

## INTERNAL CONTROL SYSTEM

The Company defines internal control as the system established by the Board of Directors and management for the accomplishment of the Company's objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules. The internal control system is the framework under which internal controls are developed and implemented to manage and control a particular risk or business activity, or a combination of risks or business activities, to which the Company is exposed.

The Board of Directors, through the Audit Committee, has reviewed the effectiveness of the Company's internal control system, including the information technology security controls. Effective and adequate internal control mechanisms are in place, implemented and properly complied with.

The Audit Committee reviews annually the effectiveness of the Company's internal control system, including information technology security and controls. To facilitate their review, the Committee understands and evaluates the scope of the internal and external auditors' review of internal controls over financial reporting, and obtains regular reports on significant findings and recommendations, together with management's responses, to obtain reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate and complied with.

The scope and the particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risks; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

Internal Audit Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/ Auditing Firm	Reporting process
To provide an independent, objective assurance and consulting activity designed to add value and improve the Company's operations	<p>To determine whether the Company's network of risk management, control and corporate governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:</p> <ul style="list-style-type: none"> <li>• Risk are appropriately identified and managed.</li> <li>• Interaction with the various corporate governance groups occurs as needed.</li> <li>• Significant financial, managerial and operating information are accurate, reliable and timely.</li> <li>• Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations.</li> </ul>	In-house	Vergel C. Glorioso	<p>The Internal Audit Head, in the discharge of his duties, shall be accountable to Audit Committee and the Senior Management to:</p> <ol style="list-style-type: none"> <li>a. Provide annually an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.</li> <li>b. Report significant issues related to the processes for controlling the activities of the</li> </ol>

# INTERNAL CONTROL SYSTEM

Internal Audit Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/ Auditing Firm	Reporting process
	<ul style="list-style-type: none"> <li>• Resources are acquired economically, used efficiently and adequately protected.</li> <li>• Programs, plans and objectives are achieved.</li> <li>• Quality and continuous improvement are fostered in the control processes of the Company.</li> <li>• Significant legislative or regulatory issues impacting the Company are recognized and addressed appropriately.</li> </ul>			<p>organization and its subsidiaries, including potential improvements to those processes and provide information concerning such issues through resolution.</p> <p>c. Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.</p> <p>d. Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal ethics, environmental, external audit)</p>