

**CITICORP FINANCIAL SERVICES AND INSURANCE BROKERAGE
PHILIPPINES INC. (CFSI)
AUDIT COMMITTEE CHARTER¹**

Mission

The Audit Committee (“Committee”) of Citicorp Financial Services and Insurance Brokerage Philippines Inc. (CFSI), **as required by the Revised Code of Corporate Governance issued by the Philippine Securities and Exchange Commission (the “Code”) and the Insurance Commission**, is a standing committee of the Board of Directors (“Board”) of CFSI, an indirect subsidiary of Citibank, N.A., an indirect subsidiary of Citigroup Inc. The purpose of the Committee is to assist the CFSI Board in fulfilling its oversight responsibility relating to (i) the integrity of CFSI’s financial statements and financial reporting process and CFSI’s systems of internal accounting and financial controls; (ii) the performance of Internal Audit (“Internal Audit”) (iii) providing any concerns or recommendations to the Citigroup Audit Committee regarding the annual independent integrated audit of CFSI’s financial statements and effectiveness of CFSI’s internal control over financial reporting, the engagement of the independent registered public accounting firm (“Independent Auditors”) and the evaluation of the Independent Auditors’ qualifications, independence and performance, where feasible for the local team; (iv) policy standards and guidelines for risk assessment and risk management; (v) the compliance by CFSI with local legal and regulatory requirements; and (vi) the fulfillment of the other responsibilities set out herein. All of the responsibilities under this Charter promulgated by the Citigroup and Citibank, N.A. Audit Committees Charters as supplemented by local law and regulation.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee a) to plan or conduct audits or b) to determine that CFSI’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of CFSI’s Independent Auditors and management, , respectively. The Committee may take into consideration the Independent Auditor’s views and matters communicated to it by the Independent Auditors when reporting to the Board.

Membership

The Committee shall comply with all local legal requirements concerning membership and independence, including, where permitted:

- The Committee shall be comprised of at least three members of the Board, and the chairman of the Committee shall be an independent director of CFSI.
- The members shall meet the independence, experience, and expertise requirements and have sufficient time to discharge the responsibilities of a Committee member.

¹Adopted as of []. Based on the Citigroup Audit Committee charter template adopted January 15, 2014 and the Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, s. of 2009, as amended).

- The Chair of the Audit Committee shall have accounting, auditing or related financial management expertise or experience.
- The members of the Committee and the Committee Chair shall be appointed by, and may be removed by, the Chairman of the Board.
- Committee membership shall be rotated periodically, and the Committee Chair shall be rotated periodically.

Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

Meetings and Access

- Meet as often as it determines, but not less frequently than quarterly.
- Periodically meet separately with management, Internal Audit and the Independent Auditors.
- Ensure that employees performing an internal audit function and any independent public accountant or other external auditor have unrestricted access to the Committee.
- Review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

Financial Statement and Disclosure Matters (where not in conflict with local law)

- Review and discuss with management and the Independent Auditors the quarterly/mid-year financial statements, and annual audited financial statements of CFSI where provided as well as any disclosure requirements.
- Review and discuss with management (1) any significant deficiencies or material weaknesses in the design or operation of CFSI's internal control over financial reporting, and (2) any fraud, whether or not material, involving management or other employees who have a significant role in CFSI's internal control over financial reporting.
- Review and discuss periodically reports from the Independent Auditors on, among other things, certain:
 - Critical accounting policies and practices to be used;
 - Alternative treatments of financial information in conformance with locally accepted accounting principles;
 - Other material written communications between the Independent Auditors and management, such as any management letter and CFSI's response to such letter or schedule of unadjusted differences; and

- Difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, any significant disagreements with management, and communications between the audit team and the audit firm's principal office, with respect to difficult auditing or accounting issues presented by the engagement.
- Review and discuss with management and the Independent Auditors, at least annually:
 - Developments and issues with respect to loan loss reserves (if set at local level);
 - Regulatory and accounting initiatives, as well as off-balance sheet structures, and their effect on CFSI's financial statements; and
 - Accounting policies used in the preparation of CFSI's financial statements and, in particular, those policies for which management is required to exercise discretion or judgment regarding the implementation thereof.
- Review with management its evaluation of CFSI's internal control structure and procedures for financial reporting and review periodically, but in no event less frequently than quarterly, management's conclusions about the efficacy of such internal controls and procedures, including any significant deficiencies or material weaknesses in such controls and procedures.

Annually review and discuss with management and the Independent Auditors (1) management's assessment of the effectiveness of CFSI's internal control structure and procedures for financial reporting and (2) the Independent Auditors' report on the effectiveness of CFSI's internal control over financial reporting.

Oversight of CFSI's Relationship with the Local Independent Auditors

- Review and discuss key local staffing and local lead audit partner rotation plans.²
- Review and discuss the scope and plan of the independent audit.
- Provide any concerns or recommendations regarding the qualifications, performance and independence of the Independent Auditors to the Board of Directors of CFSI and the Citigroup Audit Committee. The Committee shall ensure that the Independent Auditor remains independent and has adequate resources to fulfill its duties.

Oversight of Internal Audit

- As required by the Code, in consultation with the Chief Auditor of Citigroup or his/her designee, review and approve the appointment and replacement of the Chief Audit Executive who shall report directly to the Committee and to the Chief Auditor of Citigroup or his/her designee; and, in consultation with the Chief Auditor of Citigroup

² The Independent Auditor or the signing partner assigned to CFSI shall be rotated/changed not less frequently than every 5 years [Article5(A)(v), Code].

or his/her designee, discuss the Chief Audit Executive's base compensation, adjustments and incentive compensation.

- Review and discuss any significant Internal Audit findings that have been reported to management, management's responses, and the progress of the related corrective action plans.
- Review and evaluate the internal audit plan and adequacy of the work performed by the Chief Audit Executive and Internal Audit, and ensure that Internal Audit is independent and has adequate resources to fulfill its duties, including implementation of the annual audit plan.
- If the Committee considers that internal audit support is required from a third party provider, the Committee shall consult with the Citigroup Chief Auditor directly before engaging any external parties, so as to ensure compliance with the requirements of Citigroup's lead regulators regarding external providers of internal audit services.
- Review and approval of Internal Audit Charter, where relevant.

Compliance, Regulation and Controls Oversight Responsibilities

- Review and discuss with management, at least annually, CFSI's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Receive and discuss reports from management responsible for the following topics on a quarterly and as needed basis relating to: significant regulatory, tax, legal, and compliance issues; compliance with regulatory internal control and compliance reporting requirements; operational risk, material related-party transactions, business resumption and contingency planning, including disaster recovery; fraud and operating losses; internal and external fraud incidents, and associated control enhancements and remediation plans; and technology and information security.

Other Responsibilities [add as required by local regulations, citing the relevant regulation in each case]

- i. Review of non-audit work by the Independent Auditors. The Committee shall determine from management and evaluate the non-audit work, if any, of the Independent Auditor, review any non-audit fees paid, and disallow any non-audit work that will conflict with the duties and independence of the Independent Auditor. [Article 3(K)(k), Code]
- ii. Review of annual report³ of the internal audit department's activities, responsibilities and performance relative to the audit plan. [Article 5(A)(v), Code]

³ The Internal Auditor should certify that he conducts his activities in accordance with the Internal Standards on the Professional Practice of Internal Auditing.