

BMC FUND, INC.

AUDIT COMMITTEE CHARTER

I. Committee Purpose

The purpose of the Audit Committee is to assist the Board of Directors of BMC Fund, Inc. (the “Company”) in its duty to oversee the Company’s accounting, financial reporting and internal control functions and the audit of the Company’s financial statements. The Committee will accomplish this purpose by performing the responsibilities enumerated in this Charter, which include among others direct responsibility for hiring, firing, overseeing the work of and determining the compensation for the Company’s independent registered public accounting firm (“audit firm”) (subject to the requirement of the Investment Company Act of 1940 that a majority of the Company’s directors who are not interested persons of the Company ratify the selection of the independent auditors). The audit firm will report directly to the Committee.

The Board recognizes that while the Committee is given certain duties and responsibilities pursuant to this Charter, the Committee is not responsible for guaranteeing the accuracy of the Company’s financial statements, the quality of the Company’s accounting and financial reporting processes, or the quality of the Company’s internal control procedures. The primary function of the Committee is oversight. It is management’s responsibility to maintain appropriate systems for accounting and internal control over financial reporting, and the audit firm’s responsibility to plan and carry out a proper audit. In performing their duties under this Charter, members of the Committee shall be entitled to rely in good faith upon the records of the Company and upon such information, opinions, reports and statements presented to the Committee by the officers and employees of the Company, and by the Company’s audit firm.

The Committee’s responsibilities under this Charter do not relieve the Company’s management of its responsibilities for preparing the Company’s financial statements so that they comply with generally accepted accounting principles (“GAAP”) and fairly present the Company’s financial condition, results of operations and cash flows; issuing financial reports that comply with the requirements of the Securities and Exchange Commission (the “SEC”); and establishing and maintaining adequate internal control structures and procedures for financial reporting.

II. Committee Membership and Procedure

The Committee will consist of three or more directors, each of whom must:

A. Be an independent director as defined in Section 10A(m) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules of the SEC under the Exchange Act, which means that no member of the Committee may:

- i. Accept directly or indirectly any consulting, advisory or other

compensatory fee from the Company or any subsidiary of the Company, other than in his or her capacity as a director; or

ii. Be an interested person as defined in Section 2(a)(19) of the Investment Company Act of 1940.

B. Be able to read and understand fundamental financial statements.

The Board of Directors recognizes that it is desirable for at least one member of the Committee to be an “audit committee financial expert” as such term is defined in Item 3 of Form N-CSR. The inability of the Board and the Committee to satisfy this objective, however, will not affect the validity of any actions taken by the Committee.

The Board will appoint the members of the Committee annually. The members will serve until their successors are appointed or until their earlier death, resignation or removal. The Board will designate the Chairman of the Committee or, if it fails to do so, the members of the Committee will elect a Chairman by majority vote. The Board will have the power at any time to change the size and membership of the Committee and to fill vacancies on the Committee, provided that any new member satisfy the requirements of this Charter and any other applicable requirements. The rules and procedures of the Committee will be governed by the North Carolina Business Corporation Act and the Company’s bylaws and, to the extent not inconsistent with such Act and the bylaws, this Charter.

The Committee will meet at least semi-annually to discharge its responsibilities as set forth in Section III of this Charter. At a minimum, the Committee will meet (i) after the end of the first six months of the fiscal year and prior to the filing with the SEC of the Company’s semi-annual report to review with management and, if appropriate, with the audit firm the financial statements for such six-month period and to address other matters as necessary to discharge its responsibilities as set forth in Section III of this Charter, and (ii) following the end of the fiscal year and in connection with the completion of the fiscal year audit to review with management and the audit firm the financial statements for the full fiscal year and to address other matters as necessary to discharge its responsibilities as set forth in Section III of this Charter. Upon the call of the Chairman of the Committee or the Chairman of the Board, the Committee will meet at such other times and for such other purposes as are necessary to carry out the Committee’s responsibilities. At such times as the Committee determines, the Committee will meet separately with management and the Company’s audit firm in discharge of the Committee’s obligations under Section III of this Charter.

The Committee will record and maintain minutes of its meetings. The Chairman of the Committee or a Committee member designated by the Chairman will make a report to the Board of the Committee’s meetings, actions taken at meetings or by consent, and recommendations made since the most recent Board meeting, unless the Committee has previously circulated an interim report addressing the matter or matters.

III. Committee Authority and Responsibilities

The authority and responsibilities of the Committee are as follows:

Annual Responsibilities

A. Review and reassess annually the adequacy of this Charter and recommend any changes to the Board. The Chairman of the Committee will confirm to the Board and management annually that the Committee has reviewed and reassessed the adequacy of this Charter.

B. Be solely and directly responsible for the appointment, compensation, retention and oversight of the work of the audit firm engaged to prepare or issue an audit report or perform other audit, review or attest services, including resolution of disagreements between the audit firm and management regarding financial reporting. The authority of the Committee under this paragraph is subject to the requirements of the Investment Company Act of 1940 and the rules of the SEC under the Act that the selection of the audit firm be ratified by the shareholders of the Company (to the extent such requirement is applicable to the Company) and ratified or selected by a majority of the Company's directors who are not interested persons of the Company.

C. Prior to engaging the audit firm to perform an audit of the Company's financial statements, (i) obtain from the audit firm a formal written statement delineating all relationships between their firm and the Company, consistent with Independence Standards Board Standard No. 1 or such other standard as may be promulgated by the Public Company Accounting Oversight Board; (ii) actively engage in a dialogue with the audit firm with respect to any disclosed relationships or services that may impact the objectivity and independence of the audit firm; and (iii) take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the audit firm.

D. Review with the audit firm their proposed audit scope and approach, including staffing, locations and coordination of independent audit work with the work of the Company's accounting (and, if applicable, internal audit) personnel.

E. Approve, in advance, the engagement letter for the annual audit to be conducted by the audit firm, including the compensation to be paid for such services.

F. Following completion of the annual audit and at such other times as the Committee deems appropriate, review separately with the audit firm and management any significant difficulties encountered during the course of the audit.

G. Establish a policy for the Committee's pre-approval of audit and non-audit services to be provided by the audit firm and annually review the continuing adequacy of the pre-approval policy.

H. At least annually, review the Company's financial reporting processes and internal controls, based on consultation with management and the audit firm. Such

review shall include a consideration of major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the company's internal controls and any special audit steps adopted in light of identified deficiencies.

I. Prepare the Committee's report that the SEC rules require to be included in the Company's annual proxy statement.

Periodic Responsibilities

J. Approve, in advance, all audit services not provided for in the engagement letter for the annual audit, and all permissible non-audit services to be provided by the audit firm (including the compensation to be paid for such services);

K. Review the Company's hiring policies for, and approve the hiring of, any employees or former employees of the audit firm.

L. Approve all transactions between the Company and a related party and any other conflict of interest situations.

M. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review the continuing adequacy of such procedures.

N. Engage and determine the compensation of any professional advisers as the Committee determines are appropriate to carry out its responsibilities under this Charter.

O. Cause the Company to pay the ordinary administrative expenses of the Committee as are necessary or appropriate in carrying out the Committee's duties.

P. Perform any other activities consistent with this Charter, the Company's bylaws and governing law as the Committee or the Board deems necessary or appropriate.

Q. Perform the responsibilities of a Qualified Legal Compliance Committee as set forth in 17 C.F.R. Part 205 of the SEC's regulations ("Part 205") and Section IV of this Charter.

IV. Part 205 Matters

A. *QLCC.* The Audit Committee is authorized to serve as a Qualified Legal Compliance Committee ("QLCC") for the purpose of Part 205 and to receive reports from outside counsel and in-house counsel of evidence of material violations of securities laws and breaches of fiduciary duty and similar violations by officers, directors,

employees and agents of the Company (“Material Violations”), to instruct or retain counsel to conduct an investigation, and to direct and oversee such investigation, concerning whether such reports have merit, and, if so, to recommend to the Company’s Board of Directors an appropriate response to such Material Violations. Part 205 will govern the rights and responsibilities of the Committee and its members in the event of a conflict between this Charter and Part 205.

B. *Meetings.* The Committee will meet as soon as practicable following the report of evidence of a Material Violation and as necessary thereafter in connection with such report.

C. *Authority and Responsibilities.* The Committee will have the authority and responsibility to:

- i. Adopt written procedures for the confidential receipt, retention, and consideration of any report of evidence of a Material Violation;
- ii. Receive reports of evidence of a Material Violation from outside or in-house counsel;
- iii. Notify the Company’s Chief Executive Officer (“CEO”) and the Company’s chief legal officer (“CLO”) upon receipt of any such report of evidence of a Material Violation. The CEO will be deemed to be the CLO for the purpose of this notification, unless the Company has employed a general counsel to serve in the capacity of CLO;
- iv. Decide whether an investigation is necessary to determine whether the Material Violation described in the report has occurred, is occurring or is about to occur;
- v. If the Committee determines an investigation is necessary regarding a report of evidence of a Material Violation, to engage or appoint counsel (which may be outside counsel or, at the Committee’s election, the Company’s general counsel if the Company has employed one) to undertake an investigation of such report;
- vi. Retain such expert personnel as the Committee deems necessary;
- vii. At the conclusion of any such investigation, to recommend by majority vote that the Company implement an “appropriate response” (as such term is defined in Part 205) to such Material Violation; and inform the CEO, the CLO (if applicable) and the Board of Directors of the results of any such investigation and the appropriate remedial measures to be adopted; and
- viii. Acting by majority vote, take all other appropriate action, including the authority to notify the SEC in the event that the Company fails in any material respect to implement an appropriate response that the Committee has recommended that the Company take.

V. Additional Resources

The Committee will have the right to use reasonable amounts of time of the Company's accounting personnel and audit firm, other internal staff and legal counsel and also will have the right to hire independent accounting experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. The Committee will keep the Company's CEO advised as to the general range of anticipated expenses for outside consultants.

Amended and Restated: July 26, 2003

Revised: February 24, 2007

Revised: June 3, 2016