



AYALA CORPORATION

AUDIT COMMITTEE CHARTER


Version No.	Revision No.	Remarks	Approval by the Audit Committee	Adopted by Resolution of the Board
1		Initial Issue	14-Feb-03	28-Mar-03
1	1	Annual review of the charter	14-Feb-08	06-Mar-08
1	2	Updated to align with the requirements of SEC Memorandum Circular No. 6 Series of 2009 - Revised Code of Corporate Governance which took effect 15 July 2009	12-Aug-10	03-Sep-10
1	3	Updated to align with the requirements of SEC Memorandum Circular No. 4 Series of 2012 which sets forth the self assessment guidelines of the Audit Committees of listed companies	05-Mar-14	10-Mar-14
1	4	Updated due to the establishment of a separate Board Committee for Risk Management	11-Nov-14	04-Dec-14
1	5	Updated to align with the requirements of SEC Memorandum Circular No. 19 Series of 2016 - Revised Code of Corporate Governance which took effect 01 Jan. 2017	09-Nov-17	01-Dec-17

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Attachment	1. Rules Governing the Audit Committee
	2. Audit Committee Calendar of Activities
	3. Quarterly and Annual Reports of the Audit Committee
	4. Audit Committee Self-Assessment Questionnaire

References:

- *Ayala Corporation's Manual on Corporate Governance dated August 27, 2002 and revisions dated April 13, 2010 and 31 May 2017*
- *SEC Memorandum Circular No. 4 Series of 2012 Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange*
- *SEC Memorandum Circular No. 19 Series of 2016 Code of Corporate Governance for Publicly-Listed Companies*
- *Institute of Internal Auditors Model Audit Committee Charter*

	<p style="text-align: center;">AYALA CORPORATION AUDIT COMMITTEE CHARTER</p>		<p>INITIAL ISSUE DATE FEBRUARY 2003</p>
	<p>SECTION NAME</p>		<p>REVISION DATES FEBRUARY 2008 AUGUST 2010 MARCH 2014 NOVEMBER 2014 OCTOBER 2017</p>
	<p>VERSION NO. 1</p>	<p>REVISION NO. 5</p>	<p>PAGE NO. 1 of 11</p>

A. Introduction

This document sets out the policies, responsibilities, and authority of Ayala Corporation's Audit Committee (the "Committee") and the procedures that shall guide the function of the Committee, including the *Rules Governing the Audit Committee* (refer to **Attachment 1**). The Committee is part of the Board and is accountable to the Board for its performance.

B. Statement of Policy

It is the policy of Ayala Corporation to constitute and maintain an Audit Committee which shall provide assistance to the Board of Directors in fulfilling their oversight responsibility to the shareholders relating to:

- the integrity of the Company's financial statements and the financial reporting process;
- the appointment, remuneration, qualifications, independence and performance of the external auditors and the integrity of the audit process as a whole;
- the effectiveness of the system of internal control;
- the performance and leadership of the internal audit function;
- the company's compliance with applicable legal and regulatory requirements; and
- the preparation of a year-end report of the Committee for approval of the Board and to be included in the annual report.

To fulfill this oversight responsibility, the Committee shall maintain a free and open communication with the Company's external auditors, the internal auditors and the management of the Company.

C. Authority

In response to the call for stronger corporate governance practices and to comply with the requirements of the Code of Corporate Governance issued by the Securities and Exchange Commission (SEC) in April 2002, the Board of Directors approved the establishment of a Manual on Corporate Governance for Ayala Corporation and constituted the Audit Committee to aid and support it in the effective performance of its functions.

Corporate Governance is the system through which the shareholders, creditors and other stakeholders of a Company are assured that Management enhances the value of the organization.

- The Board of Directors is responsible to the shareholders in ensuring that value is created and sustained.
- Management is responsible to the Board in the day-to-day operations of the organization. This includes:
 - Operating an effective risk management process;

