	<b>Audit Committee Charter</b>	
	<b>Effectivity Date</b> 20 February 2017	<b>Page</b> 1 of 2

This Charter establishes the purpose, authority, composition, responsibilities and operations of the Audit Committee (the “Committee”).

## **I. PURPOSE AND AUTHORITY**

The Committee assists and advises the Board of Directors in fulfilling its oversight responsibilities to ensure the quality and integrity of the Company’s accounting, financial reporting, auditing practices, risk management and internal control systems and adherence to over-all corporate governance best practice. The Committee also oversees the Company’s process for monitoring compliance with laws, regulations, the Code of Ethics, and performs other duties as the Board may require.

To allow the Audit Committee to discharge its duties and responsibilities, the Committee is authorized to call for a meeting, gain access to all relevant data/resources within the Company, obtain professional training, advice or expertise, initiate investigation of any activities within the scope of its responsibilities and may make recommendations to the Board, as it deems appropriate.


## **II. COMPOSITION AND MEETINGS**

1. The Committee shall consist of at least three (3) members of the Board, majority of whom should be independent directors. The Committee shall be chaired by an independent director, who is not at the same time the Chairman of the Board or of any other Board Committee. Its members shall have adequate and competent understanding of finance, accounting and auditing processes, in addition to thorough knowledge of the Company’s business and industry in which it operates.
2. Members of the Committee shall be designated by the Board annually and each member shall serve until such member’s successor is duly designated or until such member’s resignation or removal. Any member of the Committee may be removed from the Committee, with or without cause, by a majority vote of the Board.
3. The Committee shall meet at least quarterly with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting. The Committee may invite members of Management, heads of business units, Chief Audit Executive, and the external auditor, to attend meetings and provide pertinent information, as necessary.
4. The Committee Secretary, under the direction of the Committee Chairman, shall prepare and provide in advance to all Committee members the notice of meeting, the meeting agenda, minutes of previous Committee meeting and the appropriate briefing materials.

## **III. DUTIES AND RESPONSIBILITIES**

The Committee is duty-bound to perform and carry out the following responsibilities:

- a. Recommends the approval of the Internal Audit Charter (IA Charter);
- b. Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and

	<b>Audit Committee Charter</b>	
	<b>Effectivity Date</b> 20 February 2017	<b>Page</b> 2 of 2

effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets;

- c. Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE);
- d. Approves the terms and conditions for outsourcing internal audit services;
- e. Establishes and identifies the reporting line of the Internal Auditor;
- f. Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;
- g. Ensures there is an established process on the appointment, reappointment, removal, and fees of the External Auditor;
- h. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures proper coordination if more than one audit firm is involved in the activity;
- i. 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;
- j. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters;
  - i. Any change/s in accounting policies and practices
  - ii. Areas where a significant amount of judgment has been exercised
  - iii. Significant adjustments resulting from the audit
  - iv. Going concern assumptions
  - v. Compliance with accounting standards
  - vi. Compliance with tax, legal and regulatory requirements
- k. Reviews the disposition of the recommendations in the External Auditor's management letter;
- l. Performs oversight functions over the Corporation's Internal and External Auditors;
- m. Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- n. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor;
- o. Meets with the Board at least every quarter without the presence of the CEO or other Management team members, and periodically meets with the CAE; and
- p. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board