

Audit Committee Pre-Approval Process

I. Statement of Principles

Under the Manual on Corporate Governance, the Audit Committee of the Board of Directors is responsible for the appointment, compensation and oversight of the work of the independent auditor. As part of this responsibility, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent auditor to assure the auditor’s independence is not impaired. To observe the highest standards of governance and ensure independence, there is a need to specify the types of services that an independent auditor may not provide to the company, as well as the audit committee’s administration of the engagement of the independent auditor. The following Audit and Non-Audit Services Pre-Approval Policy (the “Policy”), sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditor may be pre-approved.

The appendices to this policy describe the Audit, Audit-related, Tax and All Other services that have the general pre-approval of the Audit Committee. The term of any general pre-approval is 12 months (could be co- terminus) from the date of pre-approval, unless the Audit Committee considers a different period and states otherwise. The Audit Committee will annually review and pre-approve the services that may be provided by the independent auditor without obtaining specific pre-approval from the Audit Committee. The Audit Committee will add to or subtract from the list of general pre-approved services from time to time, based on subsequent determinations.

The purpose of this Policy is to set forth the procedures by which the Audit Committee intends to fulfill its responsibilities. It does not delegate the Audit Committee’s responsibilities to pre-approve services performed by the independent auditor to management.

The independent auditor has reviewed this Policy and believes that adherence to the policy will not adversely affect the auditor’s independence.

II. Delegation

The Audit Committee may delegate authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

Under this provision, the Audit Committee has delegated its authority of pre-approval to the Chairman of the Audit Committee. The Chairman may pre-approve audit and no audit services on behalf of the Audit Committee and will be responsible for reporting any pre-approvals at the next scheduled Audit Committee meeting following the pre-approval of any such services.

III. Audit Services

The annual audit services engagement terms and fees will be subject to the specific pre-approval of the Audit Committee. Audit services include the annual financial statement audit and other procedures required to be performed by the independent auditor to be able to form an opinion on the Company’s financial statements. The Audit Committee will monitor the Audit services engagement as necessary, but no less than on an annual basis, and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Company structure or other items.

In addition to the annual Audit services engagement approved by the Audit Committee, the Audit Committee may grant general pre-approval to other Audit services, which are those services that only the independent auditor reasonably can provide. Other Audit services may include statutory audits and services associated with SEC registration statements, periodic reports and other documents filed with the SEC.

The Audit Committee has pre-approved the Audit services in Appendix A. All other Audit services not listed in Appendix A must be specifically pre-approved by the Audit Committee.

IV. Audit-related Services

Audit-related services are assurance and related services that are reasonably related to the performance of the Audit or review of the Company's financial statements or that are traditionally performed by the independent auditor. Because the Audit Committee believes that the provision of Audit-related services does not impair the independence of the auditor, the Audit Committee may grant general pre-approval to Audit-related services.

The Audit Committee has pre-approved the Audit-related services in Appendix B. All other Audit-related services not listed in Appendix B must be specifically pre-approved by the Audit Committee.

V. Tax Services

The Audit Committee believes that the independent auditor can provide routine Tax services to the Company such as tax compliance, tax planning and tax advice without impairing the auditor's independence. Hence, the Audit Committee believes it may grant general pre-approval to those Tax services that have historically been provided by the auditor, that the Audit Committee has reviewed and believes would not impair the independence of the auditor.

Pursuant to the preceding paragraph, the Audit Committee has pre-approved the Tax Services in Appendix C. All other Tax services not listed in Appendix C must be specifically pre-approved by the Audit Committee.

VI. All Other Services

The prohibited non-audit services are:

- Bookkeeping or other services related to the accounting records or financial statements of the audit client
- Financial information systems design and implementation
- Appraisal or valuation services, fairness opinions or contribution-in-kind reports
- Actuarial services
- Internal audit outsourcing services
- Management functions
- Human resources
- Broker-dealer, investment adviser or investment banking services
- Legal services
- Expert services unrelated to the audit

All Other services must be specifically pre-approved by the Audit Committee.

VII. Pre-Approval Fee Levels or Budgeted Amounts

Pre-approval fee levels for all services to be provided by the independent auditor will be established annually by the Audit Committee. Any proposed services exceeding these levels or amounts will require specific pre-approval by the Audit Committee.

VIII. Procedures

All requests or applications for services to be provided by the independent auditor that do not require specific approval by the Audit Committee will be submitted to the Treasurer (“Treasurer”) of the APMC Iloilo and must include a detailed description of the services to be rendered. The Treasurer will determine whether such services are included within the list of services that have received the general pre-approval of the Audit Committee. The Audit Committee will be informed on a timely basis of any such services rendered by the independent auditor.

Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the independent auditor and the Treasurer, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC’s rules on auditor independence.

Appendix A

Pre-Approved AUDIT SERVICES for 2022

Dated: 21 August 2022

Service

Assistance with and review of documents filed with the SEC including registration statements, 17Q and 17 A Reports, and other documents

services associated with other documents issued in connection with securities offerings (*e.g.*, consents)

assistance in responding to SEC comment letters

statutory audits of the Company

certificates, letters and opinions issued to regulators, agencies and other third-parties (*e.g.*, insurance, banking, environmental) regarding the Company’s assets and/or operations that only the Company’s independent auditors reasonably can provide

Pre-approval fee limit for Audit Services (other than registration statements)

PhP 300,000.00

Pre-approval fee limit for Audit Services pertaining to registration statements in connection with securities offerings

PhP 300,000 per registration statement

Appendix B

Pre-Approved AUDIT-RELATED SERVICES for 2022

Dated: 23 August 2022

Service

due diligence services pertaining to potential business acquisitions or dispositions

financial statement audits of employee benefit plans

accounting consultations and audits in connection with acquisitions

assistance with the Company's compliance initiative concerning the internal controls report of management such services to include (i) reviewing and evaluating the Company's documentation of internal controls, and (ii) meetings with the CFO and Company's Finance Team (but this pre-approval expressly does not authorize the Company to delegate to the Independent Auditor the management's responsibility to assess the Company's internal controls over financial reporting) consultations concerning principles of accounting and/or financial reporting treatment (under standards or interpretations by the SEC or other regulatory or standard-setting bodies)

access to and use of APMCI's on-line accounting and auditing information tool (a resource for accounting and auditing standards and APMCI interpretive guidance)

agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters

Pre-approval fee limit for Audit-Related Services

PhP 50,000.00

Appendix C

Pre-Approved TAX SERVICES for 2022

Dated: 22 August 2022

Service

Note: The following are subject to the terms of subsection C. of Section V. of this policy.

National and local tax compliance, including the preparation of original and amended tax returns and claims for refunds

National and local tax planning and advice, including assistance with tax audits and appeals (but expressly excluding advocacy or litigation services), tax advice related to mergers and acquisitions, tax advice relating to employee benefit plans, and requests for rulings or technical advice from taxing authorities

review of tax returns

Pre-approval fee limit for Tax Services

PhP 100,000.00

Appendix D

Pre-Approved ALL OTHER SERVICES for 2022

Dated: 22 August 2022

Service

none

Pre-approval fee limit for All Other Services

PhP 0