

	Cirtek Holdings Philippines Corporation	Issue Date October 11, 2019
AUDIT AND RISK MANAGEMENT COMMITTEE		
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This Charter establishes the composition, role, responsibilities and operations of the Audit and Risk Management Committee (the “Committee”) of the Board of Directors (“Board”) of Cirtek Holdings Philippines Corporation (the “Company”).

1. COMPOSITION

The Committee shall be composed of at least three (3) non-executive directors, majority of whom, including the Chairman, shall be independent. All of the members of the Committee shall have relevant background, knowledge, skills and/or experience in areas of accounting, auditing and finance, risk and risk management. The Chairman of the Committee shall not be the Chairman of the Board or of any other committee.

2. PURPOSE

The Committee is tasked to assist and advise the Board in fulfilling its oversight responsibilities to ensure:(i) the quality and integrity of the Company’s accounting, financial reporting, internal control systems, internal and external audit practices, and adherence to over-all corporate governance best practices; (ii) the functionality and effectiveness of the Company’s Enterprise Risk Management system; and (iii) the compliance by the Company with applicable laws, rules and regulations.

3. MEETINGS

The Committee shall meet at least four (4) times a year, or as often as it considers necessary. Any member may call a meeting of the Committee. A quorum for a meeting of the Committee is two (2) members. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers or discretions vested in the Committee. The Committee may invite members of Management, auditors, consultants or others to attend meetings and provide pertinent information, as necessary. The Committee may hold private meetings with auditors and/or executive sessions (*i.e.*, without the presence of Management).

The Management shall provide technical assistance and support to the Committee as and when necessary.

4. AUTHORITY

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In pursuit of its purpose, duties and responsibilities, and so authorized by the Board, the Committee shall:

- a. Appoint and evaluate the performance of the External Auditor and Chief Audit Executive;
- b. Review the scope of work of the auditors after considering their assessment of internal controls;
- c. Opt to engage consultant/s as may be deemed appropriate for a more independent assessment of the Company's risk management infrastructure;
- d. Obtain any external professional advice and expertise, if so required;
- e. Seek any information it requires from Management, and all other employees;
- f. Gain access to all records, documents, properties, assets and personnel within the Company; and
- g. Investigate any activities within its scope of responsibilities, or as may be required by the Board.


5. DUTIES AND RESPONSIBILITIES

5.1 AUDIT

The Committee shall perform and carry out the following responsibilities, categorized under four (4) major areas:

5.1.1 Financial Statements and Reporting

- a. Review the impact of significant accounting and reporting issues, including complex or unusual transactions and recent professional and regulatory pronouncements on the financial statements.
- b. Review with Management and the external auditors the results of the audit, including any difficulties encountered.

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- c. Review and approve the quarterly, mid-year and annual financial statements; consider their completeness and consistency with information known to the Committee and compliance with accounting principles and standards, and regulatory requirements. The Company's annual financial statements are endorsed by the Committee to the Board for approval.
- d. Review accuracy and completion of other sections of the annual report and related regulatory filings before release to regulatory authorities and to the public.
- e. Understand how Management develops interim financial information, and the nature and extent of internal and external auditor involvement; and review the same before filing with regulators.

5.1.2 Internal Control

- a. Ensure the adequacy and effectiveness of the Company's internal control system. The said systems and processes must be designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.
- b. Understand and review the scope of internal and external auditors' review of internal controls over financial reporting, and obtain regular reports on significant findings and recommendations, together with Management's responses.

5.1.3 Internal Audit

- a. Provide oversight of the performance of the Company's Chief Audit Executive and Internal Audit Group.
- b. Review with Management and the Chief Audit Executive the annual Internal Audit Plan, which shall include, among others, the audit scope, activities, staffing, organizational structure and budget necessary to perform the internal audit function.
- c. Review the effectiveness of the internal audit function, including compliance with international standards on internal audit.

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- d. Establish the reporting line of the Internal Audit Group to ensure independence in the performance of its duties. The Chief Audit Executive shall functionally report directly to the Committee.
- e. On a regular basis, meet separately with the Chief Audit Executive to discuss any matter that the Committee or the Internal Audit Group believe should be discussed privately.


5.1.4 External Audit

- a. Review the external auditors' proposed audit scope and approach.
- b. Review and confirm the independence of the external auditors by obtaining certification from the latter relative to overall relationship with the Company, including non-audit services.
- c. Resolve any disagreement between Management and the external auditors regarding financial reporting.
- d. On a regular basis, meet separately with the external auditors to discuss any matter that the Committee or auditors believe should be discussed privately.

5.2 RISK MANAGEMENT

The Committee shall perform and carry out the following responsibilities:

- a. Oversee the performance of the Chief Risk Officer, who shall champion the Enterprise Risk Management system and possesses the authority, stature, resources and support to fulfill his/her responsibilities.
- b. Perform oversight financial statement functions, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management.
- c. Review the adequacy and effectiveness of the Company's policies and procedures relating to the identification, analysis, management, monitoring and reporting of financial and non-financial risks.

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- d. Ensure that Management establishes, appraises and addresses the risks to the Company, and sufficiently and swiftly manages said risks, especially those categorized as having high impact with high probability of occurring.
- e. Advise the Board, in consultation with Management, on the overall risk management program of the Company as it relates to its risk appetite and strategic direction.
- f. Meet separately with the Chief Risk Officer to discuss any matters that the Committee believes should be discussed privately.


5.3 OTHER RESPONSIBILITIES

- a. Evaluate the non-audit services, if any, of the external auditor to ensure independence and that any such non-audit services shall not be in conflict with its duties as an external auditor.
- b. Review any other reports the Company issues to regulators and/or to the public that relate to the Committee responsibilities.
- c. Provide an open avenue of communication between and among the Internal Audit Group, the external auditors, Chief Risk Officer, Chief Compliance Officer, the Management and the Board.
- d. Perform other activities related to this Charter as requested by the Board.
- e. Evaluate the Committee's and individual members' performance on a regular basis.

6. Reporting Responsibilities

The Committee, through its Chairman, shall report to the Board regarding the Committee actions and activities, including, but not limited to, the Committee findings, deliberations and decisions. The Committee shall make recommendations to the Board as and when it considers appropriate in relation to its duties and responsibilities covering Audit and Risk Management.

Further, the Committee shall report annually to the Company's shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any

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other information required by regulators, including, but not limited to, any approval of non-audit services.

7. ANNUAL REVIEW OF CHARTER

The Committee shall conduct an annual review and assessment of the adequacy of the Committee Charter, and propose any changes as may be deemed necessary for Board approval.

8. EFFECTIVITY

This Charter shall take effect on the date of approval hereof by the Board.