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Effectivity Date	:	November 9, 2022
Reviewed and Endorsed by	:	Audit Committee
Approved by	:	Board of Directors
Approval Date	:	November 9, 2022

Audit Committee Charter

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Revision History

1. Version No. 1.0
 - a. Effectivity Date: 12.06.2021
 - b. Approval Date: December 6, 2021

2. Version No. 1.1
 - a. Effectivity Date: November 9, 2022
 - b. Approval Date: November 9, 2022
 - c. Summary of Revisions:

Change of the person in charge of the “H. Functions and Secretariat Support” from the Internal Auditors to the Corporate Secretary.

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A. Introduction

This document sets out the roles, responsibilities, and authority of the Audit Committee (“Committee”); including the rules of procedures that shall guide the function of the Committee, as approved by the Board of Directors of Raslag Corporation (the “RASLAG”).

The Committee shall review the charter at least annually and obtain the approval of the full Board of Directors for any revisions thereto or for any case where external bodies may suggest a change. Suggestions by such external bodies, however, are subject to the approval of the Committee.

B. Statement of Policy

It is the policy of RASLAG to constitute and maintain an Audit Committee, who shall assist to the Board of Directors in fulfilling their oversight responsibilities to the shareholders relating to:

- RASLAG's financial statements and the financial reporting process and disclosures,
- the internal audit activity, and
- the annual independent audit of RASLAGs financial statements.


To fulfill these responsibilities, the Committee shall maintain free and open communication with RASLAG's independent auditors, the Chief Operating Officer, the Chief Financial Officer and the management of RASLAG.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention, with full access to all records, books of accounts, facilities and personnel of RASLAG and the power to retain outside counsel or other experts for this purpose.

C. Roles and Responsibilities

The Audit Committee is expected, through the provision of checks and balances, to support the corporate governance process as it has to do with the financial condition of RASLAG. Specifically, it shall be responsible for the following:

1 *Oversight*


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- 1.1 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.
- 1.2 Perform oversight functions over the external auditors and the Internal Auditors (as defined below) The Committee shall ensure that the external auditors and the Internal Auditors act independently from each other.
- 1.3 Perform direct interface functions with the Internal and External auditors.
- 1.4 Develop a transparent financial management system that will ensure the integrity of internal control activities throughout RASLAG thru step-by-step procedures and policies handbook that will be used by the entire organization.

2 Financial Reporting and Disclosures


- 2.1 Review of the interim and annual financial statements and all related disclosures and reports certified by the Chief Financial Officer before their submission to the Board and/or the Philippine Securities and Exchange Commission and their release to the public with particular focus on the following matters:
 - any change/s in accounting policies and practices
 - major judgmental areas
 - significant adjustments resulting from the audit
 - going concern assumptions
 - compliance with both the internal financial management policies and pertinent accounting standards
 - compliance with tax, legal and regulatory requirements.
- 2.2 Coordinate, monitor and facilitate compliance with laws, rules and regulations.
- 2.3 Coordinate, monitor and facilitate compliance with international standards with respect to RASLAG's accounting and auditing processes, practices and methodologies.
- 2.4 Ensure full compliance with Philippine Accounting Standards (PAS).
- 2.5 Reviews and approves all financial reports against their compliance with both the internal financial management handbook and pertinent accounting standards, including tax, legal and regulatory requirements, going concern assumptions and significant adjustments

3 Internal Audit

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- 3.1 Review and approval of the Internal Audit Charter and subsequent revisions thereto, defining the role of Internal Audit and the audit plan and the implementation of the Internal Audit Charter.
- 3.2 Ensure that the Internal Auditors have free and full access to all RASLAG's records, properties and personnel relevant to and required by its function and that the internal activity shall be free from interference in determining its scope, performing its work and communication its results.
- 3.3 Review and approval of the Annual Internal Audit Work Plan and all deviations therefrom to ensure its conformity with THE COMPANY's audit and risk management objectives and ensure that the audit resources are reasonably allocated to the areas of highest risk. The Annual Internal Audit Work Plan shall include the audit scope, resources and budget necessary to implement the same.
- 3.4 Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities, wherein for this purpose, the Internal Auditor should directly report to the Audit Committee
- 3.5 Review of reports of the Internal Auditors and regulatory agencies, where applicable, ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues.
- 3.6 Review of internal Audit's periodic reports and the internal Audit Annual Report. Periodic reports shall highlight the status of projects in accordance with the audit plan approved by the Committee, as well as any unplanned projects. Such reports shall include a summary of key findings and recommendations, and the status of implementation. The Annual Report shall discuss the Internal Audit Department's activities and performance relative to the audit plans and strategies approved by the Committee. And these reports shall be presented during the Audit and Risk Committee meetings.
- 3.7 Evaluate and submit performance appraisal of the Internal Auditors and communication/discussion of such inputs with the Chief Finance Officer who shall then translate these into a performance appraisal of the Internal Auditors.
- 3.8 As necessary, institution of special investigations and, if appropriate, the hiring of special counsel or experts to provide necessary assistance.

4 ***External Audit***

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- 4.1 Recommend, with concurrence of the Chief Financial Officer, the appointment, reappointment and removal of the External Auditors and the fixing of their remuneration for final approval by the stockholders.
- 4.2 Review and pre-approve the External Auditor's plans to understand the basis for their risk assessment and financial statement materiality, including the scope, nature, expenses and frequency of the audit at least one (1) month before the conduct of external audit and examine and determine any non-audit work including non-audit fees who undertakes an independent audit of RASLAG, and provide an objective assurance on the manner by which the financial statements should be prepared and presented to the Shareholders.

In this regard, the Committee and the Chief Financial Officer shall discuss with the Independent Auditors, before the audit commences, the nature and scope of the audit, and ensure cooperation when more than one professional service firm is needed.

- 4.3 Monitoring of the coordination of efforts between the external and internal auditors.
- 4.4 Review with the Chief Financial Officer, the reports of the Independent Auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions in a timely manner, including addressing control and compliance issues.
- 4.5 Review the disposition of the recommendations in the External Auditor's management letter.
- 4.6 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 and RASLAG's overall consultancy expenses. The Audit Committee should disallow any non-audit work that will conflict with the duties of an External Auditor or may pose a threat to its independence. The non-audit work, if allowed, should be disclosed in RASLAG's Annual Report and Annual Corporate Governance Report

5 *Internal Control*

- 5.1 The Office of Chief Financial Officer together with the Internal Auditors shall provide the Committee the review of accounting processes, internal control and IT security of RASLAG in compliance with the accounting standards and proper internal controls


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- 5.2 Ensuring that a transparent financial management system is established to ensure the integrity of internal control activities throughout RASLAG.
- 5.3 Monitor and evaluate, through the Internal Audit Department, the adequacy and effectiveness of RASLAG's internal control system, including financial reporting control and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be placed in order to: (a) safeguard RASLAG's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect accuracy and reliability of RASLAG's financial data, and (d) ensure compliance with applicable laws and regulations.
- 5.4 Meets internally with the Board of Directors at least once a quarter without the presence of the CEO or other Management team members, and periodically meets with the head of the Independent Audit Department.

D. Membership

1. The Audit Committee shall be comprised of at least three non-executive (3) directors, at least two of whom shall be independent directors (as defined by the Code of Corporate Governance issued by the Securities and Exchange Commission), with the other member(s) representing the majority shareholders.
2. An independent director shall chair the Audit Committee and shall be responsible for ensuring the effective interaction among Committee members, the management and the internal and external auditors.
3. Each member shall have adequate understanding of accounting and auditing principles in general and of the RASLAG's financial & operations management systems and business environment in particular.
4. The Board shall appoint the members of the Audit Committee at its annual organizational meeting and each member shall until their successors are elected in the next organizational meeting of the Board, and qualified.
5. Vacancies caused by the death, resignation, removal or disqualification of any member, or by any other cause, maybe filled by the Board in a special meeting. The member elected to fill the vacancy shall hold office for the remainder of the term of his immediate predecessor, and until his successor shall have been duly elected and qualified.


E. Meetings and Schedule of Activities

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1. To provide a systematic guide for the discharge of its responsibilities, the Committee will agree on an annual calendar/schedule of activities that shall determine the agenda for each meeting subject to adjustments and/or revisions as needed.
2. The Audit Committee, in executive session should meet at least semi-annually. Preferably, the meetings will be held prior to the meeting of RASLAG's Board of Directors. In cases when there is a need for special meetings to take up any critical items that would need approval in between the semi-annual meetings, it shall be up to the Chair of the Audit and Risk Committee to either call for a special meeting or just allow the routing of the covering paper.
3. Committee meetings shall be announced at least two (2) weeks in advance. However, when deemed, urgent meetings can be announced at least five (5) days prior. Notice of meetings may be given through electronic mail or other appropriate means. The notice shall specify the time and place of the meeting and include a detailed agenda. The materials of the meetings shall be given to each member of the Committee at least five (5) working days prior to the intended meeting.
4. The agenda for the meetings will be developed by the Internal Auditors based on the agreed calendar of activities and inputs from the Committee members, subject to the approval of the Chairman. The semi-annual meetings will include the review and discussion of the annual consolidated financial statements of RASLAG and the quarterly divisional financial statements, the related disclosures, risk management issues and other reportorial requirements.
5. As and when appropriate, the Committee may invite or require members of senior management to be present at the meetings. External subject experts, such as appointed independent auditors and other consultants, may also be invited to the meetings.
6. Committee meetings shall be conducted through video conference or such other similar means at such times and frequency as may be necessary.
7. Minutes shall be made available within ten (10) working days after the meeting.
8. A Committee member who fails, without any justifiable cause, to attend at least fifty percent (50%) of the total number of meetings during any term shall not be eligible for re-election as Committee member.
9. The Committee shall meet with the Internal Auditors and external auditors in executive session at least once a year.

F. Reporting Procedures

To keep the Board of Directors apprised on the results of the Committee's activities, the Audit Committee shall submit a report annually to the Chairman of the Board; and

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shall be ready to present the report, in an executive session, if requested by RASLAG's Board of Directors

The Audit Committee Chairman or his/her representative will also submit and present an Annual Audit and Risk Committee report during the Annual Stockholders Meeting as appropriate.

G. Performance Evaluation and Continuous Improvement

To ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and other relevant regulatory requirements, the Committee shall conduct an assessment of its performance at least annually. In this regard, the Committee shall;

1. As a body, evaluate its performance by filling up a self-assessment questionnaire that shall benchmark its practices against the expectations set out in this Charter.
2. Based on the results of the self-assessment, formulate and implement plans to improve its performance. These shall include the identification of relevant training needs intended to keep the members up to date with corporate governance best practices, accounting and auditing standards, as well as specific areas of concern (e.g. emerging risks).
3. Semi-annually, review the status of implementation of such plans for improvement

In addition, the Audit and Risk Committee shall obtain and subject itself to an independent assessment by the Board of Directors relative to its performance in accordance with expectations set out in this Charter and the discharge of its responsibilities as specified in the Audit and Risk Committee Calendar of Activities.

H. Functions and Secretariat Support

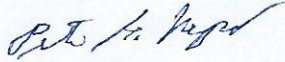
The **Corporate Secretary** shall support the Committee in the rendition of its functions, specifically:

1. **P**rovide all the secretariat support to the Committee.
2. **A**ttend all the Committee meetings and be primarily responsible for recording the minutes of the meetings.
3. **K**eep all minutes of the meeting and make these available for inspection by any member of the Committee or the Board of Directors, as and when requested.

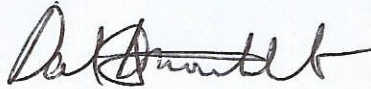
The **Corporate Secretary** shall review all papers for submission to the Committee, including any proposals from management before these are submitted to the Committee

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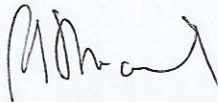
for approval. If there are unresolved differences in opinion on any proposal between the proponent and the **Corporate Secretary**, these shall be highlighted to the Committee for consideration and decision.



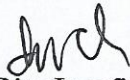
Peter G. Nepomuceno
Chairman of the Board



Daniel Gabriel M. Montecillo
Audit Committee Chairman



Pedro H. Maniego, Jr.
Audit Committee Member



Maria Rita Josefina V. Chua
Audit Committee Member