

COVER SHEET

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(Company's Full Name)

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

ANTHONY B. PERALTA
Contact Person

817-3081
Company Telephone Number

Month

Day

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Form Type

Month

Day

Fiscal Year

Annual Meeting

Revised Manual on Corporate Governance

Dept. Requiring this Do		

Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel Concerned

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File Number

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May 15, 2017

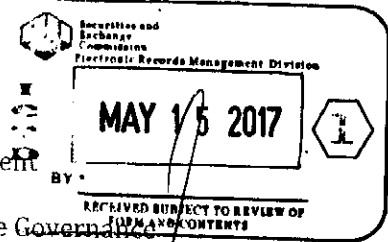
SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Attn: **JUSTINA F. CALLANGAN**
Director

Corporate Governance and Finance Department

Re: Jackstones, Inc. Revised Manual on Corporate Governance



Dear Director Callangan,

In compliance with Memorandum Circular No. 19, series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies ("CG Code for PLCs") released by the Securities and Exchange Commission ("SEC"), we issue this advisement letter on the changes made in the Manual on Corporate Governance ("Revised Manual") of Jackstones, Inc. (the "Corporation").

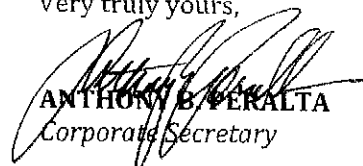
The following revisions were made on the Manual:

1. The Vision and Mission statements of the Corporation have been included.
2. Definitions and Interpretations – We have included definitions for terms used in the Revised Manual as well as the interpretation to be applied to any reference to a statute or statutory provision.
3. Board of Directors
 - a. In Section 2.1.1 we have expounded on the General Responsibilities of the Board of Directors in accordance with the CG Code for PLCs.
 - b. In Section 2.1.2 we have included the Board's authority to adopt guidelines on the number of directorships that its members can hold in stock and non-stock corporations.
 - c. In Section 2.1.3 we have expounded on the Roles and Responsibilities of the Chairman of the Board in accordance with the recommendations in the CG Code for PLCs.
 - d. In Section 2.1.5 we included (1) practical understanding of the business of the Corporation or previous business experience; and (2) attendance to a seminar on corporate governance as qualifications for directorship to the Corporation; further, compliance with Memorandum Circular No. 20, series of 2013 on the requirements for all directors and key officers to attend, at least once a year, a program on corporate governance conducted by training providers duly accredited by the SEC was included.
 - e. Section 2.1.9 on Internal Control Responsibilities of the Board has been added.
 - f. In Section 2.1.10 the following were included as Duties and Responsibilities of a Director: (1) to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation and all shareholders; (2) to notify the Board where he/she is an incumbent director before accepting a directorship in another company; and (3) to notify the board of any dealings he/she may have involving the Corporation's shares within three (3) business days.
 - g. Section 2.1.11 on Independent Directors was added.

- h. Section 2.1.13 on Compensation of Directors was added and included the intention of the Board to formulate and adopt policies specifying the relationship between remuneration and performance.
4. Section 2.2.1 on Committee Charters was added.
5. Section 2.3 on The President and Management was added.
6. In Section 2.4 the following qualifications of the Corporate Secretary were included: (1) he shall be a separate individual from the Compliance Officer; and (2) he should not be a member of the Board of Directors and should attend at least one training on corporate governance annually.
7. Compliance Officers
 - a. Additional qualification that the Compliance Officer should not be a member of the Board of Directors and should annually attend at least one training on corporate governance annually
 - b. Duties and Responsibilities of the Compliance Officer refines pursuant to the CG Code for PLCs.
8. In Section 2.6 included the responsibility of the external auditor to disclose the nature of non-audit services performed in the Annual Report to deal with potential conflict of interest.
9. Refined the former Section on Shareholder's Benefits to the Stockholders' Rights and Protection of Minority Stockholders' Interests to clearly define the Corporation's and Board's responsibility towards stockholders including the designation of an Investor Relations Officer (IRO).
10. Monitoring and Assessment
 - a. Inclusion of Section 7.4 mandating the Board to conduct annual self-assessment of its performance.
 - b. Inclusion of Section 7.5 requiring that the results of the performance evaluation be used by the Board to establish a performance management framework that will ensure that the management and personnel's performance is at par with the standard set by the Board and Senior Management.
11. Inclusion of Section 8.5 on the use of media and analysts' briefings as channels of communication to shareholders and other investors.
12. Effectivity - The Revised Manual of Corporate Governance was approved by the Board of Directors in a Special Meeting held on 15 May 2017, wherein the date of effectivity was fixed on 31 May 2017.

Thank you for your kind attention.

Very truly yours,


ANTHONY B. PERALTA
Corporate Secretary

JACKSTONES, INC.

REVISED MANUAL ON CORPORATE GOVERNANCE

Pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 19, series of 2016 prescribing the Code of Corporate Governance for Publicly-Listed Companies (CG Code for PLCs), Jackstones, Inc. hereby submits to the SEC a Revised Manual on Corporate Governance as approved and adopted by the Board of Directors of Jackstones, Inc. on 15 May 2017. This Manual incorporates the revisions and recommendations of the CG Code for PLCs and institutionalizes the principles of good corporate governance in the entire organization.

The Board of Directors, Management and shareholders of Jackstones, Inc. reiterates their belief that corporate governance is a primal component for the sound strategic business management of any organization. Jackstones, Inc. joins the Commission in its endeavors to raise the corporate governance standards of Philippine corporation to a level at par with its regional and global counterparts.

The Board of Directors, Management, Officers and employees of Jackstones, Inc. hereby commit themselves to the principles and best practices contained in this Revised Manual, and acknowledge that the same is a guide to attain its corporate goals. Further, the same stakeholders undertake every effort necessary to create awareness within the organization with regards corporate governance.

MISSION	To constantly strive to implement the critical initiatives required to achieve the Company's vision and to meet and exceed the commitments to the stakeholders.
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VISION	Inclusive Growth within the ASEAN Community of Leaders.
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To build a strong, sustainable and diversified business enterprise, founded on a trust, ethics and partnership, and that supplements the values of strong ASEAN communities and leaders.

1. DEFINITIONS AND INTERPRETATIONS

1.1. Definition of Terms

The following terms are used in this Revised Manual with the following meanings adopted from the CG Code for PLCs, unless the context otherwise requires:

Board of Directors

The governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties

Company or Corporation or Organization

Refers to Jackstones, Inc.

Corporate Governance

The system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders.

Its purpose is to maximize the organization's long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

Executive director

A director who has executive responsibility of day-to-day operations of a part or the whole of the organization.

JACKSTONES, INC.

REVISED MANUAL ON CORPORATE GOVERNANCE
Revised: March 2017

<i>Independent director</i>	A person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.
<i>Internal control</i>	A process designed and effected by the Board of Directors, senior management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization's policies and procedures.
<i>Management</i>	The group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation.
<i>Non-executive director</i>	A director who has no executive responsibility and does not perform any work related to the operations of the corporation.
<i>Non-audit work</i>	The other services offered by an external auditor to a corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor.
<i>PSE or Exchange</i>	Refers to the Philippine Stock Exchange
<i>Related Party Transactions</i>	A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.
<i>SEC or Commission</i>	Refers to the Securities and Exchange Commission of the Philippines.
<i>Stakeholders</i>	Any individual, organization or society at large who can either affect and/or be affected by the company's strategies, policies, business decisions and operations, in general.

1.2. Rules of Interpretation

- 1.2.1. All references to the masculine gender in the salient provisions of this revised Manual shall likewise cover the feminine gender.
- 1.2.2. All doubts or questions that may arise in the interpretation or application of this Revised Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Corporation.
- 1.2.3. A reference to a statute or statutory provision shall be construed as a reference to that statute or provision as from time to time amended, modified or re-enacted, any repealed statute or statutory provision which it re-enacts, and any orders, rules or regulations made under the relevant statute or statutory provision.

2. GOVERNANCE STRUCTURE

2.1. Board of Directors

2.1.1. General Responsibility

The position held by a director of the Corporation is one of trust and confidence. As such, each director shall act in a manner characterized by transparency, accountability and fairness. Compliance with the principles of good corporate governance instituted in this Revised Manual shall be the paramount responsibility of each and every member of the Board of Directors.

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness and profitability in a manner consistent with its corporate objectives and fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

The Board shall oversee the development of and approve the Corporation's business objectives and strategy, and monitor their implementation, in order to sustain the Corporation's long-term viability and strength.

The Board shall be primarily responsible for approving the selection and assessing the performance of Management led by the President/Chief Executive Officer (CEO), and control functions led by the respective department heads.

2.1.2. Directorship in Other Boards

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. In any case, the capacity of Directors to diligently and efficiently perform their duties and responsibilities to the Company should not be compromised.

2.1.3. The Chairman

The roles of the Chairman of the Board and of the President/CEO shall be separate to foster an appropriate balance of power, increased accountability and independent decision-making by the Board.

The Chairman shall be elected by the Board of Directors from its own member. He shall preside all meetings of the stockholders and the Board of Directors. He shall advise and counsel the President and work with him to develop plans and proposals for presentation to the Board.

Roles and Responsibilities of the Chairman:

- Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the developments in business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

2.1.4. Composition

The Board shall be composed of nine (9) directors, inclusive of at least two (2) independent directors or such other number equivalent to at least 20% of the Board, whichever is lesser, who shall be chosen by the stockholders at the stockholders' annual meeting, or at such subsequent meeting as may then be determined, and shall hold office for one (1) year and until their successors are duly elected and qualified.

The Board shall be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

The Board shall adopt a policy on board diversity which shall take into consideration not just gender but age, ethnicity, culture, skills, competence and knowledge.

2.1.5. Qualifications

The minimum qualifications for directorship in the Corporation are as follows:

- Must own at least one (1) share of stock of the Corporation standing in his name on the books of the Company;
- Must have a college education or equivalent academic degree or have sufficient experience in managing the business to substitute for such formal education;

- Must be at least twenty one (21) years old;
- Must be proven to possess integrity and probity;
- Must have a practical understanding of the business of the Corporation or previous business experience; and
- Must have attended a seminar on corporate governance conducted by a duly recognized private or government entity or must have issued an undertaking to attend such a seminar as soon as practicable.

These qualifications may be amended from time to time to include additional qualifications provided under any amendments to the Corporation Code, Securities Regulation Code, Corporate Governance Code and other relevant laws, rules and regulations, and such other qualifications approved by the Board and incorporated in amendments to the By-Laws.

Further, all directors and key officers shall be required to attend, at least once a year, a program on corporate governance conducted by training providers duly accredited by the SEC, in compliance with SEC Memorandum Circular No. 20, series of 2013.

2.1.6. Disqualifications

- 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; or (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 his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.
- Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC, Bangko Sentral ng Pilipinas (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; or (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; or (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

The disqualification should also apply if (a) such person is 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 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; (b) such person has otherwise been restrained to engage in any activity involving securities and banking; or (c) 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.

- Any persons 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;

- Any person who has been adjudged by final judgment or order of the SEC, BSP, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provisions of the Corporation Code, Securities Regulation Code or any other law, regulation or order administered by the SEC or BSP;
- Any person judicially declared to be insolvent;
- Any person finally found guilty by 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;
- Conviction by final judgment of an offence punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to date of his or her election or appointment; and
- Other grounds as the SEC may provide.

2.1.7. Temporary Disqualification

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

- Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;
- 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 the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;
- Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities or holder of a secondary license from the Commission. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;
- If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with; and
- If any of the judgment 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.

2.1.8. Specific Duties and Functions

To insure a high standard of best practice for the Corporation its stockholders and other stakeholders, the Board shall:

- Install a process of selection to ensure a mix of competent directors and officers, who can contribute independent judgment to the formulation of sound corporate strategies and policies, and adopt an effective succession planning program for directors, key officers, and management;
- Structure sound strategic policies and guidelines on major capital expenditures, establish programs to sustain long-term viability and strength and periodically evaluate and monitor implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance;
- Determine the Corporation's purpose, its vision and mission and strategies to carry out its objectives;
- Ensure that the Corporation complies with all relevant laws, regulations and codes of best business practices;
- Formulate a clear policy on communicating or relating with the Corporation's shareholders through an effective investor relations program;
- Adopt a system of internal checks and balances;
- Identify key risk areas and key performance indicators and monitor these factors with due diligence;
- 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.
- Formulate and implement group-wide policies and procedures to ensure integrity and transparency of related party transactions (RPTs) and other unusual or infrequently occurring transactions between and among the corporation and its joint ventures, associates, major stockholders, officers and directors and of interlocking director relationships by members of the board;
- Establish and maintain an alternative dispute resolution system that can amicably settle conflicts between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.
- Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted; and
- Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation.

2.1.9. Internal Control Responsibilities of the Board

The Board of Directors shall be responsible for ensuring that Management establishes and maintains an adequate, effective and efficient internal control system suitable for the size, risk profile and complexity of operations of the Company. The Board of Directors shall also ensure that the internal audit function is effectively carried out throughout the Company.

The Board of Directors shall designate individuals, either in-house or outsources, to perform the following internal audit functions:

- Provide an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control process in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors, and Management;
- Perform regular and special audit as contained in the annual audit plan of based on the Company's risk assessment;
- Perform consulting and advisor services related to the governance and control as appropriate for the Company;
- Perform compliance audit of relevant laws, rules and regulations, contractual obligations and commitments, which could have a significant impact on the Company;
- Review, audit and assess the efficiency and effectiveness of the internal control system of all areas in the Company;
- Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether operations or programs are being carried out as planned;
- Evaluate specific operations at the request of the Board of Management, as appropriate; and
- Monitor and evaluate governance processes.

2.1.10. Duties and Responsibilities of a Director

A director shall have the following duties and responsibilities:

- To conduct fair business transactions with the Corporation and to ensure that personal interest does not bias Board decisions;
- To devote time and attention necessary to properly discharge his or her duties and responsibilities;
- To act judiciously;
- To exercise independent judgment;

- To have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies;
- To observe confidentiality;
- To ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment;
- To act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation and all shareholders;
- To notify the Board where he/she is an incumbent director before accepting a directorship in another company;
- To notify the board of any dealings he/she may have involving the Corporation's shares within three (3) business days.

2.1.11. Independent Directors

The Board shall have at least two (2) independent directors or such other number equivalent to at least 20% of the Board, whichever is lesser, who shall be chosen by the stockholders at the stockholders' annual meeting, or at such subsequent meeting as may then be determined, and shall hold office for one (1) year and until their successors are duly elected and qualified.

An Independent Director is a natural person who, apart from his fees, if any, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in the Corporation and includes, among others, any person who:

- Is not director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
- Does not own more than two percent (2%) of the shares of the Corporation and/or its related companies or any of its substantial shareholders;
- Is not related to any director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- Is not acting as a nominee or representative of any director of substantial shareholder of the Corporation, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;
- Has not been employed in any executive capacity by the Corporation, any of its related companies and/or by any of its substantial shareholders within the last two (2) years;

- Is not retained, either personally or through his firm or any similar entity, as professional adviser, by the Corporation, any of its related companies and/or any of its substantial shareholders, within the last two (2) years; or
- Has not engaged and does not engage in any transaction with the Corporation and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial.

An Independent Director shall have the following qualifications:

- He shall have at least one (1) share of stock in the Corporation;
- He shall be at least a college graduate or he shall have been engaged or exposed to the business of the Corporation for at least five (5) years;
- He shall possess integrity/probity; and
- He shall be assiduous.

The following persons shall be disqualified from being nominated/elected as Independent Director:

- Those convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Securities Regulation Code, committed within five (5) years prior to the date of his/her election, without prejudice to such other disqualification which the Corporation's Revised Manual on Corporate Governance provides.
- Those enumerated under Section II (5) of the SEC Memorandum Circular No. 2 (Series of 2002) otherwise known as the "Code of Corporate Governance". He shall likewise be disqualified during his/her tenure under the following instances or causes:
 - He becomes an officer or employee of the Corporation where he is such member of the board of directors, or becomes any of the persons enumerated under Section II (5) of the Code on Corporate Governance;
 - He owns more than two percent (2%) of the total outstanding proprietary membership of the Corporation and/or its related companies or any substantial shareholders;
 - Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency;
 - Such other disqualification which the Corporation's Revised Manual of Corporate Governance provides.

2.1.12. Board Meetings and Quorum Requirement

The members of the Board shall attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulation of the Commission.

At any meeting of the Board of Directors of the Corporation, a majority of directors shall be necessary to constitute a quorum for the transaction of business. If less than a quorum is present, those present may adjourn the meeting until such time as a quorum can be obtained. Unless otherwise provided in the by-laws, the absence of an independent director shall not affect the quorum requirement.

The compliance of directors with attendance requirements shall be disclosed in the Corporation's current report (SEC Form 17-C).

2.1.13. Compensation of Directors

Pursuant to the Corporation's By-laws approved by the SEC on 06 July 2015, directors of the Corporation shall receive a per diem of Two Thousand Pesos (Php2,000.00) subject to existing laws, rules and regulations for each meeting of the Board attended by them. Nothing herein contained shall prevent directors from acting in some other capacity or office or from receiving compensation therefor.

The Board may consider aligning the remuneration of key officers and board members with the long-term interest of the Corporation by formulating and adopting a policy specifying the relationship between remuneration and performance.

2.2. Board Committee

To aid in complying with the principles of good corporate governance, the Board shall constitute an Audit Committee, a Nomination Committee, and a Compensation and Remuneration Committee. The Board may, from time to time, form such other committees as it may deem advisable for the proper operation of the business of the Corporation.

2.2.1. Committee Charters

- Each Board Committee shall have a Charter which shall define and govern, among other matters, its purposes, composition, membership qualifications and disqualifications, duties and responsibilities, conduct of meetings, and procedures for escalation to the Board of decisions of such Board Committee.
- The respective Charters of the Board Committees shall be approved by the Board and shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by the Board.

2.2.2. Audit Committee

The Audit Committee shall be composed of at least three (3) appropriately qualified non-executive directors, who shall preferably have accounting and finance backgrounds, the majority of whom, including the Chairman, should be independent. Each member shall have adequate understanding at least or competence at most the Corporation's financial management systems and environment. The Chairman of the Audit Committee should not be the Chairman of the Board or of any other committees.

Duties and Responsibilities

The Audit Committee is responsible for overseeing the senior management in establishing and maintaining an adequate, effective and efficient internal control

framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring, compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

The Audit Committee has the following duties and responsibilities, among others:

- Check all financial reports against its compliance with both the internal financial management handbook/guidelines and pertinent accounting standards, including regulatory requirement.
- Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation and crisis management.
- Pre-approve all audit plans and scope at least one (1) month before the conduct of an external audit to ensure its conformity with the objectives of the corporation.
- Perform direct interface functions with the internal and external auditors and ensure that internal and external auditors act independently from each other.
- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company through a step-by-step procedures and policies handbook that will be used by the entire organization.
- Organize an internal audit department
- Review the reports submitted by the internal and external auditors
- Review the quarterly, half-year and annual financial statement before their submission to the Board.
- Coordinate, monitor and facilitate compliance with laws, rules and regulations.
- Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities.

2.2.3. Nomination Committee

The board shall create a Nomination Committee which shall have at least three (3) voting (one of whom must be an independent director) members.

- It shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications provided in this Revised Manual and other relevant rules and regulations.
- The Nomination Committee may, upon recommendation of the Board of Directors should circumstances hereafter warrant, consider providing for additional grounds for temporary disqualification of directors.

- In consultation with the Board of Directors, periodically review and redefined, if necessary, the role, duties and responsibilities of Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects governance at all times.
- The Nomination Committee shall consider the following guidelines in the determination of the number of directorships which a nominee for the Board may hold:
 - The nature of the business of the Corporation;
 - Age of the director;
 - Number of directors/active memberships and officerships in other corporations or organizations;
 - Possible conflict of interest;
 - The optimum number of directorships of a nominee to the Board of the Corporation shall be determined on a case-to-case basis depending on the capacity of a director to perform his duties diligently in general.

2.2.4. Compensation and Remuneration Committee

The Compensation or Remuneration Committee shall be composed of at least three (3) members, one of whom shall be an independent director.

Duties and Responsibilities

- Establish formal policies and procedures and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
- Provide in the Corporation's annual reports, information and proxy statements a clear, concise and appropriate disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
- Cause the preparation of Human Resource Development or Personnel Handbook covering, among others, 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.

2.3. **The President and Management**

2.3.1. The President/Chief Executive Officer (CEO)

The roles of the Chairman of the Board and of the President/CEO shall be separate to foster an appropriate balance of power, increased accountability and independent decision-making by the Board.

The President shall be elected by the Board of Directors from its own member. He shall be the Chief Executive Officer of the Corporation. He shall exercise general supervision over all other officers of the Corporation and in all cases, where and to the extent that, the duties of the officers, agents, and employees of the Corporation

are not specifically prescribed by the By-Laws, or by the rules and regulations of the Board of Directors, the President may prescribe such duties.

Roles and Responsibilities of the President/CEO:

- Determines the Corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
- Communicates and implements the Corporation's vision, mission, values and overall strategy and promote any organization of stakeholder change in relation to the same;
- Oversees the operations of the Corporation and manages human and financial resources in accordance with the strategic plan;
- Has a good working knowledge of the Corporation's industry and market, and keeps up-to-date with its core business purpose;
- Directs, evaluates and guides the work of the key officers of the Corporation;
- Manages the Corporation's resources prudently and ensures a proper balance of the same;
- Provides the Board with timely information and interfaces between the Board and the employees;
- Builds the corporate culture and motivates the employees of the Corporation; and
- Serves as the link between internal operations and external stakeholders.

2.4. The Corporate Secretary

- The Corporate Secretary shall be a Filipino citizen and resident of the Philippines.
- Considering this/her varied functions and duties, the Corporate Secretary must possess administrative and interpersonal skills, have a working knowledge of the operations of the Corporation, and if he/she is not the general counsel, possess basic corporate legal skills. The Corporate Secretary must also have basic financial accounting skills.
- The Corporate Secretary shall be a separate individual from the Compliance Officer.
- The Corporate Secretary should not be a member of the Board of Directors and should attend at least one training on corporate governance annually.

Duties and Responsibilities

- The Corporate Secretary is an officer of the Corporation. His/her loyalty to the mission, vision and specific business objectives of the corporate entity and its shareholders come with his/her duties.

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- The duties and responsibilities of the Corporate Secretary shall be those provided in Article III, Section 7 of the Amended By-Laws. In addition to said duties and responsibilities, the Corporate Secretary shall:
 - Assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set the agendas for those meetings;
 - Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Corporation;
 - Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Corporation, and advises the Board and the Chairman on the relevant issues as they arise;
 - Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
 - Advises on the establishment of board committees and their terms of reference;
 - Informs members of the Board, in accordance with the By-laws, of the agenda of their meetings at least five(5) days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
 - Attends all Board meetings; except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
 - Performs required administrative functions;
 - Oversees the drafting of the by-laws, or any amendments thereto, and ensures that they conform with regulatory requirements;
 - Submits to the SEC, no later than ninety (90) days from the end of every fiscal year, an annual certification as to the attendance of the directors during Board meeting; and
 - Performs such other duties and responsibilities as may be provided by the SEC.

2.5. The Compliance Officer

To ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer. He or she shall have direct reporting responsibilities to the Board of Directors.

The Compliance Officer should not be a member of the Board of Directors and should annually attend at least one training on corporate governance annually.

Duties and Responsibilities

The Compliance Officer is a member of the Company's management team in charge of compliance function. He/she is primarily liable to the Corporation and its shareholders. He/she has, among others, the following duties and responsibilities:

- Ensures proper on-boarding of new directors (i.e. orientation on the Company's business, charter, Articles of Incorporation, By-laws, among others);
- Monitors, reviews, evaluates and ensures the compliance by the Corporation, its officers and directors with the relevant laws, the Corporation Code, the Securities Regulation Code, the provisions and requirements of this Revised Manual, rules and regulations and all governance issuances of regulatory agencies;
- Reports the matter to the Board if violations are found and recommends imposition of appropriate disciplinary action for further review and approval of the Board;
- Ensures the integrity and accuracy of all documentary submission to regulators;
- Appears before the SEC when summoned in relation to the compliance with this Revised Manual, the Corporation Code, the Securities and Regulation Code and other issuances by the SEC;
- Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- Identifies possible areas of compliance issues and works towards resolution of the same;
- Ensures attendance of board members and key officers to relevant trainings; and
- Performs such other duties and responsibilities as may be provided by the SEC.

The appointment of the Compliance Officer shall be immediately disclosed to the Securities and Exchange Commission on SEC Form-17-C. All correspondence relative to compliance functions shall be addressed to said officer.

2.6. External Auditor

2.6.1. The external auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Corporation. The external auditor, who is duly accredited by the Commission, shall be selected and appointed by the stockholders upon recommendation of the Audit Committee.

2.6.2. The reason/s for the resignation, dismissal or cessation from service and the date thereof of the external auditor shall be reported in the Corporation annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statements disclosure or auditing or auditing scope or procedure.

2.6.3. The external auditor of the Corporation shall not at the same time provide the services of an internal auditor to the same client. The Corporation shall ensure that

other non-audit work shall not be in conflict with the functions of the external auditor. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as independent auditor, or does not pose a threat to his independence.

2.6.4. The Corporation's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier.

2.6.5. If the external auditor believes that the statements made in the Corporation's annual report, information statement or proxy statement filed during his engagement is incorrect or incomplete, he or she shall present his view in said reports.

2.6.6. The external auditor, in coordination with the Audit Committee, shall disclose the nature of non-audit services performed in the Annual Report to deal with potential conflict of interest.

2.7. Internal Auditor

2.7.1. The Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organization and procedural controls are effective, appropriate and complied with.

2.7.2. The Internal Auditor shall report to the Audit Committee and shall be guided by the International Standards on Professional Practice of Internal Auditing.

2.7.3. The minimum internal control mechanisms for management's operational responsibilities shall center on the CEO, being ultimately accountable for the Corporation's organizational and procedural controls.

2.7.4. The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors; the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

3. STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS

3.1. The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

- Right to vote on all matters that require their consent or approval;
- Pre-emptive right to all stock issuances of the corporation;
- Right to inspect corporate books and records;
- Right to information;
- Right to dividends; and
- Appraisal right.

3.2. The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead

of time of their right to appoint a proxy. Subject to the requirements of the bylaws, 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 is 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 breach 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.

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.

3.3. In addition, the Board shall protect the right to information of shareholders, thus:

3.3.1. The Shareholders shall be provided, upon, request, with periodic reports which disclose personal and professional information about the directors and officers insofar as the same has been disclosed to the Corporation in accordance with law by the director or officer concerned, and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.

3.3.2. The stockholders are encouraged to personally attend annual and special stockholders' meetings. If they are unable to attend, they shall be appraised ahead of time of their right to appoint a proxy. Such exercise of this right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder's favor.

3.3.3. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the meeting and the items in the agenda are for legitimate business purposes. Any such proposal should be submitted to the Office of the Corporate Secretary and the Corporate Secretary shall, in turn, present the same at the next board meeting for consideration. Should the proposal be meritorious, the board shall call for a shareholders' meeting as proposed.

3.3.4. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes."

3.4. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or

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practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal and other constraints.

- 3.5. The Company shall designate an Investor Relations Officer (IRO) who shall perform IR related functions for the Company and to provide investors an accessible means to communicate with the Company. The IRO shall be present at every shareholders' meeting.

4. COMMUNICATION PROCESS

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

5. TRAINING PROCESS

If necessary, funds shall be allocated by the Chief Financial Officer or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Revised Manual.

6. REPORTORIAL OR DISCLOSURE SYSTEM OF CORPORATION'S CORPORATE GOVERNANCE POLICIES

- 6.1. The reports or disclosures required under this Revised Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation's Compliance Officer;
- 6.2. All material information about the corporation which could adversely affect its viability or the interest of its stockholders and other stakeholders shall be publicly and timely disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.
- 6.3. Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management corporate strategy, and off-balance sheet transactions.
- 6.4. All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.
- 6.5. The Board shall commit at all times to fully disclose 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.

7. MONITORING AND ASSESSMENT

- 7.1. Each Committee shall report regularly to the Board of Directors.
- 7.2. The Compliance Officer shall, if deemed necessary, establish an evaluation system to determine and measure compliance with this Revised Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 8 of this Manual.

- 7.3. The establishment of such evaluation system, including the features thereof, shall be disclosed in the Corporation's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be covered by a Board approval.
- 7.4. The Board shall conduct annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the assessment should be supported by an external facilitator.
- 7.5. The results of the performance evaluation shall be used by the Board to establish a performance management framework that will ensure that the management, including the President/CEO, and personnel's performance is at par with the standard set by the Board and Senior Management.
- 7.6. This Revised Manual shall be subject to quarterly review unless the same frequency is amended by the Board.
- 7.7. All business processes and practices being performed within any department or business unit of the Corporation that are not consistent with any portion of this Manual shall be revoked unless upgraded to the compliant extent.

8. ADEQUATE AND TIMELY INFORMATION

- 8.1. To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.
- 8.2. Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.
- 8.3. The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.
- 8.4. The members, 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. Coordinate, monitor and facilitate compliance with laws, rules and regulations.
- 8.5. Media and analysts' briefings shall be included as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.

9. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL

- 9.1. To strictly observe and implement the provisions of this Revised Manual, the following penalties shall be imposed, after notice and hearing, on the Corporation's directors, officers and staff in case of violation of any of the provisions of this Manual:
 - In case of **first violation**, the subject person shall be reprimanded.
 - Suspension from office shall be imposed in case of **second violation**. The duration of the suspension shall depend on the gravity of the violation.

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- For **third violation**, the maximum penalty of removal from office shall be imposed.
- 9.2. The commission of a third violation of this Manual by any member of the Board of the Corporation shall be a sufficient cause for removal from directorship.
- 9.3. 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.

9. EFFECTIVITY

This Revised Manual shall take effect on 31 May 2017.