I. PURPOSE OF AUDIT COMMITTEE

The primary purpose of the Audit Committee (hereinafter "Committee") is to assist Benguet Corporation's (hereinafter "Company") Board of Directors in the performance of its oversight responsibilities for accounting and financial reporting processes, system of internal control, risk management system, maintenance of an effective audit process, and procedure for monitoring compliance with applicable laws, rules and regulations.

II. AUTHORITY

The Audit Committee, in discharging its oversight role, shall maintain free and open communication with the Company's external auditors, internal auditors and the Management of the Company. To fulfill its responsibility, the Committee is empowered to study or investigate any matter brought to its attention, with full access to all records, books of accounts, facilities and personnel of the Company. Likewise, the Committee shall have the authority to retain and terminate outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

III. RESOURCES

The Audit Committee shall have the appropriate resources and authority to discharge its responsibilities, including the authority to engage external auditors for special audits, reviews and other procedures and to retain and obtain advice from special counsel and other experts or consultants, to assist it, and may determine the compensation of such advisors which the Company shall be responsible for any costs or expenses if so incurred.

The Committee shall have direct access to, and complete and open communication with, Senior Management and may obtain advice and assistance from internal Legal, Accounting and other advisors to assist it. In performing its functions, the Committee is entitled to rely on the findings of fact, advice, reports and opinions of Management as well as Legal, Accounting and other advisors retained by it.

IV. ORGANIZATION

1. MEMBERSHIP

   a. Composition and qualification - The Audit Committee shall consist of at least three (3) directors, who shall have adequate financial and accounting background, and/or audit experience, in addition to adequate understanding of the Company's financial management systems and environment in particular.

      The Chairman of the Committee shall be an independent director who shall be responsible for ensuring the effective interaction among Committee members and with management and the internal and external auditors.

   b. Appointment and Removal - The members of the Audit Committee shall be elected / appointed by the Board annually and shall serve until a successor is duly designated or until resigned or removed as a member. Any member of the Audit Committee may be removed, with or without cause, by a majority vote of the Board.

      The Chairman of the Audit Committee shall be selected by majority vote of the Audit Committee members, unless a Chairman has been designated by the Board.

c. Performance Evaluation and Continuous Improvement - To ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the Revised Code of Corporate Governance and other relevant regulatory standards, the Committee shall assess its performance annually. The result of the assessment shall be validated by the Company's Compliance Officer and the entire assessment process documented and to form part of the corporate record. A feedback mechanism shall be in place to receive comments from Management and external auditor.

Based on the results of the assessment, the Committee shall formulate and implement plans to improve its performance. These shall include the identification of relevant training needs intended to keep the members up-to-date with corporate governance best practices, accounting and auditing standards, as well as specific areas of concern.

2. MEETINGS

The Committee will meet at least **twice a year,** preferably prior to the meeting of the Board of Directors, and may convene additional meetings, as circumstances require. Meetings may be attended in person or via tele- or video conference, or other electronic means. Members of the Committee are expected to use all reasonable efforts to attend each meeting. As necessary or desirable, the Chairman may request that members of Management, the Internal Audit Head, and representatives of the external audit be present during meetings of the Committee.

The Chairman will preside over all regular sessions of the Audit Committee and set the agenda for Audit Committee meetings. The Audit Committee shall keep minutes of its meetings and shall timely report to the Board after each committee meeting or at the next Board meeting, setting out the results of the meeting. The Assistant Corporate Secretary of the Company shall act as the Secretary of the Audit Committee.

3. ROLES AND RESPONSIBILITIES

The following functions shall be common and recurring activities of the Audit Committee in carrying out the purpose as set forth in Section I of this Charter. These functions should serve as a guide with the understanding that the Audit Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.

To fulfill its responsibilities and duties, the Audit Committee shall:

a. Risk Management and Internal Control

1) Understand the scope of, and review the internal and external auditor's evaluation of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management responses

2) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including assessment of financial security control and information technology security.

3) Evaluate the sufficiency and effectiveness of the company's risk management processes and policies designed to identify, assess, monitor and manage material business risk throughout the Company, in relation to audit, accounting, tax and financial reporting risks and obligations.

4) Establish and oversee procedures for the receipt, retention and treatment of complaints (including "whistle blowing" complaints) received by the Company, including procedures relating to risk management, legal and regulatory compliance, accounting, internal control or auditing matters, including the process for confidential anonymous complaints by employees regarding questionable accounting or auditing matters.

5) Require Management to provide a report to discuss with the Committee, the Company's significant or major risk exposures, if any, and the steps taken by the management to monitor or manage such risks.

6) Conduct investigations of identified irregularities in the operations of the Company and anomalies on matters relating to finance and of funds disbursements which bear strategic significance to the Company and recommend to the Board the necessary actions to remedy, correct and prevent the repetition of such anomalies.

7) Coordinate, monitor and facilitate compliance with laws, rules and regulations. Prepare and implement a Business Continuity Plan

b. Overseeing Financial Reporting and Disclosures

1) Evaluate compliance with laws, financial reporting regulations and internal procedures through review of reports from management, external and internal auditors.

2) Review the adequacy and effectiveness of the systems of internal control, accounting practices and disclosure controls and procedures of the Company and its subsidiaries.

3) Review new accounting standards and developments and determine its impact or take action with respect thereto as may be deemed appropriate.

4) Monitor the integrity of the financial information, in particular by reviewing the relevance and consistency of the accounting standards used by the Company and its affiliates/subsidiaries.

5) Assess and challenge, where necessary, the correctness, completeness and consistency and accuracy of financial annual and interim reports before submitting to the Board for approval or made public.

6) Review of the quarterly, half-year and annual financial statements before submission to the Board, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, tax, legal and regulatory requirements.

7) Review and approve or ratify interested persons transactions and potential conflict of interest situations that are required to be disclosed in the company's annual proxy statement pursuant to SEC regulation, or that are submitted to the Committee for review, approval or ratification.

8) Evaluate whether interested persons transactions are on normal commercial terms and not prejudicial to the interests of the Company or its minority shareholders. Ensure that a transparent financial management system is established to ensure the integrity of internal control activities throughout the Company.

c. Overseeing Internal Audit

1) Recommend and give direction to the Internal Audit Office on matters that will further upgrade its performance and recommend to the Board the terms for the appointment, removal and replacement of the Internal Audit Head, who shall have reporting responsibility to the Committee

2) Evaluate the internal audit function including the extent and scope of its work, organizational structure and qualification.

3) Review the effectiveness of internal audit function, and ensure compliance with International Standards on the Professional Practice of Internal Auditing.

4) Ensure that the internal auditor have free and full access to all the Company's records, properties and personnel relevant to and required by his functions and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results.

5) Consider and discuss with Management whether to in-house or outsource internal audit function.

6) Review and approve the annual internal audit plan and ensure its conformity with the objectives of the corporation.

7) Ensure that the internal audit plan include the audit scope, resources and budget necessary to implement it, including the allocation of audit resources according to the key business and financial risks areas.

8) Review internal auditor's evaluation of the system of internal accounting controls.

9) **Review reports submitted by the internal auditor before submission to the Board**.

d. Overseeing External Audit

1) Review and evaluate the independence, professional qualifications and competence of external auditor.

2) Recommend to the Board the appointment, replacement and/or retention of the External Auditor, who shall be accountable to the Committee.

3) Evaluate the performance of external auditor periodically and determine and recommend its reappointment or replacement as the Committee may deem necessary or appropriate.

4) Assure the regular rotation of the lead audit partner primarily responsible for the audit review of the Company's financial accounts, as required by law, and shall consider and discuss with management whether there should be a regular rotation of the external auditor itself, at least once every five (5) years, or more frequently if the Committee deems appropriate.

5) Evaluate and determine the of non-audit services, if any, of the external auditor, and review periodically the non-audit fees paid by the Company to the external auditor and to the Corporations' overall consultancy expenses. The Committee shall disallow any 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.

6) Review with the external auditor the scope and results of the audit, problems or difficulties that the auditor encountered in the audit work and Management's response, and any questions, comments or suggestions the auditor may have relating to the internal controls and accounting practices and procedures, of the Company and its subsidiaries.

7) Review reports submitted by the external auditor as well as their quarterly, half-year and annual financial statements before submission to the Board and ensure compliance with auditing standards.

e. Other duties and responsibility

1) The Committee shall perform any other functions specifically delegated to the committee by the Board.

V. THE CHARTER

1. The Audit Committee shall review and reassess this Charter at least annually or otherwise as it deems appropriate and recommend any necessary changes to the Board.
2. The Board shall have the authority to amend or modify any provision of the Charter at any time.
3. Prepare and review an annual performance evaluation of the Committee in relation to this Charter.
4. This Charter is adopted and approved by the Board in compliance with SEC Memorandum Circular No. 4, Series of 2012.

VI. POLICY CHANGE SHEET

Issue No.	Revision No.	Date	Description of Change	Initiator
1	0	October 1, 2012	Issuance	
2	1	November 5, 2015	**Frequency of Meeting; Submission of Internal Audit's reports**	Dale Tongco

End of Policy Statement