

FORA SERVICES, INC.
Doing business as Quest Hotel Tagaytay

**AUDIT AND RISK MANAGEMENT
OVERSIGHT COMMITTEE CHARTER**

PURPOSE

The Audit and Risk Management Oversight Committee (ARMOC) shall assist the Board of Directors (the “Board”) to enhance its oversight capability over the Company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The ARMOC shall also assist the Board in its oversight of the Enterprise Risk Management System to ensure its functionality and effectiveness.

MEMBERSHIP

The ARMOC shall be composed of at least three (3) non-executive director, preferably with accounting and financial background, majority of whom shall be independent directors and should have related audit experience.

The Chairperson of this Committee should not be the Chairperson of the Board or of any other committees. He should inculcate in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board’s oversight responsibility.

FREQUENCY AND CONDUCT OF MEETINGS

The Committee shall meet whenever necessary to discuss and agree on matters to be endorsed to the Board for approval and confirmation.

The Committee Secretary shall prepare the agenda for each meeting and send out notice at least seven (7) days before the meeting date. He/She shall likewise prepare/distribute minutes of the meetings and make other regular reports to the Board, as needed.

Committee members may attend meetings in person or by electronic or tele/video communication means, provided that reasonable efforts are made to have all members of the Committee participate.

DUTIES AND RESPONSIBILITIES

a) Internal Audit (IA)

- Recommend the approval of the Internal Audit Charter, which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- Provide oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- Provide oversight of the Corporation’s internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;

- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm ins involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Corporation’s internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions in a timely manner, in addressing control and compliance functions with regulatory agencies;
- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters:
 - Any change/s 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
- Coordinate, monitor, and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to their significance to the auditor and in relation to the Corporation’s total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report.
- Establish and identify the reporting line of the Internal Audit so that the reporting level allows the internal audit activity to fulfill its responsibilities. The Internal Auditor shall report directly to the ARMOC functionally. The ARMOC shall ensure that the internal auditors shall have free and full access to the Corporation’s 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, and shall provide a venue for the ARMOC to review and approve the annual internal audit plan.

b) Risk Management

- Develop the Corporation’s risk management program and oversee its implementation;
- Oversee the system of limits to discretionary authority that the Board delegates to the Management, ensure that the system remains effective, that the limits are observed and that immediate corrective actions are taken whenever limits are breached;
- Advise the Board on its risk appetite levels and risk tolerance limits;

- Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence;
- Provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
- Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary
- Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

COMMITTEE SELF-ASSESSMENT

The Committee shall conduct a self-assessment of its performance at least once a year, as prescribed by and in accordance with the Manual on Corporate Governance.