



**ROXAS AND COMPANY, INC.
AUDIT COMMITTEE CHARTER**

I. Introduction and Purpose

The Audit Committee shall represent and assist the Board of Directors in fulfilling its oversight responsibilities to the shareholders for

- the integrity of the company's financial statements and financial controls
- the company's compliance with legal and regulatory requirements,
- the independent auditor's qualifications and independence, and
- the performance of the company's internal audit function and the independent auditors.

The Committee will act independently while maintaining free and open communication between the Committee, independent auditors, internal auditors and management of the Company.

II. Organization

The Audit Committee shall be appointed by the Board and shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director.

Audit Committee members and the Committee chairman shall be designated by a majority vote of the full Board of Directors upon recommendation of the Nominating and Governance Committee. The Board shall elect the Chairman of the Committee. The Chairman of the Committee shall periodically report to the Board regarding the activities of the Committee.

III. Authority and Responsibilities

The committee shall have the following functions:

- a) 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;
- b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal, and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- c) 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) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. 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 budget for 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) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report 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.

- g) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- h) Review the reports and recommendations submitted by the internal and external auditors and the management's responses.
- i) Review the quarterly, half-year and annual financial statements before their submission to the Board.
- j) Coordinate, monitor and facilitate compliance with laws, rules and regulations.
- k) Investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.

Outside Advisors

The Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it deems appropriate to assist in the performance of its functions. The Committee shall be provided with appropriate funding, as determined by the committee, for payment of compensation to such outside counsel, accountants, experts and other advisors.

Meetings

The Committee shall meet at least four times annually or as often as may be deemed necessary or appropriate in its judgment, and as such times and places as the Committee shall determine.

The majority of the members of the Committee shall constitute a quorum. The Committee will meet separately with the internal auditors, the independent auditors, the general counsel and other senior management to discuss any matters they wish to bring to the Committee's attention or that the Committee wishes to bring to their attention.

The Committee shall report to the Board with respect to its meetings, including any significant issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, or the performance of the internal audit function.

Assessment of Performance

The Committee shall report to the Board an annual review its own performance or in such shorter intervals as may be set by the Board. The results of the said assessment shall be validated by the Compliance Officer or its Governance Committee as may be applicable. The assessment process and results shall form part of the Company's records.

The Committee shall annually reassess the adequacy of its Charter and recommend any proposed changes to the Board for approval

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