



CENTURY PACIFIC FOOD, INC.

INTERNAL AUDIT CHARTER

(Updated as of April 2024)

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INTRODUCTION

The purpose of this charter is to establish the organizational standing of the Internal Audit function (hereafter referred to as Internal Audit) within Century Pacific Food, Inc. (hereafter referred to as the Company), as endorsed by Management and the Board of Directors (hereafter referred to as the Board). This charter outlines the purpose, authority, responsibilities, and operational framework guiding the Internal Audit's activities.

PURPOSE, MISSION AND VISION

Purpose: To provide an independent, objective assurance and consulting activity designed to add value and improve the Company's operations.

Mission: To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. To help the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Vision: Internal Audit strives to be a valued partner, advisor and resource for financial, operational, and control activities of the Century Pacific Group. We are committed to:

- provide superior service and perform audits in a spirit of partnership with objectivity, fairness, openness, and in accordance with the highest professional and ethical standards;
- promote teamwork, efficiency, innovation, workforce diversity, and the development of the individual by encouraging participation, mutual support, candor, creativity, personal excellence, continuing education, and challenging standards of performance;
- continually improve our auditing and consulting programs and strive toward technological and industry leadership; and
- support the pursuit of professional advancement and the sharing of knowledge and experience with our peers.

STANDARDS, CONDUCT AND PROFESSIONALISM

The Internal Audit will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the *Core Principles for the Professional Practice of Internal Auditing*, the *Definition of Internal Auditing*, the *Code of Ethics*, and the *International Standards for the Professional Practice of Internal Auditing* (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The Institute of Internal Auditors' Implementation and Supplemental Guidance will also be adhered to as applicable to guide operations. In addition, the Internal Audit will adhere to the Company's relevant policies and procedures and the Internal Audit's manual.

SCOPE OF WORK

- The scope of internal auditing within the Company is broad and may involve topics such as an organization's governance, risk management and management controls over: Compliance with applicable laws, regulations, and industry standards, and organizational policies, procedures, and guidelines.
- Effectiveness and efficiency of operational processes and controls and identify opportunities for process improvements and cost savings.
- Accuracy, reliability, and integrity of financial statements and reporting in compliance with accounting principles, standards, and regulatory requirements.
- Effectiveness and security of IT systems, infrastructure, and controls.
- Collaboration with management, legal, and other stakeholders in fraud investigations to gather evidence, assess impacts, and recommend actions.

Internal Audit, as defined in the standards, is authorized by this Charter to conduct independent, objective (1) assurance and (2) consulting/advisory services designed to add value and improve the Company's operations.

Assurance Services are objective examination of evidence for the purpose of providing independent assessments to the Board of Directors, management, and outside parties on the adequacy and effectiveness of governance, risk management and control processes for the company. Examples of the types of engagements that would be considered assurance engagements include financial, performance, operations, compliance, information system, and due diligence audits.

Consulting Services are advisory activities, the nature, scope and reporting of which are agreed with management, and which are intended to add value and improve the Company's governance, risk management, and control processes without the Internal Audit assuming management responsibility and ensuring that independence is retained.

The Internal Audit also coordinates, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed to reduce assurance gaps, overlaps and duplication of efforts.

AUTHORITY AND ACCESS

The Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is given authorization by the Audit Committee to:



- Have unrestricted access to all functions, records/documents, personnel, and property relevant to the performance of engagements.
- Allocate resources, set frequencies, select subjects, determine scope of work and apply the techniques required to accomplish audit objectives, and issue reports.
- Obtain necessary assistance of personnel in other Unit/Department of the Company where they perform audits, as well as other specialized services from within or outside the Company in order to complete audit and investigations.

Restriction to above accesses imposed by any employee or management of the Company, which prevents Internal Audit from performing its duties, will be reported immediately to the Audit Committee.

ORGANIZATION

The Sr. Internal Audit Manager (hereafter referred to as the Chief Audit Executive or the CAE) will report functionally to the Audit Committee and administratively (i.e. day to day operations) to the VP – Chief Financial Officer, as delegated by the President/Chief Executive Officer (CEO).

The Company's Audit Committee is responsible for assisting its Board in its fiduciary responsibilities by providing an independent and objective assurance to its management and shareholders of the continuous improvement of its risk management systems, business operations, and proper safeguarding and use of its resources and assets.

The Audit Committee will:

- Approve the internal audit charter and audit manual.
- Approve the risk based internal audit plan.
- Approve the internal audit budget and resource plan.
- Receive communications from the CAE on the Internal Audit's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the Audit Manager.
- Make appropriate inquiries of management and the CAE to determine whether there are inappropriate scope or resource limitations.

The CAE will communicate and interact directly with the Audit Committee during pre-scheduled sessions during the year, and if necessary, without management present. He shall report directly to the Chair of the Audit Committee any matter that is believed to be of sufficient magnitude and importance to require immediate attention or any response to risk by management that, in the Internal Audit's judgement, may be unacceptable to the company.

INDEPENDENCE AND OBJECTIVITY

The CAE will ensure that the Internal Audit will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Moreover, internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

If Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of impairment shall be disclosed to the appropriate parties and/or submit an accomplished Full Disclosure of Outside Financial Interests and Family Affiliations (FDOFIFA) to Human Resources.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

Where the CAE has or is expected to assume roles and/or responsibilities outside of internal auditing, the following safeguards are implemented to maintain or limit impairments to independence and objectivity:

- The CAE shall disclose any additional roles or responsibilities to the Audit Committee and the Board.
- Prior approval from the Audit Committee and the Board is required for the CAE to undertake roles or responsibilities beyond internal auditing.
- Have other assurance providers assess the areas where the CAE had undertaken roles beyond internal auditing.
- A periodic review by an external auditor or an independent party is conducted to assess the CAE's independence and objectivity.

The CAE will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

DUTIES AND RESPONSIBILITIES

The Internal Audit's duties and responsibilities shall include the following, notwithstanding any other requirements that may be prescribed by the Audit Committee, and the VP – Chief Financial Officer of the Company:

- Formulate a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submitting the plan to the Audit Committee for review and approval.
- Implement the Annual Audit Plan, as approved, including as appropriate any special tasks or projects requested by management and the Audit Committee.
- Communicate to senior management and the Audit Committee the impact of resource limitations on the Internal Audit Plan.



- Communicate to Senior Management and Audit Committee any significant interim changes to the Internal Audit Plan. Internal Audit shall review and adjust the plan, as necessary, in response to the changes in the Company's business, risks, operations, programs, systems, and controls.
- 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. This includes any special tasks or projects requested by management or the Audit Committee as time and resources allow.
- Evaluate management's action plans to address audit observations, follow up on engagement findings and corrective actions, and report periodically to senior management and the Audit Committee any corrective actions not effectively implemented.
- Conduct investigation of suspected fraudulent activities and irregularities within the Company and informing management and Audit Committee of the results. When conducting investigations, Internal Audit may seek assistance from/coordinate with management, legal counsel, and other specialists as appropriate throughout the course of the investigation.
- Perform consulting and advisory services related to governance, risk management and control as appropriate for the Company. Promote an effective system of control at a reasonable cost.
- Provide management with upfront advice and guidance on risks and control aspects of major initiatives, projects, and programs, new policies, systems, processes, and procedures.
- Maintain a constructive relationship with non-Internal audit employees and should be prudent in the used of documents and information acquired in the course of its duties.
- Keep the Audit Committee abreast and informed of emerging trends and best practices in internal auditing.
- Have the opportunity to fulfil professional continuing education and trainings to ensure that the Internal Audit collectively possesses sufficient knowledge, skills, experience, competencies and professional certifications to meet the requirements of this Charter.

INTERNAL AUDIT PLAN

At least annually, the CAE will submit to senior management and the Audit Committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal/calendar year. The CAE will communicate the impact of resource limitations to senior management and the Audit Committee. The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Audit Committee. The CAE will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Audit Committee through periodic activity reports.

REPORTING AND MONITORING

A written internal audit report and/or memo will be prepared and issued by Internal Audit following the conclusion of the audit engagement and will be distributed to the appropriate management officers as deemed necessary by the CAE.

The internal audit report should include management's responses and corrective actions taken or to be taken in regard to the specific findings and recommendations. The management's responses, whether included in the original internal audit report or provided thereafter should include a timetable for anticipated completion of the action to be taken and an explanation for any corrective action that will be implemented.

The status updates on the action plans shall be monitored by Internal Audit and shall form part of the reports to the Audit Committee and the VP – Chief Financial Officer. The Internal Audit will be responsible for follow-up on engagement findings and recommendations. All audit issues will be maintained in the Audit Issue Monitoring and remain in an Open status until remediated or Closed.

Audit results are considered confidential information and Internal Audit is responsible for deciding to whom and how audit reports will be disseminated. Audit reports may only be shared with external parties with prior approval by the CAE. If not otherwise mandated by legal, statutory or regulatory requirements, prior to releasing results to parties outside the company, the CAE must:

- Assess the potential risk to the company.
- Consult with senior management and/or legal counsel.
- Control dissemination by restricting the use of the results.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

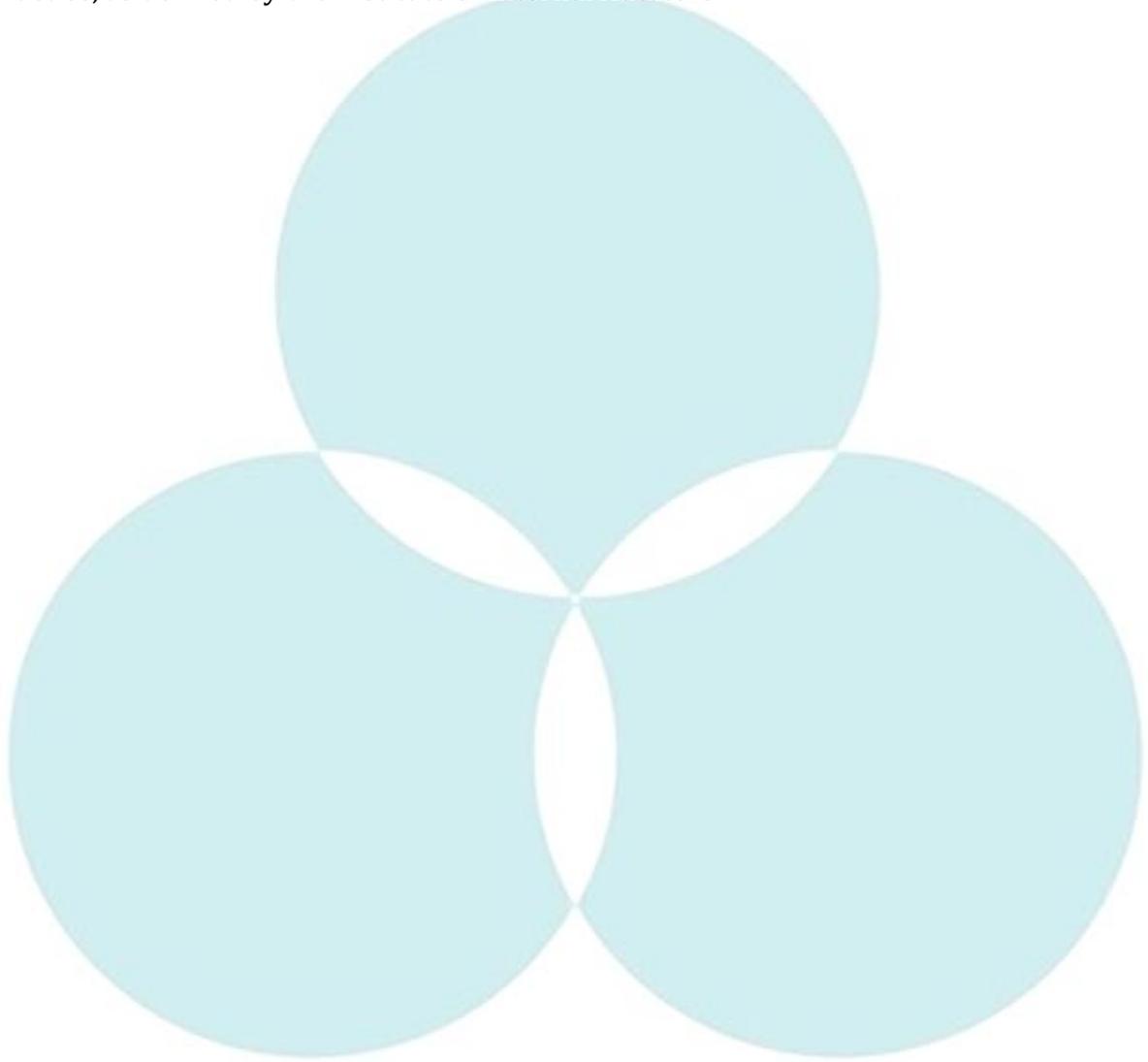
The Internal Audit Department will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The program includes the following:

- Internal assessments including ongoing monitoring of the performance of the internal audit activity and periodic reviews performed through self-assessment or by other persons within the organization with sufficient knowledge of internal audit practices.
- External assessments conducted by a qualified independent party at least every five years.

The CAE will communicate to senior management and the Audit Committee on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments.

PERIODIC REVIEW OF THE CHARTER

The Internal Audit Charter should be assessed annually by the CAE, who will reaffirm to the Audit Committee whether the Charter's provision continue to enable the Internal Audit to accomplish its objectives, or whether any changes are warranted. If a question should arise in the interim, the Charter should only be changed with the Audit Committee's approval, and such changes should reflect the generally accepted practice, as defined by the Institute of Internal Auditors.



APPROVAL SIGNATURES

INTERNAL AUDIT DEPARTMENT CHARTER

PREPARED BY:



JOHN DALE A. PESADO May 28, 2024
Sr. Internal Audit Section Manager – Systems and IT Date



ROSANNE E. SAMPANI May 28, 2024
Internal Audit Department Manager Date

REVIEWED BY:



SAMUEL V. SANTILLAN May 28, 2024
Chief Audit Executive Date

APPROVED BY:



RICHARD KRISTOFFER S. MANAPAT Date
VP – Chief Financial Officer



RICARDO GABRIEL T. PO, JR. Date
Audit Committee Member



FRANCES J. YU Date
Audit Committee Member



PHILIP G. SOLIVEN Date
Chairman of the Audit Committee