

JOLLIBEE FOODS CORPORATION
AUDIT AND COMPLIANCE COMMITTEE CHARTER

I. PURPOSE

Pursuant to the By-laws and Manual on Corporate Governance of Jollibee Foods Corporation (the “Company”), the Board of Directors (“Board”) shall constitute an Audit and Compliance Committee (hereinafter “Audit Committee” for brevity) the duties and responsibilities of which shall be consistent with the requirements under applicable laws and regulations on corporate governance.¹

The Board established the Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.²

II. AUTHORITY

The Audit Committee is authorized by the Board to undertake any activity within its scope of responsibility, and to recommend appropriate actions to the Board on the basis of its findings.³ In discharging its responsibilities, the Audit Committee shall have unrestricted access to members of management, employees and relevant information it considers necessary to discharge its duties.⁴

The Audit Committee may also obtain external legal counsel or independent professional advice if it considers it necessary in the performance of its functions. The Committee shall be provided with sufficient resources to discharge its duties, including access to periodic continuing trainings⁵.

III. COMPOSITION

The Audit Committee shall consist of at least four (4) board members, two (2) of whom shall be independent directors.⁶ The chairman of the Audit Committee shall be an Independent Director and shall not be the chairman of the Board or of any other committees.⁷

¹ Article IV, Section 10(b), By-Laws, as amended on October 12, 2018 and Article IV.8.f of the 2017 Manual on Corporate Governance (MCG).

² Recommendation 3.2, Integrated Annual Corporate Governance Report (I-ACGR).

³ 2012 JFC Audit and Compliance Committee Charter.

⁴ Institute of Internal Auditors (IIA) Model.

⁵ Recommendation 1.3, I-ACGR.

⁶ Article IV, Section 10(b), By-Laws, as amended on October 12, 2018.

⁷ Article IV.8.f, 2017 MCG.

All of the members of the Audit Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.⁸

Audit Committee members shall adhere to the Company's Code of Business Ethics and any values and ethics established by the Company. It is the responsibility of the members of the Audit Committee to disclose any conflict of interest or appearance of a conflict of interest to the Audit Committee. If there is any question as to whether Audit Committee members should recuse themselves from a vote, the Audit Committee shall vote to determine whether the member should recuse himself or herself.⁹

IV. MEETINGS

1. The Audit Committee meets with the Board at least every quarter and periodically meets with the head of the Internal Audit.¹⁰
2. The Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.¹¹
3. At least three (3) members of the Audit Committee shall constitute a quorum for the meetings, unless otherwise decided by the Board.¹²
4. Meetings may be attended to in person or through teleconference or video-conference.¹³
5. The Chairman of the Audit Committee shall preside in all meetings. In the absence of the Audit Committee Chairman, the members present shall elect one of their members as Chairman of the meeting. The Internal Audit head is, likewise, required to attend all meetings of the Audit Committee.
6. The agenda for the meetings shall be developed by the Internal Audit head based on the agreed calendar of activities and inputs from the Audit Committee members, subject to the approval of the Chairman of the Audit Committee.
7. The Internal Audit Department shall provide all the secretariat support to the Audit Committee.¹⁴
8. At least once a year, the Audit Committee shall conduct separate meetings with the Internal Audit head and external auditor to discuss any matter that the Audit Committee or the auditors believe should be discussed privately.

⁸ Article IV.8.f, 2017 MCG.

⁹ IIA Model.

¹⁰ Article IV.8.f, 2017 MCG.

¹¹ Supplement to Recommendation 3.2, I-ACGR.

¹² Section E.3, 2012 JFC Audit and Compliance Committee Charter.

¹³ Section E.3, 2012 JFC Audit and Compliance Committee Charter.

¹⁴ IIA Model.

9. The external auditor and/or Internal Audit head may request a meeting with the Audit Committee whenever deemed necessary.
10. A summary of matters discussed during the Audit Committee's meetings shall be presented to the Board.¹⁵

V. FUNCTIONS

The Audit Committee exercises oversight powers in the various policies and processes of the Company pertaining to internal and external audit, internal controls and risk management and ethics functions. Its functions include the following:

Oversight on Financial Reporting and Disclosure

1. Through the Internal Audit Department, monitor and evaluate the integrity of the Company's financial reporting system;¹⁶
2. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:¹⁷
 - (i) Any change/s in accounting policies and practices;
 - (ii) Areas where a significant amount of judgment has been exercised;
 - (iii) Significant adjustments resulting from the audit;
 - (iv) Going concern assumptions;
 - (v) Compliance with accounting standards; and
 - (vi) Compliance with tax, legal and regulatory requirements.
3. Review financial reports before submission to the Board and/or regulators whether they are complete and consistent with the information known to the Audit Committee members and reflect appropriate accounting principles;¹⁸

Oversight on Internal Audit Functions

4. Recommend the approval of 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;¹⁹

¹⁵ Section E.4, 2012 JFC Audit and Compliance Committee Charter.

¹⁶ Article IV.8.f.2, 2017 MCG.

¹⁷ Article IV.8.f.8, 2017 MCG.

¹⁸ IIA Model.

¹⁹ Article IV.8.f.1, 2017 MCG.

5. Oversee the Internal Audit Department and recommends the appointment and/or grounds for approval of the Internal Audit head. The Audit Committee shall also approve the terms and conditions for outsourcing the internal audit services;²⁰
6. Establish and identify the reporting line of the Internal Audit head to enable him/her to properly fulfill his/her duties and responsibilities. For this purpose, the Internal Audit head shall directly report to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the Internal Audit Department, it shall be free from interference by outside parties including anyone within the company and the external ones;²¹
7. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;²²
8. Review and approve the annual audit plan, including any and all deviations therefrom, to ensure conformity with the objectives of the Company. The annual audit plan shall include reference to audit scope, resources, budget and staffing requirement for implementation.²³ The Audit Committee shall ensure that audit resources are reasonably allocated based on risk assessment;
9. Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Audit Standards for the Professional Practice of Internal Auditing;
10. Elevate to international standards the accounting and auditing processes, practices and methodologies and develop an accountability statement that will specifically identify officers and /or personnel directly responsible for the accomplishment of such task;²⁴

Oversight on External Audit

11. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Securities and Exchange 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;²⁵
12. 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;²⁶
13. 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

²⁰ Article IV.8.f.3, 2017 MCG.

²¹ Article IV.8.f.4, 2017 MCG.

²² Article IV.8.f.5, 2017 MCG.

²³ Section C.4, 2012 JFC Audit and Compliance Committee Charter.

²⁴ Section C.7, 2012 JFC Audit and Compliance Committee Charter.

²⁵ Article IV.8.f.12, 2017 MCG.

²⁶ Article IV.8.f.6, 2017 MCG.

and to the Company's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Company's Annual Report and Annual Corporate Governance Report;²⁷

14. Assess the integrity and independence of external auditors and exercise effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine profession and regulatory requirements;²⁸
15. Review and monitor, on an annual basis, the external auditor's suitability and effectiveness;²⁹
16. Review the disposition of the recommendations in the External Auditor's management letter;³⁰
17. Review the reports of the external auditor and ensure that management is taking appropriate corrective actions in a timely manner;

Oversight on Internal Controls and Risk Management

18. Through the Internal Audit Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting and information technology security, 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;³¹
19. Perform oversight functions over the Company's Internal and External Auditors. The Audit Committee shall ensure 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;³²
20. Coordinate, monitor and facilitate compliance with laws, rules and regulations;³³

²⁷ Article IV.8.f.7, 2017 MCG

²⁸ Article IV.8.f.13, 2017 MCG.

²⁹ Article IV.8.f.14, 2017 MCG.

³⁰ Article IV.8.f.9, 2017 MCG.

³¹ Article IV.8.f.2, 2017 MCG.

³² Article IV.8.f.10, 2017 MCG.

³³ Article IV.8.f.11, 2017 MCG.

21. Assist the Board in ensuring that there is an effective and integrated risk management process in place. Among the duties and responsibilities to ensure the functionality and effectiveness of the Company's enterprise risk management system are the following:³⁴

- (i) Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- (ii) Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee and conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing these risks;
- (iii) Evaluate the risk management 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 stay abreast of significant developments that seriously impact the likelihood of harm or loss;
- (iv) Advise the Board on its risk appetite levels and risk tolerance limits;
- (v) Review at least annually 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 major events occur that are considered to have major impacts on the Company;
- (vi) 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 the most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- (vii) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
- (viii) Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

³⁴ Article IV.8.f.15, 2017 MCG.

Oversight on Ethics Function

22. Exercise oversight over the Global Ethics Council in the Global Ethics Council's performance of its functions and may delegate such other matters as it deems suitable to the Global Ethics Council. The Global Ethics Council is the approving body for all ethics-related initiatives, programs and policies of the JFC Group of Companies;³⁵
23. Review periodic reports of the Global Ethics Council to monitor disposition of any ethical violations and assess the effectiveness of the implementation of the Company's global Ethics program;
24. Delegate such functions to management as the Audit Committee deems appropriate, subject to the Audit Committee's review and/or approval, as necessary;³⁶ and
25. Engage in any other activities consistent with the Audit Committee's objectives and responsibilities.³⁷

VI. REPORTING

1. To keep the Board apprised on the results of the Audit Committee's activities, the Chairman of the Audit Committee shall submit a report every quarter to the Chairman of the Board and shall be ready to present the report to the Board during its quarterly meeting. *Refer to Attachment 1 for proforma Quarterly Report of the Audit Committee.*
2. The Audit Committee shall also submit and present an Annual Audit Committee Report to the Board during its first meeting following the immediate calendar year. *Refer to Attachment 2 for proforma Annual Report of the Audit Committee.*

VII. FEEDBACK AND ASSESSMENT

To ensure that the Audit Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the provision of SEC Memorandum Circular No. 4, Series of 2012: Guidelines for the Assessment of Performance of Audit Committees of Companies Listed on the Exchange and the provisions of its Manual of Corporate Governance and other relevant regulatory requirements, the Audit Committee shall conduct, at least on an annual basis, an assessment of its performance. The assessment process shall be documented and shall form part of the records of the Company.

In this regard, the Audit Committee shall:

³⁵ FOR REFERENCE ONLY: From Organizational Announcement re: creation of Corporate Ethics.

³⁶ FOR REFERENCE ONLY: Section C.10, 2012 JFC Audit and Compliance Committee Charter.

³⁷ FOR REFERENCE ONLY: Section C.11, 2012 JFC Audit and Compliance Committee Charter.

1. Put in place a feedback mechanism to receive comments from management, Internal Audit head, Legal Division and external auditor. This feedback mechanism shall facilitate dialogues within the Company on ways to improve its performance.
2. Evaluate its performance by completing a self-assessment questionnaire that shall benchmark its practices against the expectations set out in this charter. *Refer to Attachment 3 for the Audit Committee Self-Assessment Questionnaire.*
3. The self-assessment shall be done by the Audit Committee on an annual basis or in such shorter intervals as may be set by the Board of Directors.
4. Based on the results of the performance assessment, formulate and implement plans to improve its performance. These shall 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 (e.g. emerging risks).
5. Review the status of the implementation of such plans for improvement semi-annually.

Approved this ____ day of _____ 2020.



CESAR V. PURISIMA

Audit Committee Chairman



TONY TAN CAKTIONG

Chairman of the Board

**Report of the Audit and Compliance Committee to the Board of Directors
For the Quarter Ended [quarter]**

The Audit and Compliance Committee (hereinafter the “Audit Committee”) hereby reports to the Board of Directors the following activities undertaken in discharging its duties and responsibilities as set forth in the Audit and Compliance Committee Charter:

- We had one (1) meeting in the xxx quarter of xxxx attended by the Audit Committee members.
- We have reviewed and endorsed to the Board of Directors the approval of the xxx Quarter 20xx unaudited consolidated financial statements of the Company, including Management’s Discussion and Analysis of Results of Operations and Financial Condition .
- We have reviewed the adequacy of resources, the competencies of staff, the activities and the effectiveness of the Internal Audit Department to execute the work plan, ensuring that the evaluation of effectiveness of controls encompassing the Company’s governance, operations, integrity of financial and operational information systems, safeguarding of assets and compliance with laws, rules and regulations are covered and that audit resources are reasonably allocated to the areas of highest risks.
- We have reviewed the reports of the internal auditors, external auditors and regulatory agencies, ensuring that management is taking appropriate corrective actions in a timely manner, including addressing the internal control and compliance issues as a whole.

Also attached in this report is the approved Minutes of the last meeting of the Audit Committee for reference.

Signed this ___ day of _____.

CESAR V. PURISIMA
Chairman

CEZAR P. CONSING
Member

WILLIAM TAN UNTIONG
Member

ANTONIO CHUA POE ENG
Member

**Report of the Audit and Compliance Committee to the Board of Directors
For the Year Ended 31 December [year]**

The Board-approved Audit and Compliance Committee Charter (the “Charter”) defines the duties and responsibilities of the Audit and Compliance Committee (hereinafter the “Audit Committee”). In accordance with the Charter, the Audit Committee exercises oversight powers in the various policies and processes of the Company with respect to:

- Systems of internal controls, risk management and governance process of the Company;
- Integrity of the Company’s financial statements and the financial reporting process;
- Performance of the internal and external auditors; and
- Compliance with the Company’s policies, applicable laws, rules and regulatory requirements.

In compliance with the Charter, we confirm that:

- The Chairman and another member of the Audit Committee are independent directors;
- We had four (4) regular meetings, including a meeting with external audit team without anyone from management present;
- We recommend for approval of the Board and endorsement to the shareholders the re-appointment of SGV & Co. as the Company’s independent auditor for the year ended *31 December [year]*. We approved the appointment of a new Lead Engagement Partner in compliance with the requirement to have the audit partner rotated every 5 years;
- We have reviewed and discussed the quarterly unaudited consolidated financial statements and the annual audited consolidated financial statements of Jollibee Foods Corporation and Subsidiaries (the “Company”), including the Management’s Discussion and Analysis of Results of Operations and Financial Condition, with management, the internal auditors and SGV & Co. as the Company’s independent auditors. We also reviewed and discussed the annual Parent Company Financial Statements. These activities were performed in the following context:
 - Management has the primary responsibility for the financial statements and the financial reporting process; and
 - SGV & Co. is responsible for expressing an opinion on the conformity of the Company’s audited consolidated financial statements with the Philippine Financial Reporting Standards.
- We have discussed and approved the overall scope and the respective audit plans of the Company’s internal auditors and SGV & Co. We have also discussed the results of their audits,

their assessment of the Company's internal controls, and the overall quality of the financial reporting process including the management letter with comments;

- We have reviewed the reports and updates of the internal auditors ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues. Based on the assurance provided by the internal auditors as well as SGV & Co. as a result of the audit activities, the Audit Committee assessed that the Company's systems of internal controls, risk management and governance processes are adequate;
- We have reviewed and approved all audit, audit-related and non-audit services provided by SGV & Co. to the Company and the related fees for such services. We have also assessed the compatibility of the non-audit services with the auditors' independence to ensure that such service will not impair their independence;
- We have conducted an annual assessment of our performance to confirm that the Audit Committee had satisfactorily performed its responsibilities based on its Charter; and
- We have reviewed and re-assessed the Charter to ensure that it is updated and aligned with regulatory requirements.

Based on the reviews and discussions undertaken, and subject to the limitations on our roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors that the audited consolidated financial statements be included in the Annual Report for the year ended December 31, XXXX for filing with the Securities and Exchange Commission and The Philippine Stock Exchange. We are also recommending the re-appointment of SGV & Co. as the Company's independent auditor for XXXX based on their performance and qualifications.

Signed this ___ day of _____.

CESAR V. PURISIMA
Chairman

CEZAR P. CONSING
Member

WILLIAM TAN UNTIONG
Member

ANTONIO CHUA POE ENG
Member

Attachment 3: Audit Committee Self-Assessment Questionnaire

The objective of this Self-Assessment Questionnaire is to evaluate the effectiveness of the performance of the Audit and Compliance Committee (hereinafter the “Committee”) as against the requirements of its Charter. Each Audit Committee Member will have to complete it independently. Please read each item and provide your overall score for each category following the 10-point scale:

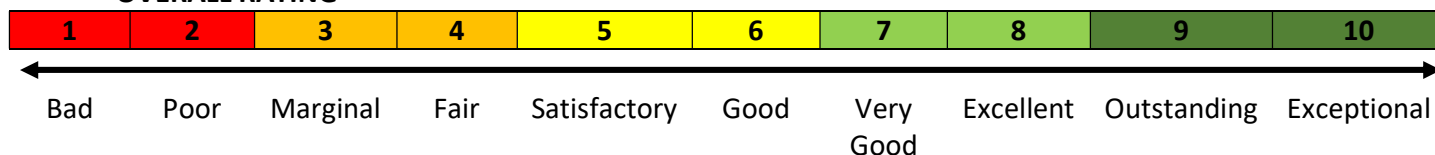
Score	Rating	Criteria
10	Exceptional	Exceed the Baseline Requirements (BR)
9	Outstanding	Fully Meets the BR (100%)
8	Excellent	Meets $\geq 90\%$ of the BR w/most of the corrections can be rectified < 6 mos
7	Very Good	Meets $\geq 90\%$ of the BR w/most of the corrections can be rectified > 6 mos
6	Good	Meets $\geq 70\%$ of the BR w/most of the corrections can be rectified < 6 mos
5	Satisfactory	Meets $\geq 70\%$ of the BR w/most of the corrections can be rectified > 6 mos
4	Fair	Meets $\geq 60\%$ of the BR w/most of the corrections can be rectified < 6 mos
3	Marginal	Meets $\geq 60\%$ of the BR w/most of the corrections can be rectified > 6 mos
2	Poor	Meets $< 60\%$ of the BR
1	Bad	Meets $\leq 30\%$ of the BR

This assessment will cover five (5) categories of the Audit Committee (AC) structure and operation and the oversight responsibilities of the AC under the Revised Code of Corporate Governance:

1. Setting of Committee Structure and Operation
2. Oversight on Financial Reporting and Disclosures
3. Oversight on Risk Management and Internal Controls
4. Oversight on Management and Internal Audit
5. Oversight on External Audit

The Audit Committee Chairman will lead the discussion on the results of the questionnaire, focusing on areas which need improvement or where there is great variation in answers. The results of the self-assessment and any action plans arising shall be reported to the Board after discussion with the Chairman of the Board.

OVERALL RATING



Specific Areas/Dimensions	ASSESSMENT		
	Part of the Charter?		Has this been implemented? If "Yes", cite reference document If "No", state follow up actions
	YES	NO	
I. Setting of Committee Structure and Operation			
1. Committee size			
2. Independence requirement			
3. Qualifications, skills and attributes of members and Chair			
4. Financial knowledge of members			
5. Succession plan for members and Chair			
6. Meetings (frequency, etc.)			
7. Reporting to the Board and issuance of certifications on critical compliance issues			
8. Performance evaluations			
9. Resources including access to outside advisors			
10. Training and education			
Level of Compliance for this Section			
II. Oversight on Financial Reporting and Disclosures			
1. Extent of understanding of the Company's business and industry in which it operates			
2. Compliance with financial reporting regulations			
3. Recognition of management's responsibility over the financial statements			
4. Appropriateness of accounting policies adopted by management			
5. Reasonableness of estimates, assumptions, and judgements used in the preparation of financial statements			
6. Identification of material errors and fraud, and sufficiency of risk controls			

Specific Areas/Dimensions	ASSESSMENT		
	Part of the Charter?		Has this been implemented? If "Yes", cite reference document If "No", state follow up actions
	YES	NO	
7. Actions or measures in case of finding of error or fraud in financial reporting			
8. Review of unusual or complex transactions including all related party transactions			
9. Determination of impact of new accounting standards and interpretations			
10. Assessment of annual and interim financial reports as to completeness, clarity, consistency and accuracy of disclosures of material information including on subsequent events and related party transactions			
11. Review and approval of management representation letter before submission to external auditor			
12. Communication of the Audit Committee with legal counsel covering litigation, claims, contingencies or other significant legal issues that impact financial statements			
13. Fair and balance review of financial reports			
14. Assessment of correspondence between the Company and regulators regarding financial statement filings and disclosures			
Level of Compliance for this Section			
III. Oversight on Risk Management and Internal Controls			
1. Obtaining management's assurance on the state of internal controls			
2. Review of the Internal Audit Head's evaluation of internal controls			
3. Evaluation of internal control issues raised by external auditors			
4. Assessment of control environment including IT systems and functions			

Specific Areas/Dimensions	ASSESSMENT		
	Part of the Charter?		Has this been implemented? If "Yes", cite reference document If "No", state follow up actions
	YES	NO	
5. Setting a framework for fraud prevention and detection including whistleblower program			
6. Deliberation on findings of weaknesses in controls and reporting process			
7. Understanding and assessment of identified risks			
8. Evaluation of sufficiency and effectiveness of risk management processes and policies			
9. Preparation and implementation of Business Continuity Plan			
10. Promotion of risk awareness in the organization			
Level of Compliance for this Section			
IV. Oversight on Management and Internal Audit			
1. Evaluation of compliance with the Code of Business Ethics for management			
2. Communication with management and the Internal Audit Head			
3. Assessment of adequacy of resources and independence of the Internal Audit Head			
4. Qualifications of an Internal Audit Head			
5. In-house or outsource the internal audit function			
6. Compliance with International Standards on the Professional Practice of Internal Auditing			
7. Review and approval of the Internal Audit annual plan			
8. Extent and scope of the internal audit work			
9. Reporting process			
Level of Compliance for this Section			
V. Oversight of External Audit			
1. Assessment of independence and professional qualifications and competence of external auditor			
2. Engagement and rotation process of external auditor and firm			

Specific Areas/Dimensions	ASSESSMENT		
	Part of the Charter?		Has this been implemented? If "Yes", cite reference document If "No", state follow up actions
	YES	NO	
3. Review and approval of scope of work and fees of external auditor			
4. Assessment of non-audit services			
5. Understanding disagreements between the auditor and management			
6. Actions on the findings of external auditor			
7. Management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions			
8. Evaluation of performance of external audit - reappointment and resignation			
9. Compliance of external auditor with auditing standards			
10. Completeness and timeliness of communication with external auditor as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management, and other material issues that affect the audit and financial reporting			
Level of Compliance for this Section			

OVERALL RATING		
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