



**PHILTOWN PROPERTIES, INC.**

**AUDIT COMMITTEE CHARTER**

**April 2023**



## **Audit Committee Charter PHILTOWN PROPERTIES, INC.**

### **I. Overview**

This Charter shall ascertain compliance to the requirement of the Securities and Exchange Commission (SEC or the Commission), which directs the Board of Directors (the Board) of Philtown Properties, Inc. (the Corporation) to constitute an Audit Committee.

### **II. Purpose**

The Board shall establish an Audit Committee to enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

### **III. Organization and Membership**

The Committee shall, as much as practicable, be composed of at least three (3), appropriately qualified, Non-Executive Directors. The majority of the Committee's members, including the Chairperson, shall be Independent Directors.

The Committee's Chairperson shall not be the Chairperson of the Corporation's Board or of any of the Board committees. Each Committee member should have adequate understanding or competence of the Corporation's financial management systems and environment.

The Committee members are elected annually to one (1) year terms by a majority vote of the Board. A vacancy in the Committee shall be filled by a majority vote of the Board. A Committee member may be removed by a majority vote of the Corporation's Independent Directors.

The Committee's Chairperson shall ensure that the agenda for each Committee meeting is circulated to each member in advance. The Chairperson, subject to the approval of a majority of the members has the authority to change the agenda to respond to any matters that warrant attention.

### **IV. Meetings and Procedures**

The Committee meets with the Board at least once every quarter.

- a. The Internal Auditor and the Compliance Officer serve as participants in the meetings and are the sources of financial reports;
- b. The Audit Committee can request from the Corporation any record to be provided to support decision making; and
- c. The Internal Auditor serves as Secretariat of the Audit Committee.

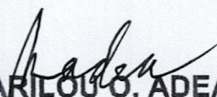


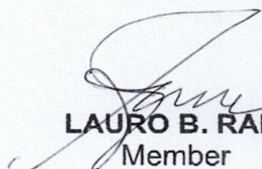
## V. Roles and Responsibilities

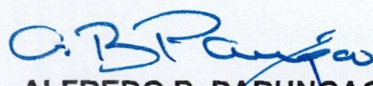
The Committee shall have the following duties and functions:

- a. Assist the Board in the performance of its oversight responsibility for the Corporation's financial reporting process, system of internal control, internal and external audit process and monitoring of compliance with applicable laws, rules and regulations;
- b. Review and approve the audit scope of the internal and external audits for the year;
- c. Recommend to the Board the appointment, reappointment, removal and fees to be paid to the External Auditor, duly accredited by the Commission;
- d. Through the Internal Auditor, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets;
- e. Perform oversight functions over the Corporation's Internal and External Auditors to ensure their independence and unrestricted access to all records, properties and personnel needed for their respective audit functions;
- f. Monitor Management's responsiveness to the Internal Auditor's findings and recommendations as needed;
- g. Conduct an annual evaluation of the Committee's performance;
- h. Review and approve regular and special reports like:
  - (i) monthly unaudited Financial Statements prior to submittal to the Board;
  - (ii) reports on modifications in accounting policies and practices, if any; and
  - (iii) exception reports when applicable.
- i. In the absence of a Related Party Transaction Committee, the Committee shall ensure, through the Internal Auditor, that appropriate disclosures and information are provided to the Board.

Approved for Recommendation to the Board of Directors:

  
**MARILOU O. ADEA**  
Chairperson

  
**LAURO B. RAMOS**  
Member

  
**ALFREDO B. PARUNGAO**  
Member/Chairman-Board of Directors