

Audit and Risk Committee Charter

Objective: To assist the Board in fulfilling its oversight responsibilities for the internal control system as well as the processes for financial reporting, audit, risk management and monitoring compliance by Management with the applicable laws and regulations.

Composition and Appointment: At least five (5) directors, two (2) of whom must be Independent Directors. The Board shall appoint the Committee members and chairman (from among the members and who must be an Independent Director) following the annual meeting of stockholders at which the directors are elected. In case of vacancy in the Committee, the Board shall appoint a replacement who will fill the vacancy, at any meeting of the Board. The members of the Audit and Risk Committee should have adequate background, experience or exposure in auditing work, financial reporting, risk management or related fields.

Duties and Responsibilities:

- (a) To assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, risk management and monitoring of compliance with applicable laws, rules and regulations;
- (b) To provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- (c) To perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- (d) To review the annual internal audit plan to ensure its conformity with the objectives of the company. The plan shall include the audit scope, resources and budget necessary to implement it;
- (e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

- (f) To organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- (g) To monitor and evaluate the adequacy and effectiveness of the company's internal control system, including financial reporting control and information technology security;
- (h) To review the reports submitted by the internal and external auditors;
- (i) To review quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - a) Any change/s in accounting policies and practices;
 - b) Major judgmental areas;
 - c) Significant adjustments resulting from the audit;
 - d) Going concern assumptions;
 - e) Compliance with accounting standards; and
 - f) Compliance with tax, legal and regulatory requirements.
- (j) To coordinate, monitor and facilitate compliance with laws, rules and regulations;
- (k) To evaluate and determine the non-audit work, if any of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the company's annual report;
- (l) To establish and identify the reporting line of the Internal Auditor to enable him to properly fulfil his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

Meetings:

The meeting for the review of annual audited financial statements of the Company shall be held at least one (1) month prior to the deadline for the submission of the audited financial statements to the Bureau of Internal Revenue and the Securities and Exchange Commission.

The meeting for the endorsement of the appointment of the external auditor shall be held at least two (2) months before the scheduled annual meeting of stockholders.

Meetings may also be held upon call by the Chairman of the Committee to evaluate the performance of the Committee of its duties and responsibilities.

Quorum shall constitute a majority of the members of the Committee.

Reports to the Board:

It shall be responsibility of the Corporate Secretary, who shall record the minutes of meetings of the Committee, to report to the Board the actions taken by the Committee at the meeting of the Board of Directors immediately following the meetings of the Committee.