



CERTIFICATION

This is to certify that the attached **Audit Committee Charter** was duly approved by the Board of Directors during its meeting held on 17 February 2012, 2:00 pm, Midas Hotel, Pasay City.

Given this 8th day of March 2012 at the City of Manila.


BABY GERLIE SACRO
Corporate Secretary



Audit Committee Charter

I. Purpose

The Audit Committee shall assist the Board of Directors in fulfilling their oversight responsibility to the shareholders relating to:

- the Company's financial statements and the financial reporting process,
- the systems of internal and financial reporting controls,
- the internal audit activity,
- the annual independent audit of the Company's financial statements, and
- compliance with legal and regulatory matters.

To fulfill this responsibility, the Committee shall maintain free and open communication with the Company's independent auditors, the internal auditors and the management of the Company.

II. Composition and Qualification of Members

1. The Committee shall consist of not fewer than three (3) members and must at least have one (1) independent director as member whom shall be the Chair of Audit Committee:
2. An independent director shall chair the Audit Committee and shall be responsible for ensuring the effective interaction among Committee members and with management and the internal and external auditors.
3. Each member shall have an adequate understanding of accounting and auditing principles, principles in general and of the Corporation's financial management systems and environment in particular.

III. Roles and Responsibilities

The Audit Committee is expected, through the provision of checks and balances, to support the corporate governance process. The Audit Committee is responsible in assisting the board in overseeing the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws and regulation. Specifically, it shall be responsible for the following:

A. Financial Reporting

1. Review of the financial statements and all related disclosures and reports certified by the Chief Finance Officer or its equivalent position and released to the public and/or submitted to the Philippine Securities and Exchange Commission for compliance with both the internal financial management handbook and pertinent accounting standards, including legal and regulatory requirements.
2. Review quarterly, half-year and annual financial statements before their submission to the Board with particular focus on the following matters:
 - Any changes in accounting policies and practice
 - Major judgmental areas
 - Significant adjustments resulting to audit
 - Going concern assumption
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements

B. Internal Audit

1. Review and approval of Internal Audit Charter and subsequent revisions thereto.
2. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include scope, resources and budget necessary to implement it.
3. Review reports of internal auditors, ensuring that management is taking corrective actions in a timely manner, including addressing internal control and compliance issues.
4. Review of Internal Audit's periodic reports and 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, including the status of implementation.
5. Review with the Internal Auditors the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology control, and responsiveness of the

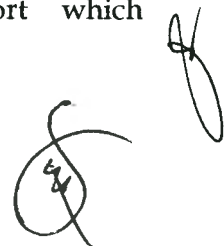
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management in correcting audit-related deficiencies. Discuss policies regarding risk assessment and risk management.

6. Ensure that the internal audit function is organizationally independent from authority operations.
7. Ensure that the Internal Auditors have free and full access to all the Company's records, properties and personnel relevant to and required by its function and that the internal audit activity to fulfill shall be free from any interference in determining its scope, performing its work and communicating results.

C. External Audit

1. Recommend the appointment of the Independent Auditors and their remuneration to the Board.
2. Review and pre-approval of Independent Auditor's plan to understand the basis for their risk assessment and financial statement materiality, including the scope and frequency of the audit.
3. Monitoring of the coordination of efforts between the external and internal auditors.
4. Review of the reports of the Independent Auditors and the regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions in a timely manner, including addressing control and compliance issues.
5. On an annual basis, review the audit and non-audit fees and services provided by the independent accountant. Approve the Company's proxy disclosure with the respect to such fees and approve for the coming year fees to be paid to the independent accountant including non-audit services.
6. Conduct private review sessions with the Independent Auditors at least annually and as otherwise deemed appropriate by the Committee.
7. Assess the effectiveness of the conduct and performance of independent audit. Review the annual audit report which subsequently produced.

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D. Internal Controls, Compliance and Risk Management

1. Review management's assessment of the effectiveness of internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.
2. Committee shall review the adequacy of the Company's enterprise-wide risk management process. Provide oversight over management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation.

E. Other responsibilities

1. Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the Board approval for proposed changes.
2. Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.

IV. Meetings

1. The Committee shall convene quarterly, at least 10 days before the submission of Quarterly reports and 15 days before submission of Annual Report to SEC and PSE or as frequently needed or called by the Chair of the Committee.
2. The Chairman or the President may also arrange a special or additional day of meeting if circumstances require so.
3. As and when appropriate, the Committee may require members of management to be present at the meetings. External subject experts, such as appointed independent auditors and other consultants, may also be invited in the meetings.

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V. Reporting Procedure

1. The Chairman of the Committee will report its activities to the full Board on a regular basis and to make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.
2. Present annually to the Board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.

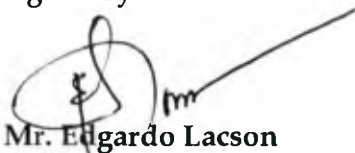
VI. Charter Review

The Audit committee shall review and reassess the Committee charter annually or as it may deem necessary in aligning with changes in status, applicable laws and regulations, Auditing and accounting standards.

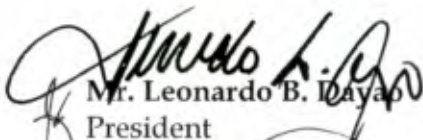
VII. Effectivity

This charter takes effect this 17th day of February 2012 in the City of Manila, Philippines.

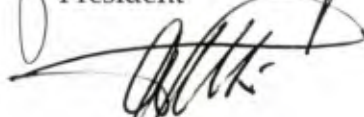
Signed by:



Mr. Edgardo Lacson
Chairman of the Audit Committee



Mr. Leonardo B. Dayao
President



Mr. Lucio L. Co
Chairman