.2.1. Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all Stakeholders;
- 3.2.2. Oversee the development of and approve the Company's business objectives and strategy, and monitor their implementation, in order to sustain the Company's long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures;
- 3.2.3. Oversee the adoption of an effective succession planning program and remuneration policies;
- 3.2.4. Adopt policies on board nomination and election that will ensure diversity in board composition in terms of knowledge, expertise and experience;
- 3.2.5. Oversee the implementation of a policy and system on RPTs which shall include the review and approval of material RPTs and ensure fairness and transparency of the transactions;

- 3.2.6. Oversee the adoption of policies on the selection of Management and Key Officers and the assessment of their performance;
- 3.2.7. Oversee the establishment of an internal control system to monitor and manage potential conflicts of interest and an ERM framework to identify, monitor, assess and manage key business risks;
- 3.2.8. Annually review, together with Management, the Company's vision and mission;
- 3.2.9. Ensure the Corporation's faithful compliance with all applicable laws and regulations, and best business practices;
- 3.2.10. Establish and maintain an Investor Relations Program that will keep the Shareholders informed of important developments in the Corporation. The Corporation's CEO shall exercise oversight responsibility over this program;
- 3.2.11. 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;
- 3.2.12. 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;
- 3.2.13. Ensure that the Corporation has an independent audit mechanism for the proper audit and review of the Corporation's financial statements by independent auditors;
- 3.2.14. Ensure that the Corporation establishes appropriate Corporate Governance policies and procedures pursuant to this Manual and the Governance Code, including but not limited to, policies on conflict of interest, and oversee the effective implementation thereof;
- 3.2.15. Consider the implementation of an alternative dispute resolution system for the amicable settlement of conflicts or differences between the Corporation and its Shareholders, if applicable; and
- 3.2.16. Consider the designation of a Lead Director among the Independent Directors if the Chairman of the Board is not an Independent Director and if the positions of the Chairman of the Board and CEO are held by one person. His role will be to lead independent directors and guide the Board in cases where matters of conflict of interest may arise.²**

² Subject to SEC approval of the Revised Corporate Governance Manual approved by the Board on 29 March 2023.

The functions of the Lead Director include, among others, the following:

- 3.2.16.1. Serves as the intermediary between the Chairman and the other Directors when necessary;
- 3.2.16.2. Convenes and chairs meetings of the Non-Executive Directors; and
- 3.2.16.3. Contributes to the performance evaluation of the Chairman, as required.

4. Specific Duties and Responsibilities of a Director

A Director shall endeavor to act in the best interest of the Corporation its shareholders and stakeholders in a manner characterized by fairness, accountability, and transparency.

A Director shall observe the following norms of conduct:

- 4.1. Conduct fair and impartial business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation;
- 4.2. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities;
- 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;
- 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 SEC and, where applicable, the requirements of relevant regulatory agencies;
- 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;
- 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; and
- 4.8. Disclose to the Philippine Stock Exchange (PSE) and the SEC the trading of the Corporation's shares by Directors, Officers (or persons performing similar functions) and controlling Shareholders. This shall also include the disclosure

of the Corporation's purchase of its shares from the market (e.g. share buy-back program).

5. 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 of 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.

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

5.1.1. Definition of the duties and responsibilities of the CEO;

5.1.2. Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;

5.1.3. Evaluation of proposed Senior Management appointments;

5.1.4. Evaluation of appointments of Management Officers; and

5.1.5. Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees and management succession plan.

5.2. 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.

5.3. The Corporation shall establish an Internal Audit system that can provide assurance service to the Board, Management and Shareholders and ensure that key organizational and operational controls are in place. The Board shall appoint a Chief Audit Executive to perform the Internal Audit function. The Chief Audit Executive shall be guided by the Local and International Standards on Professional Practice of Internal Auditing.

6. REPORTING PROCESS

6.1. Board Meetings and Quorum Requirement

- 6.1.1. A quorum at any meeting of the Board of Directors shall consist 2/3 of the number of directors fixed in the Articles of Incorporation.³
- 6.1.2. The Board shall schedule meetings at the fourth quarter of the preceding year, and hold regular meetings in accordance with its By-Laws and convene special meetings when required by business exigencies.
- 6.1.3. The notice and agenda of the meeting and other relevant meeting materials shall be furnished to the Directors at least five (5) business days prior to each meeting, which meeting must be duly minuted.
- 6.1.4. The members of the Board shall attend regular and special meetings in person or through video/teleconferencing conducted in accordance with the rules and regulations of the SEC except for justifiable reasons that prevent them from doing so.
- 6.1.5. Independent Directors shall 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.
- 6.1.6. The Non-Executive Directors shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present. The meetings are chaired by the Lead Independent Director at least once a year, immediately after one of the scheduled board meeting.⁴

7. Remuneration of Directors and Officers

Formal procedures for the development of a policy on the levels of remuneration for Directors and Officers shall be established by the Corporation.

³ Id. at Footnote 1.

⁴ As approved by the Board on 29 March 2023. See [PSE Disclosure Form 4-30 Material Information/ Transactions re Results of the BOD's Regular Meeting](#).

The levels of remuneration shall be sufficient to be able to attract and retain the services of qualified and competent Directors and Officers.

No Director shall participate in deciding on his remuneration.

8. Directorships in Other Corporations

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in publicly-listed corporation, ensuring however that the shareholders legal right to vote and be voted as directors remains inviolable.

8.1. 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.

8.2. A Director shall notify the Board before accepting Directorship in another Company.

9. BOARD COMMITTEES

To aid in the optimal performance of its roles and responsibilities and ensure compliance with the principles of Corporate Governance, the Board shall form the following Board Committees: (a) Audit, Related Party Transactions and Risk Oversight Committee (AURROC) and (b) Governance, Nomination, Remuneration and Sustainability Committee (GNRSC).

10. PERFORMANCE ASSESSMENT

10.1. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and Committees. Every three (3) years, the assessment may be supported by an external facilitator.

10.2. The Board shall have in place a system that provides the criteria and process to determine the performance of the Board, the individual Directors, and Committees including feedback from Shareholders.

10.3. The Governance, Nomination, Remuneration and Sustainability Committee shall oversee the evaluation process.

11. DISCLOSURE AND TRANSPARENCY

The Board shall establish policies to ensure the comprehensive, accurate, reliable and timely report to the shareholders and other stakeholders that give a fair and complete picture of Company's financial condition, results and business operations in accordance with the disclosure and reporting requirements of SEC, PSE and other regulators. This shall include material and reportable non-financial and sustainability issues related to EESG concerns of its business. The Company may consider adopting globally recognized standards/framework in reporting sustainability and non-financial issues. It shall cause the filing of all required information through the appropriate PSE mechanisms for listed companies and submissions to the SEC for the interest of its Shareholders and other Stakeholders.

The Board shall ensure that the following are complied with:

- A. Disclosure of all material information which are required under the Revised Disclosure Rules and the Securities Regulation Code.
- B. Rules and regulations of the SEC, PSE and other regulatory agencies pertaining to the disclosure of material information.
- C. Prohibition of the Corporation and its Officers, staff and any other person who are privy to the material non-public information 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 SEC and to the PSE except if the disclosure is made to:
 - 1. A person who is duty-bound to maintain trust and confidence to the Corporation such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and
 - 2. 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.

The Company shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information for the informed decision making of investors, Stakeholders and other interested users of the information. The Company may include media and analysts' briefings as channels of communication to ensure timely and accurate dissemination of public, material and relevant information to its Stakeholders.

The Company shall have a policy requiring all directors to disclose/report to the Company through the Compliance Officer any dealings in the Company's shares within three business days.

12. EDUCATION AND TRAINING

Every Director shall receive appropriate orientation when he is first appointed to the Board of Directors, in order to ensure that incoming Directors are appropriately apprised of their duties and responsibilities before beginning their Directorships. The orientation program shall include SEC-mandated topics on Corporation Governance and an introduction to the Company's business, Articles of Incorporation, and Code of Business Conduct and Ethics.

Each Director shall be required to attend a training program on Corporate Governance and relevant topics every year. The training program shall ensure that Directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Company as well as Corporate Governance matters including audit, internal controls, risk management, sustainability and strategy.

13. AMENDMENT

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

-oOo-