

AUDIT COMMITTEE CHARTER

ICD's Vision

By 2024, ICD will be widely recognized as the key catalyst in effecting positive change in the corporate governance ecosystem for inclusive and sustainable development.

ICD's Mission

To advocate good governance and stewardship in the corporate sector for the benefit of society.

ICD's Core Values

Independence, Solidarity, Patriotism, Integrity & Ethics, Excellence, Social Responsibility

1. PURPOSE

The primary purpose of the Audit Committee ("AC" or "the Committee") is to enhance the oversight capability of the Board of Trustees ("Board") over the organization's financial reporting, internal control system, audit process and compliance with relevant laws and regulations.

2. MEMBERSHIP

The Committee shall be composed of three (3) to five (5) Trustees with relevant background, knowledge, skills and/or experience in the areas of accounting, auditing, or finance. The Chairman shall preferably be a certified public accountant and should not be the Chairman of the Board or of any other committees.

The Board shall appoint the Chairman and the members during the annual organizational meeting of the Board to be held immediately after the Annual General Membership Meeting.

The members of the Committee will serve for a period of one (1) year; however, they can be replaced or terminated at any time by a majority vote of the Board.

3. AUTHORITY

The Committee is empowered to:

- Conduct or authorize investigations into any matters within its scope of responsibility.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Endorse all audit and non-audit service proposals to the Board for approval.
- Recommend independent counsel (if needed), accountants, or others to advise the Committee or assist in the conduct of an investigation.
- Access any records upon reasonable prior notice during usual office hours of ICD.

- Seek any information it requires from employees, all of whom are directed to cooperate with the Committee's requests, or external parties.
- Meet with company officers, external auditors, or outside counsel, as necessary.

4. RESPONSIBILITIES

The Committee shall perform/carry-out the following responsibilities:

A. Financial Reporting

1. Review and approve the interim and annual financial statements before their submission to the Board, with particular focus on the following matters, as applicable:
 - Compliance with accounting standards
 - Changes in accounting policies and practices
 - Highly judgmental areas
 - Complex or unusual transactions
 - Significant accounting and reporting issues
 - Material adjustments resulting from audit
 - Going concern assumptions
 - Compliance with tax, legal and regulatory requirements, and disclosures
 - Completeness and consistency with information known to the Committee members
2. Review and discuss with management and external auditor the results of the annual audit and the resolution of any significant audit findings or issues, if any.

B. Internal controls

1. Assess and monitor the overall adequacy and effectiveness of the company's internal control system, including information technology security and control.
2. Understand the scope of external auditors' review of the existing internal controls, and obtain reports on significant findings and recommendations, together with management's responses.

C. Internal audit (Where applicable)

1. Approve decisions regarding the appointment and removal of the internal auditor (IA). It shall also ensure that there are no unjustified restrictions or limitations on the IA's role and responsibilities.
2. Approve the annual internal audit plan and all major changes to the plan as well as review the internal audit activity's performance relative to its plan.

3. Review with the CFO the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
4. Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' the Definition of Internal Auditing, Code of Ethics, and the International Standards for Professional Practice of Internal Auditing.
5. On a regular basis, meet separately with the CEO to discuss any matters that the Committee or CEO believes should be discussed privately.

D. External Audit

1. Recommend to the Board the appointment, reappointment, removal, and fees of the external auditor who should be duly accredited by the SEC.
2. Before the start of the audit, meet and discuss with the external auditor the audit scope and approach, timeframe, and proposed fee.
3. Confirm the independence of the external auditor by obtaining statements from the auditor on relationships between the auditor and the organization
4. Evaluate the non-audit work, if any, that will be performed by the auditor and allow only such work and fee that will not pose a threat to the auditor's independence.
5. Assess the performance of the external auditor to determine the suitability for reappointment.
6. Meet at least annually with the external auditor, without the presence of management, to discuss any matters that the Committee or auditor believes should be discussed privately.

E. Business Conduct and Ethics

1. Endorse to the Board the Code of Business Conduct and Ethics (CBCE) and subsequent revisions thereof.
2. Review and investigate any matters pertaining to the integrity of management or adherence to standards of business conduct as required in the CBCE.
3. Review and approve significant related party transactions in accordance with the Policy on Related Party Transactions (Annex B of the CBCE).

4. Establish and oversee procedures for the receipt, retention, and treatment of complaints on accounting, internal accounting controls or auditing matters, as well as for confidential anonymous submissions by ICD employees of concerns regarding questionable accounting or auditing matters,

F. Compliance

1. Review the effectiveness of the system for monitoring compliance with laws, regulations and the CBCE by all Trustees and staff as well as the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
2. Review the process for communicating the CBCE to company personnel and for monitoring compliance therewith.
3. Review the findings of any examinations by regulatory agencies and management's response.
4. Discuss with management and company legal counsel, where necessary, regarding legal compliance matters with significant impact on the financial statements.

G. Other Areas

1. The Committee shall, in coordination with the Risk Management Committee, discuss with management and assess the Organization's significant or major exposures, if any, and the steps taken by management to monitor or manage such risks
2. On a need basis, meet separately with the CEO to discuss any matters that the Committee or CEO believes should be discussed privately.
3. The Committee will submit a report on its activities to the Board at least once a year and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.

5. MODE OF OPERATION

- The Committee, in coordination with ICD's CEO, shall be provided with a Secretary who shall prepare minutes of meeting and keep records of the Committee.
- The Committee shall meet at least quarterly, or as often as circumstances require.
- Notice of meeting shall be sent by the Secretary to the members at least two (2) weeks prior to the quarterly Committee's meeting.

- Meeting agenda and appropriate briefing materials will be provided at least 5 working days prior to the meeting.
 - A majority of the members shall constitute a quorum for the conduct of the meeting.
 - Each member, including the Chairman, shall have one (1) vote.
 - A member who has direct or indirect interest in a contract, arrangement or any other dealings or proposed deals with ICD shall declare the nature of his/her interest and, excuse and inhibit himself/herself from the meeting when a vote is taken on the matter.
 - The Committee will be provided with the necessary resources to conduct its activities and the same shall be included in the annual budget, if necessary.
 - The Committee shall review its Charter annually and amend the same, if necessary, and submit it to the Board for approval.
 - The members of the Committee shall evaluate the committee's and individual members' performance annually.
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