

ST. PETER LIFE PLAN, INC.

AUDIT COMMITTEE CHARTER

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I. Introduction

This Charter provides the policies, responsibilities, and authority of the Audit Committee {the Committee} of St. Peter Life Plan, Inc. {the Corporation}, including the procedures and schedule of activities that shall guide the Committee in the performance of its functions.

This shall be reviewed by the Committee annually. Any change or revision shall be effective only upon approval of the Board.

II. Statement of Policy

The Corporation shall constitute and maintain a Committee which will provide assistance to the Board in fulfilling its oversight responsibility relating to:

1. The integrity of the financial statements including its reporting process;
2. The qualifications, appointment, remuneration, independence and performance of the independent auditors and the integrity of the audit process;
3. The effectiveness of systems in internal control;
4. Performance and leadership of internal audit function;
5. Compliance with applicable legal and regulatory requirements;
6. Preparation of the Committee's year-end report for approval of the Board which shall form part of the Corporation's annual report.
7. Ensures compliance and performs oversight over the Company's implementation of its Money Laundering and Terrorism Financing Prevention Program (MTPP).

III. Perspective

In compliance with the requirements of the Insurance Commission {IC} regarding good corporate governance, the Manual on Corporate Governance for the Corporation shall be established.

The governance structure of the Corporation defines the relationship of the Board of Directors, the Management and the Committee, as follows:

- The Board is responsible to the shareholders in ensuring that value is created and maintained.

- Management is responsible to the Board in the day-to-day operations of the Corporation including the following:
 - > operating an effective risk management process
 - > maintaining a strong internal control system
 - > preparing reliable financial statements of the Corporation

The Committee assists the Board fulfill its responsibility for oversight of the Corporation's corporate governance processes.

To carry out its responsibilities, the Committee shall be assisted by the Management, the internal auditors and independent auditors in ensuring the integrity of the financial statements of the corporation.

Internal auditors help the Committee assess the Corporation's risk management, controls and effectiveness of its governance processes.

IV. Responsibilities

The Committee supports the corporate governance processes through effective check and balances, specifically on the following areas:

1. Financial Reporting

- 1.1 Reviewing the financial statements including related disclosures and reports certified by Chief Finance Officer and released to the public and/or submitted to the SEC and other regulatory agencies;
- 1.2 Reviewing the quarterly, semi-annual and annual financial statements before submission to the Board, specifically on changes in accounting policies and practices, major or critical areas, significant adjustments resulting from audit, going concern assumptions and compliance with accounting standards, legal, tax and other regulatory requirements.
- 1.3 Reviewing and approving management representation letter before submission to the in auditor.
- 1.4 Ensuring that a transparent financial management system, supported by manual or handbook on policies and procedures that will be used by

the whole organization is established to ensure the integrity of internal control processes in the entire organization.

- 1.5 Ensuring that immediate corrective actions and measures are in place and followed, in cases of finding errors or fraud in the financial statements and related disclosures.
- 1.6 Adhering to international standards for accounting and auditing methodologies and practices.
- 1.7 Communicating with legal counsel covering litigations, claims, and other contingencies which may affect the financial reports of the Corporation.

2. Internal Audit

- 2.1 Reviewing and approving the Internal Audit Charter and subsequent revisions thereto for approval of the Board. Said charter shall be periodically reviewed to ensure adherence with the existing international standards for the Professional Practice of Auditing.
- 2.2 Expanding the Internal Audit Division, including the appointment of the Chief Audit Executive {CAE}. The Committee shall establish and identify the reporting line of the CAE to ensure that reporting levels allow the internal audit to fulfill its responsibilities. The CAE shall report directly to the Committee functionally. The Committee, having appointed the CAE, shall also concur in his/her replacement, reassignment or dismissal. Likewise, the Committee shall review/update the qualification standards for internal auditors.
- 2.3 Ensuring that the Internal Auditors have full access to all the records, properties and human resources and that the Internal Audit Division shall be free from any interference in determining its scope, performing its work and communicating the results.
- 2.4 Approving the Annual Audit Work Plan and all deviations therefrom, ensuring that the audit resources are reasonably allocated according to risks covered.

- 2.5 Reviewing Internal Audit Division 's periodic reports and its Annual Report. The periodic report shall indicate a summary of key findings and recommendations including status of implementation.
- 2.6 Reviewing reports of Internal Auditors and regulatory agencies to ensure that management is taking appropriate corrective and compliance actions in a timely manner.
- 2.7 Providing inputs on the performance of the Internal Audit Division and communicating the same with the Chief Finance Officer {CFO} who shall then translate these into a performance appraisal applicable to the CAE and the Internal Auditors.
- 2.8 Instituting special investigations as needed and, if appropriate, hiring special counsel or experts to provide necessary assistance.
- 2.9 Reviewing evaluation of compliance with the Code of Conduct for management.

3. Independent Audit

- 3.1 Recommending the appointment and removal of the Independent Auditors and the fixing of their remuneration to the Board. The Committee shall conduct an assessment of independence and professional qualifications and competence of the independent auditor and ensure that a rotation process is observed in the engagement of independent auditor.
- 3.2 Reviewing and pre-approving the Independent Auditor's plans one (1) month before the conduct of external audit to understand the basis for their risk assessment and financial statement materiality, including the scope and frequency of the audit. In this regard, the Committee 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. In addition, the Committee shall review compliance of independent auditor with auditing standards.
- 3.3 Monitoring the coordination efforts between the independent and internal auditors.
- 3.4 Reviewing the reports of the Independent Auditors and regulatory agencies, where applicable, and ensuring that management is taking appropriate

corrective actions in a timely manner, including addressing control, governance and compliance issues.

- 3.5 Conducting a separate meeting in executive session, with the Independent Auditors to discuss any matter that the Committee or Independent Auditors believe should be discussed privately, including the results of the audit, year-end financial statements, the quality of management, financial and accounting controls.

V. Membership

1. The Committee shall consist at least three (3) directors entirely non-executive, majority of whom shall be independent directors.
2. An independent director shall chair the Committee and shall be responsible for ensuring the effective interaction among Committee members and with Management and the internal and independent auditors.
3. Each member shall have an adequate understanding of accounting and auditing in general and of the Corporation's financial management systems and environment in particular. At least one (1) member should have auditing experience and accounting expertise.

VI. Meetings and Schedules

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. The CAE will ensure that the schedule is carried as planned.
2. The Committee shall meet at least quarterly. The quarterly meetings shall be held prior to the meeting of the Board. In cases when there is a need for special meetings to take up any critical items that would need approval in between the quarterly meetings, it shall be up to the CAE to propose such meeting and for the Chairman of the Committee to call for a special meeting.

3. The agenda for the meetings will be developed by the CAE based on the agreed calendar of activities and inputs from the Committee members, subject to the approval of the Chairman. The quarterly meetings will include the review and discussion of the quarterly or year-end financial statements, the related disclosures and other reportorial requirements, and updates on internal audit activities.
4. The President or the Chief Executive Officer and the Chief Financial Officer may be requested to attend Committee meetings. When appropriate, the Committee may require other members of Management to be present at the meetings. External subject experts, such as the appointed independent auditors and other consultants, if any, may also be invited to the meetings.
5. The Committee shall meet with the internal and the independent auditors in executive session at least once a year.

VII. Reporting Procedures

To keep the Board apprised on the results of the Committee's activities, the Chairman of the Committee shall submit an Audit Committee report every quarter to the Chairman of the Board; and shall be ready to present the report to the Board during its meeting for the quarter.

The Committee Chairman will also submit and present an annual Audit Committee report to the Board during its first meeting in the immediately succeeding calendar year.

VIII. Functional and Secretariat Support

The Internal Audit Division shall support the Committee in the rendition of its functions, specifically:

1. Internal Audit shall provide all the secretariat support to the Committee.
2. The CAE shall attend all the Committee meetings.
3. Internal Audit shall keep all minutes of the meetings, recorded and prepared by the designated Secretary to the meeting and make these

available for inspection by any member of the Committee or the Board,
as needed.

Approved by the Board of Directors:



VICTOR JOSE R. TANCINCO

Chairman of the Board of Directors

In behalf of the Board of Directors

