



Audit COMMITTEE CHARTER

1. Purpose

This Charter governs the operation of the Audit Committee. The Board of Directors shall appoint an Audit Committee (the Committee) of at least three members, majorities are independent directors of the Board, and shall designate one member as chairperson of delegate the authority to designate chairperson to the Committee. For purpose hereof, members shall be considered independent as long as they satisfy all of the independence requirements for Board Members as set forth in the applicable Philippine Stock Exchange (PSE) listing standards.

The Committee will provide assistance to the Board of Directors in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and others relating to: (1) the integrity of the Company's financial statements, (2) the effectiveness of the Company's internal control over financial reporting, (3) the Company's compliance with legal and regulatory requirements, (4) the independent auditor's qualifications and independence, and (5) the performance of the Company's internal audit function and independent auditor.

2. Membership

The committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members. Majority of the committee members shall be Independent director.

A quorum shall consist of at least two members.

3. Chairman

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

4. Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall be responsible for keeping the minutes of the audit committee and circulating to the Committee members and to the members of the Board of Directors.

5. Frequency of Meetings

Meetings shall be held at least once a year. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

6. Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorized by the Board to obtain external legal or other independent professional advice as necessary.

BERJAYA PHILIPPINES INC.

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The Committee is also authorized to convene meetings with the external auditors, the internal auditors, or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

7. Duties

The Duties of the Committee shall be:

- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal, and other risks of the Company. This function includes regular receipt from Management of information on risk exposures and enterprise risk management activities;
- Perform oversight functions over its internal and external auditors. It ensures that the internal and external auditors act independently from each other, and that both are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Review the annual internal audit plan to ensure its conformity with the objective of the Company. This plan includes audit scope, resources and budget necessary to implement it;
- Prior to commencement of audit, discuss with the external auditor the nature, scope and expenses of 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;
- Organize, if practicable or necessary, an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- Review the reports submitted by the internal and external auditors;
- Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - (i) Any change in accounting policies and practices;
 - (ii) Major judgmental areas;
 - (iii) Significant adjustments resulting from the audit;
 - (iv) Going concern assumptions;
 - (v) Compliance with accounting standards; and
 - (vi) Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with laws, rules and regulations that are applicable to financial matters;
- Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee;
- Ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties;
- Separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions. The meetings shall be chaired by the lead independent director;
- Under its supervision, the formulation of rules and procedures on financial reporting and internal control in accordance with the following guidelines:
 - (i) The extent of responsibility in the preparation of the financial statements, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
 - (ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained;
 - (iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of control that cover the Company's governance, operations and information systems, including reliability and integrity of financial and operational information effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

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- (iv) The Company should consistently comply with the financial reporting requirements of the Commission;
- (v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. The annual report should include significant risk exposures, control issues and such other matters as may be deemed necessary or requested by the Board and Management.

8. Effectivity

This Charter, as amended, shall take effect when approved by the Board.

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