

ROBINSONS RETAIL HOLDINGS, INC.

AUDIT AND RISK OVERSIGHT COMMITTEE

This Audit and Risk Oversight Committee Charter (this “Charter”) establishes the purpose, qualifications and membership, structure and operations, duties and responsibilities of the Audit and Risk Oversight Committee (the “Committee”) of Robinsons Retail Holdings, Inc. (the “Company”), and the procedures which guide the conduct of its functions.

1. PURPOSE

The purpose of the Audit and Risk Oversight Committee are as follows:

- a. to provide oversight over the Company’s financial reporting, Internal Control System, and Internal and External Audit processes. It shall ensure that systems and processes are in place to provide assurance activities, ensure accurate financial reporting, monitor compliance with laws, regulations and internal policies, determine the efficiency and effectiveness of business operations, and provide the proper safeguarding and use of the Company’s resources and assets; and
- b. to oversee the establishment of an ERM framework to identify, monitor, assess and manage key business risks. The ERM framework shall guide the Company in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. It shall be responsible for defining the Company’s level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operations and performance

2. ORGANIZATION

- 2.1. **Reporting Responsibility.** The Audit and Risk Oversight Committee reports functionally to the Board.
- 2.2. **Composition.** The Audit and Risk Oversight Committee shall be composed of at least three (3) directors, at least one (1) of whom shall always be an Independent Director. The Board may consider appointing Non-Executive Directors to comprise majority membership of the Audit and Risk Oversight Committee.
- 2.3. **Committee Membership.** The Board shall appoint annually the members of the Audit and Risk Oversight Committee Board Committee.
- 2.4. **Committee Members Qualifications.** Each member of the Committee shall have the qualifications and none of the disqualifications of a Director, as set out in the Corporate Governance Manual. All members must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, finance and experience on risk and risk management.

- 2.5. **Committee Chairmanship.** The Board shall appoint an Independent Director as Chairman of the Audit and Risk Oversight Committee.

3. STRUCTURE AND OPERATIONS

- 3.1. **Meetings.** The Audit and Risk Oversight Committee shall meet every quarter or as often as may be necessary. The Audit and Risk Oversight Committee may opt to meet without the presence of the CEO or other management team members, and periodically meet with the Internal Audit Head.
- 3.2. **Notice of Meeting.** The notice and agenda for each meeting shall be circulated to all Audit Committee members at least three (3) business days before each meeting.
- 3.3. **Chairman.** The Committee Chairman shall preside in all meetings of the Committee. In case of the absence of the Chairman, the Vice Chairman, if one has been appointed, shall preside at the particular meeting. In the event that the Committee has no Vice Chairman, then the members present shall select from among themselves an Acting Chairman to preside at the said meeting.
- 3.4. **Quorum.** A quorum shall be present as long as an Independent Director is present or if at least a majority of the members of the Audit and Risk Oversight Committee is present. No business shall be transacted at any meeting unless a quorum is present.
- 3.5. **Record of Meetings.** The Audit and Risk Oversight Committee shall cause proper records of its proceedings to be kept. The Members shall nominate the Committee Secretary who shall prepare and keep the minutes of meetings and other proceedings.
- 3.6. **Other Attendees.** The Audit and Risk Oversight Committee may invite other Directors and Management Officers to attend any meeting.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:

- 4.1. Oversee the Internal Audit Department and recommend the appointment and/or grounds for approval of the Internal Audit Head. The Audit and Risk Oversight Committee shall also approve the terms and conditions for the outsourcing of Internal Audit services, if applicable;
- 4.2. Ensure that the Internal Audit Department will 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;
- 4.3. Review the Annual Internal Audit Plan to confirm that it is consistent with the strategic objectives of the Company. The Plan shall include the audit scope, allocation of resources, and the budget necessary for the implementation of the Audit Plan;

- 4.4 Review the reports submitted by the Internal and External Auditors;
- 4.5 Review and monitor Management's responsiveness to Internal Audit's findings and recommendations;
- 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 proportion of non-audit fees paid to the External Auditor to the Company's overall consultancy expenses. The Committee shall evaluate if the non-audit work will create a potential conflict of interest and shall disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to its independence. If the non-audit work is allowed, this shall be disclosed in the Company's Annual Corporate Governance Report;
- 4.8 Review and approve the financial statements before these are presented to the Board, with particular focus on the following:
 - Any change/s in accounting policies and practices;
 - Areas where significant amount of judgment has been exercised;
 - Significant adjustments resulting from the audit;
 - Going concern assumptions;
 - Compliance with accounting standards; and
 - Compliance with tax, legal, and regulatory requirements.
- 4.9 Review the disposition of the recommendations contained in the External Auditor's management letter, if any;
- 4.10 Perform oversight functions over the Company's Internal and External Auditors. It shall ensure the independence of Internal and External Auditors, and that both auditors are given reasonable access to all material records, properties and personnel to enable them to perform their respective audit functions;
- 4.11 Recommend the appointment, re-appointment, removal, and fees of the External Auditor;
- 4.12 Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal controls, audit process and monitoring of compliance with applicable laws, rules and regulations.
- 4.13 Oversee the development and implementation of a formal ERM Plan that contains the following elements:
 - Common language or register of risks;
 - Well-defined risk management goals, objectives and oversight;
 - Uniform processes of identifying, assessing, evaluating and measuring risks as well developing strategies to manage and mitigate prioritized risks;

- Designing and implementing risk management strategies; and
 - Continuing assessments and monitoring to improve risk strategies, processes and measures;
- 4.14 Evaluate the ERM Plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stays abreast of significant developments that may seriously impact the likelihood of harm or loss;
- 4.15 Review the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and occurrence of major events that may have a major impact on the Company;
- 4.16 Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are most likely to occur and impact the performance and financial stability of the Company and its Stakeholders;
- 4.17 Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
- 4.18 Provide the Board with a report on material risks, potential exposures, recommendations on appetite levels, risk tolerance limits, and actions and plans to mitigate the identified risks.

5. REPORTING PROCESS

- 5.1. The Chairman of the Committee shall render a report apprising the Board of Directors of the results of the Committee's activities following each meeting
- 5.2. The Committee shall prepare an annual report of its activities to the Board for inclusion in the Company's annual report.

6. PERFORMANCE ASSESSMENT

- 6.1. The members of the Committee shall evaluate its performance based on best practices and expectations set-out in this Charter and in related SEC Memorandum Circulars and the ASEAN Corporate Governance Scorecard concerning Audit Committees.
- 6.2. The Committee shall obtain and subject itself to an independent assessment by the Board of Directors based on best practices and relative to its performance in the discharge of its responsibilities as set out in this charter.
- 6.3. Based on the results of the performance assessment, the Committee shall formulate and implement plans to improve its performance. These may include the identification of relevant training needs intended to keep the members up to date with corporate governance best practices, accounting and auditing standards, as well as specific areas of concern.

7. AMENDMENT

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by the Board.

Approved by the Board of Directors on August 13, 2021.