



November 25, 2024

**Planters Products, Inc.**  
109 Esteban St., Legaspi Village  
Makati City

Attention: **Ms. Ma. Zenaida Benedicto Angping**  
Chairman

Gentlemen:

We are pleased to submit our proposal to audit the following financial statements of **Planters Products, Inc.** (the Company) as at and for the year ending April 30, 2025:

- Separate financial statements
- Consolidated financial statements

Our audit will be made with the objective of expressing an opinion on the consolidated and separate financial statements of the Company.

#### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with Philippine Standards on Auditing (PSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with PSA. In making our risk assessments, we consider internal controls relevant to the entity's preparation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

However, we will communicate to you in writing any significant deficiency in internal control relevant to the audit of the consolidated and separate financial statements.

The work papers for this engagement are the property of Reyes Tacandong & Co. (RT&Co.).

## **Reporting and Deliverables**

At the conclusion of our audit, we will furnish the Company with signed Independent Auditors' Reports prepared in accordance with PSA 700, *Forming an Opinion and Reporting on Financial Statements*, for each of the financial statements mentioned in the opening paragraph of the engagement letter. Our audit report will be addressed to the stockholders and the Board of Directors.

## **The Responsibilities of Management**

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the consolidated and separate financial statements in accordance with Philippine Financial Reporting Standards;
- b) For such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error; and
- c) To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation of the consolidated and separate financial statements such as records, documentation and other matters;
  - ii. Additional information that we may request from management for the purpose of the audit; and
  - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

## **Timetable**

We will agree to a timetable with you that will enable you to meet your statutory obligations in relation to the filing of consolidated and separate financial statements with the Bureau of Internal Revenue, Securities and Exchange Commission and any other reportorial deadline that you will bring to our attention.

The completion of work within the timetable will greatly depend on the availability of documents, schedules and information. Timetable may be adjusted/agreed to fit the deadline of management.

We will notify you as soon as practicable if it appears likely that there will be any significant delays in the agreed timetable. For any concerns relating to this engagement, you may also contact the following:

Belinda B. Fernando	(Managing Partner for Audit Services)	bbfernando@reystacandong.com
Joseph C. Bilangbilin	(Engagement Partner)	jcbilangbilin@reystacandong.com

## **Fees**

We estimate that our fees for the service will be:

Separate financial statements	P1,100,000
Consolidated financial statements	500,000
	<u>P1,600,000</u>

We will charge additional fee upon your approval should there be significant transactions affecting our audit.

Our professional fees are exclusive of out-of-pocket expenses (OPEs) and any applicable taxes, excluding value-added tax, which shall be for your account. The OPEs include transportation and meals of RT&Co. personnel who may have to render overtime work, report production expenses, telecommunications costs, office and computer supplies, and other expenses directly related to the project execution. On our part, we shall endeavor to keep the OPEs to the minimum.

Our fees assume that we will receive appropriate assistance from the Company's staff in the preparation of required schedules and analyses, and in making available the relevant information required to enable us to perform the audit. The Company shall also make available their personnel for interview relevant to the audit.

We will bill you as follows:

Initial billing	50%
Progress billings	30%
Upon issuance of report	20%

Billings are payable upon receipt.

If due to some unforeseen circumstances that the scope of the work should change or if any problem arises that may result in an increase in the fee estimate, we will discuss this with you fully before incurring any additional charge.

## **Limitation of Liability**

Our report will be made solely to the Company, in accordance with PSA. Our audit work will be undertaken so that we might report on the Company's audited consolidated and separate financial statements and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Company's for our audit work, for the audit report, and for the opinions we form.

## **Termination Clause**

Either party may terminate this agreement by providing a written notice of termination to the other party. Termination of this agreement will not affect your obligation to pay our fees for all services performed and expenses incurred up to the date of the notice of termination. The Firm shall withdraw from the Engagement, without penalty and without further obligation to the Company, should a government sanction or similar issue against the Company arise during the duration of the engagement.

## **Confidential Information**

"Confidential Information" when used herein means any proprietary, confidential, and/or trade secret information of the Company, possessed by the Company relating to, among other things, the Company's products, services, technology, methodologies, specifications, business relationships, lists of and information relating to suppliers, customers, clients, and employees, or any information which, given the totality of the circumstances, we have reason to believe is proprietary, confidential, or competitively sensitive, together with any portion of evaluations, ideas, analyses, and reports derived from the Confidential Information, whether in paper, electronic, or other form. Confidential Information may be in documentary form, or orally or visually or in other non-documentary form.

Excluded from Confidential Information is information which the recipient had in its possession without confidential limitation prior to disclosure, which is independently developed by either party without breach of this Agreement, which is known or becomes known to the general public without breach of this Agreement or which is received rightfully and without confidential limitation from a third party.

We undertake and warrant that we (a) will not disclose Confidential Information to anyone, except members of the engagement team, and in each case only to the extent necessary to achieve the purposes contemplated by agreement, (b) will not use Confidential Information except solely for the purpose of executing the service, (c) will use at least the same degree of care to safeguard Confidential Information that we use to protect our own confidential and proprietary information, and in any event not less than a reasonable degree of care under the circumstances, and (d) will not make copies of materials bearing Confidential Information.

## **Data Protection**

In any case that we or the Company receive any personal data as defined by the Data Privacy Act of 2012 ("the Act"), we shall ensure that we fully comply with the provisions of the Act and only deal with the data to fulfill our obligations under the engagement.

In fulfillment of our obligations under the Act, both we and the Company shall ensure that we take reasonable administrative, organizational, physical and technical security measures to protect personal data in our possession in order to prevent unauthorized access, collection, use, disclosure, copying, modification, disposal or similar risks.

In the event of security incident or personal data breach involving personal data we received in relation to this engagement, we will immediately take steps to address any and all Personal Data Breach, Security Incident, or any incident in which an unauthorized person acquires or gains access to Personal Data ("Unauthorized Access Incident"), and immediately notify the respective Companies without any delay.

## Acknowledgment

If the foregoing terms are acceptable to you, kindly indicate your conformity thereto by signing on the space provided below and return a signed copy to us. Should you have any questions on the proposal, we shall be pleased to discuss them with you. The signed proposal shall be our exclusive mandate to commence the engagement.

Thank you for giving us the opportunity to offer our services to the Company. We look forward to working with you on this engagement.

Very truly yours,


**REYES TACANDONG & CO.**

Signing for the Firm

  
**Joseph C. Bilangbilin**  
Audit Partner

## **CONFORME**

We hereby confirm our agreement to the terms of the foregoing letter for and on behalf of Planters Products, Inc.

  
**Ms. Ma. Zenaida Benedicto Angping**  
Chairman

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**Date**