

CHARTER OF THE AUDIT AND RISK COMMITTEE

The Board of Directors of Alviera Country Club, Inc. (the “Corporation”) hereby adopts this charter of the Audit and Risk Committee.

Section 1. Membership

1.1 Composition

The Board shall form an Audit and Risk Committee and appoint from among themselves not less than three (3) members, one (1) of whom is an Independent Director.

The Independent Director shall chair the Committee.

The Committee has to be composed in such a way that it possesses, as a group, the necessary knowledge, skills and experience required to properly perform its duties.

The Committee shall regularly review its composition, taking into account the evolving requirements of the Corporation, and best practices in corporate governance.

1.2 Term

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

1.3 Vacancy

In case any vacancy or vacancies should occur in the Committee, for whatever cause, the Board, if still constituting a quorum, shall fill in the vacancy/vacancies, from the remaining members of the Board.

Section 2. Powers, Duties and Responsibilities of the Committee

2.1 The Committee is expected, through the provision of checks and balances, to bring positive results in supervising and supporting the management of the Corporation. It shall have the following powers, duties and responsibilities:

2.1.1 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;

2.2.2 Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements;

2.2.3 Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal, and other risks of the Corporation, and crisis management;

2.2.4 Be responsible for setting up an internal audit group, as needed, and consider the appointment of the Internal Auditor; establish and identify the reporting line of the

Internal Auditor so that the reporting levels allow the internal audit activity to fulfill its responsibilities;

2.2.5 Ensure that the Internal Auditor or internal audit group has free and full access to all the Corporation's records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results;

2.2.6 Provide oversight of the Corporation's internal and external auditors;

2.2.7 Pre-approve all audit plans, scope and frequency before the conduct of internal and external audit;

2.2.8 Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure cooperation where more than one audit firm is needed;

2.2.9 Elevate to international standards the accounting and auditing processes, practices, and methodologies;

2.2.10 Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation through a procedures and policies handbook that will be used by the entire organization;

2.2.11 Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions in a timely manner in addressing control and compliance functions with regulatory agencies;

2.2.12 Review the periodic financial statements before submission to the Board, focusing on changes in accounting policies and practices, major judgment areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal and regulatory requirements;

2.2.13 Recommend and review the appointment of external auditors and their remuneration;

2.2.14 Review and approve the proportion of audit versus non-audit work both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy, to ensure that non-audit work will not be in conflict with the audit functions of the external auditor. The amount of non-audit work shall be disclosed in the annual report.

2.2.15 Ensures risk management policies and procedures exist and reviews the risk management framework and processes.

2.2.16 Monitor the risk management activities of the Corporation and evaluate the effectiveness of risk mitigation strategies and action plans.

2.2.17 Reviews and discusses the Corporation's enterprise-wide risk management, business continuity management, and insurance management, the key risks as well as the emerging risks, and any related party transactions regardless of the amount.

Section 3. Resolutions and Actions

3.1 Meetings, Quorums, and Actions

- a. The Committee shall meet in person, teleconference, or video conferencing facility or through such other similar means at such times and frequency as may be necessary. Committee members are encouraged to attend all Committee meetings.
- b. As a general rule, the Committee meetings shall be announced at least two (2) weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda.
- c. Two thirds (2/3) of members shall constitute a quorum for the holding of a Committee meeting.
- d. The affirmative vote of two thirds (2/3) of all its members shall be necessary to carry an act or resolution of the Committee.
- e. Committee meetings shall be chaired by the Chairman of the Committee or, in his or her absence, by a Deputy Chairman.
- f. To further ensure the independence of the Audit and Risk Committee, the Committee may have at least one (1) meeting with the Board every year, after the audit results for the preceding year have been issued, without the presence of the President and other executive officers of the Company who may be members of the Board.

3.2 Minutes

Minutes of the Committee meetings shall be taken and recorded by the office of the Corporate Secretary. Minutes shall be signed by the chairman of the meeting and by the individual who has been appointed to take note of the minutes.

3.2 Reports and Ratification/Approval by the Board

The Chairman of the Committee or his designate shall report to the Board, for ratification or approval, all actions of the Committee at the meeting of the Board following such actions.

Section 4. Miscellaneous

4.1 Access to Information

The Audit and Risk Committee shall have free and full access to all relevant information, data, records, properties and personnel of the Corporation.

4.2 Technical Assistance

The Corporate Secretary, the Management and all personnel of the Corporation shall provide assistance and support to the Audit and Risk Committee.

The Committee may also invite such members of management and other resource persons to its meetings and may secure independent expert and/or professional advice as it may deem

desirable or appropriate. Should it so decide, the identity of the external consultant to the Audit and Risk committee shall be disclosed.

All resources necessary for the Board to perform its duties and functions shall be provided by the Corporation, at its expense.

4.3 Records and Confidentiality

The Corporate Secretary shall keep and have custody of the records of the Audit & Risk Committee. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the records of the Committee shall be kept confidential.

4.4 Annual Review/Self-Evaluation

The Audit and Risk Committee shall review and re-assess the adequacy of its Charter annually and submit proposed changes to the Board for approval.

The Committee shall conduct a yearly self-evaluation of its own performance.

4.5. Effectivity

This Charter shall take effect when approved by the Board and shall apply prospectively.