

June 24, 2011

To : The BC Board of Directors

From : Alberto C. Agra  
Risk Management Committee

Subject: Risk Management Charter and Activities

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The Risk Management Committee (RMC) of the Board has convened and is submitting the attached Charter for the approval of the Board.

The salient features of the proposed Charter are:

1. Risks covered are enterprise-wide risks that may threaten or is threatening the Company's ability to continue as a going concern, such as but not limited to security, legal, financial, operational, and political risks;
2. As a procedure, the department head concerned will elevate risk issue to the CEO copy furnished the Risk Management Officer who will collate, organize and prepare a comprehensive report on company-wide risks. Matters of major concern shall be brought to the RMC for action. The RMC shall prepare a risk assessment report and propose solutions to the Board. The Board shall take the necessary and appropriate actions to address the risks and adopt policies to govern risk management; and
3. The RMC will meet after every Management Committee meetings, or at least every quarter.

The activities planned by the RMC are: Prepare reading materials, conduct research and design seminars and briefing sessions for BC officers and staff on matters that affects and which may place the Company at risk. The suggested topics are: Writ of Kalikasan, Mining and Local Governments and Indigenous People's Rights.

Thank you.



A.C. AGRA