



Millennium Global Holdings, Inc.

AUDIT COMMITTEE CHARTER

of

MILLENNIUM GLOBAL HOLDINGS, INC.

This document shall be known as the Audit Committee Charter (the “Charter”) of the Board of Directors (the “Board”) of Millennium Global Holdings, Inc. (the “Company”) and shall prescribe the policies, responsibilities, and authorities of the Audit Committee (“Committee”), including the procedures necessary for the conduct of the duties and functions of the Committee, as approved by the Board.

Section 1 – Statement of Policy

The Board of the Company shall constitute and maintain the Committee which shall assist the Board in fulfilling and enhancing its oversight capability over and with respect to the -

- i. Integrity of the financial statements and the financial reporting process;
- ii. Appointment, remuneration, qualifications, independence and performance of the external auditors and the integrity of the audit process as a whole;
- iii. Effectiveness of the system of internal control;
- iv. Performance and leadership of the internal audit function; and
- v. Compliance with applicable legal and regulatory requirements.

To fulfill the oversight responsibility of the Committee, it shall maintain a free and open communication with the external auditors, the Internal Auditor or Chief Audit Executive, and the management of the Company.

Section 2. Committee Structure and Membership

2.1 The Committee shall be composed of at least three (3) non-executive members of the Board. The membership and qualifications of the members of the Committee shall be determined in accordance with the Manual on Corporate Governance (the “MGC”) of the Company. The Committee Chairman shall be an independent director and preferably, should not be a chairman of any other committees. Each member, preferably, shall have adequate understanding of financial management systems and environment.

2.2 The Board may, from time to time, increase the membership of the Committee and appoint additional members therein in accordance with the provisions of the MGC of the Company.

2.3 The Board shall appoint the members of the Committee during its annual organizational meeting and each member shall serve upon his/her election until the next organizational meeting of the Board, unless resigned or removed or replaced by the Board.

2.4 Any vacancy in the Committee caused by the death, resignation, removal or disqualification of member, or by any other cause, may be filled-up by the Board. The member elected to fill-up the vacancy shall hold office for the remainder of the term of the separated member, or until his/her successor shall have been duly elected and qualified.

Section 3. Meetings and Schedule of Activities

3.1 The Committee shall meet at least once every quarter of the year. Preferably, the quarterly Committee meetings will be held prior to the meeting of the Board. In cases where there is a need for special meetings to take up any critical items that would need approval in between quarterly meetings, the Chairman of the Committee shall call for a special meeting and determine the conduct thereof. Committee meetings shall be presided by the Chairman. In his/her absence and the remaining members of the Committee constituting a quorum, may designate the presiding officer for the purpose of the meeting.

3.2 Committee meetings may be made in person or via teleconference or video conference. The Committee may invite members of the management, auditors or other attendees, as may be necessary in the conduct of the meeting.

3.3 The quarterly meetings will include the review and discussion of the quarterly or year-end financial statements, the related disclosures and other reportorial requirements of the Company.

3.4 To the extent possible, the Committee shall make decisions and resolutions by unanimous decision or agreement. Where such is not possible, Committee resolution shall be decided and resolved by majority of members present and sitting in quorum.

3.3 Any matter, which, in the opinion of the Committee should be brought to the attention of the Board or any recommendations which may require Board approval and/or action shall be escalated by the Committee to the Board.

3.4 The Committee shall meet with the internal and the external auditor/s in executive session at least once a year.

3.5 The Committee may designate a secretary for its meetings. The Minutes of the Committee meeting will be filed and maintained with the Office of the Corporate Secretary. Except for information that is required to be disclosed pursuant to law or regulations issued by competent government authorities, the records of the Committee shall be kept confidential.

Section 4. Remuneration of Committee Members

4.1 Each Committee member shall receive such emolument and/or compensation as may be fixed by the Board pursuant to the By-laws and applicable laws.

Section 5. Duties and Responsibilities

5.1 The Committee is expected, through the provision on checks and balances, to support the corporate governance process of the Company. Specifically, the Committee shall have the following duties and responsibilities:

- i. Recommends the approval of the Internal Audit Charter (the "IA Charter"), defining the role of Internal Audit and the audit plan, and the implementation of the IA Charter;
- ii. Monitors and evaluates through the Internal Audit Department, the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting and security of physical and information assets;
- iii. Oversees the Internal Audit Department and recommends the appointment and/or grounds for approval of an Internal Auditor or Chief Audit Executive, and if applicable, approves the terms and conditions for outsourcing audit services;
- iv. Establishes and identifies the reporting line of the Internal Auditor or Chief Audit Executive to enable him/her to properly fulfill his/her duties and responsibilities, and the Committee shall ensure that, in the performance of the work of the Internal Auditor, he/she shall be free from interference by outside parties;
- v. Reviews and monitors the Management's responsiveness to the findings and recommendations of the Internal Auditor or Chief Audit Executive;
- vi. Reviews and approves all financial reports against their compliance with both the internal financial management handbook of the Company, if available, and/or the pertinent accounting standards, including tax, legal and regulatory requirements, going concern assumptions and significant adjustments;

- vii. Reviews the disposition of the recommendations in the External Auditor's engagement letter;
- viii. Performs oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation and crisis management;
- ix. Pre-approves all external audit plans, scope, nature, expenses and frequency at least one (1) month before the conduct of the external audit and examines and determines any non-audit work including non-audit fees;
- x. Recommends to the Board the appointment, re-appointment, removal, and fees of the External Auditor duly accredited by the Securities and Exchange Commission;
- xi. Performs direct interface functions with the Internal and External Auditors;
- xii. Ensures full compliance with Philippine Financial Reporting Standards;
- xiii. Develops a transparent financial management system that will ensure the integrity of internal control activities throughout the Company through step-by-step procedures and policies handbook that will be used by the entire organization; and
- xiv. Performs such other duties and responsibilities provided in the MGC and the By-laws of the Company.

5.2 In the absence of Related Party Transactions Committee (the "RPT Committee"), the Committee shall perform the functions, duties and obligations of the RPT Committee. For this purpose, the Committee shall –

- i. Review and evaluate material related party transactions (RPT) of the Company, taking into account the following:
 - (a) The related party's relationship to the Company and interest in the transaction;
 - (b) The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - (c) The benefits to the Company of the proposed RPT;
 - (d) The availability of other sources of comparable products or services; and
 - (e) Assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to a non-related party under similar circumstances.

- ii. Ensures that appropriate disclosures are made and/or information is provided to regulating and supervising authorities;
- iii. Regularly reports to the Board, the activities, findings, decisions, deliberation and recommendations in connection with any RPT;
- iv. Oversee the implementation of the system of identifying, monitoring, measuring, controlling and reporting RPT, including periodic review of RPT related procedures and policies; and
- v. Performs such other duties and responsibilities provided in the MGC and the By-laws of the Company.

Section 6. External Auditor

6.1 The selection, appointment, re-appointment, removal and fees of external auditor shall be approved by the Board upon the recommendation of the Committee and ratified by the stockholders. An external auditor shall ensure an environment of good corporate governance as reflected in the financial records and reports of the Corporation.

6.2 The reason/s for any resignation, dismissal or cessation from service and the date thereof of the external auditor shall be reported in the Company's annual and current reports. The reports shall include discussion of any disagreement with the former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

6.3 The external auditor of the Company shall not at the same time serve as its internal auditor. The Company shall ensure that other non-audit work will not be in conflict with the functions of the external auditor. Should there be non-audit services, the Company shall disclose its nature in the Annual Report.

6.4 If the external auditor believes that the statements made in the Corporation's annual report, information statement or proxy statement that were filed during the external auditor's engagement is in correct or incomplete, the external auditor shall present his/her/its views on the reports.

6.4 The Company's external auditor shall either be rotated or the handling partner shall be changed every five (5) years or earlier. The Committee shall monitor and ensure compliance with this provision. Further, the Committee shall be responsible for assessing the integrity and independence of external auditor.

Section 7. Internal Audit

7.1 The Company shall have in place a separate and independent internal audit function to monitor and guide the implementation of company policies. This function shall be performed by the Internal Auditor or Chief Audit Executive or by a group of internal auditors, through which, the Board, the Management and the stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

7.2 The Internal Auditor or Chief Audit Executive shall be appointed by the Board and directly report to the Committee. The Internal Auditor or Chief Audit Executive shall oversee and be responsible for the internal audit activity of the Company.

7.3 The functions of the Internal Auditor or Chief Audit Executive shall be provided in the IA Charter.

Section 8. Monitoring and Assessment

8.1 The Committee shall report regularly to the Board.

8.2 The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Charter. The establishment of such evaluation system, including the features thereof, shall be disclosed to the Company's annual report or in such form of report applicable to the Company. The adoption of such performance evaluation system must be approved by the Board.

8.3.1 The Committee shall assess its performance through annual self-assessment, which shall be done during the first committee meeting of the following year. The assessment result shall be subject to the validation of the Compliance Officer. In addition, the Committee shall obtain and subject itself to an independent assessment by the Board of Directors relative to its performance in accordance with expectations set out in this Charter and the discharge of its responsibilities.

Section 9. Charter Review

9.1 This Charter shall be subject to review annually, or as needed, to be determined by the Board.

Section 10. Effectivity

This Charter shall take effect upon approval.

Approved on December 17, 2024.

YANG CHI JEN (Sgd.)
Chairman of the Board

CRISTINA HILTRUDE L. AGANON (Sgd.)
Audit Committee Chairman

JANINE G. MANZANO (Sgd.)
Compliance Officer