

AUDIT COMMITTEE CHARTER

I. PURPOSE

To assist the Board of Directors (“Board”) in fulfilling its oversight responsibilities for the management and financial reporting process, the system of internal control, the maintenance of an effective audit process, and the process for monitoring compliance with the Corporate Code of Conduct and Ethics.

II. AUTHORITY

The Audit Committee has authority to conduct or authorize investigations into any matter within its scope of responsibility. In the performance of its functions, the Committee is empowered to:

- Recommend to the Board the appointment, compensation, and oversight of the work of any registered public accounting firm employed by the organization (i.e. external auditors);
- Resolve any disagreements between Management and the Auditor regarding financial reporting;
- Pre-approve all auditing and non-audit services;
- Retain independent counsel, accountants, or other advisers to advise the Committee or assist in the conduct of an investigation;
- Seek any information it requires from employees all of whom are directed to cooperate with the Committee's requests or those made by external parties on its behalf; and
- Meet with company officers, external auditors, or outside counsel as necessary.

III. COMPOSITION

The Audit Committee, whose members have adequate financial and accounting expertise will consist of at least three (3) members of the Board of Directors. The Committee shall, as much as possible, be chaired by an independent director. The Board shall appoint its members.

IV. MEETINGS

The Audit Committee will meet at least quarterly and may convene additional meetings, as circumstances require. Meetings may be attended in person or via tele- or video-conference. Meetings will be minuted.

V. RESPONSIBILITIES

The Audit Committee will have the following responsibilities:

V.1. Financial Statements

- Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - a. any change/s in accounting policies and practices;
 - b. major judgmental areas;
 - c. complex and unusual transactions;
 - d. significant adjustments resulting from the audit;
 - e. going concern assumptions;
 - f. compliance with accounting standards; and
 - g. compliance with tax, legal and regulatory requirements.

Understand the impact of the above matters on the financial statements.

- Review with Management and External Auditor the annual financial statements and the results of audit, including any difficulties encountered.
- Review the annual financial statements and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review interim financial reports with Management before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.
- Recommend to the Board the approval of the audited financial statements.

V.2. External Audit

- Ensure that the External Auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and the valuations of such transactions.
- Ensure that the External Auditor has adequate quality control procedures.

- Review and confirm the independence of the External Auditor by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- Review the External Auditor's proposed audit scope and approach, including coordination of audit efforts with Internal Audit.
- Review the performance of the External Auditor and recommend to the Board the appointment or discharge of the auditors.
- Regularly meet with the External Auditor to discuss any matters that the Committee or auditors believe should be discussed privately.
- Review and approve audit-related and permitted non-audit services to be rendered by the External Auditor.
- Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to it and to the company's overall consultancy expenses.
- Disallow any non-audit work that will conflict with its duties as an External Auditor or may pose a threat to its independence.

V.3. Internal Control System

- 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.
- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Ensure that a transparent financial management controls system that aims to ensure the integrity of the said system is in place.
- Understand the scope of the Internal and External Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with Management responses.

V.4. Internal Audit

- Recommend a qualified Chief Audit Executive ("CAE"), or its equivalent, who shall oversee and be responsible for the internal audit activity of the organization.
- Review any actions to replace or dismiss the CAE.

- Establish and identify the reporting line of Internal Audit to enable them to properly fulfill their duties and responsibilities. The Committee shall ensure that, in the performance of the work of Internal Audit, they shall be free from interference by outside parties.
- Review with Management and the CAE the charter, plans, activities, staffing and organizational structure of the internal audit function.
- Review and monitor Management’s responsiveness to Internal Audit’s findings and recommendations.
- Approve the terms and conditions for outsourcing internal audit services, if material in nature.
- Review the effectiveness of internal audit function, including compliance with the Internal Standards for the Professional Practice of Internal Auditing.
- On a regular basis, meet separately with the CAE to discuss any matters that the Committee or Internal Audit believes should be discussed privately.

V.5. Reporting responsibilities

- Regularly report to the Board about committee activities, issues, and related recommendations.
- Report annually to the shareholders, describing the Committee's composition responsibilities, and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any reports (e.g. to SEC and PSE) the company issues that relate to Committee responsibilities.

V.6. Other Responsibilities

- Perform interface functions with the Internal and External Auditor.
- Discuss with the Internal Auditor and External Auditor the nature and scope of the audit, and ensure proper coordination to secure proper coverage and minimize duplication of efforts.
- Perform other activities related to this charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes, and ensuring appropriate disclosure as may be required by law or regulation.

- Confirm annually that all responsibilities outlined in this charter have been carried out.