

BENGUET CORPORATION
MINUTES
OF THE ANNUAL STOCKHOLDERS' MEETING
07 November 2019

The annual stockholders' meeting of Benguet Corporation (the "Company") was held at the 4th Floor, JV Del Rosario, Rooms 2-5, JV Del Rosario Building, AIM Conference Center Manila, Benavidez cor. Trasierra Sts., Legaspi Village, 1229 Makati City on Thursday, 07 November 2019.

I. Call to Order

The meeting was called to order at 3:10 in the afternoon. The Officer-in-Charge and SVP for Legal, Atty. Reynaldo P. Mendoza, acted as Chairman for the stockholders' meeting and presided over the proceedings. Atty. Hermogene H. Real, the Corporate Secretary, recorded the minutes of the meeting.

Atty. Mendoza introduced the directors present during the meeting, as follows: Dr. Bernardo M. Villegas, Atty. Rhodora L. Dapula, Atty. Jennelyn F. Go, Atty. Jesse Hermogenes T. Andres, Atty. Edgar Dennis Padernal, former Comm'r Romeo L. Go, Mr. Reginald S. Velasco and Mr. Luis Juan L. Virata.

II. Proof of Notice of the Meeting

Upon query of the Acting Chairman if notice of the meeting had been sent to all stockholders of the Company, the Corporate Secretary certified that written notice of the meeting, together with the Proxy/Information Statement, were sent either by mail or through messengerial services at the respective addresses indicated in the books of the Company to each stockholder of record as of September 16, 2019, at least thirty (30) days before the annual meeting date in compliance with the Company's Amended By-Laws. The same notice was also published in Manila Standard Today on October 31, 2019 and in People's Journal on November 2, 2019, both newspapers of general circulation, and the corresponding Affidavits of Publication have been executed by the representatives of the said newspapers. [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 Acting 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 296,387,161 shares or 79.50% of Convertible Preferred Class A and Class A shares and a total of 126,667,859 or 51.69% of Class B shares or a combined total of 423,055,020 or 68.47% of Convertible Preferred Class A, Class A and B shares of the Company. [Appended to the

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

original of the Minutes is the report dated November 7, 2019 of SGV & Co., the Company's external auditors, showing the results of tabulation of the number of shares present at the meeting.²]

There being a quorum present, the Acting Chairman declared that the meeting was ready to proceed with the transaction of business.

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

The Acting Chairman requested the Corporate Secretary to read the Minutes of the Annual Stockholders' Meeting held on November 8, 2018.³ 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. The stockholders then unanimously adopted the following resolution:

“**RESOLVED**, as it is hereby resolved, that the Minutes of the Stockholders' Meeting held on November 8, 2018 be, as they are hereby, approved as presented.”

V. Presentation of Management's Report

The Acting Chairman announced that the next order of business was the review of the Company's operations for the years 2017 – 2018. He stated that copies of the Annual Report as well as SEC 17-A with the 2018 Audited Financial Statements together with the Definitive Information Statement were distributed in advance to the stockholders prior to the meeting, thus any questions on the report will be entertained after the presentation. Management has prepared a brief video presentation on the highlights of the operations for the calendar years 2017-2018 and interim report for 2019, with salient points as follows:

- The Company was able to capitalize on its deep portfolio of assets in 2018. This allowed the Company the opportunity to focus on implementing structural changes in its core business – mining. Aside from extracting efficiencies in the value chain of the gold operations, improved metal prices enabled the Acupan project to develop new areas with potential resources. The nickel business was still able to contribute from shipment of remaining stockpiles even as mining activities remain suspended.
- The Company posted strong earnings in a year that was beset with tremendous market volatility. Consolidated revenues for this year reached P1.03 billion, only P504 million or 33% lower than revenues in 2017 of P1.53 billion.
- Gross revenues from the mining businesses amounted to P939 million, down only by 32% or P441 million from last year's revenues of P1.38 billion considering that its revenue driver – the nickel business remained suspended.

²Annex "B" - Quorum Tabulation

³Annex "C" – Minutes of the Annual Stockholders Meeting held on November 8, 2018

Mining revenues were driven mainly by the Gold operations, rallying behind solid fundamentals in its value-chain despite uncertainties.

- The non-mining businesses contributed an additional P89.5 million in gross revenues down 41% than previous year's revenues of P153 million. This is the learning curve of the logistics business which started diversifying outside its nickel mining services contracts.
- Still with reduced nickel business activity, year-end Net Income was an improvement at P119 million, up by P98 million, or over five times last year's P21.5 million. Total Comprehensive Income reached P233 million, P188 million or five times higher than the prior year's P45.6 million.
- Total Equity rose to P3.93 billion, higher by 6% than Total Equity in 2017 of P3.70 billion.
- Consistent with management's strategic imperative to maximize the Company's various assets, the Total Assets as of 2018 are valued at P6.62 billion versus the P6.56 billion level in 2017.
- A total of P42.7 million was spent for the Company's Environmental Protection and Enhancement Program (AEPEP) in 2018. The Company's nickel and gold mining operations continue to be ISO 14001:2015 certified. During the year, the Company propagated 411,399 of various endemic species resulting in the rehabilitation of about 166.03 hectares in compliance to the Company's progressive rehabilitation program and Department of Environment and Natural Resources' (DENR's) National Greening Program.
- The Company implemented various Social Development and Management Programs (SDMP) which supplemented the general welfare programs of the national and local governments. It provided various community services which include programs for health, medical, peace and order, safety, livelihood, education, social services and waste management. All programs were implemented in coordination with the Local Government Units, various government agencies and organizations, and the host communities in Zambales and Benguet Provinces.
- The Company will pursue the development and improvement of the operations of its business segments – mining, logistics, health care, and real estate.
- With gold still the best earning commodity at current price above the US\$1,400/oz level and favourable foreign exchange, the Company will endeavor to improve ore grades, and production volume as well as enhance mill capacity in the Benguet Gold Operation (BGO) vis-à-vis build up in mine development activity. Management is working closely with its mining contractors and BC mining team for higher production output to complement efficiencies implemented in the mill. BGO is expected to benefit from the gold price upturn which is forecasted to last well throughout 2020.
- The effort to lift the 2016 mining suspension continues with resolute compliance and implementation by Benguetcorp Nickel Mines Inc. (BNMI)'s Environmental Protection and Enhancement Programs (EPEPs) and Social Development and Management Programs (SDMPs). Bolstering local relations and strong market are essential to sustain the Company's commitment to haul and ship the remaining stockpile in compliance with the order of the DENR. Management is hoping that prices will pick up in the latter part of the mining season to make this initiative more viable.
- The non-mining business units are on track to generate respectable, and stable revenues this year. Market expansion will be pushed to take advantage of the headway made in their respective areas last year. The healthcare business is expected to increase its footprint in Baguio City. The logistics arm, Arrow Freight Corporation, aims to increase its fleet to be able to deliver additional tonnage of aggregates within Central Luzon. Feasibility studies of new real estate projects are ongoing.
- The Company will strive to meet its strategic thrust of deriving a balanced revenue from its mining with new mining projects, and non-mining business units through new real estate projects.

Attached is the full report/presentation of the Company's operations and financial report made to the stockholders as Annex "D".⁴

After the video presentation, the Acting Chairman thanked the shareholders, dedicated employees and supportive Board of Directors. Management looks forward with renewed hope and passion of working together to build a sustainable and profitable future for the Company.

Atty. Mendoza then declared the table open for questions concerning the Management's Statement, the Annual Reports for the year 2017--2018, the first quarter report for the year 2019, and the 2018 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 years ended 2017-2018 be, as they are hereby, approved as presented."

VI. Re-appointment of Sycip Gorres Velayo and Company (SGV) as the Company's independent external auditor

The Acting Chairman took up the next item in the Agenda which is the re-appointment of the Company's external auditor, Sycip Gorres Velayo and Company. He stated that during the regular meeting of the Board of Directors held on August 15, 2019, the Board approved the re-appointment of Sycip Gorres Velayo & Company (SGV) to extend its audit services as the independent external auditor of the Company for the year 2020.

There being no objections, a stockholder moved for the re-appointment of the Company's existing external auditor, SGV & Company, which was duly seconded. Thus, the following resolution was adopted:

"**RESOLVED**, as it is hereby resolved that Sycip Gorres Velayo and Company (SGV & Co.) be re-appointed as the Company's external auditors for the year 2020 or until their successor has been duly appointed by the Stockholders."

VII. APPROVAL OF CHANGE OF THE DATE OF ANNUAL STOCKHOLDERS' MEETING AND THE CORRESPONDING AMENDMENT TO SECTION 1, ARTICLE II OF THE COMPANY'S AMENDED BY-LAWS

The Acting Chairman took up the next item in the agenda which is the change of the date of Annual Stockholders' Meeting from last Tuesday of May of

⁴Annex "D" – Report/video presentation on 2017-2018 highlights of operations

each year, or on such other day in May as may be determined by the Board of Directors, to first Wednesday of November of each year, or on such other day in November as may be determined by the Board of Directors and the corresponding amendment to Section 1, Article II of the Company's amended By-Laws.

He stated that during the regular meeting of the Board of Directors of the Company held on November 8, 2018, the Board approved the changing of the date of Annual Stockholders' Meeting from last Tuesday of May of each year, or on such other day in May as may be determined by the Board of Directors to first Wednesday of November of each year, or on such other day in November as may be determined by the Board of Directors and the corresponding amendment to Section 1, Article II of the Company's amended By-Laws.

Atty. Mendoza then sought stockholders' approval on the proposed BOD action. A stockholder then moved to approve the change of Annual Stockholders' Meeting as explained, which was duly seconded by another stockholder. Thus, the following resolution was approved by the stockholders:

"Resolved, as it is hereby resolved that the Board resolution adopted during the regular Board of Directors meeting of November 8, 2018 on the approval of the change of the date of Annual Stockholders' Meeting from last Tuesday of May of each year, or on such other day in May as may be determined by the Board of Directors to first Wednesday of November of each year, or on such other day in November as may be determined by the Board of Directors and the corresponding amendment to Section 1, Article II of the Company's amended By-Laws, be as they are hereby confirmed, ratified and approved."

VIII. CONFIRMATION AND RATIFICATION OF ALL ACTS, RESOLUTIONS, CONTRACTS, INVESTMENTS AND PROCEEDINGS MADE AND ENTERED INTO BY MANAGEMENT AND/OR THE BOARD OF DIRECTORS DURING THE PERIOD SINCE NOVEMBER 8, 2018 ANNUAL STOCKHOLDERS' MEETING TO PRESENT

The Acting Chairman took up the next item in the Agenda which is the approval, confirmation and ratification of all acts, resolutions, contracts, investments and proceedings made and entered into by Management and/or the Board of Directors during the period since November 8, 2018 annual stockholders' meeting to present. He referred the stockholders to the summary list of all acts, resolutions, contracts, investments and proceedings made and entered into by management and/or the Board of Directors during the said period found on pages 25-28 (Item 15) of Information Statement. A separate sheet was also distributed to the stockholders containing summarized additional list of acts, resolutions and contracts approved by the Board last November 5, 2019 regular meeting.

There being no objections and no questions asked, a stockholder moved to approve all acts, resolutions, contracts, investments and proceedings, which motion was seconded by another stockholder. Thus, the following resolution was

unanimously approved:

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 since November 8, 2018 annual stockholders' meeting to present, be, as they are hereby confirmed, ratified and approved."

- IX. **NOMINATION AND ELECTION OF ELEVEN (11) DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) FOR THE ENSUING YEAR – (SUBJECT TO THE LIFTING OF THE TEMPORARY RESTRAINING ORDER (TRO) ISSUED BY THE SUPREME COURT)**
- A) **FOUR (4) DIRECTORS TO REPRESENT THE COMMON CLASS "B" STOCK**
- B) **SEVEN (7) DIRECTORS TO REPRESENT THE COMMON CLASS "A" AND CONVERTIBLE PREFERRED CLASS "A" STOCK**

The Acting Chairman proceeded to the next item in the Agenda which is the election of the Board of Directors of the Company for the years 2019-2020. 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 Definitive Information 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 10 thereof labelled as *Status of the Temporary Restraining Order (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:
Jesse Hermogenes T. Andres
Jennelyn F. Go
Edgar Dennis A. Padernal
Bernardo M. Villegas, as Independent Director

- (2) To represent the Convertible Preferred Class "A" and Common Class "A" Stocks:

Maria Remedios R. Pompidou
Rhodora L. Dapula, as Independent Director
Romeo L. Go
Jose Raulito E. Paras
Reginald S. Velasco, as Independent Director
Luis Juan L. Virata

X. OTHER BUSINESS

A. Conversion Premium for Convertible Preferred "A" shares

The Acting Chairman informed the shareholders that for the year 2019, the conversion premium for converting Convertible Preferred "A" shares into Common Class "A" shares is P6.39 per share. Holders of Convertible Preferred Class A at their option may convert such shares into Common Class A stock with par value of P1.00 per share upon payment of the conversion premium. He referred the stockholders to Item 4 on page 8 of the Information Statement.

XI. ADJOURNMENT

The Acting Chairman inquired from the stockholders if there are questions or other matters that they would like to take up. There being no other question and no other business to discuss, upon motion duly made and seconded, the meeting was adjourned at 3:25 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 2019 Annual Stockholders' Meeting will be adjourned for up to ninety (90) days or until February 6, 2020 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 November 7, 2019 Annual Stockholders' Meeting will still be valid for ninety (90) days from the date of the said meeting.


HERMOGENE H. REAL
Corporate Secretary

ATTEST:


REYNALDO P. MENDOZA
Acting Chairman