



METRO PACIFIC INVESTMENTS CORPORATION INTERNAL AUDIT CHARTER

Introduction

The Internal Audit Charter establishes the organizational status of the Internal Audit function in Metro Pacific Investments Corporation (the "MPIC"), including its role, purpose, mission, authority, responsibility and reporting relationships, including its oversight to the Internal Audit function of MPIC's subsidiaries and affiliates.

The Internal Audit Charter shall be approved by the Audit Committee of the Board of Directors as part of their oversight function. It shall be reviewed annually and subjected to the same approval process for any revisions or changes thereto.

Policy Statement

It is the policy of MPIC to establish and support an Internal Audit function as a fundamental part of its Corporate Governance practices.

Role

The internal audit activity is established by the Board of Directors (the "Board"). The internal audit activity's responsibilities are defined by the Board as part of their oversight role.

Purpose, Mission and Scope of Work

The purpose of the Internal Audit Department is to provide independent, objective assurance and consulting services designed to add value and improve the operations of MPIC, Subsidiaries and Affiliates. The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit helps accomplish its objectives by bringing a systematic, disciplined, and risk-based approach to evaluate and improve the effectiveness or risk management, control and governance process.

The scope of work of the Internal Audit Department is to determine whether the structure of risk management, control, and governance processes for MPIC, Subsidiaries and Affiliates as designed and represented by management, is adequate and functioning in a manner to ensure that:

- Risks are appropriately identified, managed and reported.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable and timely.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are economically acquired, efficiently used and adequately protected.

- Programs, plan and objectives are achieved.
- Quality and continuous improvement are fostered in the control processes.
- Significant legislative or regulatory issues are recognized and addressed appropriately.

Internal Audit Department, in the course of conducting its engagements, may identify opportunities for improving management control, profitability and image of MPIC, Subsidiaries and Affiliates. Internal Audit Department shall communicate these to appropriate level of management.

Nature of Assurance and Consulting Engagements

Assurance Engagements

The Internal Audit activity involves objective assessment of evidence to provide independent opinions or conclusions regarding governance, risk management, and control processes, systems, operations or other subject matters. The examples are as follows:

- Evaluating the effectiveness and efficiency of the governance, control environment and the risk management processes.
- Evaluating adequacy of and compliance with policies, plans and procedures.
- Evaluating the effectiveness and efficiency in deployment of resources.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether such are being carried out as planned.

Consulting Engagements

The Internal Audit activity is advisory in nature and are generally performed at the specific request of an internal engagement client as approved by the Audit Committee. These are intended to add value and improve the organization's risk management and control processes without the internal auditors assuming management responsibility. These include, but not limited to the following:

- Performing advisory, training and monitoring services related to readiness and compliance with the required self-assessments and certifications regarding internal controls over financial reporting.
- Fact finding and verification services requiring independent and objective perspective from outside of the requesting department.

Accountability

The Chief Audit Executive (CAE) in the discharge of his/her duties shall be accountable to management and the Audit Committee to:

- Provide annually an assessment on the adequacy and effectiveness of MPIC's, Subsidiaries' and Affiliates' processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of the MPIC, Subsidiaries and Affiliates, including potential improvements to those processes and provide information concerning such as issues through resolutions.
- Provide information periodically on the status and results of the annual audit plan and the sufficiency of Internal Audit's resources.
- Coordinate with and provide oversight of other control and monitoring

functions (risk management, compliance, security, legal, ethics, environmental, external audit).

- Review this charter at least annually and obtain approval of the Board through the Audit Committee for any revisions as deemed appropriate or as required by regulatory external bodies.

Independence and Objectivity

The Internal Audit Department must be independent and objective in performing its work.

The work of the Internal Audit Department will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of necessary independent and objective mental attitude.

The Chief Audit Executive is the head of the Internal Audit Department and shall execute, oversee and be responsible for the internal audit activity of MPIC, Subsidiaries and Affiliates, including the portion that is outsourced to a third-party service provider or co-sourced with internal resources.

To provide for the independence of the Chief Audit Executive, s/he reports functionally to the Board through the Audit Committee and administratively to the President and Chief Executive Officer or his designate in a manner outlined in the preceding section on Accountability. It will include as part of its reports to the Audit Committee a regular report on the internal audit personnel.

The Board through the Audit Committee will approve decisions regarding the appointment, replacement and remuneration of the Chief Audit Executive.

The Internal Audit Department must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the process being examined, and must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by other in forming judgments.

Responsibility

The Internal Audit Department will report on the following:

- Results of audit plans and activities at least quarterly to the Audit Committee;
- List of significant measurement goals to be approved at the start of the year by the Audit Committee and results thereof;
- Status completion of its audit plans, the reasons if not completed, and the unscheduled audit activities performed;
- Emerging trends and successful practices in internal auditing locally and worldwide; and
- Annual confirmation on the organizational independence of internal audit function.

General

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan as well as periodic updates thereto to the Audit Committee for review and approval.

- Implement the annual audit plan, as approved, including any special tasks or projects requested by management and the Audit Committee.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation and/or expansion.
- Assist in the investigation of significant suspected fraudulent activities within MPIC, Subsidiaries and Affiliates and notify management and the Audit Committee of the results.
- Maintain a professional audit team with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Consider the scope of work of the internal and external assurance and consulting service providers, as appropriate, for the purpose of providing optimal audit coverage to MPIC, Subsidiaries and Affiliates at a reasonable overall cost.
- Review the reliability and integrity of the financial reporting process and operating information and the business processes used to identify, measure, classify and report such information.
- Ensure that there is an appropriate mechanism in place for employee concerns or complaints on questionable accounting or auditing matters and notify Audit Committee of the status and disposition of reported complaints.
- Appraise the adequacy of action taken by management in response to reported risk issues, control weaknesses and opportunities for improvement.
- Coordinate with the subsidiaries and affiliates' internal audit functions and serve as a resource to the subsidiaries and affiliates' audit committees to ensure the sharing of best practices and standardization of internal audit practices within the Group.
- Establish a quality assurance program for the internal audit by which the Audit Committee is assured of the operation of internal auditing activities.

Corporate Governance

- Provide assistance to the Audit Committee in the discharge of the Committee's oversight function with regard to corporate governance. Such activities include establishing the communication process to discuss with the Audit Committee issues and controls affecting the financial reporting and risk management processes, compliance with laws and regulations and internal controls.
- Coordinate with the Compliance Officer in ensuring that the provisions of the corporate governance manual of MPIC, Subsidiaries and Affiliates are appropriately and adequately complied with.
- Report to the Audit Committee and the Compliance Officer recommended improvements identified in the ethics-related programs and activities of MPIC, Subsidiaries and Affiliates resulting from the regular course of internal audit reviews.
- Update the Audit Committee and Senior Management on developments and emerging trends and issues in corporate governance, especially in areas directly affecting their roles and responsibilities.
- Deliver specific requirements from the Internal Audit activity, as specified in corporate governance manual of MPIC, as follows:
 - Establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with MPIC's goals;
 - Communicate the internal audit plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;
 - Report periodically to the Audit Committee on the internal audit activity's

- performance relative to its plan;
- Assist in the investigations arising from whistleblower disclosures; and
- Present findings and recommendations to the Audit Committee and give advice to senior management and the Board on how to improve internal processes.

Enterprise-Wide Risk Management

- Review the adequacy of the risk management policy and compliance thereto.
- Review the effectiveness of the risk management process and risk mitigation strategies designed by the risk owners.
- Participate in the risk assessment workshops and other activities of the Risk Management team.

Authority

The Internal Audit Department, with strict accountability for confidentiality and safeguarding records and information, is authorized to:

- Have unrestricted access to all functions, records, property and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Have full and free access to and communicate and interact directly with the Audit Committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives and issue reports.
- Obtain the necessary assistance of personnel in units within MPIC, Subsidiaries and Affiliates where they perform audits, as well as other specialized services from within or outside the MPIC, Subsidiaries and Affiliates.

The Internal Audit Department is not authorized to:

- Assess specific operations of a unit or department in which an Internal Audit employee was previously part or responsible for in the last twelve months.
- Perform any operational duties for the Corporation or its affiliates.
- Draft and/or implement internal controls, develop procedures and install systems. The Internal Audit Department, may, however, be consulted on the adequacy of the related controls.
- Initiate or approve accounting transactions except those pertaining to the operation of Internal Audit.
- Direct the activities of any MPIC, Subsidiaries and Affiliates' employees, except to the extent such employees have been appropriately assigned to as part of the audit team.

Professionalism and Standards of Internal Audit Practice

The Internal Audit and its activities will adhere to The Institute of Internal Auditors' mandatory guidance of the Institute of Internal Auditors' International Professional Practices Framework, including the Definition of Internal Auditing, Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics for Internal Auditors, and the International Standards for the Professional Practice of Internal Auditing. The CAE will report periodically to Senior Management and the Board through the Audit Committee regarding the Internal Audit's conformance to the Code of Ethics and the Standards.

Approval and Effectivity

This Internal Audit Charter was adopted by the resolutions of the Board of Directors on August 9, 2012 and updated August 3, 2015. Further revisions were approved by the Audit Committee on February 19, 2020 and March 7, 2022 and took effect immediately upon such approval.

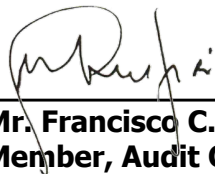
Approved by:



Mr. Pedro E. Roxas
Chairman, Audit Committee



Mr. Artemio V. Panganiban
Member, Audit Committee



Mr. Francisco C. Sebastian
Member, Audit Committee

Date approved: 07 March 2022