

CCC POLICY

Proponent	Quality Control and Risk Management Group	Code No.	QCRM-001/2015
		Revision No.	Original
Title	CREATION OF QUALITY CONTROL AND RISK MANAGEMENT FUNCTION	Effective Date	5 days after release
Approval	OIC-Human Resource & Administration Division, VP & Resident Manager, EVP-General Support Services, and President		Page 1 of 6

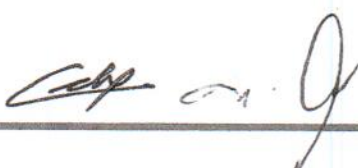
PREFACE

The Role of the Quality Control and Risk Management (QCRM) Group is to assist the management of Carmen Copper Corporation (Carmen Copper) by providing quality performance review, quality and operational control and compliance, and risk management. The function aims to add value, improve operational efficiency, economy and effectiveness of processes, performances and risk management.

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INTRODUCTION

This Policy provides a framework for the conduct of QCRM compliance and review work in Carmen Copper and has been approved by the Senior Management. This Charter primarily aims to define and establish:

- a) The role of the Quality Control and Risk Management of Carmen Copper (the "QCRM Group").
- b) The objectives and scope of the functions of the QCRM Group.
- c) The extent of authority and accountability of the QCRM Group within the CCC organization.

THE QCRM FUNCTION

1.0 ROLE

The role of the QCRM Group is to assist the management of Carmen Copper by providing Quality Control review on operations and performances, by assessing the effectiveness of workflow processes, policies and procedures, performances and risk management monitoring and validation. The function aims to add value, improve operational efficiency, economy and effectiveness of processes, performances and risk management.

2.0 OBJECTIVE

The primary objective of the QCRM Group is to examine, evaluate, and report on whether Carmen Copper employees have complied on workflow processes, controls, standards, policies and procedures; and monitoring and validation of risk management mitigating activities.

The QCRM Group aims to support the management of Carmen Copper regarding necessary improvements of/ in operational and management processes and controls, and risk management systems.

3.0 SCOPE

In order to fulfill its roles and objectives, the QCRM Group's scope of work within Carmen Copper shall include the following:

3.1 Operational Workflow Quality Control:

- 3.1.1 Check Quality Control with workflow processes, including assigned duties and responsibilities, standard operating procedures, policies and procedures, performance output and compliances;
- 3.1.2 Issue non-compliances to the concerned departments or person in-charges; and
- 3.1.3 Liaise with the Investigation Board, if findings warrant possible violation of Uniform Code of Conduct (UCC).



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3.2 Technical Compliance:

- 3.2.1 Check the product specifications and compliances if they are working as agreed upon;
- 3.2.2 Conduct the technical risk assessments for equipment needing further study; and
- 3.2.3 Liaise with technical suppliers / consultants' testing to improve equipment effectiveness and efficiency.

3.3 Management and Operational Support Compliance:

- 3.3.1 Check compliance with management and Operational Support policies and procedures (Human Resource & Admin, Finance, Supply Chain, and the like);
- 3.3.2 Conduct contract review and compliances, including contractors, consultants and other professional services; and
- 3.3.3 Liaise with the Investigation Board, if findings warrant possible violation of UCC.

3.4 Policies and Procedures Documentation and Monitoring:

- 3.4.1 Document all policies and procedures;
- 3.4.2 Monitor policies and procedures' applicability; and
- 3.4.3 Work together with the quality / operational control and compliance for possible revision of policies and procedures.

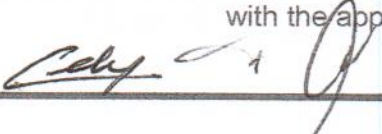
3.5 Risk Management Monitoring and Validation:

- 3.5.1 Liaise with the Risk Management Officers of different departments for continuous update of Risk Assessments;
- 3.5.2 Monitor the residual risk and management responses impact to the Project;
- 3.5.4 Check the existing mitigating controls' adequacy and effectiveness;
- 3.5.5 Validate the performance of proposed mitigating controls; and
- 3.5.6 Work with the quality / operational compliance for possible new risks to be documented.

4.0 AUTHORITY

The QCRM Group engaged to undertake special review shall be authorized to:

- 4.1 Have full and unrestricted access to all records, documents, and information that are required for the effective and complete conduct of compliance review in accordance with the approved QRMC plan;



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- 4.2 Determine the scope of compliance review and the methodologies that must be adopted to accomplish review objectives; and
- 4.3 Obtain the necessary assistance of personnel in the Departments subject for quality control and compliance review.

5.0. DUTIES AND RESPONSIBILITIES

The QCRM Group shall be responsible for:

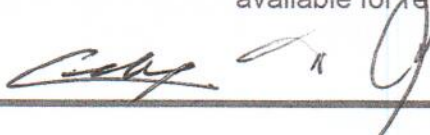
- 5.1 Formulating an annual QCRM plan;
- 5.2 Carrying out fully the scope of QCRM work as defined in this Policy;
- 5.3 Implementing the annual QCRM plan and all other compliance and review programs approved by the Senior Management;
- 5.4 Issuing reports and non-compliances on the results of its compliance work in a timely manner;
- 5.5 Liaising and collaborating in the fraud investigation and examination of suspected fraudulent activities, and reporting to the Internal Audit and Senior Management on suspected fraudulent activities;
- 5.6 Identifying required operational improvements and recommending to Senior Management the appropriate action; and
- 5.7 Ensuring that required operational improvements, risk managements are introduced and implemented.

6.0 REPORTING

- 6.1 The QCRM Group shall present regular reports to the Senior Management on the implementation of all quality control, compliance and review programs.
- 6.2 The QCRM plan to be formulated and implemented by the group shall contain the procedure for reporting compliance and review findings that require department action.

7.0 LIAISON WITH INTERNAL AUDITOR

- 7.1 Compliance and review activities will be coordinated to ensure adequate review coverage and to minimize duplication of effort.
- 7.2 Meeting between QRMC and internal auditor shall be held to discuss matters of mutual interest.
- 7.3 Access to QRMC work programs, working papers and reports shall be made available for review by the Internal Auditors.



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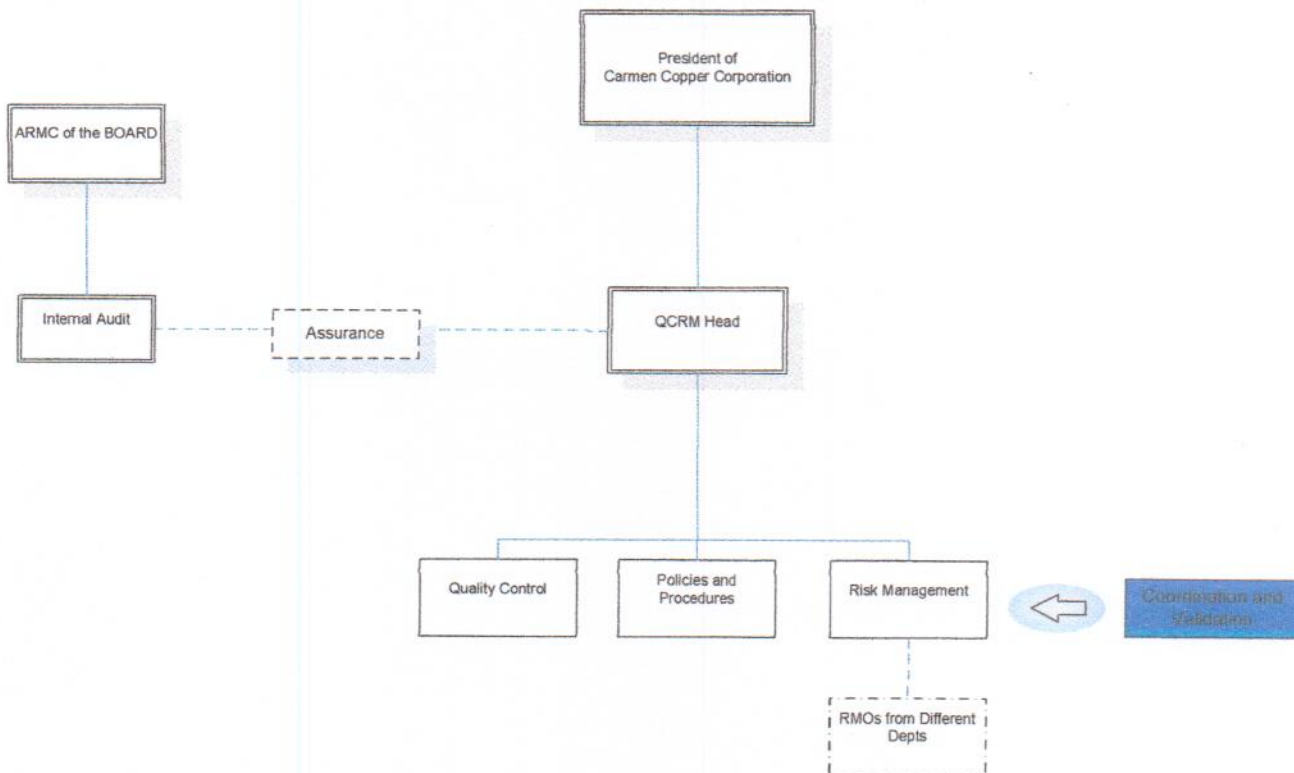
8.0 METHODOLOGY

The QCRM Group will apply the most appropriate compliance and review methodology in the conduct of its work.

9.0 REVIEW OF CHARTER

This charter will be reviewed whenever necessary to ensure an appropriate level of cost-effective and value-driven compliance and review service to Carmen Copper.

10.0 THE QCRM GROUP ORGANIZATIONAL STRUCTURE



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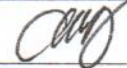
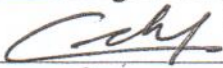

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REVISION LOG

Revision No.	Revision Date	Revised Section	Reason for Revision	Prepared/ Revised by
Original				

APPROVAL

Name	Position	Signature	Date
Catherine C. Fontanoza	Legal Affairs / Compliance Division Head (OIC-Human Resource & Adm. Division)		11/19/2015
Rodrigo C. Cal	VP & Resident Manager		11/23/15
Tristan B. Choa	EVP - General Support Services		11/24/15
Enrico C. Nera	President		NOV 25 2015