

AMENDED AUDIT COMMITTEE CHARTER ("CHARTER")

I. Purpose

This Charter is established by and among the Board of Directors ("Board") of Beneficial Life Insurance Company, Inc. ("Company") to support Management in its implementation of a Risk Management Program. The primary purpose of the Audit Committee ("Committee") is to ensure compliance for all Company-wide audit and risk-taking activities to assist the Board in monitoring and overseeing the following:

1. Integrity of the Company's consolidated financial statements
2. Company's compliance with Philippine Financial Reporting Standards (PFRS) and all applicable regulatory requirements
3. Company's risk management framework

II. Members and Meetings

The Audit Committee shall be comprised of five (5) directors to be elected at the annual meeting of the Board and who shall hold office for one (1) year or until their successors are elected. A Chairman shall be elected among the Committee's membership at the annual meeting of the Board. The Board shall fill the vacancies in the Committee, if any. The Chairman and majority of the members shall be independent directors. At least one (1) member of the Committee shall have experience in finance or accounting, professional certification in accounting, or other relevant experience or background. All other members of the Committee shall be financially knowledgeable.

The Committee shall hold meetings and shall report to the Board on a regular basis. The Committee Chairman shall approve the agenda for the meetings, considering any member's propositions.

Beneficial Life Insurance Co., Inc.

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III. Definition of Terms

1. Internal Auditing - An independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the organization. It assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, internal control.
2. Enterprise Risk Management - A process, effected by an entity's board of directors, management, and other personnel, applied in a strategy setting and across the Company, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives. (COSO, 2004)
3. International Standards for the Professional Practice of Internal Auditing (Standards) - A framework for performing and promoting internal auditing.
4. Code of Ethics - states the principles and expectations governing the behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct, and behavioral expectations rather than specific activities.

IV. Authority, Duties and Responsibilities

1. The Board of Directors shall be responsible for:
 - Assuring that Management executes effective risk management
 - Understanding risks
 - Establishing and communicating an appropriate level of risk tolerance or risk appetite
2. The Audit Committee shall be responsible for:
 - Overseeing the Company's relationship with its independent auditor
 - Recommending the appointment of, compensating, retaining, and when appropriate, replacing the independent auditor engaged for

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the purpose of preparing or issuing an audit report or performing other audit, review and attest services

- Reviewing and evaluating annually the qualifications, performance and independence of Partner-in-charge and reviewing partner, and other audit engagement team partners, of the independent auditor as required by law, taking into consideration the opinions of Management
- Evaluating the independence of the independent auditor in view of the opinions of Management
- Reviewing the independent auditor's significant issues regarding accounting principles and financial statement presentations
- Overseeing the financial statements, audit and disclosures prepared by independent auditors
- Overseeing the Company's compliance with legal and regulatory requirements
- Maintaining awareness of the external auditor's responsibilities to fraud
- Ensuring open communication with the Company's Management and internal and independent auditors and obtaining advice from internal legal counsel, accounting, or other advisors, if necessary
- Ensuring compliance for risk activities
- Approving the audit charter
- Approving risk-based audit plans
- Approving the appointment of, compensating, retaining, and when appropriate, replacing the Company's Internal auditor who shall report to the Committee or through the President & Chief Executive Officer
- Approving the audit budget, scope, and resource plan
- Establishing the tone and developing a culture of enterprise risk
- Providing input to Management about the enterprise's risk appetite
- Reviewing the risk management policy and plan at least once a year
- Reviewing the risk management infrastructure
- Ensuring that internal audit monitors risks throughout the organization
- Obtaining reasonable assurance from Management that emerging risks have been identified and managed

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- Reviewing the major risk exposures of the Company and Management action to monitor and control such risks or exposures
 - Conducting investigations into matters within its scope of responsibility
 - Reviewing significant reports to Management prepared by the Internal Audit and Risk Department, and Management responses
 - Reviewing and discussing significant issues as to the effectiveness of Company's internal controls
 - Recommending improvements on risk assessment processes where appropriate
 - Having such other authority, duties and responsibilities as may be delegated by the Board
3. Management shall be responsible for:
- Identifying, assessing and managing risks appropriately
 - Ensuring that significant financial, operating information is accurate, reliable, and timely
 - Ensuring that activities are in compliance with the Company's policies, procedures, and applicable laws and regulations
 - Ensuring that programs, plans, and objectives are achieved
 - Establishing sound policies and procedures to safeguard Company's resources
 - Identifying fraud in the organization
 - Maintaining quality and continuous improvements in the control processes
 - Ensuring that significant legislative or regulatory concerns impacting the organization are recognized and addressed properly
 - Implementing and documenting adequate risk management program
 - Reporting to the Board about Management actions to manage the risks and the effectiveness of the risk management program
 - Educating the organization on areas of potential fraud, error, compliance violations
 - Enforcing the Code of Ethics

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4. The Internal Audit Department shall be responsible for:
- Undertaking audits and risk reviews in accordance with plans approved by the Audit Committee
 - Establishing policies and procedures to guide the internal audit and risk function
 - Adhering to the Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards)
 - Coordinating with external auditors to avoid duplication of audit work
 - Evaluating the Company's adherence to policies and procedures
 - Evaluating the potential for occurrence of fraud and how it is managed
 - Establishing risk-based audit plans
 - Communicating the risk-based audit plan of engagements
 - Accessing all records, databases, workplaces, employees within its scope of responsibility and obtaining information and explanations from all levels of staff and contractors within the organization, subject to applicable laws and regulations
 - Providing assurance to the Board and Management that existing controls are appropriate given the risk tolerance determined by the Board
 - Recommending and implementing policies and strategies to prevent fraud, error and non-compliance
 - Supporting Management's education regarding the organization's potential risks of fraud, error, compliance violations
 - Providing an annual assessment on the adequacy and effectiveness of the Company's processes
 - Reporting significant issues related to processes and potential improvements and process recommendations
 - Reporting the activities undertaken on a quarterly basis or as needed to the Committee or through the Executive Officers and/or the President and CEO

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V. Review of Charter

The Committee shall review the appropriateness of this Charter at least annually and shall recommend any changes, as needed to the Board for approval to respond to new audit and risk management requisites.

VI. Publication of Charter


This Charter shall be published in the Company's website.

By:


Maria Anna Aludia Flores- Young
Internal Audit Manager

Approved by:

ROBERT F. DE OCAMPO
Committee Chairman


CESAR O. VIRTUSIO
Committee Member


ROBERTO C. FERNANDEZ
Committee Member


JAIME F. PANGANIBAN
Committee Member


ATTY. PAUL P. SAGAYO, JR.
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