

**THE ORCHARD GOLF & COUNTRY CLUB, INC.**  
**INTERNAL AUDIT COMMITTEE CHARTER**

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This Charter (the "Charter") sets out the purpose, composition, and the duties and responsibilities of The Orchard Golf & Country Club, Inc.'s (the "Club") Internal Audit Committee (the "Committee")

**ARTICLE I**  
**ROLE AND PURPOSE**

Section 1. The purpose of the Club's Internal Audit Department is to provide independent, objective assurance and consulting services designed to add value and improve the Club's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit Department helps the Club accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

**ARTICLE II**  
**STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING**

Section 1. The Internal Audit Department will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The Internal Auditor will report periodically to Management and the Audit Committee regarding the Internal Audit Department's conformance to the Code of Ethics and the Standards.

**ARTICLE III**  
**AUTHORITY**

Section 1. The Internal Auditor will report functionally to the Audit Committee and administratively (i.e., day-to-day operations) to the General Manager & COO. To establish, maintain, and assure that the Club's Internal Audit Department has sufficient authority to fulfill its duties, the Audit Committee will:

- (a) Approve the Internal Audit Department charter.
- (b) Approve the risk-based internal audit plan.
- (c) Approve the Internal Audit Department budget and resource plan.
- (d) Receive communications from the Internal Auditor on the Internal Audit Department's performance relative to its plan and other matters.
- (e) Approve decisions regarding the appointment and removal of the Internal Auditor.
- (f) Approve the remuneration of the Internal Auditor.
- (g) Make appropriate inquiries of Management and the Internal Auditor to determine whether there is inappropriate scope or resource limitations.

Section 2. The Internal Auditor will have unrestricted access to, and communicate and interact directly with, the Audit Committee, including in private meetings without the General Manager & COO present. The Audit Committee authorizes the Internal Audit Department to:

- (a) Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- (b) Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- (c) Obtain assistance from the necessary personnel of the Club, as well as other specialized services from within or outside the Club, in order to complete the engagement.

#### **ARTICLE IV INDEPENDENCE AND OBJECTIVITY**

Section 1. The Internal Auditor will ensure that the Internal Audit Department remains free from all conditions that threaten the ability of the Internal Auditor to carry out his/her responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Internal Auditor determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Section 2. Internal Auditor will maintain an unbiased mental attitude that allows him/her to perform engagements objectively and in such a manner that he/she believes in his/her work product, that no quality compromises are made, and that he/she does not subordinate his/her judgment on audit matters to others.

Section 3. The Internal Auditor will have no direct operational responsibility or authority over any of the activities audited. Accordingly, Internal Auditor will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair his/her judgment, including:

- (a) Assessing specific operations for which he/she had responsibility within the previous year.
- (b) Performing any operational duties for the Club or its affiliates.
- (c) Initiating or approving transactions external to the Internal Audit Department.
- (d) Directing the activities of any Club employee not employed by the Internal Audit Department, except to the extent that such employee has been appropriately assigned to the auditing team or to otherwise assist the Internal Auditor.

Section 4. Where the Internal Auditor has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

The Internal Auditor will:

- (a) Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- (b) Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- (c) Make balanced assessments of all available and relevant facts and circumstances.

- (d) Take necessary precautions to avoid being unduly influenced by his/her own interests or by others in forming judgments.

Section 5. The Internal Auditor will confirm to the Audit Committee, at least annually, the organizational independence of the Internal Audit Department. The Internal Auditor will disclose to the Audit Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

## **ARTICLE V SCOPE OF INTERNAL AUDIT ACTIVITIES**

Section 1. The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee, Management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the Club. Internal audit assessments include evaluating whether:

- (a) Risks relating to the achievement of the Club's strategic objectives are appropriately identified and managed.
- (b) The actions of the Club's officers, directors, employees, and contractors are in compliance with the Club's policies, procedures, and applicable laws, regulations, and governance standards.
- (c) The results of operations or programs are consistent with established goals and objectives.
- (d) Operations or programs are being carried out effectively and efficiently.
- (e) Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Club.
- (f) Information and the means used to identify, measure, analyze, classify, and report such
- (g) information are reliable and have integrity.
- (h) Resources and assets are acquired economically, used efficiently, and protected adequately.

Section 2. The Internal Auditor will report periodically to Management and the Audit Committee regarding:

- (a) The Internal Audit Department's purpose, authority, and responsibility.
- (b) The Internal Audit Department's plan and performance relative to its plan.
- (c) The Internal Audit Department's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- (d) Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee.
- (e) Results of audit engagements or other activities.
- (f) Resource requirements.
- (g) Any response to risk by Management that may be unacceptable to the Club.

Section 3. The Internal Auditor also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The Internal Audit Department may perform advisory and related client service activities, the

nature and scope of which will be agreed with the client, provided the Internal Audit Department does not assume management responsibility.

Section 4. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of Management.

## **ARTICLE VI RESPONSIBILITIES**

Section 1. The Internal Auditor has the responsibility to:

- (a) Submit, at least annually, to Management and the Audit Committee a risk-based internal audit plan for review and approval.
- (b) Communicate to Management and the Audit Committee the impact of resource limitations on the internal audit plan.
- (c) Review and adjust the internal audit plan, as necessary, in response to changes in the Club's business, risks, operations, programs, systems, and controls.
- (d) Communicate to Management and the Audit Committee any significant interim changes to the internal audit plan.
- (e) Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- (f) Follow up on engagement findings and corrective actions, and report periodically to Management and the Audit Committee any corrective actions not effectively implemented.
- (g) Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- (h) Ensure the Internal Audit Department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Internal Audit Charter. Ensure trends and emerging issues that could impact the Club are considered and communicated to Management and the Audit Committee as appropriate.
- (i) Ensure emerging trends and successful practices in internal auditing are considered. Establish and ensure adherence to policies and procedures designed to guide the Internal Audit Department.
- (j) Ensure adherence to the Club's relevant policies and procedures, unless such policies and procedures conflict with the Internal Audit Charter. Any such conflicts will be resolved or otherwise communicated to Management and the Audit Committee.
- (k) Ensure conformance of the Internal Audit Department with the Standards, with the following qualifications:
- (l) If the Internal Audit Department is prohibited by law or regulation from conformance with certain parts of the Standards, the Internal Auditor will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
- (m) If the Standards are used in conjunction with requirements issued by other authoritative bodies, the Internal Auditor will ensure that the Internal Audit Department conforms

with the Standards, even if the Internal Audit Department also conforms with the more restrictive requirements of other authoritative bodies.

**ARTICLE VII**  
**QUALITY ASSURANCE AND IMPROVEMENT PROGRAM**

Section 1. The Internal Audit Department will maintain a quality assurance and improvement program that covers all aspects of the Internal Audit Department. The program will include an evaluation of the Internal Audit Department's conformance with the Standards and an evaluation of whether the Internal Auditor applies The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the Internal Audit Department and identify opportunities for improvement.

Section 2. The Internal Auditor will communicate to Management and the Audit Committee on the Internal Audit Department's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Club.

Adopted this \_\_ day of June 2023.

VICENTE R. SANTOS  
*Chairman*

TOMAS JULIO A. BENITEZ  
*President*

EXEQUIEL D. ROBLES  
*Director*

MARIZA SANTOS-TAN  
*Director*

HENRY CUA LOPING  
*Director*

JOSE P. CRISOSTOMO, JR.  
*Independent Director*

JOSE S. GONZALES  
*Independent Director*