



**AUDIT COMMITTEE CHARTER OF
THE KEEPERS HOLDINGS, INC.**

Introduction:

Pursuant to the oversight function of the Board of Directors (the "Board") in the management and business operation of The Keepers Holdings, Inc. (the "Company"), the Board hereby adopts this Audit Committee Charter (the "Charter"). This Charter shall serve as the guide of the Committee in the conduct of its business. This Charter shall supplement the Company's By-laws ("By-laws") and the Company's Manual on Corporate Governance ("Manual").

Composition:

The Audit Committee shall be composed of at least three (3) directors, preferably with accounting, auditing, and finance background, and other qualifications as may be required under the applicable rules and regulations promulgated by the Securities and Exchange Commission and other relevant regulatory bodies. The Committee Chairperson and the Committee members shall be appointed by the Board from among its members at a meeting duly called for such purpose.

Roles and Responsibilities:

The Audit Committee shall be responsible for (a) recommending the appointment of external auditors and their remuneration, (b) reviewing reports of the external and internal auditors (b) monitoring the system of internal controls and corporate compliance with laws, regulations, and code of ethics, and serve as a direct channel of communications to the Board for the internal auditors (c) reviewing related party transactions of the Company and ensure compliance of the Company with the Material Related Party Transactions Policy (d) assessing and managing risks (e) such other matter as may be designated to it by the Board of Directors.

Thus, the Committee shall:

- a. Assist the Board in the performance of its oversight responsibility for the financial reporting process, the system of internal control, audit process, and monitoring of compliance with applicable laws, rules, and regulations;
- b. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal, and other risks of the Company. This function shall include a regular receipt from Management of information on risk exposures and risk management activities and monitors the Management's responsiveness to the internal auditor's findings and recommendations;

- c. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other and that both auditors are given unrestricted access to all records, properties, and personnel to enable them to perform their respective audit functions;
- d. Review the annual internal plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources, and budget necessary to implement it.
- e. Perform oversight functions in making sure that there are well-design internal control procedures and processes that will provide a system of checks and balances should be in place to (a) safeguards the Company's resources and ensure their effective utilization, (b) prevent the 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;
- f. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- g. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- h. Before the commencement of the audit, discuss with the external auditor the nature, scope, and expenses of the audit;
- i. Review the reports submitted by the internal and external auditors;
- j. Review the quarterly, half-year, and annual financial statements before their submission to the Board, focusing on the following matters: Change/s in accounting policies and practices; Major critical areas; Significant adjustments resulting from the audit; Going concern assumptions; and compliance with tax, legal and regulatory requirements.
- k. Evaluate and pre-approve the non-audit work of the external auditor, and review periodically the non-audit fees paid to the external auditor concerning their significance to the total annual income of the external auditor and the Company's overall consultancy expenses. The Committee shall disallow non-audit work that will conflict with their duties as an external auditor or threaten their independence. The non-audit work, if allowed, should be disclosed in the Company's annual report;

1. Recommend the appointment and removal of an internal auditor and their qualifications and grounds for appointment and removal. Establish and identify the reporting line of the Internal Auditor to enable them to properly fulfill their duties and responsibilities.

The Committee shall also:

- a. Perform oversight functions in the development of a formal enterprise risk management plan, oversee the implementation of such program, and evaluates the program to ensure its continued relevance, comprehensiveness, and effectiveness;
- b. Advise the Board on its risk appetite levels and risk tolerance limits;
- c. 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 when significant events occur that are considered to have substantial impacts on the Company;
- d. Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence;
- e. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal, and other risk exposures of the Company.
- f. Report to the Board regularly, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as required.

Meetings:

The Committee may meet on such dates, times, and places as determined by the Committee. The Committee shall endeavor to have a meeting at least once every quarter.

The rules for sending notices for meetings of the Board as provided in the By-laws shall also apply to notices of meetings of the Committee.

Quorum and Number of Votes to Approve a Resolution:

The quorum of the Committee for the proper conduct of its business shall be the majority of its current members. The affirmative vote of the majority of the Committee members present during the meeting shall approve all decisions and resolutions of the Committee. In no case, however, shall a decision or resolution be approved without the approval of at least two (2) members of the Committee.

Secretary:

The Corporation's Corporate Secretary, and in their absence, the Assistant Corporate Secretary, shall function as the secretary of the meeting of the Committee.

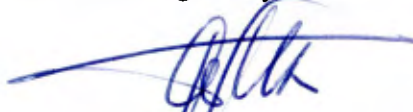
The secretary of the meeting shall proceed to record the minutes of the meeting and shall have such minutes read and approved by the Committee at the next meeting.

Amendment of Charter:

This Charter may be changed or amended from time to time. Such changes or modifications shall become effective upon approval by the Board.

APPROVED by the Board of Directors on _____ at Manila, Philippines.

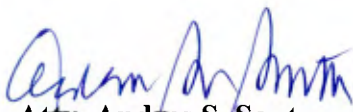
Attested and Signed by:



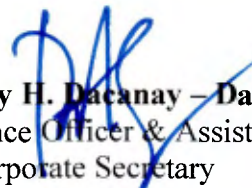
Mr. Lucio L. Co
Chairman



Mr. Jose Paulino L. Santamarina
President



Atty. Andres S. Santos
Legal Counsel



Atty. Candy H. Dacanay - Datuon
Compliance Officer & Assistant
Corporate Secretary