

AUDIT COMMITTEE

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The Commission, in its Resolution No. 177, series of 2004 dated April 1, 2004, mandates all companies listed with the First Board of the Exchange to have an audit committee which shall be composed of, among others, at least two (2) independent directors, one of whom shall be its head or chairman.

The said audit committee shall be responsible, among others, to choose the external auditor of the company.

Failure to comply with the requirements of this Circular shall subject the listed company to a penalty of Ten Thousand Pesos (P10,000.00) and Five Hundred Pesos (P500.00) per day of delay of compliance, without prejudice to the imposition of other sanctions provided under Section 54 of the Securities Regulation Code.

This Circular shall take effect fifteen (15) days from publication in a newspaper of general circulation in the Philippines.

Adopted: 01 Apr. 2004

For the Commission:

(SGD.) LILIA R. BAUTISTA

Chairperson

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