



INTERNAL AUDIT CHARTER OF PETRON CORPORATION

PURPOSE

It is the policy of Petron Corporation (the "Company") to maintain an internal audit function (the "Internal Audit Department") to provide the Board of Directors (the "Board") and Management with independent, risk-based, and objective assurance and advisory services designed to add value and improve the operations of the Company and its subsidiaries (the "Subsidiaries").

Standards of Professional Practice

The Internal Audit Department will govern itself by adherence to the mandatory elements of the International Professional Practices Framework issued by the Institute of Internal Auditors ("IIA"), consisting of the Global Internal Audit Standards (the "Standards") and the Topical Requirements (as defined in the Standards) designed to enhance the consistency and quality of internal audit services. The IIA's Global Guidance that provides detailed approaches to support the Standards will also be adhered to, as applicable, to guide the internal audit function. In addition, the Internal Audit Department will adhere to the Company's relevant policies and procedures and the internal audit function's standard operating procedures manual.

MANDATE

Authority

The Internal Audit Department, with strict accountability for confidentiality and safeguarding records and information, is authorized and granted full, free and unrestricted access to any and all of the Company's records, physical properties, and personnel pertinent to carrying out any engagement. The Internal Audit Department will also have free and unrestricted access to the Board.

Independence, Objectivity and Reporting Relationships

The Internal Audit Department will remain free from interference on matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor's judgment, including:

- Assessing specific operations for which they had responsibility within the previous year;
- Performing operational duties for the Company or any of the Subsidiaries;
- Initiating or approving transactions external to the internal audit function; and
- Directing the activities of any employee of the Company or the Subsidiaries, who is not engaged in any internal audit function, except to the extent that such employee has been appropriately assigned to an internal audit team or to assist internal auditor/s.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, at least annually, to appropriate parties such as, but not limited to, the Internal Audit Head, Senior Management, and the Board;
- Exhibit professional objectivity in gathering, evaluating, and communicating information;
- Make balanced assessments of all available and relevant facts and circumstances; and
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

Internal auditors report to the Internal Audit Head, who will report functionally to the Board through the Board Audit Committee and administratively to the President and Chief Executive Officer or his/her designate.

The Internal Audit Head will confirm to the Board, at least annually, the organizational independence of the internal audit function.

INTERNAL AUDIT HEAD ROLES AND RESPONSIBILITIES

Ethics and Professionalism

The Internal Audit Head will ensure that internal auditors:

- Conform with the Standards, including the principles of ethics and professionalism, which encompass integrity, objectivity, competency, due professional care, and confidentiality;
- Assist in the promotion of an ethics-based and law-abiding culture in the organization; report behavior within the organization that is inconsistent with its law compliance and ethical expectations, as described in applicable policies and procedures; and
- Possess sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.

Managing the Internal Audit Function

At least annually, the Internal Audit Head will submit to Senior Management and the Board Audit Committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule, as well as budget and resource requirements for the next year.

The internal audit plan will be developed based on prioritization of the audit universe using a risk-based methodology, including inputs from Management and the Board Audit Committee. The Internal Audit Head will review and adjust the plan, as necessary, in response to changes in the Company's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved audit plan will be communicated to Senior Management and the Board Audit Committee through the periodic activity reports.

A written report will be prepared and issued by the Internal Audit Head following the conclusion of each internal audit engagement and will be distributed as appropriate. Significant internal audit results will also be communicated to the Board Audit Committee.

The Internal Audit Department will be responsible for appropriate follow-up on the resolution of audit findings and/or the implementation of recommendations. All significant findings will remain in an open issues file until cleared.

Communication with the Board and Senior Management

The Internal Audit Head will periodically report to Senior Management and the Board Audit Committee regarding:

- The internal audit function's mandate;
- The internal audit plan and performance of the Internal Audit Department relative to its plan;
- The internal audit budget and resource requirements;
- Significant revisions to the internal audit plan and budget;
- Potential impairments to independence, including relevant disclosures, as applicable.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by Management and/or the Board Audit Committee;
- The results of assurance and advisory services;
- Management's responses to a risk that the internal audit function determines may be unacceptable or the acceptance of a risk that is beyond the Company's risk appetite; and
- The results of the quality assurance and improvement program, which include the internal audit function's conformance with the Standards.

Quality Assurance and Improvement Program

The Internal Audit Department will maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include an evaluation of the internal audit function's conformance with the Standards. The program will also assess the efficiency and effectiveness of the internal audit function and will identify opportunities for improvement.

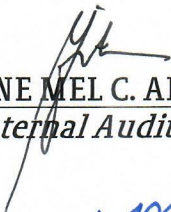
The Internal Audit Head will communicate to Senior Management and the Board Audit Committee on the internal audit function's quality assurance and improvement program, including results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments conducted at least once every five years by a qualified independent assessor or assessment team.

SCOPE AND TYPES OF INTERNAL AUDIT SERVICES

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls, as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:

- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information;
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization;
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets, including the effectiveness and efficiency with which resources are employed;
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
- Monitoring and evaluating the effectiveness of the organization's risk management and governance processes;
- Performing advisory services related to governance, risk management, and control as appropriate for the organization;
- Assisting in or independently carrying out validation of suspected fraudulent activities within the Company and notifying Senior Management and the Board Audit Committee of the results;
- Considering the scope of work of the external auditors, regulators, and/or internal Company functions, as appropriate, for the purpose of providing optimal audit coverage at a reasonable overall cost; and
- Evaluating specific operations at the request of the Board and/or Management, as appropriate.

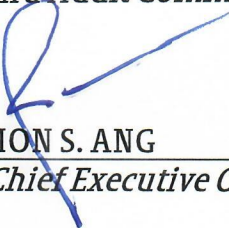
Approved by the Board at its meeting on March 4, 2025.



LIANE MEL C. APILADO
Internal Audit Head



MARGARITO B. TEVES
Chairman, Board Audit Committee



RAMON S. ANG
President and Chief Executive Officer