



GETWELL HEALTH SYSTEMS, INC.

AUDIT COMMITTEE CHARTER

I. Introduction

The Board of Directors (the "Board") of Getwell Health Systems Inc. (the "Corporation") fulfills its audit responsibilities under its Corporate Governance Manual with the support of the Audit Committee ("Committee"). This Audit Committee Charter ("Charter") provides the framework for the Committee to accomplish its audit duties, by setting out the guidelines for the roles, responsibilities, and authority of the Committee.

II. General Purpose and Authority

The Committee will aid the Board in the fulfillment of its oversight functions on the Corporation's financial reporting process, system of internal control and risk management, internal and external audit as well as fraud management functions, and monitoring of compliance with policies, applicable laws, rules, regulations, and Code of Conduct. As such, the Committee will regularly meet, discuss and coordinate with the Corporation's external auditors, the internal auditors, fraud management personnel and management.

The management of the Corporation remains responsible for the preparation and fair presentation of the financial statements, and adequacy of disclosures in accordance with the Philippine Financial Reporting Standards (PFRS) and applicable rules and regulations. The external auditor on the other hand, remains responsible for ensuring, based on its audits, that the financial statements fairly present in all material respects, the financial position, results of operations, and cash flows of the Corporation in accordance with PFRS

The Committee is authorized by the Board to:

- a. investigate matters that will assist it in the fulfillment of its duties and responsibilities;
- b. have unrestricted access to the auditors, management and employees, as well as the records, data, reports, and relevant information considered necessary to discharge its duties; and
- c. invite any director or executive officer to attend its meetings.

III. Membership and Composition

- a. The Committee members shall be appointed annually by the Board.
- b. The Committee shall be composed of of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, shall be independent.
- b. The members shall, ideally, have accounting, auditing or related financial management expertise or experience commensurate with the size, operations and risk profile of the Corporation.
- c. The Chairman of the Audit Committee shall not be the Chairman of the Board of Directors ("Board") or of any other committees.
- d. Each member shall serve for a maximum tenure of nine (9) years. Any extension beyond nine (9) years shall be duly justified and subject to the approval of the Board of Directors.

IV. Meetings

The Committee shall meet

1. Monthly with the internal auditor;
2. Regularly with the external auditor;
3. Monthly with the Board, and with the President and/or Chief Executive Officer and management present;
4. Quarterly with the Board without the presence of the President/ CEO or other management team members; and
5. As necessary with management or any of its team members.

In the absence of the Committee Chairman, another independent director shall preside.

V. Duties & Responsibilities of the Committee

The Committee shall assist the Board in the fulfillment of its duties and shall have the following duties and responsibilities:

A. Financial Reporting and Disclosures

1. Oversee the financial reporting process, practices, and controls, ensuring that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.
2. Review the Corporation's quarterly and annual financial statements with the external auditor and management to decide appropriate action to be taken, before submission to the Board, focusing particularly on:
 - a. The accounting policies and practices adopted by management and any major issues regarding, or significant changes in, accounting principles or financial statements presentation;
 - b. Reasonableness of estimates, assumptions and judgments used;
 - c. Methods of accounting for significant transactions including all related party transactions;
 - d. Significant adjustments, material errors and fraud;
 - e. Going concern assumptions; and
 - f. Compliance with accounting standards, tax, legal, and regulatory requirements.

Assess the external auditor's opinion regarding the capability of management and the adequacy of accounting and financial systems to comply with financial and prudential reporting responsibilities.

3. Receive reports or other communications from regulators, and updates from legal counsel on legal and regulatory matters that may have a material effect on the Corporation's activities and related financial statements.

B. Internal Controls and Risk Management

1. Oversee senior management in establishing, maintaining and reviewing the Corporation's internal control framework, including information technology security and control.

2. Ensure that systems and processes are provide assurance in reporting, monitoring, compliance with laws, regulations, and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.
3. Assist the Board in defining the risk tolerance level of the Corporation and in implementing the policies for the management of such risks.
4. Evaluate and review with the internal and external auditors the following:
 - a. The adequacy and effectiveness of the Corporation's internal controls, financial reporting controls, operational, and compliance controls, and risk management policies and systems including information systems and security established by management; and
 - b. Any related reports of the internal and external auditors together with management's response thereto.
5. Establish procedures by which officers and staff shall, in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing or other issues, including arrangements for independent investigation, appropriate follow-up action, and subsequent resolution of complaints.
6. Review the Corporation's implementation of the business continuity plan.
7. Identify high-risk areas or risk exposures that require more Committee and internal audit's consideration.
8. Recommend improvement in policies, procedures, and processes.

C. *Internal Audit and Fraud Management*

1. Oversee the internal auditor and:
 - a. Ensure the independence and objectivity of the internal audit;
 - b. Ensure that the Corporation has adequate human resources with sufficient qualifications and skills necessary for fulfillment of internal audit functions;
 - c. Review the reports of the internal auditor; and
 - d. Ensure that the internal auditor complies with sound internal auditing standards and to relevant laws and regulations in the performance of its duties.
2. Recommend to the Board the appointment, reappointment, and dismissal of the Chief Audit Executive and internal auditors. Senior management may recommend the appointment, reappointment, and dismissal of the Chief Audit Executive subject to concurrence of the Committee. If the internal auditor resigns or communicates an intention to resign, the Committee should follow up the reasons giving rise to such resignation, and should consider whether it needs to take any action in response to those reasons.
3. Establish and identify the reporting line of the Chief Audit Executive so that the reporting level allows the internal audit activity to fulfill its duties and responsibilities. The Chief Audit Executive shall functionally report directly to the Committee.

4. Ensure that internal auditors 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 by outside parties in determining the scope of internal audit examinations, performing work, and communicating results.
5. Ensure that internal auditors maintain an open communication with senior management, the Committee, external auditors, and supervisory authorities.
6. Review and recommend for Board approval the annual internal audit risk-based plans and any changes thereto, and ensure that it is aligned with the overall plan strategy and budget of the Corporation, and that the audit resources are reasonably allocated to the areas of highest risk.
7. Recommend the approval and oversee the implementation of the Internal Audit Charter (IA Charter), including subsequent revisions thereto.
8. Receive and review reports of internal auditors and regulatory agencies, where applicable, to address issues with management on the Corporation's governance, internal control system, including financial reporting, operational and compliance controls, risk management, and information technology security and control.
9. Require the internal auditor to conduct a periodic review to assess consistency with the Board-approved policies, practices, and strategies, and report the results of assessment directly to the Committee.
10. Monitor and review effectiveness of recommended modifications in the audit process.
11. Review and advise management on the results of any investigations. Supervise and direct any investigation related to fraud; and oversee management's arrangements for the prevention and deterrence of fraud.
12. Conduct annual performance appraisal of the Chief Audit Executive and report it to the Board.
13. Recommend for approval of the Board the annual remuneration of the Chief Audit Exec and key internal auditors.
14. Receive reports on the quality assurance and improvement program of the internal auditor, if any, including reports on the scope and frequency of both internal and external assessments, the qualifications and independence of the assessment team, the conclusions of the assessors, any corrective action plan that has been created from the assessments.
15. Address with senior management the level of residual risk, which the Chief Audit Executive has concluded may be unacceptable to the Corporation, and the senior management has accepted.

D. *External Audit*

1. Recommend to the Board for approval, subject to ratification of the shareholders, the appointment, reappointment, dismissal, and fees of Securities and Exchange Commission (SEC) duly accredited external auditors. If the external auditor resigns or communicates an intention to resign, the Committee should determine reasons giving rise to such resignation and consider whether action is required.

2. Review and evaluate the qualifications, performance, integrity, independence, and objectivity of the external auditor and its lead audit partner primarily responsible for the audit of the Corporation's financial accounts. Review and monitor external audit process' overall effectiveness, independence and objectivity. Review and monitor the external auditor's suitability and effectiveness on an annual basis.
3. Review with the external auditor the annual audit plan, including the scope and frequency. Review the terms of the engagement letter provided by the external auditor.
4. Ensure that external auditors are given unrestricted access to all records, properties, and personnel to enable them to perform their audit functions.
5. Assess the extent of management's cooperation provided during the conduct of the external audit.
6. Engage the external auditor on a continuing basis on matters concerning audit quality.
7. Obtain and consider reports or communications related to any significant disagreement with management. Resolve the disagreements between management and external auditor and ensure that a discussion of any disagreement on accounting principles or practices, financial statement disclosure or auditing scope or procedure is included in the Corporation's reports.
8. Evaluate and determine non-audit works to be performed by the external auditor and review periodically the fees paid for such services in accordance with the Non-Audit Services Policy. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report (ACGR).
9. Ensure that the external auditor or its lead audit partner primarily responsible for the audit or review of the Corporation's financial accounts is rotated at least once every five (5) years or such shorter or longer period provided under applicable laws and regulations.
10. Review and approve management representation letter before submission to external auditor to ensure that items in the letter are complete and appropriate.
11. Review the disposition of the recommendations in the external auditor's management letter.

E. *Compliance with Corporation Policies, and Applicable Laws, Rules and Regulations and Code of Business Conduct*

1. Monitor compliance by the Corporation with all applicable rules, and regulations of the Insurance Commission and other regulatory government agencies, including but not limited to Anti- Money Laundering.
2. Monitor compliance by the Corporation with regulations and policies as contained in the various operations manuals as well as the Corporation's Code of Conduct and other codes of conduct as may be imposed by the Corporation.

F. *Reporting*

Report regularly to the Board about Committee's activities and issues that arise with respect to the quality or integrity of the Corporation's financial statements, the compliance with legal or regulatory requirements, the performance and independence of the external auditors, and the performance of the internal audit

activity. Ensure that the internal and external auditors act independently from each other.

Report annually to the stakeholders on the Committee's composition, responsibilities, and any other information required by rule, including approval of non-audit services.

G. *Other Responsibilities*

Attend a minimum of four hours of training every year, a program on Corporate Governance conducted by training providers duly accredited by the Securities and Exchange Commission (SEC) or through a SEC-approved in-house corporate governance training, covering all the mandated topics including financial reporting and auditing.

VI. Review:

1. The Committee shall evaluate its performance at annually, the results of which shall be submitted to the Compliance Office for the Corporate Governance Committee's endorsement to the Board.
2. The Committee shall review the Committee Charter annually or as may be necessary.

Getwell Health Systems, Inc.