
AUDIT COMMITTEE CHARTER



LT GROUP, INC.

Updated as of 08 March 2022

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ARTICLE 1. Purpose

The Audit Committee (or the “Committee”) shall assist the Board in fulfilling its oversight responsibilities. The Committee shall review (i) the financial reporting process, (ii) the system of internal control, (iii) the audit process, and (iv) the Corporation’s process for monitoring compliance with laws and regulations and its own code of business conduct.

In performing its duties, the Committee shall maintain effective working relationships with the Board of Directors, Management, and the Internal and the External Auditors. To perform his/her role effectively, each committee member shall obtain an understanding of the detailed responsibilities of committee membership as well as the Corporation’s business, operations, and risks.

While the Committee has the responsibilities and powers as set forth in this Charter, it is not the duty of the Committee to determine that the Corporation’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of Management and the External Auditors.

ARTICLE 2. Committee Structure and Operation

Section 1. Composition - The Committee shall be composed of at least three (3) appropriately qualified Non-Executive Directors, the majority of whom, including the Chairman, shall be independent.

If a member of the Committee resigns, dies, or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of such event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Section 2. Qualifications - Each member of the Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, or finance.

Section 3. Chairman of the Committee - The Chairman of the Committee shall be an Independent Director who shall be appointed by the Board. The Chairman of the Committee shall not be the Chairman of the Board or of any other committee.

Section 4. Term - Each member of the Committee shall serve as such for a term of one (1) year provided that he/she shall remain a Director for the duration of such term.

Section 5. Removal - A member of the Committee may be removed from office only by the Board.

Section 6. Quorum - A quorum for any meeting shall be the majority of the members of the Committee.

Section 7. Secretary - The secretary of the Committee will be the Corporate Secretary, or such other person as designated by the Board.

Section 8. Authority - The Board authorizes the Committee, within the scope of its responsibilities, to investigate any matter brought to its attention with full access to all books, records and personnel of the Corporation, inclusive of the discretion to invite any Director or executive officer to attend its meetings, to enable it to effectively discharge its functions.

The Committee shall have the authority to retain such special counsel or outside advisor as it deems appropriate to assist the Committee in the performance of its functions.

ARTICLE 3. MEETINGS

Section 1. Regular Meetings - Meetings shall be at least every quarter.

Section 2. Special Meetings - Special meetings may be convened as required. The Internal or External Auditors may request for the convening of a meeting if they consider that it is necessary.

Section 3. Chairman – The Chairman of the Committee shall preside at each meeting. If he or she is not present at the time appointed for holding the meeting, the members present shall choose among themselves a chairman of the meeting.

Section 4. Conduct of Meetings – All recommendations of the Committee shall be decided by a majority vote and thereafter submitted to the Board for approval. Issues arising at any meeting shall be resolved by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

Section 5. Participation via Communication Equipment – The members may participate in a meeting via telephone conference or via such other similar communication equipment of which all persons participating in the meeting can hear each other, without a member being in the physical presence of another member or members. Participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

ARTICLE 4. DUTIES AND RESPONSIBILITIES

Section 1. Basic Functions - The Committee has the following basic functions:

1. Regularly update the Board about committee activities and make appropriate recommendations;
2. Ensure that the Board is made aware of matters which may significantly impact the business affairs and financial condition of the Corporation;
3. Assist the Board in the performance of its oversight responsibilities for the financial reporting process, system of internal control, the audit process;
4. Assist the Board and coordinate with legal personnel on the monitoring and checking of compliance with laws, rules and regulations, and the Revised Corporate Governance Manual of the Corporation; and
5. Oversee the compliance programs across all businesses and ensure compliance issues are addressed by the Senior Management and/or the respective Board of the subsidiaries/affiliates on a timely basis.

Section 2. Audit Oversight Functions - The Committee shall have the following Audit Oversight functions:

1. Ensure the integrity of the Corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law, rules, and regulations;
2. The Committee shall recommend to the Board the appointment, dismissal, replacement and re-appointment of the External Auditors, duly accredited by the regulators (subject to stockholders ratification), based on fair and transparent criteria such as (i) core values, culture and high regard for excellence in audit quality; (ii) technical competence and expertise of auditing staff; (iii) independence; (iv) effectiveness of the audit process; and (v) reliability and relevance of the external auditor's reports. The Committee shall recommend the compensation of the external auditor in relation to the scope of its duties and all audit engagement fees and terms and all audit related, and tax compliance engagements with the External Auditors. In this regard, the Committee shall consider the hiring of the External Auditors for the Corporation and its subsidiaries be coordinated at the Group level to secure proper coverage and minimize duplication of efforts. It may recommend to the Board of Directors

to grant the President or Chief Finance Officer authority to negotiate and finalize the terms and conditions of the audit engagement as well as the audit fees, and sign, execute and deliver the corresponding contract and all non-audit engagement with the External Auditors subject to the confirmation/approval of the Committee members;

3. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope, and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
4. Consider the independence and objectivity of the External Auditor, including reviewing the range of services provided in the context of all consulting services bought by the Corporation;
5. Ensure that the rotation process of External Auditors or firms are observed and implemented;
6. Meet with the External Auditors, without the presence of the Corporation's Management, at least annually to verify that the External Auditors act independently, and is given unrestricted access to all records, properties and personnel to enable it to perform its audit functions;
7. Review the effectiveness of the financial management systems and information technology security including internal control of the entire accounting process from documentation of financial transactions to the preparation, interpretation, and analysis of financial reports of Management, and the External Auditor;
8. Review the quarterly, half-year, and annual financial statements before their submission to the Board with particular focus on the following matters:
 - * Any changes in accounting policies and practices
 - * Major judgmental areas
 - * Significant adjustments resulting from the audit
 - * Going concern assumptions
 - * Compliance with accounting standards
 - * Compliance with tax, legal and regulatory requirements
 - * Completeness and clarity of disclosures in the financial statement including related party transactions;
9. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-

audit work that will conflict with the duties of the External Auditor or may pose a threat to its independence. The non-audit work, if allowed, shall be disclosed in the Corporation's annual report;

10. Review Management representation letter before its release to External Auditor;
11. Ensure that the Committee Charter is in writing and that arrangements are made for all employees to be aware of it;
12. Recommend to the Board of Directors the approval of the Internal Audit Charter;
13. Adapt to the international accounting and auditing standard procedures, practices and methodologies;
14. Oversee and evaluate the adequacy and effectiveness of the different internal control system, which effectively ensures the integrity of the financial reports and protection of the assets for the benefit of all stockholders and other stakeholders of the Corporation and its subsidiaries;
15. Recommend for the approval of the Board of Directors the appointment, dismissal and the annual remuneration of the Chief Audit Executive (CAE);
16. Review, evaluate and approve the Annual Audit Plan to include the audit scope, frequency and prioritization of high risk business units/entities as well as approve any significant change to the Annual Internal Audit Plan;
17. Ensure that the Internal Audit function has adequate resources in terms of manpower, budget and training to effectively fulfill its independent duties in the expedient implementation of the Annual Audit Plan;
18. Review and approve audit reports to the extent that the Committee Chairman may issue directives to Senior Management to develop and implement the necessary corrective actions in a timely manner and/or require submission of a Project Plan to address promptly any significant weaknesses in internal controls, non-compliance with corporate policies and standards, potential violations to laws and regulations and recommendations by the Internal Audit to align with global or industry best practice;
19. Review and evaluate the adequacy of the work performed by the CAE and the Internal Audit function;

20. Ensure that the Internal Audit function maintains an open communication with Senior Management, the Committee, External Auditors, and regulators;
21. Review discoveries of fraud and violations of laws and regulations as raised by Internal Audit; and
22. Ensure that the Internal Auditor shall have free and full access to all records, properties and personnel relevant to the internal audit activity and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results.

ARTICLE 5. REVIEW AND AMENDMENT OF THE COMMITTEE CHARTER

The Committee Charter shall be periodically reviewed and amendment of the Charter may be initiated by any member of the Committee. Any amendment to the Charter shall be submitted to the Committee for consideration and presented to the Board for approval.

ARTICLE 6. EFFECTIVITY

This Charter shall take effect upon approval of the Corporation's Board of Directors.