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## SECURITIES AND EXCHANGE COMMISSION

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### Company Information

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Company Type Stock Corporation

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GEOGRACE RESOURCES

PHILIPPINES, INC.

(Company's Full Name)

NIHAO SUN PLAZA SHAW, BLVD., COR.

PRINCETON ST., BRGY. WACK-WACK

GREENHILLS EAST MANDALUYONG CITY

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

ARSENIO C. CABRERA, JR.

Contact Person

(6 32) 8 1 3 7 1 1 1

Company Telephone Number

[Month]

Month

[Day]

Day

Fiscal Year

SEC FORM 17-C

FORM TYPE

[Month]

Month

Day

Annual Meeting

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Total Amount of Borrowings

[Domestic]

Domestic

[Foreign]

Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND RSA RULE 17.2(c) THEREUNDER

1. **3 October 2012**  
Date of Report (Date of earliest event reported)
2. SEC Identification Number.... **41004**      3. BIR Tax Identification No.....**000-718-626**
4. **GECGRACE Resources Philippines, Inc.**  
Exact name of issuer as specified in its charter
5. **Philippines**  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)
7. **NiHAO Sun Plaza, Shaw Boulevard  
Cor. Princeton Street, Baragay Wack-Wack  
Greenhills East, Mandaluyong City**  
Address of principal office
- Postal Code
8. **(632) 570-9754**  
Issuer's telephone number, including area code
9. \_\_\_\_\_  
Former name or former address, if changed since last report
10. Securities Registered Pursuant to Section 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	3,500,000,000

11. Indicate the item numbers reported herein: **Item 9**

**Item 9. Other Matters**

The Corporation has adopted the Audit Committee Charter and come up with a plan to comply with the Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange pursuant to SEC Memorandum Circular NO. 4, Series of 2012.

GEOGRACE Resources Philippines, Inc.

Issuer

3 October 2012  
Date

ARSENIO C. CABRERA, JR.  
*Corporate Secretary*

27-C-201 Audit/Gen. Counsel  
My documents / MSN / GEOG - AC/NE

## GEOGRACE RESOURCES PHILS, INC. AUDIT COMMITTEE CHARTER

This Audit Committee Charter ("this Charter") sets out the purpose, membership and qualifications, structure and operations, duties and responsibilities of the Audit Committee (the "Committee") of GEOGRACE RESOURCES PHILS INC. (the "Company"), and the procedures which guide the conduct of its functions.

### *Section 1. Purpose*

Pursuant to the Company's By-laws and Manual on Corporate Governance (the "Manual"), the Board of Directors of the Company (the "Board") constituted the Committee to assist the Board in fulfilling its oversight responsibility of the Company's corporate governance processes relating to the:

- Company's financial statements and financial reporting process;
- Company's internal control systems;
- Company's internal and external auditors;
- Compliance by the Company with accounting standards, legal and regulatory requirements, including the Company's disclosure policies and procedures;
- Risk management policies and processes; and
- Business practices and ethical standards.

### *Section 2. Membership*

- 2.1 Composition. The Committee shall be composed of at least three (3) members of the Board, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The Chairman of the Committee shall be an Independent Director.
- 2.2 Qualification. Each member of the Committee shall have the qualifications and none of the disqualifications of a Director, as set out in the Manual. Members of the Committee shall be financially literate, and preferably have an accounting and finance background; provided that at least one member shall have audit experience. Each member shall have adequate understanding at least, or competence at most, of the Company's financial management systems and environment, as well as the Company's business and the industry in which it operates.
- 2.3 Appointment. The Chairman and the members of the Committee are appointed by a majority vote of the members of the Board constituting a quorum either during the Organizational Board Meeting of the Company or, if there is a vacancy, during any meeting of the Board constituting a quorum. Membership shall be

reviewed every year after election of the Board by the Company's stockholders at their annual meeting, or earlier if the Board deems necessary.

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

### *Section 3. Structure and Operations*

- 3.1 Meetings. The Committee shall meet at such times and places as it considers appropriate, but no less than thrice a year. The Chairman of the Committee, any Committee member, or the Corporate Secretary of the Company may call a meeting of the Committee.
- 3.2 Quorum. Attendance of at least two (2) Committee members shall constitute a quorum for the Committee to transact business. The Committee shall act only on the affirmative vote of at least a majority of the members present in a meeting at which there is a quorum.
- 3.3 Chairman. The Chairman of the Committee shall preside in all meetings of the Committee. In the absence of the Committee Chairman, the Committee members present shall elect one of their members as Chairman of the meeting.
- 3.4 Secretary of the Meeting. The Company's Corporate Secretary shall be the secretary of the Committee.
- 3.5 Notice of Meeting. A notice of each meeting confirming the date, time, venue, and agenda shall be given to each member of the Committee at least two (2) working days prior to the date of the meeting. The notice will include the agenda to be discussed during the meeting.
- 3.6 Record of Meetings. Full minutes of the proceedings of, and resolutions made during, Committee meetings, shall be kept by the Corporate Secretary. Draft minutes shall be sent to the Committee members for their comment. Notices, minutes, agenda and supporting papers will be made available to any Director upon request to the Corporate Secretary.
- 3.7 Other Attendees. As necessary, the Committee may invite members of management and organization staff to attend the Committee meeting and provide pertinent information or data. At the discretion of the Committee, separate meetings with any member of the Company's management may be held, whenever it is deemed appropriate by the Committee for the exercise of its functions.

## *Section 4. Duties and Responsibilities*

The duties and responsibilities of the Committee are as follows:

### *4.1 Financial Reporting and Disclosures*

- 4.1.1 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;
- 4.1.2 Review the reports submitted by the internal and external auditors;
- 4.1.3 Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices;
  - Major judgmental areas;
  - Significant adjustments resulting from the audit;
  - Going concern assumptions;
  - Compliance with accounting standards;
  - Compliance with tax, legal and regulatory requirements;
- 4.1.4 Elevate to international standards the accounting and auditing processes, practices and methodologies of the Corporation; and
- 4.1.5 Check all financial reports against its compliance with pertinent accounting standards, including laws and regulatory requirements.

### *4.2 Risk Management*

- 4.2.1 Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities.

### *4.3 Internal Control*

- 4.3.1 Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;

4.3.2 Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation; and

4.3.3 Coordinate, monitor and facilitate compliance with laws, rules and regulations.

#### 4.4 Internal Audit

4.4.1 Perform oversight functions over the corporation's internal auditors. It should ensure that the internal auditors act independently, and that said auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions;

4.4.2 Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;

4.4.3 Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

4.4.4 Review the reports submitted by the internal auditors; and

4.4.5 Establish and identify the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Committee. The Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

4.4.6 Evaluate and monitor compliance with Code of Ethics for Management.

#### 4.5 External Audit

4.5.1 Perform oversight functions over the corporation's external auditors. It should ensure that the external auditors act independently, and that said auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions;

4.5.2 Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;



- 4.5.3 Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit;
- 4.5.4 Review the reports submitted by the external auditors including findings and issues that may come about and resolve matters involving disagreements between auditor and management . The committee will also ensure that the lead, engagement or handling partner having primary responsibility for the audit is rotated at least once every five ( 5) years.
- 4.5.5 Evaluate and determine the non -audit work, if any, of the external auditor, and review periodically the non audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report.

#### *Section 5. Reporting Process*

The Chairman of the Committee, or in his absence, the Chairman of the meeting, shall report to the Board on the decisions and recommendations made by the Committee following each meeting.

#### *Section 6. Performance Evaluation*

- 6.1 The Committee shall assess its effectiveness periodically, with a view to ensuring that its performance accords with best practice. Such assessment must compare its performance with the requirements of this Charter, which shall be the basis of its formulation of objectives and plans to improve its performance, including any recommendations for amendments to this Charter for approval by the Board.
- 6.2 The Committee shall assess its performance through a self assessment worksheet (the "Assessment") that substantially adopts the Securities and Exchange Commission (SEC) Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange.
- 6.3 The Assessment shall be accomplished by the Committee on an annual basis or in such shorter intervals as may be set by the Board. The results of the Assessment shall be validated by the Company's Compliance Officer.
- 6.4 A feedback mechanism shall be in place to receive comments from management, the internal audit function, the general counsel and external auditor. This should facilitate dialogue within the organization about possible ways to improve its performance.

- 6.5 The entire assessment process shall be documented and shall form part of the records of the Company that may be examined by the SEC from time to time.
- 6.6 This Charter shall be reviewed annually, updated as required, and shall be made available to any requesting party upon written request to the Corporate Secretary.


**Section 7. Resources**

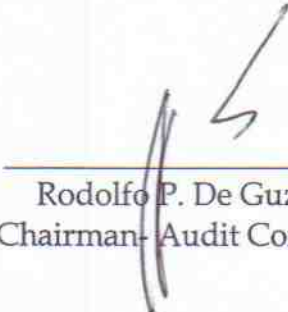
The Committee shall have full access to management, personnel and records for the purpose of performance of its duties and responsibilities hereunder. The Committee may also obtain external legal counsel or independent professional advice if it considers it necessary in the performance of its functions. The Committee shall be provided with sufficient resources by the Company to discharge its duties.

**Section 8. Amendment**

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

Approved By:

  
\_\_\_\_\_  
Michael T. Defensor  
Chairman of the Board of Directors

  
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Rodolfo P. De Guzman Jr.  
Chairman, Audit Committee

  
\_\_\_\_\_  
Jose Francisco E. Miranda  
Member

  
\_\_\_\_\_  
Delfin S. Castro Jr.  
Member