

JHMC BOARD COMMITTEES FUNCTIONS

I. AUDIT COMMITTEE

1. Oversee, monitor and evaluate the adequacy and effectiveness of JHMC's internal control system, engage and provide oversight of JHMC's internal and external auditors, and coordinate with the COA;
2. Review and approve audit scope and frequency, the annual internal audit plan, quarterly, semi-annual and annual financial statements before submission to the Board, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements;
3. Receive and review reports of internal and external auditors and regulatory agencies, and ensure that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
4. Ensure the internal auditors have free and full access to all the GOCCs records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results; and
5. Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the GOCC through a procedures and policies handbook that will be used by the entire organization.

II. BUSINESS DEVELOPMENT COMMITTEE

1. Establish programs that can sustain JHMC's long term viability and strength, periodically evaluate and monitor the implementation of such policies and strategies of business plans, and evaluate business proposals.
2. Keep JHMC abreast with industry developments and business trends in order to promote the corporation's competitiveness.

III. EXECUTIVE COMMITTEE

1. In accordance with the authority granted by the Board, or during the absence of the Board, shall act by a vote of at least two-thirds (2/3) of its members on such specific matters within the competence of the Board as may from time to time be delegated to the Committee in accordance with the GOCCs Charter or By-Laws, except with respect to:
 - (a) Approval of any action for which shareholders' approval is also required;
 - (b) Filing of vacancies on the Board or in the Executive Committee;
 - (c) Amendment or repeal of By-Laws or the adoption of new By-Laws;
 - (d) Amendment or repeal of any resolution of the board which by its express terms cannot be amended or subject to repeal;
 - (e) Distribution of cash dividends; and
 - (f) Exercise of powers delegated by the Board exclusively to other committees.

IV. FINANCE COMMITTEE

1. Oversee funding resources and ensure adequacy of funds for corporate operations; and
2. Evaluate and recommend the financial outlays for capital expenditures, investment of available funds, and ensure availability of funds for corporate projects and activities.

V. GOVERNANCE COMMITTEE

1. Oversee the periodic performance evaluation of the Board and its Committees and Management; and also conduct an annual self-evaluation of their performance;
2. Decide whether or not a Director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation). Internal guidelines shall be adopted that address the competing time commitments that are faced when directors serve on multiple boards;
3. Recommend to the Board regarding the continuing education of Directors, assignment to Board Committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance; and
4. Recommend the manner by which the Board's performance may be evaluated and proposing an objective performance criteria to be approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholder value.

VI. NOMINATIONS, REMUNERATIONS AND ORGANIZATIONAL DEVELOPMENT COMMITTEE

1. Establish formal and transparent procedures for the development of policies on remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation;
2. Periodically review and evaluate the table of organization and ensure that it is aligned with the mission and vision of the corporation;
3. Evaluate on a regular basis the needs for organizational growth and ensure that compensation packages are equitable and competitive to corporations in the same industry;
4. Install and maintain a process to ensure that Officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the laws, rules and regulations;
5. Review and evaluate the qualifications of all persons nominated to positions in the GOCC which require appointment by the Board;
6. Recommend to the GCG nominees for the shortlist in line with the GOCCs and its subsidiaries' Board composition and succession plan; and
7. Develop recommendations to the GGG for updating the CPCS and ensuring that the same continues to be consistent with the GOCCs culture, strategy, control environment, as well as the pertinent laws, rules and regulations.

VII. RISK MANAGEMENT COMMITTEE

1. Perform oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational, and other risks of JHMC, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
2. Develop the Risk Management Policy of JHMC, ensure compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of JHMC, especially the Board and Management level; and
3. Provide quarterly reporting and updating the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals.

VIII. SPECIAL COMMITTEE ON CJHDEVCO CONCERNS AND 19 CONDITIONALITIES

1. Resolve the pressing issues and concerns with regard to Camp John Hay Development Corporation, and to 19 Conditionalities set by the City Government of Baguio; and
2. Monitor the compliance of JHMC with the 19 Conditionalities.