

# COVER SHEET

AS094-006309

SEC Registration Number

BOULEVARD HOLDINGS, INC. AND  
SUBSIDIARIES

(Company's Full Name)

1704 PEAK TOWER, 107 L.P. LEVISTE  
STREET SALCEDO VILLAGE  
MAKATI CITY

(Business Address: No. Street City/Town/Province)

Mr. Mauro Badiola

(Contact Person)

(632) 753-1405

(Company Telephone Number)

05 31

Month Day  
(Fiscal Year)

17 - C

Month Day

(Annual Meeting)

## AUDIT COMMITTEE CHARTER February 2013

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.



11. Indicate the item numbers reported herein:  
Item 9

In compliance with the reporting obligation of listed companies in Paragraph 6 of SEC Memorandum Circular No. 4 Series of 2012, the company hereby discloses that:

- (i) the Company has just approved this day of December 6, 2012 its Audit Committee Charter (see attached copy) to comply with Memorandum Circular No. 4 Series of 2012; and
- (ii) the Audit Committee shall undertake an assessment of the Company's compliance on an annual basis or as the circumstances require.

#### SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

**BOULEVARD HOLDINGS, INC.**  
**Registrant**

**February 14, 2013**



**By: MAURO B. BADIOLA**  
**Vice President-Finance and Corporate Information Officer**

# **BOULEVARD HOLDINGS, INC.**

## **CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

### **I. PURPOSE AND OBJECTIVES**

The Audit Committee has been established by the board of Directors to assist the Board in fulfilling its fiduciary responsibilities by overseeing the integrity of the Corporation's financial statements, the financial reporting processes, internal accounting and financial controls, the annual independent audit of the Corporation's financial statements, and other aspect of the financial management of the Corporations, including overseeing the establishment and maintenance of processes to assure compliance by the Corporation with all applicable laws, regulations and Corporation policy. In so doing, it is the responsibility of the Audit Committee to foster free and open means of communication between the directors, the independent auditors and the financial management of the Corporation.

### **II. ORGANIZATION**

The Committee shall consist of at least three (3) members elected by the Board, who shall preferably have accounting, audit, finance or legal background. Members shall be non-executive directors, and a majority shall be independent directors. Each member must have an adequate understanding of the company's financial management systems and environment.

At least one (1) member must have an understanding of generally accepted accounting principles, experience in analyzing or evaluating financial statements; experience with internal controls; and an understanding of audit committee functions.

The Board shall appoint committee members and designate the Chairman of the Audit Committee. The Chairman of the Audit Committee shall be an independent director.

The Chairman of this Committee shall be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The Chairman and members of the Committee may be removed from the Committee by a majority vote of the Board.

The composition of the membership of the Committee shall comply with all applicable statutes and the rules and regulations of the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE").

### **III. MEETINGS**

The committee shall at least meet quarterly and the Chairman may call for an additional or special meeting as the circumstances require. All committee members are expected to attend each meeting, in person or via tele-conference or video-conference. The committee will invite members of management, auditors and others to attend meetings and provide pertinent information, as necessary. The meeting agenda will be prepared and

provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and shall form part of the records of the Company. As part of its obligation to foster open communications, the Committee shall meet regularly with management and the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

#### **IV. AUTHORITY OF AUDIT COMMITTEE**

The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- a. Recommend to the Board the appointment and compensation of any registered public accounting firm employed by the organization, and to oversee their work;
- b. Resolve any disagreements between management and the auditor regarding financial reporting;
- c. Pre-approve all auditing services;
- d. Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation;
- e. Seek any information it requires from employees – all of whom are directed to cooperate with the committee's requests – or external parties; and
- f. Meet with the company officers, external auditors, or outside counsel as necessary.

#### **V. DUTIES AND RESPONSIBILITIES**

##### **1. Financial Reporting and Disclosures**

The review of the financial statements of the company shall be done by the Audit Committee in the following context:

- a. Management has the primary responsibility for the financial statements and the financial reporting processes; and
- b. The external auditor is responsible for expressing an opinion on the conformity of the company's financial statements with the Philippine Financial Reporting Standards.

The Audit Committee shall review the interim financial statements with management and the annual financial statements with the external auditor, focusing on:

- a. The financial statements whether the reports are complete and reflect the appropriate accounting principle, consistently applied and in accordance with the applicable accounting and reporting standards as approved by the SEC and other applicable regulatory agencies.
- b. Significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- c. The results of audit, including any difficulties encountered;
- d. Interim financial reports reviewed with management prior to filing with regulators, and consider whether they are complete and consistent with the information known to committee members;
- e. Disclosures of material information, related party transactions, and subsequent events.

## **2. Risk Management and Internal Control**

- a. Evaluate whether Management is setting the appropriate internal control and risk awareness by communicating the importance of the Company's internal control and risk management systems.
- b. Monitor and evaluate the adequacy and effectiveness of the company's internal control system including information technology security and control to ensure:
  - Effectiveness and efficiency of operations;
  - Reliability of financial reporting;
  - Compliance with policies, laws and regulations;
  - Safeguarding of assets; and
  - Economical and efficient use of resources.
- c. Understand the scope of internal and external auditors' assessment of internal control and review the status of all internal and external audit recommendations and their implementation.
- d. 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.

## **3. Internal Audit**

- a. Review and approve the audit scope and frequency, and the annual internal audit plan. The internal audit activities should be in accordance with the Standards for Professional Practice of Internal Auditing.
- b. Require the internal audit to report directly to the Audit Committee and to provide the Board, senior management, and stockholders with reasonable assurance that its key organizational and procedural controls are effective appropriate and complied with.
- c. Require the Internal Auditor to render to the Audit Committee and senior management an annual report on the internal audit department's activities, purpose, authority, responsibility, and performance relative to audit plans and strategies approved by the Audit committee.
- d. Approve the appointment or removal of the internal auditor.

## **4. External Audit**

- a. Review the external auditor's proposed audit scope and approach, including coordination of audit efforts with internal audit;
- b. Review the performance of external auditor and recommend to the Board the appointment, re-appointment or removal of the audits;
- c. Review and confirm the independence of the external auditor by obtaining statements from the auditor on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditor;
- d. Review and consider the rotation of the external auditor every five (5) years or earlier.
- e. The Committee shall regularly review and assess external auditor's fees and shall ensure that the fees charged by the company's external auditors shall be commensurate with their reputation, level of expertise, and required scope of work, and shall be in accordance with current industry standards.
- f. Receive and review information covering the reports of the external auditor and ensure that management is taking appropriate corrective actions, in a timely manner in addressing control.
- g. Ensure that the reason/s for the resignation, dismissal or cessation from service and the date thereof

of an external auditor are reported in the company's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, what it would have caused if not resolved to the satisfaction of the former auditor making reference to the subject matter of the disagreement in connection with its report.

- h. Ensure that the external auditor of the company does not at the same time provide the services of an internal auditor. The Company ensures that other non-audit work shall not be in conflict with the functions of the external auditor.
- i. Set a meeting separately with the external auditor to discuss any matter that the committee or auditor believe should be discussed privately.
- j. Review the external auditor's quality control procedures.

## **5. Compliance Functions**

- a. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- b. Review the findings of any examinations by regulatory agencies, and any auditor observations.
- c. Obtain regular updates from management and company legal counsel regarding compliance matters.

## **6. Reporting Responsibilities**

- a. Regularly report to the Board about committee activities, issues and related recommendations;
- b. Report annually to the shareholders, describing the committee's composition responsibilities, and how they were discharged, and any other information required by rule, including approval of non-audit services;
- c. Review any reports the Company issues that related to Committee responsibilities; and
- d. Provide an open avenue of communication between internal audit, the external auditor, and the board of directors.

## **7. Performance Evaluation**

- a. Review and assess the adequacy of the committee charter annually, requesting Board approval for proposed changes.
- b. Assess its performance through a self-assessment worksheet based on the SEC guidelines for the assessment of the performance of audit committees of companies listed on the Philippine Stock Exchange.
- c. Confirm annually that all responsibilities outlined in this charter have been carried out.
- d. Evaluate the committee's and individual members' performance on a regular basis.
- e. Perform other activities related to this charter as requested by the board of directors.

## **VI. OTHERS**

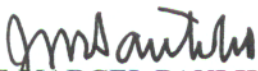
- 1. This Charter shall be reviewed annually, updated as required, and shall be made available to any requesting party upon written request to the Company
- 2. Any additions, deletions or revisions on this Charter shall be effected only upon approval of the Audit Committee and the Board of Directors.

Approved by the Audit Committee



**REYNALDO Y. MAULIT**  
Audit Committee Chairman  
February 14, 2013

Approved by the Board of Directors



**JOSE MARCEL PANLILIO**  
Chairman of the Board  
February 14, 2013