

AUDIT COMMITTEE CHARTER

The purpose of the Audit Committee of MacroAsia Corporation, (“the Corporation”), is to assist the board of directors in fulfilling its oversight responsibilities for the integrity of the Corporation’s financial statements, the independent auditor’s qualifications and independence, the performance of the Corporation’s internal audit functions and independent auditor, and compliance with applicable laws and regulations.

A. Definition of Terms

Board of Directors – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.

Charter – refers to this “Audit Committee Charter” as may be amended from time to time.

Committee – refers to the “Audit Committee”.

Corporate Governance – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal, and social obligations towards their stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with stockholder value – to the benefit of all stakeholders and society.

Its purpose is to maximize the organization’s long-term success, creating sustainable value for its stockholders, stakeholders and the nation.

Independent Auditor – refers to those audit professionals who perform independent annual audits of an organization’s financial statements.

Independent Director – a person who is independent of management and controlling stockholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Internal Audit – an independent and objective assurance activity designed to add value to and improve the Corporation’s operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes.

Internal Auditor – the highest position in the Corporation responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.

Internal control – established process designed and effected by the Board of Directors and Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives, through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations and organization’s policies and procedures.

Internal control system – the framework under which internal controls are developed and implemented (alone or in concert with other policies and procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the Corporation is exposed.

Management – a group of executives given the authority by the Board of Directors to implement policies it has laid down in the conduct of the business of the Corporation.

Non-audit work – the other services offered by an independent auditor to the Corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an independent auditor.

The Corporation – refers to MacroAsia Corporation.

B. Rules of Interpretation

All references to the masculine gender in the salient provisions of this Charter shall likewise cover the feminine gender. Unless the context otherwise requires, words in the singular include the plural, and vice versa.

All doubts or questions that may arise in the interpretation or application of this Charter shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Corporation.

The headings in this Charter are inserted solely for convenience of reference and shall not limit or affect the interpretation of the provisions hereof.

C. Committee Structure and Membership

C.1 Composition

The Audit Committee shall consist of at least three (3) non-executive directors, who shall preferably have accounting or finance backgrounds a majority of whom, including the Chairman, shall be Independent Directors.

The members of the Audit Committee, including the Chairman of the Committee shall be appointed and may be removed from the Committee, with or without cause, by the majority vote of the Board of Directors.

C.2 Qualification of Committee Members/Chairman

Each Member must be financially literate and the Chairman must have accounting or related financial management expertise, as such qualifications are interpreted by the Board in its business judgment. A director with extensive business management experience and with competence on financial management systems and environment may also be considered. At least one (1) Member must be an audit committee financial expert or one who, through education and experience, has the following attributes as determined by the Board:

1. an understanding of generally accepted accounting principles (GAAP) and financial statements;
2. an ability to assess the general application of such principles in connection with the accounting estimates, accruals and reserves;
3. experience in preparing or auditing or reviewing or analyzing financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience in actively supervising one or more persons engaged in such activities.
4. an understanding of internal controls and procedures for financial reporting; and
5. an understanding of audit committee functions

A Member shall preferably be a Philippine citizen.

C.3 Vacancy

The office of a Member shall ipso facto be vacated:

1. if he resigns his office as a Member;
2. if he is removed by a resolution of the Board;
3. if he becomes of unsound mind; or
4. if he is subsequently disqualified from becoming a Member

A member shall be disqualified from continuing to be such during the remainder of his tenure if, upon determination by the Board or its Nomination Committee, a member ceases to meet any of the independence criteria set forth in this Charter, or any of the qualifications set forth by the Corporation, or he becomes disqualified from directorship based on any grounds for disqualification set forth by the Corporation.

C.4 Delegation of Duties

The Committee may form subcommittees for any purpose that it deems appropriate and may delegate to such subcommittees or to members of the Corporation's management such power and authority as it deems appropriate; provided, however, that any such subcommittees shall meet all applicable independence requirements; provided, further, that the Committee shall not delegate to persons other than independent directors any functions that are required, under applicable law, regulation, or stock exchange rule, to be performed by independent directors.

D. Purpose, Duties and Powers

D.1 Role In General

The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the following:

1. the integrity of the financial reporting process, the systems of internal controls and the financial statements of the Corporation,
2. the Corporation's compliance with the legal and regulatory requirements, including the Corporation's disclosure controls and procedures,
3. the evaluation of independence and qualifications of the independent auditors,
4. the performance of the Corporation's internal audit function and independent auditors, and
5. the evaluation of management's process to assess and manage the Corporation's enterprise risk issues.

The Committee Members do not represent themselves to be accountants or auditors by profession or experts in the fields of accounting or auditing, and therefore, it is not their responsibility to conduct "field work" or any types of auditing or accounting

reviews or procedures.

The Committee members rely in part on the expertise of Management, internal auditor and the independent auditor on the integrity of those persons and organizations within and outside the Corporation that it receives information from; the accuracy of the financial and other information provided to the Committee by such persons or organizations, absent actual knowledge to the contrary (which shall be promptly reported to the Board); and the representations made by Management as to any information technology, internal audit and other non-audit services provided by the Independent Auditor to the Corporation. Management is responsible for the integrity of the Corporation's financial statements and disclosures and for maintaining effective internal controls.

The proper audit and review of the Corporation's financial statements is the responsibility of independent auditor, as may be required prior to the filing thereof with Philippine Stock Exchange and various government entities.

The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to engage independent auditors for special audits, reviews and other procedures and to retain and obtain advice from special counsel and other experts and consultants, without need for Board approval.

D.2 Duties and Powers In General

The Committee shall have the purposes, duties and powers set out hereunder, and such other duties and powers as maybe delegated to the Committee by the Board, subject to such limitations as the Board may determine and notify to the Committee:

Financial Reporting and Disclosure, Internal Control, Independent Audit and Internal Audit

1. Assist the Board by overseeing the Corporation's financial reporting, internal control system, internal audit and independent audit processes, and compliance with applicable laws and regulations;
2. Recommend the approval the Internal Audit Charter ("IA Charter"), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
3. Through the Internal Audit ("IA") Department, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets;
4. Develop well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to:
 - a. safeguard the Corporation's resources and ensure their effective utilization,
 - b. prevent occurrence of fraud and other irregularities,

- c. protect the accuracy and reliability of the Corporation's financial data, and,
 - d. ensure compliance with applicable laws and regulations;
5. Oversee the Internal Audit Department, and recommend the appointment and/or grounds for approval of an internal audit head. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
6. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
7. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;
8. Prior to the commencement of the audit, discuss with the Independent auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
9. Evaluate and determine the non-audit work, if any, of the Independent Auditor, and periodically review the non-audit fees paid to the Independent Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with their duties as an Independent Auditor or may pose a threat to their independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report;
10. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 - a. Any change/s in accounting policies and practices,
 - b. Areas where a significant amount of judgment has been exercised,
 - c. Significant adjustments resulting from the audit,
 - d. Going concern assumptions,
 - e. Compliance with accounting standards,
 - f. Compliance with tax, legal and regulatory requirements
11. Review the disposition of the recommendations in the Independent Auditor's management letter;
12. Perform oversight functions over the Corporation's internal auditor and independent auditor. It should ensure that internal auditor and independent auditor act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective duties and functions;
13. Review the reports submitted by the internal auditor and independent auditor;
14. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
15. Recommend to the Board the appointment, reappointment, removal and fees of the Independent Auditor, duly accredited by the SEC, who undertakes an independent audit of the Corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

Management and Risk Oversight:

1. Provide oversight over Management’s activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation;
2. In coordination with the Corporation’s Risk Management Committee, oversee the preparation and implementation of business continuity plans and risk awareness programs in the Corporation; and
3. Discuss with management and the independent auditors the Corporation’s guidelines and policies with respect to risk assessment and risk management. The management should also discuss its activities with the Audit Committee in relation to the risk management for credit, market, liquidity, operational, legal and other risks of the corporation. The Committee should have oversight over the Corporation’s major financial risk exposures and the steps management has taken to monitor and control such exposures.

D.3 Duties and Powers With Respect to the Independent Auditor

Before the independent auditor is engaged by the Corporation or its subsidiaries to render audit or non-audit services, the Committee shall pre-approve the engagement.

The Committee shall be directly responsible for the appointment, compensation, retention, removal and oversight of the work of the independent auditor (including resolution of any disagreements between corporate management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attestation services for the Corporation, and the independent auditor shall report directly to the Committee.

The Committee shall, at least annually, review the independence and quality control procedures of the independent auditor and the experience and qualifications of the independent auditor’s senior personnel that are providing audit services to the Corporation.

In conducting its review:

1. The Committee shall obtain and review a report prepared by the independent auditor describing:
 - a. the auditing firm’s internal quality-control procedures and
 - b. any material issues raised by the most recent internal quality-control review, or peer professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues.
2. The Committee shall ensure that the independent auditor prepare and deliver, at

least annually, a written statement delineating all relationships between the independent auditor and the Corporation.

3. The Committee shall confirm with the independent auditor that the independent auditor is in compliance with the partner rotation requirements established by the Philippine Securities and Exchange Commission.
4. The Committee shall consider whether the Corporation should adopt a policy of rotating annual audit functions among independent auditing firms.
5. The Committee shall, if applicable, consider whether the independent auditor's provision of any permitted information technology services or other non-audit services to the Corporation are compatible with maintaining the independence of the independent auditor.

The Committee shall obtain assurance from the Independent Auditor that in any audit of financial statements required under the applicable rules of the relevant exchange, Securities and Exchange Commission and other regulatory bodies, the Independent Auditor performs its audit in such manner consistent with certain procedures to be followed.

The Committee shall meet with management and the independent auditor in connection with each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit.

The Committee shall review and discuss with management and the independent auditor regarding:

1. Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;
2. Any analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including analyses of the effects of alternative GAAP methods on the Corporation's financial statements;
3. The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Corporation's financial statements; and any material off-balance sheet transactions, arrangement, obligations (including contingent obligations) and

other relationships of the Corporation with unconsolidated entities of which the Committee is made aware that do not appear on the financial statements of the Corporation and that may have a material current or future effect on the Corporation's financial condition, results of operations, liquidity, capital expenditures, capital resources or significant components of revenues or expenses.

4. Any reports or communications (and management's and/or internal auditor's responses thereto) submitted to the Committee by the Independent Auditor as required by the prevailing applicable Auditing Standards, including reports and communications related to the independent auditor's responsibility under generally accepted auditing standards, responsibility for other information in documents containing audited financial statements, any consideration of fraud in a financial statement audit.
5. Detection of fraud and illegal acts, whether or not material, that involve Management or other employees who have a significant role in the Corporation's internal controls, and that cause a material misstatement of the financial statements.

The Committee shall review and discuss the annual audited financial statements with management and the independent auditor, including the Corporation's "Management Discussion and Analysis of Operations and Financial Positions" included in the Corporation's annual report on SEC Form 17 - A.

In a separate meeting, the Committee shall review with the independent auditor any problems or difficulties the independent auditor may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management's responses to such matters. Among the items that the Committee should consider reviewing with the Independent Auditor are:

1. any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise);
2. any communications between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement; and
3. any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Corporation.

The Committee shall discuss with the independent auditor the report that such auditor is required to make to the Committee regarding:

1. all accounting policies and practices to be used that the independent auditor identifies as critical;
2. all alternative treatments within GAAP for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
3. all other material written communications between the independent auditor and management of the Corporation, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent auditor's engagement letter, independent auditor's independence letter, schedule of unadjusted audit differences and a listing of adjustments and reclassifications not recorded, if any.

The Committee shall review and discuss the quarterly, half-year and annual financial statements with management and the independent auditor as may be required under applicable laws and regulations before their submission to the Board, with particular focus on the following matters:

1. Any change/s in accounting policies and practices
2. Major judgmental areas
3. Significant adjustments resulting from the audit
4. Going concern assumptions
5. Compliance with accounting standards
6. Compliance with tax, legal and regulatory requirements

The Committee shall evaluate and determine non-audit work, if any, of the independent auditor, and review periodically the non-audit fees paid to the independent auditor in relation to their significance to the total annual fees paid by the Corporation to the independent auditor, and to the Corporation's overall consultancy expenses. The Committee shall disallow non-audit work that will conflict with the independent auditor's duties, or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the annual report.

D.4 Duties and Powers With Respect to the Internal Auditor

A separate internal audit function is essential to monitor and guide the implementation of corporate policies. It helps the Corporation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the corporation's governance, risk management and control functions. The following are the functions of the internal audit, among others:

1. Provides an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, independent auditors and internal auditors, and Management;
2. Performs regular and special audit as contained in the annual audit plan and/or based on the Corporation's risk assessment;
3. Performs consulting and advisory services related to governance and control as appropriate for the organization;
4. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
5. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the Corporation;
6. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
7. Evaluates specific operations at the request of the Board or Management, as appropriate; and
8. Monitors and evaluates governance processes.

The Committee shall review the appointment and replacement of the internal auditor.

The Committee shall review at least annually the structure, resources and performance of the Corporation's Internal Auditor/s. The Committee shall meet periodically with the Corporation's internal auditor to discuss the overall responsibilities and budget for the annual internal audit plan, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of the internal audit.

The Committee shall ensure that the internal audit examinations cover at least the evaluation of adequacy and effectiveness of controls encompassing the Corporation's governance, operations, information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations,

safeguarding of assets and compliance with laws, rules and regulations.

The internal auditor shall report periodically to the Committee regarding any significant deficiencies in the design or operation of the Corporation's internal controls, material weaknesses in internal controls and any fraud (regardless of materiality) involving persons having a significant role in the internal controls, as well as any significant changes in internal controls implemented by management during the most recent reporting period of the Corporation, corporate governance issues and other matters requested by the Committee or the Board of Directors.

The Committee shall also discuss with the internal auditor any significant reports prepared and addressed to the management and any responses from management. In addition, the Committee shall ensure that the Internal Auditor/s have free and full access to all the Corporation's records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results.

The Committee shall ensure that in all of Internal Auditor/s' activities, it shall adhere to the International Standards for the Professional Practice of Internal Auditing.

D.5 Other Powers and Responsibilities

The Committee shall discuss with management and the independent auditor any earnings press releases, and financial information and earnings guidance provided to analysts and rating agencies.

The Committee shall discuss with management and the independent auditor any significant changes to the Corporation's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the Independent Auditors, Internal Auditors or Management.

The Committee shall ensure that the Independent Auditors and the Internal Audit organization act independently from each other, and that the Management grants the Independent Auditor and the internal audit organization unrestricted access to all records, properties and personnel to enable the performance of their respective audit functions.

The Committee shall discuss with management and the independent auditor any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Corporation's financial statements, financial reporting process, and accounting policies.

The Committee shall discuss with the Corporation's outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Corporation's financial statements.

The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees regarding questionable accounting or auditing matters.

The Committee shall recommend conducting investigations of identified irregularities in the operations of the Corporation and anomalies on matters relating to finance and of funds disbursement which bear strategic significance to the Corporation and recommend to the Board of Directors the necessary actions to remedy, correct and prevent the repetition of such anomalies.

The Committee shall monitor compliance and adherence by the Corporation with all applicable laws and regulations pursuant to which the Corporation conducts its operations and business activities. In case of failure by the CEO or the General Counsel to adopt, as necessary, appropriate remedial measures or sanctions with respect to any reported material violation of securities law or breach of fiduciary duty or similar violations by the Corporation, consider such reported violation and recommend the appropriate sanction therefor.

It shall discuss with the Corporation's General Counsel or Compliance Officer any significant legal matters that may have a material effect on the financial statements, the Corporation's compliance policies, including material notices to or inquiries from government agencies.

E. Meetings

The Committee shall meet with the Board at least every quarter without the presence of the President or other management team members, and shall also periodically meet with the head of the internal audit.

A meeting of the Committee may be called by its chairman or any of its members. In every meeting, a quorum shall be observed, which is at least a majority of the Members are present throughout the meeting. A Committee meeting shall be convened upon notice in writing or electronic notice, at least three days prior to the meeting and specifying the place, date and time of the meeting and the matters to be discussed at the meeting. Notice of a meeting shall be deemed to be duly served upon a Member if it is given to him personally, or sent to him by mail, email, short messaging system, or facsimile transmission to his address or facsimile

number, as appropriate.

The Committee may request the attendance of any of the Corporation's officers, employees, special counsels, advisors or consultants at any of its Committee Meetings. The agenda for each Audit Committee meeting will provide time during which the Committee can meet separately in executive session with management, the Compliance Officer, the independent auditors and as a Committee to discuss any matters the Committee or these groups believe should be discussed.

The Committee may retain any independent counsel, expert or advisor (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Corporation's regular legal counsel or other advisors to the Corporation.

The Committee shall appoint a Secretary who shall prepare minutes of the meeting of the Committee. Minutes of its meetings will be approved by the Committee and maintained on behalf of the Committee. Such records shall be open for inspection by any Member or Advisor upon reasonable prior notice during usual office hours of the Corporation.

F. Reporting

The Committee, through its Chair, shall report regularly to, and review with, the Board of Directors relating to:

1. the integrity of the financial reporting process, the systems of internal controls and the financial statements of the Corporation,
2. the Corporation's compliance with the legal and regulatory requirements, including the Corporation's disclosure controls and procedures,
3. the evaluation of independence and qualifications of the independent auditors,
4. the performance of the Corporation's internal audit function and independent auditors,
5. the evaluation of management's process to assess and manage the Corporation's enterprise risk issues.
6. any other matter the Committee determines is necessary or advisable to report to the Board.

G. Performance Evaluation

To ensure that the Committee will continue to fulfill its responsibilities in accordance with the global best practices, the Committee shall conduct an assessment of its performance through a self-assessment worksheet that has been prepared based on its responsibilities incorporated in the Revised Manual on Corporate Governance and in this Charter. Audit

Committee shall formulate and implement plans to improve its performance. These shall include attending trainings/seminars intended for the Committee members to keep them updated with the latest corporate governance best practices, accounting and auditing standards, as well as other areas of concerns.

H. Charter Review

The Committee shall review and assess the adequacy of this Charter annually and recommend changes to the Board of Directors when necessary.

This Charter shall not be amended, altered or varied unless such amendment, alternation or variation shall have been approved by a resolution of the Board.

I. Effectivity

This Charter shall be effective upon approval by the Board of the Corporation.
