Annex "5"
Corporate Governance Manual
Nickel Asia Corporation

CHARTER OF THE AUDIT COMMITTEE

I. Introduction

This Charter of the Audit Committee (the "AC" or the "Committee") of **NICKEL ASIA CORPORATION** (the "Company") sets forth, among others, the purpose, membership, authority, functions, structure, and procedures, which shall guide the Committee as prescribed by the Company's Manual on Corporate Governance (the "Manual"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

II. Purpose

The primary purpose of the Committee is to enhance the Board's oversight capability over the company's financial reporting, internal control system, internal and external audit processes, discharging other duties and powers as may be delegated by the Committee by the Board, and as required under the CG Manual, Code of Corporate Governance of the Securities and Exchange Commission (SEC), and the Corporate Governance Guidelines and Listing Rules of the Philippine Stock Exchange (PSE).

III. Organization

A. Membership and Qualifications

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

2. Members of the Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.

3. The office of a Member shall *ipso facto* be vacated:

   i. if he resigns as a Member of the Committee or of the Board;
   ii. if he is removed by a resolution of the Board;
   iii. if he is declared to be incompetent or of unsound mind; or
   iv. if he is subsequently disqualified from becoming a Member.

   A Member shall be disqualified from being part of the Committee during the remainder of his tenure if he, upon determination by the Board or Nominations Committee, ceases to meet the qualifications for directorship, or becomes disqualified from directorship based on any grounds for disqualification set forth in the Manual.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.

5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

B. Meetings, Attendance, Escalation, Resolutions, Minutes

1. Meetings, Notice, Quorum

The Committee shall meet at least once every calendar quarter, preferably prior to regular meetings of the Board, without the presence of the CEO or other management team members. The Chairman may convene special meetings as circumstances require such as when there is a need to take up critical items requiring attention from or approval of the Committee. Special meetings may also be convened upon the request of a majority of the Members of the Committee.

The relevant members of management and the Company's Internal and External Auditors may be invited to attend the meetings to provide the necessary information for the Committee to perform its functions. The Committee shall also meet separately with the External Auditors, the Chief Audit Executive, and members of Management, at least once a year.

Notice of the regular or special meetings of the Committee shall be given at least five (5) days prior to any such meeting unless all Members unanimously waive such notice; provided, however, that the Chairman of the Committee, *motu propio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.

Notice shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

The presence of a majority of the members of the Committee, whether in person or via teleconference or videoconference conducted in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001, shall constitute a quorum, provided that the majority must always include an Independent, Non-Executive Director.

2. Attendance

The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee. However, only Members are entitled to vote at Committee meetings.

In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board any matter that in the opinion of the Committee should be brought to the attention of the Board, including but not limited to recommendations requiring Board approval and concerns or issues requiring Board action. In this regard, the Board may require the Committee to prepare such reports or issue such certifications that the Board may deem necessary to address recommendations or concerns regarding critical compliance issues.

4. Resolutions

Resolutions by the Committee shall be passed by a simple majority of votes of the Members present at such meeting, provided that a quorum is present at the time the vote was taken.

A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

The Committee shall appoint a Secretary who shall prepare minutes of meetings and keep records of the Committee.

The Secretary of the Committee shall keep (a) appointments and resignation of the Members; (b) all agenda and other documents sent to the Members; (c) minutes of proceedings and meetings of the Committee; and (d) such other documents as may be necessary in the performance of the Committee's functions.

Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

Minutes of any meeting of the Committee, if signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

C. Remuneration

The Chairman and Members of the Committee shall receive no fees or remuneration in respect of their services in connection with the Committee, or in respect of their attendance at meetings of the Committee except for reasonable per diems authorized and approved by the Board for such purposes. The amount of such per diems shall not be such as it may jeopardize the independence of the Members of the Committee or may reasonably be perceived to interfere with such independence.

D. Authority

The Committee shall have the appropriate authority to discharge its functions and responsibilities and shall report directly to the Board on its decisions or recommendations. The Committee shall also have the authority to engage external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall, in consultation with the Board, have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

E. Continuing Education and Training

Members of the Committee shall keep abreast of developments in financial reporting, accounting, corporate governance, legal and regulatory compliance, technology, business risks, and other relevant areas by seeking continuing professional education and training. The education and training may be provided to the Committee by members of Management, the External Auditors, or by third parties recommended by the Chairman, who shall monitor the needs and opportunities for such continuing education.

IV. Functions of the Committee

The Audit Committee is responsible for overseeing the senior management in establishing and maintaining an adequate, effective, and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations, and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

The Audit Committee has the following functions, among others:

Internal Audit

4.1. 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;

4.2. Through the Internal Audit (IA) Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. 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 Company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Company's financial data, and (d) ensure compliance with applicable laws and regulations;

4.3. Oversee the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;

4.4. 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;

4.5. Review and monitor the Management's responsiveness to the Internal Auditor's findings and recommendations.

Audit by an Independent External Auditor

4.6. Prior to the commencement of the audit, discuss with the External 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;

4.7. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with the External Auditor's duties as such or may pose a threat to his independence[3]. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;

4.8. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices;
- Areas where a significant amount of judgment has been exercised;
- Significant adjustments resulting from the audit;
- Going concern assumptions;
- Compliance with accounting standards;
- Compliance with tax, legal and regulatory requirements.

4.9. Review the disposition of the recommendations in the External Auditor's management letter;

Further, the Audit Committee shall:

4.10. Perform oversight functions over the Company's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

4.11. Coordinate, monitor, and facilitate compliance with laws, rules and regulations; and

4.12. Recommend to the Board the appointment, reappointment, removal, and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Company and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

V. Performance Evaluation and Assessment

In order to ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the Corporate Governance Code, the Manual, and other relevant regulatory requirements, the Committee shall conduct an assessment of its performance through the self-assessment worksheet provided in the Guidelines, and under the mechanics provided therein.

VI. Amendment

This Charter may be amended or repealed, or a new charter be adopted, by resolution of the Committee duly adopted.

This Charter of the Audit Committee of Nickel Asia Corporation was approved and adopted on 29 May 2017.

Attest:

FREDERICK Y. DY
Chairman of the Audit Committee

BARBARA ANNE C. MIGALLOS
Corporate Secretary

JOSE RODERICK F. FERNANDO
Chief Compliance Officer