



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

a. Recommends the approval the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;

b. Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well- designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;

c. Prior to the commencement of the audit, discusses with the External Auditor the nature, Scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

d. Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence³. The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report;

f. Reviews and approves the interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
Any change/s in accounting policies and practices
Areas where a significant amount of judgment has been exercised
Significant adjustments resulting from the audit
Going concern assumptions
Compliance with accounting standards
Compliance with tax, legal and regulatory requirements

g. Reviews the disposition of the recommendations in the External Auditor's management letter;

h. Performs oversight functions over the corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

i. Coordinates, monitors and facilitates compliance with laws, rules and regulations; Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders; and il. iii. iv. V, vi t8

k. In case the company does not have a Board Risk Oversight Committee and/or Related Party Transactions Committee, performs the functions of said committees as provided under Recommendations 3.4 and 3.5.

The Audit Committee meets with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit.