

KEPWEALTH PROPERTY PHILS., INC.
AUDIT COMMITTEE CHARTER

I. PURPOSE

The Committee assists and advises the Board of Directors (“Board”) of Kepwealth Property Phils., Inc. (“Company”) in fulfilling its oversight responsibilities to ensure the quality and integrity of the Company’s accounting, financial reporting, auditing practices, risk management and internal control systems and adherence to over-all corporate governance best practice. The Committee also oversees the Company’s process for monitoring compliance with laws, regulations, the Code of Ethics, and performs other duties as the Board may require.

II. MEMBERSHIP

I. Composition

The Committee shall consist of at least three (3) non-executive members of the Board, majority of whom should be independent directors. The Committee shall be chaired by an independent director, who is not at the same time the Chairman of the Board or of any other Board Committee.

The Chairman and members of the Committee shall be appointed by the Board.

2. Qualifications and Disqualifications

The Members of the Committee must be financially literate and must have adequate and relevant background, knowledge, skills and/or experience, and have competent understanding of finance, accounting and auditing processes, in addition to thorough knowledge of the Company’s business and industry in which it operates.

A Member shall be disqualified from continuing to be such during the remainder of his tenure if, upon determination by the Board, a Member ceases to meet any of the independence criteria or any of the qualifications for directorship as set forth in the Company’s Manual on Corporate Governance.

III. DUTIES AND RESPONSIBILITIES

The Committee is duty-bound to perform and carry out the following responsibilities:

- a. Recommends the approval of the Internal Audit Charter (IA Charter);
- b. Through the Internal Audit Head, monitors and evaluates the adequacy and effectiveness of the Company’s internal control system, integrity of financial reporting, and security of physical and information assets;
- c. Oversees the Internal Audit Head, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE);
- d. Establishes and identifies the reporting line of the Internal Auditor;
- e. Reviews and monitors Management’s responsiveness to the Internal Auditor’s findings and recommendations;

- f. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures proper coordination if more than one audit firm is involved in the activity;
- g. Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses;
- h. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 - i. Any change/s in accounting policies and practices;
 - ii. Areas where a significant amount of judgment has been exercised;
 - iii. Significant adjustments resulting from the audit;
 - iv. Going concern assumptions;
 - v. Compliance with accounting standards; and
 - vi. Compliance with tax, legal and regulatory requirements;
- i. Reviews the disposition of the recommendations in the External Auditor's management letter;
- j. Performs oversight functions over the Company's Internal and External Auditors;
- k. Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- l. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

IV. COMMITTEE MEETINGS

The Committee shall hold meetings at such times and places as it considers appropriate, provided that at least one (1) meeting shall be held in each fiscal quarter. Meetings of the Committee shall be convened by the Chairman of the Committee as and when he considers appropriate or upon the request of a majority of the Members.

A Committee meeting shall be convened upon notice in writing at least three (3) days prior to the meeting and specifying the place, date and time of the meeting and the matters to be discussed at the meeting. A Member may consent to short notice and may waive notice of any meeting of the Committee.

The quorum for a meeting of the Committee shall be at least a majority of the Members present throughout the meeting. Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the Members present at such meeting.

V. REPORTING RESPONSIBILITIES

The Committee shall regularly report to the Board the Committee's activities, findings, decisions, deliberations and recommendations. The Committee shall prepare such reports as may be necessary to document the activities of the Committee in the performance of its functions and duties.

VI. PERFORMANCE EVALUATION

The Committee shall assess its effectiveness periodically, with the end view of ensuring that its performance accords with best practice. Such assessment must compare its performance with the requirements of this Charter which shall be the basis of formulation of objectives and plans to improve its performance.

VII. RESOURCES

The Committee shall have full access to management, personnel and records for the purpose of performance of its duties and responsibilities and is authorized to hire independent advisors, and to secure the attendance of such advisors if it is considered necessary for the proper performance of the Committee functions under this Charter.

VIII. ANNUAL REVIEW

This Charter shall be reviewed annually and updated as required.

IX. AMENDMENT

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.