

**MINUTES OF THE AUDIT COMMITTEE MEETING
OF
TOP FRONTIER INVESTMENT HOLDINGS, INC.**

Held at No. 40 San Miguel Avenue, Mandaluyong City
on May 12, 2014

PRESENT:

MINITA V. CHICO-NAZARIO
FERDINAND K. CONSTANTINO
AURORA T. CALDERON
CONSUELO M. YNARES-SANTIAGO

ALSO PRESENT:

VIRGILIO S. JACINTO
NELLY FAVIS-VILLAFUERTE
BELLA O. NAVARRA
EILEEN P. RATILLA
JOYCE NETSIE G. AGUINALDO
IRENE M. CIPRIANO
RICARDO P. BERNABE III

1. Call to Order

The Chairperson of the Audit Committee, Justice Minita V. Chico-Nazario, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Virgilio S. Jacinto, recorded the minutes of the proceedings.

2. Certification of Quorum

With all the members of the Audit Committee being present, the Corporate Secretary certified that a quorum exists for the valid transaction of business.

3. Approval of Previous Meeting Minutes

Upon motion duly made and seconded, there being no objection, the Audit Committee unanimously approved the following resolution:

Audit Committee Resolution No. 2014-05-12-01
Approval of Minutes of the Audit Committee
Meeting held on 27 March 2014

“**RESOLVED**, as it is hereby resolved, that the members of the Audit Committee approve, as it hereby approves, the Minutes of the Audit Committee Meeting held on 27 March 2014.”

4. Report on the Financial Statements of the Corporation as of 31 March 2014

Ms. Bella O. Navarra, the Chief Finance Officer, proceeded to report to the Audit Committee the significant transactions, financial performance and financial position of the Corporation as of 31 March 2014. A copy of the financial report is hereto attached as Annex “A”.

The Corporate Secretary informed the Audit Committee that the aforementioned report, upon approval by the Audit Committee and the Board of Directors, shall be filed with the Securities and Exchange Commission (“SEC”) and the Philippine Stock Exchange under SEC Form 17Q in time for its deadline for filing on 15 May 2014.

Upon motion duly made and seconded, there being no objection, the Audit Committee unanimously approved the following resolution:

Audit Committee Resolution No. 2014-05-12-02
Approval of the Financial Statements of
the Corporation as of 31 March 2014

“**RESOLVED**, as it is hereby resolved, that the members of the Audit Committee approve, as it hereby approves, the report on the significant transactions, financial performance and financial position of the Corporation as of 31 March 2014, as presented.”

5. Endorsement of External Auditor

Conformably with the Audit Committee Charter, and after assessing and monitoring the (1) external auditor’s professional qualifications, competence, independence and objectivity; and (2) the effectiveness of the audit process in accordance with applicable standards, the Audit Committee approved to favorably endorse the reappointment of R. G. Manabat & Co. as external auditor of the Corporation to the stockholders, for its approval, at the Annual Stockholders’ Meeting to be held on 09 July 2014. In compliance with Rule 68 (3) (b) (ix) of the Securities Regulation Code, which requires the rotation of independent auditors or in the case

of an audit firm, the signing partner, after every five (5) years of engagement, R. G. Manabat & Co. shall change the signing partner assigned to the Corporation.

Upon motion duly made and seconded, there being no objection, the members unanimously approved the following resolution:

Audit Committee Resolution No. 2014-05-12-03
Endorsement of external auditor

“**RESOLVED**, as it is hereby resolved, that the members of the Audit Committee approve, as it hereby approves, to favorably endorse the reappointment of R. G. Manabat & Co. as external auditor of the Corporation to the stockholders, for its approval, at the Annual Stockholders’ Meeting to be held on 09 July 2014.”

6. Draft SEC Memorandum Circular

The Corporate Secretary reported to the Audit Committee, for its information, that the SEC is contemplating of issuing a SEC Memorandum Circular which imposes the Philippine Depository Trust Corporation and stock brokerage houses to prepare an alphabetical list of all the recipients of dividends from issuers in connection with BIR Revenue Regulation 1-2014 which requires all withholding agents to prepare and submit an alphabetical list of their respective employees and list of payees on income payments subject to creditable and final withholding taxes. A draft of said SEC Memorandum Circular is being circulated for comments by the SEC to various issuers. A copy of the draft SEC Memorandum Circular is hereto attached as Annex “B”.

After some discussions, the Audit Committee noted the report.

7. Adjournment

There being no further matters to discuss, the meeting was thereupon adjourned.

ATTEST:

MINITA V. CHICO-NAZARIO

Chairperson

CONSUELO M. YNARES-SANTIAGO

Member

FERDINAND K. CONSTANTINO

Member

AURORA T. CALDERON

Member

VIRGILIO S. JACINTO

Corporate Secretary