

BALAI NI FRUITAS INC. AUDIT COMMITTEE CHARTER

This Charter shall institutionalize the principles of good corporate governance in the entire organization.

1. PURPOSE

The Board of Directors (the "Board") and Management, officers and staff of **Balai ni Fruitas, Inc.** ("Corporation") hereby commit themselves to the principles and best practices contained in this Charter, and acknowledge that the same shall guide the attainment of their corporate goals.

2. COMPOSITION

The Audit Committee shall consist of at least four (4) voting members who are members of the Company's Board, at least three of which are non-executive directors, including the independent directors. Preferably, all of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, or related financial management expertise or experience.

The Chairman of this Committee should be an independent director. The chairman of the Audit Committee should not be the chairman of the Board or of any other committees.

3. AUTHORITY, DUTIES AND RESPONSIBILITIES

The Audit Committee shall have the following functions:

Oversight Functions:

- a. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- b. 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;
- c. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks, including receipt or information on risk exposures and risk management activities;
- d. Oversee the Internal Audit Department, and recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;

e. Perform oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions;

Internal Audit

f. Review the internal audit plan, including audit scope, resources and budget necessary to implement it, to ensure its conformity with the Company's objectives;

g. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;

External Audit

h. Review the disposition of the recommendations in the External Auditor's management letter;

i. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit;

j. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;

k. Review the reports submitted by Internal and External Auditors;

l. Review the quarterly and annual financial statements before their submission to the Board with particular focus on the following matters:

- i. Any change/s in accounting policies and practices;
- ii. Major judgmental areas;
- iii. Significant adjustments resulting from the audit;
- iv. Going-concern assumptions;

Compliance

v. Compliance with accounting standards; and

vi. Compliance with tax, legal and regulatory requirements;

m. Coordinate, monitor and facilitate compliance with laws, rules and regulations;

n. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the 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;

o. Evaluate, determine, and disclose the Non-Audit Work, if any, of External Auditor,

and review periodically the non-audit fees paid to External Auditor. The Audit Committee shall disallow any Non-Audit Work that will conflict with the primary duties of the External Auditor or may pose a threat to the External Auditor's independence;

p. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfil his duties and responsibilities. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties; and

Risk Management/Related Party Risk

r. Oversee the implementation of risk management and related party strategies and policies, including but not limited to the following:

s. Evaluate on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified, related party transactions ("RPTs") are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured;

t. Evaluate all material RPTs to ensure that these are not undertaken on more favourable economic terms (e.g. price, commission, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions;

u. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interests or potential conflicts of interest;

v. Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;

w. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and

x. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures

4. CHARTER AMENDMENT

The Audit Committee shall review and assess the adequacy of this charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.