

President Chain Store Corporation
Audit Committee Charter
(Translation)

- I. The Charter is adopted pursuant to Article 3 of “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies” and Articles of Incorporation.
- II. The number, term, powers, rules of procedure of the audit committee and resources to be provided by the company when the audit committee exercises its powers shall be adopted pursuant to the Charter.
- III. The purpose of the Audit Committee shall be the supervision of following matters:
 - (1) To fairly present the financial reports.
 - (2) To ensure the performance of the auditor and the independency and performance when select or dismiss of the auditor
 - (3) To effectively execute the internal control.
 - (4) To make the company follow the relative regulations and rules.
 - (5) To control the existed or potential risk of the company.
- IV. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise.

The term of office of the independent directors shall be three years; re-election shall be permissible. When an independent director is dismissed for any reason, resulting in the number of directors lower than that required under preceding paragraph or the articles of incorporation, a by-election for independent director shall be held at the next following shareholders meeting. When all independent directors have been dismissed or fell short, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.
- V. Powers conferred by the Act, the Company Act, and any other law to be exercised by supervisors, excepting those powers set out in Article 14-4, paragraph 4, of the Act, and shall be exercised by the audit committee.

The provisions of Article 14-4, paragraph 4, of the Act concerning provisions of the Company Act concerning acts done by supervisors, and the role of supervisors as representatives of the company, shall apply mutatis mutandis to the independent director members on the audit committee.
- VI. Official powers of the audit committee:

- (1) Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Adoption or amendment, pursuant to Article 36-1 of Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- (4) A matter bearing on the personal interest of a director.
- (5) A material asset or derivatives transaction.
- (6) A material monetary loan, endorsement, or provision of guarantee.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) The hiring or dismissal of an certified public accountants, or the compensation given thereto.
- (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
- (10) Annual and semi-annual financial reports.
- (11) Any other material matter so required by the company or the Competent Authority.

The preceding paragraph shall be subject to the consent of one-half or more of all audit committee members and be submitted to the board of directors for a resolution

With the exception of subparagraph 10, any matter under a subparagraph of the preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors

"All directors" as used in the Charter shall means the actual number of persons currently holding those positions

The convener represents the Audit Committee.

VII. An audit committee shall meet at least quarterly and anytime if needed.

The reasons for calling a meeting of the audit committee shall be notified to each independent director member at least seven days in advance. In emergency circumstances, however, this requirement does not apply.

One member shall be elected as the convener and meeting chair by and from among the entire membership of the audit committee. When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director member designated by the convener, or if no such designation is made, by another

member elected by and from among the independent director members of the committee.

The audit committee may by resolution request relevant department officers, internal auditors, certified public accountants, legal counsels, or other personnel to provide pertinent and necessary information.

Relative information shall be prepared as reference for the members when holding the Audit Committee.

- VIII. When an audit committee meeting is held, the company shall have an attendance book ready for signature by the independent director members attending the meeting and thereafter keep it available for future reference. All independent director members on the audit committee shall attend committee meetings in person; a member who cannot attend in person may appoint another independent director member to attend as their proxy. Attendance via tele- or video-conference is deemed attendance in person. A member of the audit committee appointing another independent director member to attend a committee meeting shall in each instance give to that director a written proxy stating the scope of authorization with respect to the items on the meeting agenda. Resolutions at meetings of the audit committee shall be adopted with the consent of one-half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing. If for a legitimate reason it is impossible to hold an audit committee meeting, matters on the meeting agenda shall be adopted with the consent of two-thirds or more of the entire board of directors. Notwithstanding the foregoing, with respect to the matters in Article 6, paragraph 1, subparagraph 10, of the Act, a written opinion shall be obtained from each independent director member indicating approval or disapproval. A proxy under paragraph 2 may accept a proxy from one person only.
- IX. Discussions at an audit committee meeting shall be included in the meeting minutes, which shall faithfully record the following:
- (1) Session, time, and place of meeting.
 - (2) Name of meeting chair.
 - (3) Attendance of independent director members at the meeting, specifying names and number of members present, excused, and absent.
 - (4) Names and titles of those attending the meeting as a nonvoting participant.
 - (5) Name of minutes taker.
 - (6) Matters reported.
 - (7) Agenda items: Specify the resolution method and result of each proposal,

and summarize the comments made by, and specify any objections or reservations expressed by, the independent director members on the audit committee and the experts and any other persons present at the meeting.

- (8) Extraordinary motions: Specify the name of the mover, the resolution method and result of each proposal, and summarize the comments made by, and specify any objections or reservations expressed by, the independent director members on the audit committee and the experts and any other persons present at the meeting.

- (9) Other matters required to be recorded.

The attendance book forms a part of the minutes of each audit committee meeting and shall be preserved permanently.

The minutes of a audit committee meeting shall bear the signature or seal of both the meeting chair and the minutes taker, and a copy shall be distributed to each independent director member on the committee within 20 days after the meeting and be carefully preserved as important company records during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be made in electronic form.

- X. The Audit Committee meeting agenda shall be drawn up by the convener. Other members also may submit motions for deliberation by the committee.
- XI. An independent director member of the audit committee shall recuse himself or herself from participating in agenda items that involve personal interest where such participation is likely to prejudice the interest of the company.
- Where a matter is unable to be resolved at a committee meeting for the reason stated in the preceding paragraph, the fact shall be reported to the board of directors and the matter shall be resolved by the board instead.
- XII. The Committee may, on behalf and at the cost of the company, engage an attorney, certified public accountant, or other professional after resolved to conduct a necessary audit or provide advice with respect to Article 6.
- XIII. The Committee shall exercise the care of a good administrator in faithfully performing the official powers adopted in the Charter, be responsible for the board of directors and shall submit its recommendations for deliberation by the board of directors.
- XIV. The Committee shall periodically review the Charter and provide amendment suggestion to the board of directors. The execution of tasks relating to matters resolved by the Committee may be delegated to the convener or other member of the Committee for follow-up and handling, and they shall make written reports to the Committee during the period in which they are handling such

tasks. When necessary, they shall submit them for ratification, or report them, to the Committee at the subsequent meeting.

XV. The charter and any amendment thereto, shall be adopted by resolution of the board of directors and the establishment of the Committee.

XVI. The Charter we adopted on March 21, 2012.