

BENGUET CORPORATION
MINUTES
OF THE ANNUAL STOCKHOLDERS' MEETING
28 MAY 2015

The annual stockholders' meeting of Benguet Corporation (the "Company") was held at the Big Function Room, Manila Golf & Country Club, Harvard Road, Forbes Park, Makati City, on Thursday, 28 May 2015.

I. Call to Order

Mr. Benjamin Philip Romualdez, Vice Chairman of the Board, presided over the meeting. The meeting was called to order at 3:05 in the afternoon. Atty. Hermogene H. Real, the Corporate Secretary, recorded the minutes of the meeting.

II. Proof of Notice of the Meeting

Upon query of the Chairman if notice of the meeting had been sent to the stockholders of the Company, the Corporate Secretary certified that written notices of the meeting, together with the Proxy Statement, were sent either by mail or through messenger services at the respective addresses indicated in the books of the Company to each stockholder of record as of April 17, 2015, at least thirty (30) days before the annual meeting date in compliance with the Company's Amended By-Laws. The same notices were also published in Standard Today and People's Journal, both newspapers of general circulation, on May 23, 2015. [The Sworn Affidavit of Service/Mailing of the Notice to resident and non-resident stockholders, and a complete set of the notice and proxy materials are attached to the original of the Minutes of this meeting.¹]

III. Determination of Quorum

The Chairman requested the Corporate Secretary to confirm the presence of a quorum at the meeting. The Corporate Secretary certified that a quorum existed for the transaction of business, there being present in person or represented by proxy a total of 148,880,394 shares or 76.06% of the Company's outstanding capital stock of 164,395,364 shares. [Appended to the original of the Minutes is the report dated May 28, 2015 of SGV & Co., the Company's external auditors, showing the results of tabulation of the number of shares

¹Annex "A" - Affidavit, Notice and proxy Materials

present at the meeting.²]

There being a quorum present, the Chairman declared that the meeting was ready to proceed with the transaction of business. He then introduced to the stockholders each member of the Board of Directors present.

IV. Approval of the Minutes of the Last Regular Annual Stockholders' Meeting

The Chairman requested the Corporate Secretary to read the Minutes of the Annual Stockholders' Meeting held on May 28, 2014.³ Considering that copies of the Minutes of said meeting had earlier been furnished to the stockholders, upon motion duly made and seconded, the reading of said Minutes of the last Annual Stockholders' Meeting was dispensed with, and the stockholders unanimously adopted the following resolution:

“**RESOLVED**, as it is hereby resolved, that the Minutes of the Stockholders' Meeting held on May 28, 2014 be, as they are hereby, approved as presented.”

V. Presentation of Management's Report

The Chairman announced that the next order of business was the review of the Company's operations for the years 2014 - 2015 with some interim updates on BC's operations. He stated that copies of the Annual Report as well as SEC 17-A with the 2015 Audited Financial Statements were distributed in advance to the stockholders together with the Proxy Statement prior to the meeting, thus any questions on the report will be entertained after the presentation.

The President and CEO presented the highlights of the Company's performance on its operations for the calendar year 2014 and projections of the Company for 2015, as follows:

2014 was a year dedicated to strengthening the company's core competence in fostering inclusive economic development while harnessing the earth.

²Annex "B" - Quorum Tabulation

³Annex "C" – Minutes of the Annual Stockholders Meeting held on May 28, 2014

- Consolidated revenues for the year reached Php 3.017 billion, a record for your company.
 - This represents an upswing of around Php 704 million, or 30%, against 2013's Php 2.313 billion
- In the last five years, nickel has evolved to be the revenue driver for your company
- We focused our efforts on improving production capability and operational efficiency in our mining operations
- We continue to adhere to the principles of Corporate Governance on transparency and implementing world-class standards in our operations
- As a result, Net Income reached Php 97.1 million, representing a 1,161% improvement versus last year, again achieved at the back of better margins in the nickel business
- Total Equity closed at Php 3.515 billion in 2014, up Php 126.4 million or 4% from the 2013 balance of Php 3.389 billion
- Your company promptly retired its bank loans resulting in the Consolidated Assets settling lower at Php 7.121 billion versus Php 7.185 billion in 2013
- Revenues from our mining operations ended at Php 2.868 billion, up 38% from 2013's revenues of Php 2,074 billion
- The non-mining businesses contributed Php 814.6 million in revenues, dipping 9.8% versus Php 903 million in 2013
- Consistent with our thrust to strengthen our core, we pursued investments that benefitted the company's future
 - We spent a total of Php 103.7 million in the implementation of projects that protect the environment and mitigate any possible adverse effects from our mining operations
 - These projects followed the mandate of our Annual EPEP on land, water, and air quality standards
 - We were able to fulfill the more critical initiatives:
 1. in Acupan, the embankment raising and build up of the Tailings Storage Facility (TSF)
 2. in Sta. Cruz, Zambales: the construction and upgrading of our settling ponds: **30 ponds**
 3. farmlots restoration, desilting and planting: provided assistance to farmers worth **Php 2.8 million**
 4. river embankment stabilization and dredging: **4.5km stretch**
 5. coastal clean-up
 6. construction of **8 washbays** with silt boxes and CCTV

- Moving forward, Your Company hopes to enhance the margins derived from more efficient mining operations to safeguard against volatility of nickel prices
- Already, it has started implementing the planned production expansion in the gold business
- We will continue to engage in creative strategic partnerships to develop the other properties of the company to add to the pipeline and strengthen its mining portfolio
- Reinforce partnerships with our stakeholders in the communities, industry and government

The encouraging accomplishments of 2014 were made possible by the exceptional efforts of the management team. He expressed deep appreciation to the shareholders for their continued belief in the Company. He likewise thanked the Board of Directors, officers, managers, and rank and file workers for their dedicated performance.

After a brief review of the highlights of the Company's operations for the years 2014-2015, as well as the Company's projections in 2015, the Chairman then declared the table open for questions concerning the Management's Statement, the Annual Report for the year 2014, the first quarter report for the year 2015, and the 2014 Audited Financial Statements.

There being no further comments or questions, upon motion duly made and seconded, said reports were noted and approved by the stockholders through the following resolution:

“**RESOLVED**, as it is hereby resolved, that the Annual Report containing the Management Report in SEC Form 17-A, together with the consolidated financial statements for the calendar year ended 2014 be, as they are hereby, approved as presented.”

VI. Approval, confirmation and ratification of all Acts, Contracts, Resolutions, Investments and Proceedings made and entered into by Management and/or the Board of Directors during the period from May 28, 2014 to May 28, 2015

The Chairman took up the next item in the Agenda which was the approval, confirmation and ratification of all acts, contracts, resolutions, investments and proceedings of the Board of Directors and its Corporate Officers for the period from May 28, 2014 to May 28, 2015.

On motion duly made and seconded, there being no objections, the stockholders unanimously adopted the following resolution:

“**RESOLVED**, as it is hereby resolved that all acts, resolutions, contracts, investments and proceedings made by Management and/or the Board of Directors for the period from May 28, 2014 to May 28, 2015, be

as they are hereby confirmed, ratified and approved .”

VII. Approval of the amendment of Article Six of the amended Articles of Incorporation and Article III, Section 1 of the amended By-Laws of the Company to increase the number of members of the Board of Directors from 10 directors to 11 directors

The Chairman reported to the stockholders that during the regular meeting of the Board of Directors of the Company held on March 27, 2015, the Board approved the amendment of Article Six of the amended Articles of Incorporation of the Company to increase the number of members of the Board of Directors from 10 to 11 in order to align the Company to the prescribed Good Governance Standards that require odd number of directors.

He stated that the Company would like to get stockholders’ approval on the proposed amendment. He then asked a motion to approve the amendment to Article Six of the amended Articles of Incorporation and Article III, Section 1 of the amended By-Laws of the Company on the increase in the number of members of the Board of Directors from 10 to 11.

There being no further comments, questions or objection, upon motion duly made and seconded, the following resolution was approved:

“RESOLVED, THAT the number of directors of the corporation shall be changed from ten (10) to eleven (11) with the same qualifications as that provided for under Article Sixth of the amended Articles of Incorporation and Article III, Section 1 of the amended By-Laws to comply with prescribed Good Governance practices.”

VIII. Approval of the change in the Par Value of both Common Class A and Class B shares from P3.00 to P1.00 per share and the corresponding amendment of Article Seventh of the amended Articles of Incorporation and Article I, Section 1 of the amended By-Laws of the Company

The Chairman informed the stockholders that during the regular meeting of the Board of Directors held on March 27, 2015, the Board approved the change in the Par Value of both Common Class A and Class B shares from Php3.00 to Php1.00 per share, thereby increasing the tradeable and current outstanding stocks of the Company. He further explained that the resulting added liquidity of shares will induce higher volume of trading to reflect the real underlying values.

He stated that the Company would like to get stockholders' approval on the proposed amendment. He then asked if there are questions, comments or objection. There being none, he asked for a motion to approve the amendments to the amended Articles of Incorporation and amended By-Laws on the change in the Par Value of both Common Class A and Class B shares from Php3.00 to Php1.00 per share as discussed.

A stockholder stood up and made a motion to approve, which was duly seconded by another stockholder. Hence, the following resolution was approved:

“RESOLVED, THAT Article Seventh of the amended Articles of Incorporation and Article I, Section 1, of the amended By-Laws are hereby amended changing the par value of Common Class “A” and Common Class “B” Shares from P3.00 to P1.00 each, thereby resulting in the total number of 360,000,000 Common Class “A” shares, and 240,000,000 Common Class “B” Shares.”

IX. Approval of the creation of a new class of shares to be called “Redeemable Non-Retirable Common Class B Shares” with Par Value of P1.00 per share and the corresponding amendments of Article Seventh of the amended Articles of Incorporation and Article I, Section 1 of the amended By-Laws of the Company

The Chairman informed the stockholders that during the regular meeting of the Board of Directors held on March 27, 2015, the Board approved the creation of a new class of shares to be called “Redeemable Non-Retirable Common Class B Shares with Par Value of P1.00 per share. The inactive and dormant Common Class B shares that have been declared as such by the Board of Directors can be converted to Redeemable Non-Retirable Common Class B Shares, which are then redeemable at will by the Company and upon redemption, these shares are not retired and may be re-issued subsequently. He further explained the rationale, which is the presence of significant number of inactive Common Class B shares that affects the ability of the Company to take certain corporate actions requiring specific percentage of votes from stockholders as well as affecting the trading liquidity of shares.

He stated that the Company would like to get stockholders' approval on the proposed amendment. He then asked if there are questions, comments or objection. There being none, he asked for a motion to approve the amendments as discussed.

A stockholder stood up and made a motion to approve, which was duly seconded by another stockholder. Hence, the following resolutions were approved:

“WHEREAS, the inactive Common Class “B” shares declared as such by the Board of Directors, must be reacquired

and re-issued by the Corporation in order to revitalize and improve its financial structure as well as to enhance and facilitate decision making;

WHEREAS, the presence of a significant number of inactive Common Class B shares hamper financial growth and hinder the decision making abilities of the Corporation;

NOW, THEREFORE, BE IT RESOLVED, THAT the amended Articles of Incorporation of the Corporation, specifically Article Seventh thereof, is hereby amended, to include a new class and/or series of shares, to be known as Redeemable Non-Retirable Common Class "B" shares, which shall be redeemable at will by the Corporation; and upon redemption, shall revert to the Treasury to be reissued subsequently as Common Class "B" shares, without violating the citizenship requirement under the laws;

RESOLVED, THAT the inactive Common Class "B" Shares, declared as such by the Board of Directors, in accordance with its duly promulgated procedure and criteria, shall be reclassified as Redeemable Non-Retirable Common Class "B" shares;

RESOLVED FURTHER, THAT the rights and privileges of the Redeemable Non-Retirable Common Class "B" shares, as well as the manner by which the redemption shall be undertaken by the Corporation, shall form part of the amendments to Article Seventh of the Articles of Incorporation.

RESOLVED FINALLY, THAT the Board of Directors shall have the continuing authority to determine the existence of inactive Common Class "B" shares and reclassify the same to Redeemable Non-Retirable Common Class "B" shares."

- X. **Approval of the amended requirement that only the affirmative vote of two thirds (2/3) of the total outstanding stocks of the Company, regardless of class, is needed to approve the following corporate acts: (i) amendment of Articles of Incorporation; (ii) delegation of power to the Board of Directors to amend, repeal or adopt new By-Laws; (iii) increase or decrease in authorized capital stocks; and (iv) any sale, exchange, lease, mortgage or other disposition of all or substantially all of the assets of the corporation**

The Chairman informed the stockholders that during the regular board meeting of the Company's Board of Directors held on March 27, 2015, the Board approved the amendments of Article Seventh (B) of the amended Article of Incorporation and Article VI, Section 1 of the amended By-Laws, to require that only the affirmative vote of two thirds (2/3) of the total outstanding stocks of the Company, regardless of class, is needed to approve the following corporate acts: (i) amendment of Articles of Incorporation; (ii) delegation of power to the Board of

Directors to amend, repeal or adopt new By-Laws; (iii) increase or decrease in authorized capital stocks; and (iv) any sale, exchange, lease, mortgage or other disposition of all or substantially all of the assets of the corporation.

The amendment will remove the restrictive provision that in order for the foregoing corporate acts to be approved, two third (2/3) vote of the total outstanding shares of Common Class A and Convertible Preferred Class A and two third (2/3) vote of the total outstanding shares of Common Class B, voting as separate classes, are required. The sizeable number of non-responsive shares may prevent necessary corporate actions from being approved and implemented due to inability to reach the thresholds.

He stated that the Company would like to get stockholders' approval on the proposed amendment. He then asked if there are questions, comments or objection. There being none, he asked for a motion to approve the amendments as discussed.

A stockholder stood up and made a motion to approve, which was duly seconded by another stockholder. Hence, the following resolutions were approved:

“RESOLVED, THAT the voting requirement under Article Seventh (B) of the Articles of Incorporation and Article VI, Section 1 of the By-Laws, insofar as the approval of four (4) corporate acts mentioned therein are concerned, enumerated as follows:

- 1. Amendment of Article of Incorporation;*
- 2. Delegation of power to the Board of Directors to amend, repeal or adopt new By-laws;*
- 3. Increase or decrease in authorized capital stock; and*
- 4. Any sale, exchange, lease, mortgage or other disposition of all or substantially all of the assets of the corporation;*

shall be amended such that only an affirmative vote of the holders of two-thirds of the total outstanding shares, without distinction as to class, voting jointly, shall be required to approve any one of these corporate acts.”

XI. Deletion of the Amendment made on 28 December 1973 which Reclassified Outstanding Common Shares (Class A and B) to Common Class B shares

The Chairman informed the stockholders that during the regular board meeting of the Company's Board of Directors held on March 27, 2015, the Board approved the amendment of Article Seventh (A)(2) of the amended Articles of Incorporation of the Company on the deletion of the amendment made on 28 December 1973 which reclassified outstanding Common Shares (Class A and B) to Common Class B shares.

The Company would like to get stockholders' approval on the proposed amendment. He then asked if there are questions, comments or objection. There being none, he asked for a motion to approve the amendments as discussed on the deletion of the amendment provision made on 28 December 1973 which reclassified outstanding Common Shares (Class A and B) to Common Class B shares due to the non-implementation of the provision.

On motion made by a stockholder, which was duly seconded by another stockholder, the following resolutions were approved:

***“WHEREAS,** the Articles of Incorporation was amended on 28 December 1973 as approved by the Securities and Exchange Commission (SEC), resulting in the inclusion in Article Seventh of a provision which reclassified and converted the then outstanding Common Shares, both Class “A” and “B”, to Common Class “B” Shares;*

***WHEREAS,** the amendment have the effect of cancelling the stock certificates of all converted Common Shares (Class “A” and “B”) and new certificates of stock for Common Class “B” Shares will be issued upon surrender of the cancelled certificates within one (1) year from the effectivity of the amendment;*

***WHEREAS,** per the records of the Corporation, there are no holders of the Common Shares (Class “A” and “B”) that have surrendered their old certificates for replacement, nor have the Corporation taken any steps to implement this amendment to date;*

***NOW, THEREFORE, BE IT RESOLVED THAT,** the amendment to the Articles of Incorporation on 28 December 1973 which reclassified to Common Class “B” Shares the then outstanding Common Shares (Class “A” and “B”) be deleted from Article Seventh, due to its non-implementation.”*

XII. Deletion of the Provision on the Authority Given to One of the Vice Presidents to be In-Charge of All Mining Operations, and have General Control and Supervision Over All Exploration and Development Activities of the Company

During the regular board meeting of the Company's Board of Directors held on March 27, 2015, the Board approved the amendment of Article IV, Section 3 of the amended By-Laws of the Company deleting the provision on the

authority given to one of the Vice Presidents to be in-charge of all mining operations, and have general control and supervision over all exploration and development activities of the Company.

The amendment aims to put all crucial decisions relative to mining operation, exploration and development activities within the oversight function of the Board of Directors.

The Chairman stated that the Company would like to get stockholders' approval on the proposed amendment. He then asked if there are questions, comments or objection. There being none, he asked for a motion to approve the amendments as discussed.

On motion made by a stockholder, which was duly seconded by another stockholder, the following resolutions were approved:

“RESOLVED, THAT Article IV, Section 3 of the amended By-Laws of the Corporation is hereby amended such that the authority given to one of the Vice-Presidents to be in charge of all mining operations, and have general control and supervision over all exploration and development activities of the Corporation, is hereby deleted.

RESOLVED, FURTHER, THAT AUTHORITIES for crucial decisions relative to, and essential to, the mining operations, exploration and development activities of the Corporation, excluding day-to-day operations shall, by the Board of Directors, be decided upon and/or delegated as the Board may approve, including entering into specific approvals of management recommendations and proposals, delegation of authorities, management contracts, joint ventures, and other similar strategic agreements.”

XIII. ELECTION OF DIRECTORS

The Chairman proceeded to the next item in the Agenda which is the election of the Board of Directors of the Company for the years 2015-2016. He informed the stockholders that there are no other nominees for independent directors submitted to the Corporate Secretary and, as indicated in the Company's Proxy Statement, no further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting since the period for nominations of independent directors has lapsed which is not later than forty five (45) days prior to the stockholders' meeting. As disclosed in the Proxy Statement, the election of directors is still enjoined under the Temporary Restraining Order (TRO) issued by the Supreme Court.

At this point, the Corporate Secretary referred the stockholders to the Notice of Annual Meeting of Stockholders and Information Statement, particularly

on page 5 thereof labelled as Status of the TRO, where it was stated that “as of the date of this statement, the election of directors is still enjoined under the Temporary Restraining Order (TRO) issued by the Philippine Supreme Court. Unless such TRO is set aside to allow an election, no election can be held.”

She then informed the body that as of the date and time of this meeting, no order lifting the TRO has been received by the Company. Hence, no election of directors could be held.

The Chairman declared and announced that the incumbent members of the Board of Directors of the Company shall continue to hold office on a hold-over capacity until such time that their successors shall have been duly elected and qualified, as follows:

- (1) To represent Common Class "B" Stock:
Benjamin Philip G. Romualdez
Andres G. Gatmaitan
Isidro C. Alcantara, Jr.
Bernardo M. Villegas, as independent director
- (2) To represent the Convertible Preferred Class "A" and Common Class "A" Stocks:
Daniel Andrew G. Romualdez
Maria Remedios R. Pompidou
Alberto C. Agra, as independent director
Macario U. Te
Luis Juan L. Virata
Cesar C. Zalamea

XIV. Other Business

A. Conversion Premium for Convertible Preferred "A" shares

The Chairman informed the shareholders that for the year 2014, the conversion premium for converting Convertible Preferred "A" shares into Common Class "A" shares is P30.27 per share.

XV. Adjournment

The Chairman inquired from the stockholders if there are other matters that they would like to take up.

There being no other question and no other business to transact, upon motion duly made and seconded, the meeting was adjourned at 3:45 p.m.

Prior to the adjournment, the Chairman informed the body that since the TRO has not been lifted as of the date of this meeting, the 2015 annual stockholders' meeting will be adjourned for up to ninety (90) days or until August 30, 2015 to allow the election of directors in the event that the TRO is lifted anytime during the said 90-day period; and that the proxies for the May 28, 2015 Annual Stockholders' Meeting will still be valid for ninety (90) days from the date of the said meeting.

HERMOGENE H. REAL
Corporate Secretary

ATTEST:

BENJAMIN PHILIP G. ROMUALDEZ
Vice Chairman