



AUDIT COMMITTEE CHARTER

INTRODUCTION

This Charter governs the operations of the Audit Committee (the “Committee”) and clearly defines its purpose, authority, composition, and responsibilities.

PURPOSE

The Committee shall assist the board of directors (the “Board”) of PHINMA Corporation (the “Company”) in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the audit process, risk management process, and the Company’s process for monitoring compliance with laws and regulations.

AUTHORITY

The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. Management and employees are to cooperate fully with the Committee members. The Committee is specifically empowered to:

- ³⁵/₁₇ Recommend a registered public accounting firm to be engaged by the organization.
- ³⁵/₁₇ Resolve any disagreements between management and the external auditor regarding financial reporting.
- ³⁵/₁₇ Review and approve the annual internal audit plans and activities.
- ³⁵/₁₇ Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
- ³⁵/₁₇ Seek any information it requires from employees – all of whom are directed to cooperate with the Committee’s requests – or external parties.
- ³⁵/₁₇ Meet with Company officers, external auditors, or outside counsel, as necessary.

³⁵₁₇ Expend organizational resources (like retain legal, accounting, or other consultants) whenever necessary to carry out its responsibilities.

COMPOSITION

The Committee 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 Committee should be an independent director.

The members of the Committee, including the chair, shall be appointed by the Board on an annual basis. Each member shall have adequate understanding of the Company's business and industry in which it operates. The Committee shall ensure that sufficient training and education opportunities relevant to the effective discharge of its duties are available for all its members.

MEETINGS

The Committee shall meet at least four times per year or more frequently as the circumstances require. All members of the Committee are expected to attend each meeting, in person or via tele- or video-conference.

The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary, and may hold private meetings with auditors and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

RESPONSIBILITIES

The Committee shall obtain full Board approval on the Audit Committee Charter. At least annually, the Committee shall evaluate how well it has fulfilled its purpose during the previous year and report its findings to the full Board.

The Committee will carry out the following responsibilities:

A. Financial Statements

1. Fair and balanced review of quarterly, half-year and annual financial statements and disclosures. The financial statements are the responsibility of management and reviewed by the Committee before submission to the Board, focusing particularly on:
 - Appropriateness of accounting policies adopted by management
 - Any change/s in accounting policies and practices and its impact to the financial statements

- Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumption
 - Compliance with financial reporting standards
 - Compliance with tax, legal and stock exchange requirements
2. Review the reasonableness of estimates, assumptions, and judgments made in connection with the preparation of the Company's financial statements.
 3. Inquire of Management about material errors and fraud, and sufficiency of risk controls over financial reporting process and review actions or measures in case of finding of error or fraud in financial reporting.
 4. Review of unusual or complex transactions including all related party transactions.
 5. Review and approve management representation letter before submission to external auditor.
 6. Receive and review communications or reports from legal counsel covering litigation, claims, contingencies or other significant issues that impact financial statements.
 7. Assess correspondence between the Company and regulators regarding financial statement filings and disclosures.

B. Internal Control

1. Obtain management's assurance on the state of internal controls.
2. Review management's, external auditors' and internal auditors' reports on the evaluation of the internal control and ensure that management is taking appropriate corrective actions, in a timely manner in addressing weaknesses in controls.
3. Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risk of the Company, and crisis management.
4. Inquire of management, the GIA, and the external auditor about significant risks or exposures and assess the steps management has taken to minimize such risk to the Company. Review the Company's procedures in promoting risk awareness in the organization.
5. Monitor and evaluate the adequacy and effectiveness of the Company's control environment including IT systems and functions.

6. Review the Company's procedures for fraud prevention and detection including whistle-blower program.
7. Assist in the preparation and implementation of the Company's Business Continuity Plan.

C. Internal Audit

1. Responsible for the setting-up of Group Internal Audit.
2. Review and approve the annual internal audit plan, including the audit scope, frequency and adequacy of resources and respond to issues raised by the Group Internal Auditor. Ensure that internal audit examinations cover, at least, the evaluation of the adequacy and effectiveness of controls encompassing the organization's governance, operations, information systems, effectiveness and efficiency of operations, safeguarding of assets, and compliance with laws, rules, regulations, and contracts.
3. Ensure through Group Internal Audit that all financial reports are in compliance with both the internal financial management systems and pertinent accounting standards, including regulatory requirements.
4. Ensure that the internal auditors have free and full access to all the Company's records, properties and personnel relevant to the internal audit activity and that the internal audit activity is free from interference in determining the scope of internal auditing examinations, performing work, and communicating results.
5. Require the Group Internal Auditor to render to the Committee and senior management an annual report on the internal audit's activity, purpose, authority, independence, responsibility and performance relative the approved annual audit plan.
6. Require the Group Internal Auditor to periodically report to the Committee as may be necessary.
7. Obtain professional advice or hire special counsel or experts to provide the necessary assistance during engagements.
8. Evaluate the qualifications of internal auditor. Recommend to the Board the appointment, replacement, reassignment, or dismissal of the Group Internal Auditor.
9. Ensure the quality of the auditing function by requiring adherence to professional standards and monitor performance of internal auditors in accordance with the International Standards for the Professional Practice of Internal Auditing (ISPPA).
10. Review the annual internal audit report which includes among others, a summary of major findings from completed internal audits, status of implementation of recommendations resulting from the internal audits, comparison of actual performance with the annual internal audit plan

with explanations for any deviation from the original plan and a certification from the Group Internal Auditor that their activities were conducted in accordance with the ISPPIA.

D. External Audit

1. Review and evaluate the qualifications, performance and independence of the external auditor. Recommend to the Board the external auditor who will be endorsed to the stockholders for selection and appointment.
2. Ensure that the external auditor primarily responsible for the audit of the company's financial accounts is rotated at least once every five years.
3. Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one audit firm is involved.
4. Review and approve all fees to be paid to the external auditors.
5. Pre-approve audit plans, scope and frequency before the conduct of external audit.
6. Evaluate and determine non-audit work by external audit and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the company's total expenditure on consultancy. The non-audit work should be disclosed in the annual report.
7. Review with the external auditor any problems, disagreements or difficulties the auditor may have encountered during the course of their audit and any management letter provided by the auditor and the company's response to that letter.
8. Evaluate management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions.
9. Ensure quality of audit by requiring the external auditors' compliance with auditing standards.
10. Inquire and review completeness and timeliness of communications from external auditors regarding critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management, and other material issues that affect the audit and financial reporting.
11. Review with management and the external auditor at the completion of the annual examination:
 - a. The company's annual financial statements and related footnotes
 - b. The external auditor's audit of the financial statements and his or her report thereon
 - c. Any significant changes required in the external auditor's plan

- d. Any serious difficulties or disputes with management encountered during the course of the audit

E. Compliance

1. Review the Company's system to monitor compliance with code of conduct.
2. Responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations.

F. Reporting Responsibilities

1. Periodically report to the Board about Committee activities, issues, and related recommendations. Issue certifications on critical compliance issues.
2. Provide an open avenue of communication between internal audit, the external auditors, and the Board.
3. Review any other reports the Company issues that relate to Committees responsibilities.

G. Other Responsibilities

1. Perform other activities related to this charter as requested by the Board.
2. Institute and oversee special investigations as needed.

REVIEW OF CHARTER

The Charter shall be periodically reviewed and assessed for its adequacy. The Committee shall recommend the proposed amendments to the Board for approval.