

GT CAPITAL HOLDINGS, INC.

GT Tower International, Ayala Avenue corner H.V. Dela Costa St., Makati City

AUDIT COMMITTEE CHARTER

Purpose and Objective

The Audit Committee (the “Committee”) assists the Board of Directors in (the “Board”) in the performance of its oversight function over the Company’s financial reporting process, systems of internal control, internal and external audit processes and compliance monitoring procedures. It is primarily responsible for the appointment, re-appointment or removal of the external auditor.

Membership

The Committee shall consist of at least three (3) directors, all of whom must be capable of exercising independent judgment and shall be non-executive directors. All of the members of the Audit Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance. The Chair of the Audit Committee shall be an Independent Director and should not be the Chairman of the Board or of any other committees.

Meetings

The Committee shall meet regularly at least once every quarter. However, special meetings may be called by any member of the Committee or upon request of the internal or external auditors as the need arises subject to the required quorum. Relevant information from meetings, such as the attendance of its members, shall be included in the Corporation’s annual report.

Duties and Responsibilities

The Committee shall:

- a) Provide oversight of the Corporation’s Financial Reporting and Control and Internal and External Audit Functions;
- b) Be responsible for the setting up of the Internal Audit Division and for the appointment of the Internal Auditor or engagement of third party service provider of audit functions as well as the Independent External Auditor, the determination of audit fees and any issues of resignation or termination of auditors. Both internal as well as external auditors shall report directly to the Committee;
- c) Have explicit authority to investigate any matter within its terms of reference, full access to and cooperation by Management and full discretion to invite director or executive officers to attend its meetings and adequate resources to enable it to effectively discharge its functions;

- d) Ensure that a review of the effectiveness of the Corporation's internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually;
- e) Review and approve audit scope and frequency and the Annual Internal Audit Plan;
- f) Discuss with the external auditor before the audit commences the nature and scope of the audit;
- g) Receive and review reports of Internal and external auditors and regulatory agencies, where applicable and ensure that management is taking appropriate measures and corrective actions in a timely manner in addressing control and compliance functions with regulatory agencies;
- h) Review the quarterly, half year and annual financial statements before submission to the Board, focusing particularly on:
 - Any changes in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumption
 - Compliance with accounting standards
 - Compliance with tax, legal and other regulatory requirements
- i) Be responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations;
- j) Evaluate and determine non-audit work by the external auditor and keep under review the non-audit fees paid to the external auditor, if any: both in relation to their significance to the auditor and in relation to the; company' s total expenditure on consultancy;
- k) Establish and identify the reporting line of the Chief Audit Executive/Internal Audit Head so that the reporting level allows the Internal Audit activity to fulfill its responsibilities. The Chief Audit Executive/Internal Audit Head shall report directly to the Audit Committee functionally and to the President administratively. The Committee shall ensure that the Internal Auditors shall have free and full access to all the company's records, properties and personnel relevant to the Internal Audit activity and that the Internal Audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results; and shall provide a venue for the Committee to review and approve the Annual Internal Audit Plan.
- l) Provide oversight over Management's activities in managing investments, credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include receiving from Management periodic information on risk exposures and risk management activities;
- m) Review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes;

- n) Address all issues and concerns from the auditors expeditiously and effectively to avoid the possibility of their having to render a qualified or adverse opinion, including substantive and significant disclaimers;
- o) Ensure that no revisions to the company's financial statements are necessary for reasons other than mandated changes in accounting practices;
- p) Jointly with the Risk Oversight Committee, certify in behalf of the Board of Directors as to the adequacy of the Corporation's internal controls and risk management system;
- q) Approve all non-audit services conducted by the external auditor and ensure that non-audit fees do not outweigh the fees earned from the external audit;
- r) Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions;
- s) Ensure that the external auditor has adequate quality control procedures;
- t) Ensure that the external audit firm is selected on the basis of a fair and transparent tender process;
- u) Conduct regular meetings and dialogues with the external audit team without anyone from management present; and
- v) Ensure that, should the external auditor not be rotated, that the lead audit partner is rotated every five (5) years.

Assessment

In evaluating the performance of the Audit Committee, the following areas shall be assessed:

- (a) Charter;
- (b) Composition and quality;
- (c) Meetings;
- (d) Duties and responsibilities; and
- (e) Performance as a member.