

# AUDIT COMMITTEE CHARTER

Reliable Insurance Brokers, Inc.

## Section 1: Purpose

The Audit Committee (the “Committee”) is a standing committee of the Board of Directors of Reliable Insurance Brokers, Inc. (the “Company”). It assists the Board in fulfilling its oversight responsibilities over the Company’s financial reporting process, system of internal controls, internal and external audit functions, and compliance with applicable laws, regulations, and governance standards.

The Committee ensures that the integrity of the Company’s financial information and the effectiveness of its audit and compliance framework are maintained at all times.

## Section 2: Composition and Membership

- (a) The Committee shall consist of at least three (3) members of the Board of Directors, preferably with accounting, auditing, or financial management expertise.
- (b) The Chairperson shall be an Independent Director. The members shall be appointed by the Board annually and shall serve until their successors are duly appointed.
- (c) The President/CEO, Head of Internal Audit, and Compliance Officer shall serve as resource persons of the Committee.
- (d) In the absence of an Independent Director as Chair, the Board may designate another qualified director as Interim Chair.

## Section 3: Authority

The Committee is authorized by the Board to:

- (a) Access any records, data, or personnel relevant to its oversight functions.
- (b) Communicate directly with internal and external auditors, and require their attendance at meetings when necessary.
- (c) Approve the internal audit charter, annual audit plan, and budget.
- (d) Endorse the appointment, performance evaluation, and removal of the Head of Internal Audit.
- (e) Engage independent counsel, consultants, or other advisors as it deems necessary to perform its duties.

All actions and recommendations of the Committee shall be subject to Board confirmation or ratification.

## Section 4: Duties and Responsibilities

The Committee shall perform the following duties and responsibilities:

- (a) **Financial Reporting and Disclosures**

- Review and ensure the integrity and fairness of the Company’s financial statements before submission to the Board and regulators.
  - Review accounting policies, practices, and judgments used in preparing financial reports.
  - Ensure compliance with applicable laws, regulations, and reporting standards.
- (b) **Internal Control and Risk Management**
- Evaluate the adequacy and effectiveness of internal controls and risk management systems.
  - Review management’s responses to audit findings and recommendations.
  - Ensure corrective actions are implemented promptly.
- (c) **Internal Audit Oversight**
- Review and approve the Internal Audit Charter, annual audit plan, and scope of work.
  - Ensure the independence and objectivity of the internal audit function.
  - Review internal audit reports and monitor management’s corrective actions.
  - Evaluate the performance and resources of the Internal Audit function.
- (d) **External Audit Oversight**
- Recommend to the Board the appointment, re-appointment, or removal of the external auditor, including approval of fees and engagement terms.
  - Review the scope and results of the external audit and management’s responses.
  - Ensure auditor independence by monitoring non-audit services provided.
- (e) **Compliance and Ethics**
- Oversee compliance with laws, regulations, and internal policies.
  - Review reports on compliance issues and regulatory examinations.
  - Promote ethical conduct and good governance practices throughout the Company.
- (f) **Coordination with Other Committees**
- The Audit Committee shall coordinate with the Risk Oversight and Corporate Governance Committees to ensure that significant risk, compliance, and governance matters are adequately addressed and reported to the Board.

## **Section 5: Meetings and Quorum**

- (a) The Committee shall meet at least quarterly, or more frequently as circumstances require.
- (b) A majority of the Committee members shall constitute a quorum. The presence of at least one Independent Director shall be required for quorum.
- (c) Meetings may be conducted physically or through secure digital platforms, provided that participation allows active engagement and deliberation.
- (d) The Committee Secretary shall prepare minutes of all meetings, which shall be circulated to members for review and submitted to the Board.

## **Section 6: Reporting and Evaluation**

- (a) The Committee shall submit quarterly reports to the Board summarizing significant audit findings, compliance updates, and management actions.
- (b) The Committee shall conduct an annual self-assessment of its effectiveness and report the results to the Board.
- (c) The Committee shall ensure that the Internal Audit Function maintains a Quality Assurance and Improvement Program and that periodic external quality assessments are performed in line with recognized standards.

All actions and recommendations of the Committee shall be subject to Board confirmation or ratification.

## **Section 7: Charter Review**

This Charter shall be reviewed by the Committee at least every three (3) years, or earlier if necessary to ensure alignment with regulatory changes and best governance practices. Any amendments shall be endorsed to the Board for approval.

This Audit Committee Charter of Reliable Insurance Brokers, Inc. was adopted by the Board of the Company on \_\_\_\_\_ 2025 at Mandaluyong City.

Attest:

FELICISIMO M. NACINO, JR.  
Chairman of the Board

ESPERANZA M. ATANACIO  
Assistant Corporate Secretary