


SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)

(After Integration of 2015 Consolidated Changes/Updates)

1. Report is Filed for the Year: 2015
2. Exact Name of Registrant as Specified in its Charter: BENGUET CORPORATION
3. 7<sup>TH</sup>Floor Universal Re-Building, 106 Paseo de Roxas, Makati City 1226  
Address of Principal Office Postal Code
4. SEC Identification Number: 11341 5. (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number: 000-051-037
7. (02) 812-1380 / (02) 751-9137  
Issuer's Telephone number, including area code 
8. .... Not Applicable.....  
Former name or former address, if changed from the last report

Note: - Highlighted in yellow color are the changes/updates adapted from the 2014 ACGR

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	10
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Actual number of Directors for the year	10
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(a) Composition of the Board  
Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected/appointed <sup>1</sup> (if ID, state the number of years served as ID) <sup>2</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Daniel Andrew G. Romualdez	ED	-	-	October 22, 2002	May 28, 2015	ASM	13 yrs&2 mos
Benjamin Philip G. Romualdez	ED	-	-	May 26, 1992	May 28, 2015	ASM	23 yrs&7 mos
Cezar Zalamea	NED	-	-	October 9, 2013	May 28, 2015	ASM	2yrs&2 Mos.
Luis Juan L. Virata	NED	-	-	August 8, 1995	May 28, 2015	ASM	20 yrs&4 mos
María Remedios R. Pompidou	NED	-	-	Oct. 25, 2000	May 28, 2015	ASM	15 yrs&2 mos
Macario U. Te	NED	-	-	March 27, 2015	May 28, 2015	ASM	9 mos.
Alberto C. Agra	ID	-	Herminia G. Albar – No relation	Aug. 25, 2010	May 28, 2015	ASM	5 yrs&4 mos
Andres G. Gatmaitan	NED	-	-	Feb 10, 1987	May 28, 2015	ASM	28 yrs&10 mos
Isidro C. Alcantara, Jr.	ED*	-	-	Nov. 14, 2008	May 28, 2015	ASM	7 yrs&1 mo
Benardo M. Villegas	ID	-	Max D. Arceño – No relation	June 25, 1998	May 28, 2015 and Since 2002 as ID	ASM	17 yrs&6 mos

\* Mr. Alcantara was appointed by the Board as Executive Director in the board meeting held on April 2, 2014 and was re-appointed in the organizational board meeting held on May 28, 2015.

Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

**Brief summary of corporate governance policy**

*The Board of Directors is a strong advocate of good corporate governance as evidenced by the adoption of a Manual on Corporate Governance (revised as of July 16, 2014) to institutionalize the principles of good corporate governance in the entire organization. The Board and Management commit themselves to the principles and best practices contained in the Manual and acknowledge that the same may guide the attainment of corporate goal. The Board, Management, employees and shareholders, believe that corporate governance is a necessary component of*

<sup>1</sup>No election of directors was held because the 1993 Supreme Court Temporary Restraining Order (TRO) enjoining the holding of elections of directors has not been lifted. The Company's present set of directors, will remain in office on hold-over capacity until their successors shall have been duly elected and qualified.

<sup>2</sup>Reckoned from the election immediately following May 28, 2015 Annual Stockholders' Meeting.

what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible. [Revised Manual on Corporate Governance, page 1]

**Policy on treatment of all shareholders, respect for the rights of minority stockholders and other stakeholders**

The Company recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. As such, the Board committed to respect the following rights of the stockholders: voting right, power of inspection, right to information, right to dividends and appraisal right. Although all stockholders shall be treated equally without discrimination, the Board shall give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company. [Revised Manual on Corporate Governance, page 13]

**Disclosure duties**

The Board adopted the policy to fully disclose material information dealings at all times. It shall cause the filing of all required information for the interest of its shareholders and other stakeholders. It regularly posts corporate disclosures and reports on its website for transparency and easy access and reference.

**Board responsibilities**

It is the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness and profitability in a manner consistent with its corporate objectives and fiduciary responsibility, which it shall exercise in the best interest of the Company, its shareholders and other stakeholders. [Revised Manual on Corporate Governance, page 3]

**How often does the Board review and approve the vision and mission?**

The Board of Directors reviews and approves the Company's vision and mission as often as necessary. The Board conducted a review of the Company's vision and mission in the last financial year (2013), during the annual strategy and business planning exercise for the Company.

**(b) Directorship in Other Companies**

**(i) Directorship in the Company's Group<sup>3</sup>**

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Benjamin Philip G. Romualdez	Benguet Management Corp. Benguetcorp Nickel Mines, Inc. Benguet Pantukan Gold Operation Acupan Gold Mines, Inc. Benguetcorp Laboratories, Inc. Benguetcorp International Limited (Hongkong) BenguetCorp Canada, Ltd	NED –Chairman NED- Chairman NED - Chairman NED – Vice Chairman NED – Vice Chairman NED NED
Maria Remedios R. Pompidou	Benguetcorp Laboratories, Inc.	Chairman
Andres G. Gatmaitan	Benguetcorp Nickel Mines, Inc.	NED
Bernardo M. Villegas	Benguetcorp Nickel Mines, Inc.	ID
Isidro C. Alcantara, Jr.	Balatoc Gold Resources Corp. Benguetcorp Nickel Mines, Inc. Benguet Management Corp. BenguetCorp. Laboratories, Inc.	NED NED NED NED
Alberto C. Agra	Balatoc Gold Resources Corp. Benguetcorp Nickel Mines, Inc.	ID ID

<sup>3</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Andres G. Gatmaitan	Holcim Philippines	Independent Director
Isidro C. Alcantara, Jr.	Marcventures Holdings, Inc. Bright Kindle Resources and Investment, Inc.	Executive Director Executive Director
Cesar C. Zalamea	Marcventures Holdings, Inc. Bright Kindle Resources and Investment, Inc.	Chairman Chairman
Macario U. Te	Marcventures Holdings, Inc. Bright Kindle Resources and Investment, Inc.	Director Director

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
<i>None.</i>		

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	<i>The CEO and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent or non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised. [Revised Manual on Corporate Governance, Multiple Board Seats, p.2]</i>	<i>Directors shall submit themselves to low indicative limit on membership in other corporate Boards. The optimum number shall be related to the capacity of a director to perform his duties diligently in general. [Revised Manual on Corporate Governance, page 3]</i>
Non-Executive Director		
CEO		

(c) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company.

As of December 31, 2015, below is the information as to each class of securities of the Company beneficially owned by Directors. The Company is not aware of any indirect beneficial ownership of its directors.

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Daniel Andrew G. Romualdez	Class A – 7	-	0.000%
Benjamin Philip G. Romualdez	Class A – 23 Class B – 551	-	0.000% 0.001%
Cezar C. Zalamea	Class A – 1	-	0.000%
Luis Juan L. Virata	Class A – 78, 001 Class B - 23,200	-	0.066% 0.030%
Maria Remedios R. Pompidou	Class A – 5	-	0.000%
Alberto C. Agra	Class A – 1	-	0.000%
Macario U. Te	Class A-1	-	0.000%
Andres G. Gatmaitan	Class A – 152 Class B – 1	-	0.000% 0.000%
Isidro C. Alcantara, Jr.	Class A – 1,434,400 Class B – 1	-	1.220% 0.000%
Bernardo M. Villegas	Class B – 1	-	0.000%
<b>TOTAL</b>	Class A – 1,512,591 Class B - 23,754	-	Class A - 1.287% Class B – 0.031%

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes

No

Identify the Chair and CEO:

Chairman of the Board	DANIEL ANDREW G. ROMUALDEZ
CEO/President	BENJAMIN PHILIP G. ROMUALDEZ

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	The respective roles of the Chairman of the Board and the Chief Executive Officer are complimentary and ensure an appropriate balance of power, increased accountability and further provide a greater capacity of the Board for independent decision making. <i>[Revised Manual on Corporate Governance, The Chairman and Chief Executive Officer, p.3]</i>	
Accountabilities	It shall be the duty of the Chairman to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy, preside at all meetings of the Directors and stockholders of the Company, and hold board meetings in accordance with the by-laws or as he may deem necessary.	It shall be the duty of the President to sign stock certificates, documents, countersign checks, and to respond in general for the conduct of the subordinate officers of the Company. He may also, at is discretion, perform the duties hereinafter delegated to the Treasurer of the Company. <i>[Article IV, Sec 2, Amended By-Laws]</i>
Deliverables		

Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

*It is one of the duties and responsibilities of the Board to install a process of selection to ensure a mix of competent directors and officers and adopt an effective succession planning program for management. Further, the Company's Nomination Committee is tasked to assess the effectiveness of the Board's processes and procedures in the election and replacement of directors. The Committee is likewise tasked to pre-screen and shortlist all candidates nominated to become a member of the board of directors and other appointments that require Board approval in accordance with the qualifications and disqualifications set under the Revised Manual on Corporate Governance. [Manual on Corporate Governance, Nomination Committee, page 6.]*

**3) Other Executive, Non-Executive and Independent Directors**

**Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.**

*Yes. As stated above, to ensure a mix of competent directors and officers, it is one of the responsibilities of the Board to install a process of selection.*

**Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.**

*Yes. In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, one of the qualifications of a Director set under the Revised Manual on Corporate Governance is that "[h]e shall have a practical understanding of the business of the Company or have previous business experience." [Revised Manual on Corporate Governance, Qualifications of a Director, page 6.]*

*The Company has a non-executive director who has had prior work experience in the sector or broad industry group to which the Company belongs. Rogelio C. Salazar's experience in operations and management in mining extends over 21 years with Atlas Consolidated Mining and Development Corporation (ACMDC) in various capacities in the operations as Foundry Superintendent (1966-1969), Metallurgical Division Manager (1969-1974), Asst. Vice President for Metallurgy (1969-1974), Asst. Vice President for Administration and Services (1977-1979), and in top management as President & Chief Executive Officer and as Board of Director (1989 – 1997). Formerly, he was President (1990-1992) and Director (1989-1997) of the Chamber of Mines of the Philippines.*

**Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:**

	Executive	Non-Executive	Independent Director
Role	It shall be the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. As the director's office is one of trust and confidence, he shall act in a manner characterized by transparency, accountability and fairness. Compliance with the principles of good corporate governance shall start with the Board of Directors.		



<p>Accountabilities</p>	<p>The Executive Director [management] shall be primarily accountable to the Board. He shall provide all members of the Board with a balanced and understandable account of the Company's performance, position and prospects on a monthly basis.</p> <p>It shall be the duty of the President to sign stock certificates, documents, countersign checks, and to respond in general for the conduct of the subordinate officers of the Company. He may also, at is discretion, perform the duties hereinafter delegated to the Treasurer of the Company. <i>[Article IV, Sec 2, Amended By-Laws]</i></p>	<p>The Board shall be primarily accountable to the shareholders. The Board shall provide the shareholders with a balanced and understandable assessment of Company's performance, position and prospects on a quarterly basis.</p> <p>The Board shall be primarily responsible in making financial reporting and internal control.</p> <p>A director shall observe the following norms of conduct:</p> <ul style="list-style-type: none"> <li>• Conduct fair business transactions with the Company and to ensure that personal interest does not bias Board decisions;</li> <li>• Devote time and attention necessary to properly discharge his duties and responsibilities;</li> <li>• Act judiciously;</li> <li>• Exercise independent judgment;</li> <li>• Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the rules and regulations of the Commission, and where applicable, the requirements of other regulatory agencies;</li> <li>• Observe confidentiality.</li> </ul> <p>The members of the Board shall attend the regular and special meetings.</p>	<p>The same accountabilities with non-executive directors. In addition, independent directors should always attend Board meetings.</p>
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Deliverables	<ul style="list-style-type: none"> <li>• Install a process of selection; appoint management officers; adopt a succession planning program;</li> <li>• Determine company's purpose, vision, mission and strategies to carry out its objectives; establish programs that can sustain its long-term viability and strength; evaluate and monitor its implementation, including business plans, operating budgets and management's overall performance;</li> <li>• Ensure compliance with all relevant laws, regulations and codes of best business practices;</li> <li>• Identify major and other stakeholders and formulate a communication policy through an effective investor relations program;</li> <li>• Adopt a system of communication towards the sectors in the community or areas affected by Company operations;</li> <li>• Adopt a system of checks and balances;</li> <li>• Identify key risk areas and key performance indicators and monitor these factors with diligence;</li> <li>• Adopt a system that ensure the integrity and transparency of related party transactions;</li> <li>• Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities;</li> <li>• Establish and maintain an alternative dispute resolution system;</li> <li>• Discharge Board functions by meeting regularly;</li> <li>• Keep Board authority within the powers of the institution;</li> <li>• Appoint a Compliance Officer.</li> </ul>	The same deliverables with non-executive directors. In addition, an independent director identifies the most critical issues for the board to deal with and assist the Board in achieving consensus on important issues.
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Provide the company's definition of "independence" and describe the company's compliance to the definition.

*An Independent Director shall mean a person other than an officer or employee of the Company, its parents or subsidiaries, or any other individual having a relationship with the Company, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.*

*Pursuant to the applicable rules and regulations of the SEC, the procedure for nominations and election of independent directors are set out under the Company's Amended By-Laws. Each director elected in the Annual Stockholders' Meeting issues a certification confirming his independence within thirty (30) days from his election. To maintain independence, it has been the policy of the Company that if an Independent Director becomes an officer, employee or consultant of the same company, he shall be automatically disqualified from being an independent director while as officer, employee or consultant of the Company.*

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

*The Company follows the SEC's guidelines on setting the term limit for an Independent Director and will formalize its policy which will be consistent with the related SEC Memorandum Circular 9, Series of 2011 on the Term Limits for Independent Directors, which took effect on January 2, 2012.*

4) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Rogelio C. Salazar	Director-NED	March 27, 2015	Resigned due to health reason

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted(including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	<p>The Company's Nomination Committee is tasked to assess the effectiveness of the Board's processes and procedures in the election and replacement of directors. The Committee is likewise tasked to pre-screen and shortlist all candidates nominated to become a member of the board of directors and other appointments that require Board approval in accordance with the qualifications and disqualifications set under the Revised Manual on Corporate Governance. <i>[Manual on Corporate Governance, Nomination Committee, page 6.]</i></p> <p>At all elections of Directors, each stockholder may vote the shares registered in his name in person or by proxy for as many persons as there are Directors, or he may cumulate said shares and give on candidate as many vote as the number of Directors to be elected multiplied by the number of his shares equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided however, that the whole number of votes cast by him shall not exceed the number of shares owned by him as shown on the Company's stock transfer books multiplied by the whole number of Directors to be elected. <i>[Article II, Section 6. Cumulative Voting for Directors Only, Amended By-Laws]</i></p> <p>In case of election of directors, the method of counting votes is as follows: If the number of nominees does not exceed the number of directors to be elected, the Secretary of the meeting, upon motion made and seconded, is instructed to cast all votes represented at the meeting in favor</p>	<p>In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the following additional qualifications of a Director are required under the Revised Manual on Corporate Governance:</p> <ul style="list-style-type: none"> <li>• Holder of at least one (1) share of stock of the Company;</li> <li>• At least a college graduate or have sufficient experience in managing the business to substitute for such formal education;</li> <li>• At least twenty-one (21) years of age;</li> <li>• Have proven to possess integrity and probity;</li> <li>• Have practical understanding of the business of the Company or have previous business experience;</li> <li>• If he is a member of a professional organization, he shall maintain good membership standing; and,</li> <li>• Shall be assiduous.</li> </ul>

	<p>of the nominees. However, if the number of nominees exceeds the number of directors to be elected, voting is done by ballots. Counting of votes shall be done by the Corporate Secretary (or by his authorized representatives) or by independent auditors or by a Committee designated by the Board of Directors. The first six (6) nominees for Class A (Convertible Preferred and Common) and first four (4) nominees for Class B (Common) receiving the most number of votes will be elected as directors. All matters subject to vote, except in cases where the law provides otherwise, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, provided that quorum is present. (SEC Form 20-IS, Voting Procedure.)</p>	
(ii) Non-Executive Directors	(Adopted same process as above)	(Same qualifications as above)
(iii) Independent Directors	<ul style="list-style-type: none"> <li>• The Nomination Committee shall conduct the nomination of independent directors prior to every stockholder's meeting.</li> <li>• The nomination shall be submitted in writing to the Corporate Secretary not later than forty five (45) days prior to the date of the meeting. The recommendation shall be signed by the nominating stockholders together with the acceptance and conformity by the nominee.</li> <li>• The Nomination Committee shall screen the qualifications of all</li> <li>• candidates for independent directors and shall contain all the information about the nominees and the names of the stockholders who recommended the nominees including their relationship with the nominees.</li> <li>• Only nominees whose names appear on the final list of candidates shall be eligible for election as independent director.</li> <li>• No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.</li> </ul>	In addition to the above qualifications, independent directors must satisfy the definition, possess the qualification and none of the disqualifications provided by the SRC Rule 38 on the requirements for nomination and election of independent directors.
<b>b. Re-appointment</b>		

(i) Executive Directors	The process for initial selection is likewise adopted for re-appointments.	The same criteria mentioned above for selection/ appointment is likewise observed for re-election of directors.
(ii) Non-Executive Directors	The process for initial selection is likewise adopted for re-appointments.	The same criteria mentioned above for selection/ appointment is likewise observed for re-election of directors.
(iii) Independent Directors	The process for initial selection is likewise adopted for re-appointments.	The same criteria mentioned above for selection/ appointment is likewise observed for re-election of directors.
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	The Nomination Committee shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications provided in the Company's Revised Manual on Corporate Governance.	<p>The following are the permanent disqualification of a director:</p> <p>a. Convicted by final judgment or order by a competent juridical or administrative body of any crime that: (i) involves the purchase or sales of security, as defined in the SRC; (ii) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or an affiliated person or any of them.</p> <p>b. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (i) acting as underwriter, broker, dealer, futures commission merchant, commodity trading advisor, or floor broker; (ii) acting a director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (iii) engaging in or continuing any conduct or practice in any of the cities mentioned in sub-paragraphs (a) and (b) or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall apply if such person is currently the subject of an order of the Commission or any Court or Administrative body denying,</p>

		<p>revoking, or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or BangkoSentral ng Pilipinas, or under any rule or regulation issued by the Commission or BSP; or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order or a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.</p> <p>c. Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;</p> <p>d. Any person finally found judicially to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities and Regulation Code, the Corporation Code, or any other law administered by the SEC or BSP, or any rule, regulation or order of the SEC or BSP;</p> <p>e. Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>f. Any person judicially declared to be insolvent;</p> <p>g. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and</p> <p>h. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.</p>
(ii) Non-Executive Directors	(Same process adopted above)	(Same disqualification as above)

(iii) Independent Directors	(Same process adopted above)	In addition to the disqualifications above, if an independent director becomes an officer, employee or consultant of the same Company, he shall be automatically disqualified from being an independent director while as officer, employee or consultant of the Company.
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	<p>The Nomination Committee shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications provided in the Company's Revised Manual on Corporate Governance.</p> <p>A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. [Revised Manual on Corporate Governance, page 8]</p>	<p>The Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <ul style="list-style-type: none"> <li>• Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as the refusal persists;</li> <li>• Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election;</li> <li>• Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;</li> <li>• If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</li> </ul>
(ii) Non-Executive Directors	(Same procedure as above)	(Same criteria for temporary disqualification as above)
(iii) Independent Directors	(Same procedure as above)	If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. This disqualification shall be lifted if the limit

		is later complied with.
<b>e. Removal</b>		
(i) Executive Directors	A director may be removed as provided by law, but only by the holders of the class or classes of stock upon whose nomination he was elected. <i>[Article Seventh, Par. B., Amended Articles of Incorporation]</i>	The same grounds for permanent disqualification of a director.  In addition, the maximum penalty of removal from office may be imposed for a third violation for non-compliance with the Revised Manual of Corporate Governance depending on the gravity of the violation. <i>[Revised Manual on Corporate Governance, Section 16. Penalties for non-compliance with the Manual, p.18]</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>f. Re-instatement</b>		
(i) Executive Directors	(Same process stated above in the selection / appointment and reelection of both regular and independent director is adopted)	(Same criteria is used as stated above in the selection / appointment and reelection of both regular and independent director is adopted)
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>g. Suspension</b>		
(i) Executive Directors	(Same process as stated above in the removal of both regular and independent director is adopted)	Same criteria used above for the removal of both regular and independent directors are adopted.  In addition, the penalty of suspension from office shall be imposed in case of second violation for non-compliance with the Revised Manual of Corporate Governance. The duration of the suspension shall depend on the gravity of the violation. <i>[Revised Manual on Corporate Governance, Section 16. Penalties for non-compliance with the Manual, p.17]</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
<i>No election of directors was held because the 1993 Supreme Court Temporary Restraining Order (TRO) enjoining the holding of elections of directors has not been lifted. The Company's present set of directors,</i>	



*will remain in office on hold-over capacity until their successors shall have been duly elected and qualified.*

5) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any.  
*The Company does not have a formal orientation program, however, new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. Among the reading materials provided are: Amended Articles of Incorporation, Amended By-Laws, Annual Report, Audited Financial Statements, Revised Manual of Corporate Governance, Code of Ethics, Committee Charters, and other relevant documents.*
- (b) State any in-house training and external courses attended by Directors and Senior Management<sup>4</sup> for the past three (3) years:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
<b>For the Year 2015</b>			
Reynaldo P. Mendoza, SVP-Public Affairs, Legal/Assistant Corporate Secretary	March 5, 6 & 12, 2015	Mandatory Continuing Legal Education	Asian Center for Legal Excellence, Inc. (ACLEx)
	November 4, 2015	Corporate Governance	Center for Training and Development
Lina G. Fernandez, SVP-Finance	March 24, 2015	CPAs Continuing Professional Education: How to Survive BIR Audit	SGV and Company
	November 4, 2015	Corporate Governance	Center for Training and Development
	December 4, 2015	ASEAN Integration: Opportunities and Challenges for SMEs and SMPs	Philippine Institute for Certified Public Accountants
Max D. Arceño, VP-Accounting and Treasurer	March 24, 2015	CPAs Continuing Professional Education: How to Survive BIR Audit	SGV and Company
	November 4, 2015	Corporate Governance	Center for Training and Development
<b>For the Year 2014</b>			
For the Board of Directors and Officers	December 18, 2014	Corporate Governance Including Best Practices on OECD Principles	Center for Training and Development
Isidro C. Alcantara, Jr. – Executive Director	December 16, 2014	Corporate Governance	Risk, Opportunities, Assessment, and Management (ROAM)
Reynaldo P. Mendoza, SVP-Legal Services/Asst. Corporate Secretary		Edge Training for Listed Companies	Philippine Stock Exchange
	September 11, 12, 18 and 19, 2014	Mandatory Continuing Legal Education Program	Asian Center for Legal Excellence, Inc. (ACLEx)
	October 30, 2014	Mandatory Continuing Legal Education Program	Asian Center for Legal Excellence Inc. (ACLEx)

<sup>4</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

	December 18, 2014	Corporate Governance Including Best Practices on OECD Principles	Center for Training and Development
Hermogene H. Real, Corporate Secretary	March 22, 2014	The New Mandatory Income Tax Forms & Computations	IPG Training Institute for Professional Advancement
	December 16, 2014	Corporate Governance	Risks, Opportunities, Assessment, and Management (ROAM)
		Edge Training for Listed Companies	Philippine Stock Exchange
Lina G. Fernandez, VP-Corporate Planning	September 11, 12, 18 and 19, 2014	Mandatory Continuing Legal Education Program	Asian Center for Legal Excellence Inc. (ACLex)
	December 18, 2014	Corporate Governance Including Best Practices on OECD Principles	Center for Training and Development
Chuchi C. Del Prado, VP-HR & Admin/Corporate Governance Officer	August 28, 2014	Corporate Governance Orientation Program	
	September 26, 2014	ExEx for Social Compliance & Corporate Social Responsibility	TUVR
	October 9, 2014	PSE Investor Relations Seminar	PSE
	December 18, 2014	Corporate Governance Including Best Practices on OECD Principles	Center for Training and Development
Ma. Anna Bella V. Montes, AVP-Deputy Head, Business Development	October 9, 2014	PSE Investor Relations Seminar	PSE
	December 18, 2014	Corporate Governance Including Best Practices on OECD Principles	Center for Training and Development
Mary Jean G. Alger, AVP-Deputy, Chief Finance Officer	October 9, 2014	PSE Investor Relations Seminar	PSE
	December 18, 2014	Corporate Governance Including Best Practices on OECD Principles	Center for Training and Development
<b>For the year 2013</b>			
For the Board Directors and Officers	November 7 and 8, 2013	Good Governance Seminar	Institute of Corporate Directors
Bernardo M. Villegas, Director	November 7 and 8, 2013	Good Governance Seminar	Institute of Corporate Directors
	October 18, 2013	2 <sup>nd</sup> Social Entrepreneurship Conference (Theme- "Cooperatives: A Vehicle for Inclusive Growth toward Integral Human Development")	Center for Research and Communication, UA&P
	September 28, 2013	Shell Sustainable	Center for Research and

		Development (SD) Youth Congress SD Youth in Action for Nation-Building	Communication, UA&P
	September 17, 2013	Towards a Philippine Football National League: The Second of a Series of Round Table Discussions on Football	Center for Research and Communication, UA&P
	July 15, 2013	"Working Overseas: Diaspora that Sustains the Nation" Book Launch	Center for Research and Communication, UA&P
	July 12, 2013	Making Education Respond to the BPO Industry Needs: Second of a Series of Round Table Discussions on BPO	Center for Research and Communication, UA&P
	June 19, 2013	2013 Mid-Year Business Economics Briefing: Gearing up for the ASEAN Economic Community	Center for Research and Communication, UA&P and Schell companies in the Philippines (SciP)
	April 10, 2013	Setting the Roadmap for the Football Industry: First of a Series of Round Table Discussions on Football	Center for Research and Communication, UA&P
	April 5, 2013	Research in the Business Process Outsourcing Industry: First of a Series of Round Table Discussions on BPO	School of Economics, UA&P
	Feb 26-27, 2013	GDN Policy Conference on the Issues, Challenges & Initiatives Facing the Education, Health & Water Sectors	Center for Research and Communication, US&P
	Feb 22, 2013	The Philippine Economy at the Tipping Point	Center for Research and Communication, UA&P

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year(2015).

Name of Director/Officer	Date of Training	Program	Name of Training Institution
<b>For the Year 2015</b>			
Daniel Andrew G. Romualdez – Chairman Benjamin Philip G. Romualdez – Vice Chairman, President and CEO Maria Remedios R.			

<p>Pampidou – Director  Andres G. Gatmaitan – Director  Luis Juan L. Virata – Director  Bernardo M. Villegas- Independent Director  Alberto C. Agra – Independent Director  Cesar C. Zalamea – Director  Reynaldo P. Mendoza, SVP- Public Affairs, Legal/Assistant Corporate Secretary  Leopoldo S. Sison III, SVP- Nickel Operations  Lina G. Fernandez, SVP- Finance  Ma. Mignon D. De Leon, VP- Compliance for Comrel&amp; Enviro/Chief of Staff to the OIC  Max D. Arceño, VP- Accounting and Treasurer  Nilo Thaddeus P. Rodriguez, VP-Project Control &amp; Corporate Services  Chuchi C. Del Prado, VP-HR &amp; Administration/Compliance Officer for Corporate Governance  Ana Margarita N. Hontiveros, VP-Healthcare  Ma. Anna G. Vicedo-Montes, AVP-Corporate Communications and Special Project  Mary Jean G. Alger, AVP- Budget and Cost Control  Pamela M. Gendrano, AVP- Environmental Compliance  Dale A. Tongco, AVP-Internal Audit  Antonio L Buenavista, AVP- OIC-Resident Manager for Benguet District Operations  Hermogene H. Real, Corporate Secretary</p>	<p>November 4, 2015</p>	<p>Corporate Governance</p>	<p>Center For Training and Development</p>
<p>Isidro C. Alcantara Jr. – (Executive Director)  Macario U. Te – Director  Arsenio K. Sebial, Jr., Officer-in-Charge</p>	<p>August 4, 2015</p>	<p>Corporate Governance</p>	<p>Risk, Opportunities, Assessment, and Management (ROAM)</p>

<b>For the Year 2014</b>			
Daniel Andrew G. Romualdez- Chairman Benjamin Philip G. Romualdez-Vice Chairman, President and CEO Maria Remedios R. Pompidou- Director Rogelio C. Salazar-Director Andres G. Gatmaitan-Director Luis Juan L. Virata-Director Alberto C. Agra-Independent Director Arsenio K. Sebial Jr.-Chief Operating Officer/OIC Renato Claravall-SVP,Chief Finance Office Reynaldo P. Mendoza-SVP- Legal Services/Asst. Corporate Secretary Leopoldo S. Sison III-SVP- Nickel Operations of Benguet Corporation Lina G. Fernandez-VP Corporate Planning Nilo Thaddeus P. Rodriguez- VP-Systems and Audit Ma. Mignon D. De Leon-VP- Compliance (VP-ComRe& Environment) Max D. Arceño-VP-Accounting and Treasury Ana Margarita N. Hontiveros- VP Special Projects/concurrently President of BenguetCorp Lab, Inc./MedCentral Chuchi C. Del Prado-VP HR & Admin/Corporate Governance Officer Pamela M. Gendrano-AVP Environmental Compliance Virgilio G. Cawagdan-AVP Mill & Metallurgical Division of Acupan Gold Project (AGP)	December 18, 2014	Corporate Governance including best practices on OECD Principlaes	Center for Training and Development
Isdiro C. Alcantara, Jr.- Executive Director Hermogene H. Real- Corporate Secretary	December 16, 2014	Corporate Governance	Risk, Opportunities, Assessment and Management (ROAM)
<b>For the year 2013</b>			

Daniel Andrew G. Romualdez Benjamin Philip G. Romualdez Maria Remedios R. Pompidou Rogelio C. Salazar Alberto C. Agra Andres G. Gatmaitan Isidro C. Alcantara, Jr. Bernardo M. Villegas	November 7 and 8, 2013	Good Governance Seminar	Institute of Corporate Directors
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**B. CODE OF BUSINESS CONDUCT & ETHICS**

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	A director shall conduct fair business transactions with the Company and to ensure that personal interest does not bias Board decisions.	In order to avoid possible conflict of interest, it is the policy of the Company to require its officers and managers and employees to make a disclosure of the existence of companies or parties doing business with the Company where they are owners or officers, or whose principal owners or officers are their relatives.  Further, as a holder of position of trust and confidence, he should avoid conflict of interest based on the principle that decisions should be made in the interest of business organization at all times, and should be on guard against allowing personal consideration to distort his judgment.	In order to avoid possible conflict of interest, it is the policy of the Company to require its officers and managers and employees to make a disclosure of the existence of companies or parties doing business with the Company where they are owners or officers, or whose principal owners or officers are their relatives.
(b) Conduct of Business and Fair Dealings	A director shall conduct fair business transactions with the Company and to ensure that personal interest does not bias Board decisions.	(same policy for directors adopted for senior management)	(same policy for directors adopted for employees)
(c) Receipt of gifts from third parties	The Company policy discourages but does not prohibit customary gifts to private suppliers and customers which are not excessive in amount and which are properly	(same policy for directors, adopted for senior management)	(same policy for directors, adopted for senior management and employees)

	recorded in the Company's books.		
(d) Compliance with Laws & Regulations	It is the Company policy to conduct its business in a strictly lawful manner and that all operation and transaction of the Company must comply with applicable laws and regulations.	(same policy for directors, adopted for senior management)	(same policy for directors, adopted for employees)
(e) Respect for Trade Secrets/Use of Non-public Information	The directors of the Company shall observe confidentiality of material, inside, non-public information acquired by reason of their office and will not use and/or disclose any information to any other person without the authority of the Board.	The release on material company information to persons and entities outside the Company must be avoided at all times and must be done only with prior authorization of the Company's Corporate Secretary/Assistant Corporate Secretary or the President/Chief Executive Officer.	(same policy for senior management, adopted for employees)
(f) Use of Company Funds, Assets and Information	The use of corporate funds of the Company or any of its subsidiaries for any purpose which would be in violation of any applicable law or regulation or would be improper is strictly prohibited.	(same policy for directors, adopted for senior management)  No unrecorded or undisclosed fund or asset of the Company or any of its subsidiaries shall be established or maintained for any purpose.  Documentation for business transactions of the Company or of its subsidiaries shall properly describe the pertinent events and such records must not be false, distorted or misleading	(same policy for directors, and senior management is adopted for employees)
(g) Employment & Labor Laws & Policies	The Company adopts a policy that employment and labor practices and management including that of its contractors be in accordance with labor laws and policies.	(same policy for directors is adopted for senior management)	(same policy for directors is adopted for employees)
(h) Disciplinary action	Any disciplinary action taken must be based on good cause, must observe due process, and any penalty must be fair	(same policy for directors is adopted for senior management)	(same policy for directors is adopted for senior management)

	and equitable.		
(i) Whistle Blower	The Audit Committee in its oversight responsibility for risk management and internal audit shall establish and oversee procedures for the receipt, retention and treatment of complaints (including "whistle blowing" complaints) received by the Company, including procedures relating to risk management, legal and regulatory compliance, accounting, internal control or auditing matters, including the process for confidential anonymous complaints by employees regarding questionable accounting or auditing matters.	(same policy for directors is adopted for senior management)	(same policy for directors is adopted for employees)
(j) Conflict Resolution	It is one of the duties of the Board to establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities.	(same policy for directors is adopted for senior management)	(same policy for directors is adopted for employees)

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

*The Company's Human Resources Department is generally responsible for Company-wide implementation and monitoring of compliance with the Company's Code of Ethics.*

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.



Related Party Transactions	Policies and Procedures
(1) Parent Company	<p><i>To ensure a high standard of best practice for the Company and its stakeholders, (a) there is a need for management to diligently monitor all intercompany transactions in order to maintain utmost transparency, observe fair dealings and implement arm's length transactions between the company, its affiliates, subsidiaries, and affiliated or joint venture companies; (b) for management to conduct its business with adherence to good corporate governance and regulatory standards to ensure the integrity and transparency of all transactions between the Company and its joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationship by members of the Board.</i></p> <p><i>On March 22, 2013, the Board approved the policy on inter-company transactions which states that that the company continuously monitor and assess intercompany transactions in order to maintain utmost transparency, observe an arms-length relationship between the Company and among its subsidiaries, in continuing compliance of all government regulations.</i></p>
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None.
Name of Officer/s	None.
Name of Significant Shareholders	None.

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	<p>In order to avoid possible conflict of interest, it is the policy of the Company to require its officers and managers and employees to make a disclosure of the existence of companies or parties doing business with the Company where they are owners or officers, or whose principal owners or officers are their relatives. Moreover, the company adopted a policy that related-party transactions shall be conducted at arm's length basis.</p>
Group	

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>5</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None.		

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

<sup>5</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

Names of Related Significant Shareholders	Type of Relationship	Brief Description
<i>None.</i>		

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
<i>None.</i>		

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

Alternative Dispute Resolution System	
Corporation & Stockholders	<i>The Board to establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities. [Revised Manual of Corporate Governance]</i>
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?  
*Board meetings for the year are scheduled at the beginning of the year.*

2) Attendance of Directors in 2015

Board	Name	Date of Election	No. of Meetings Held During the Year	No. of Meetings Attended	%
Chairman	Daniel Andrew G. Romuadez	May 28, 2015	6	6	100%
Vice Chairman	Benjamin Philip G. Romualdez	May 28, 2015	6	6	100%
Member	Isidro C. Alcantara Jr.	May 28, 2015	6	6	100%
Member	Andres G. Gatmaitan	May 28, 2015	6	6	100%
Member	Maria Remedios R. Pompidou	May 28, 2015	6	5	83%
Member	Luis Juan L. Virata	May 28, 2015	6	5	83%
Independent	Alberto C. Agra	May 28, 2015	6	5	83%
Independent	Bernardo M. Villegas	May 28, 2015	6	6	100%
Member	Cesar Zalamea	May 28, 2015	6	5	83%
Member	Macario U. Te*	May 28, 2015	6	3*	60%

(\*) – Appointed as Director on March 27, 2015 replacing Mr. Rogelio C. Salazar, who resigned as Director effective March 27, 2015. Five (5) Board Meetings Held during his term in 2015.

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? *No.*

Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

*No. Article III Section 5 of the Company's By-Laws provides that "Section 5. Quorum – A majority of the Directors shall constitute a quorum for the transaction of Company business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a Company act; provided, however, that the issuance of additional shares of stock of any class shall not be valid as a Company act unless approved by the affirmative vote of a majority of the directors nominated and elected by the holders of Convertible Preferred Class A Stock and of Common Class A Stock, and the*

*affirmative vote of a majority of the directors nominated and elected by holders of Common Class B Stock.”*

4) Access to Information

(a) How many days in advance are board papers<sup>6</sup> for board of directors meetings provided to the board?  
*The management provides the Board members complete, adequate and timely information prior to Board meeting on an on-going basis, specifically, at least a week prior to the scheduled Board meeting.*

(b) Do board members have independent access to Management and the Corporate Secretary?  
 Yes.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

*Considering the company secretary's varied functions, he must possess administrative and interpersonal skills, and if he is not a legal counsel, he must have some legal skills. The company secretary must have working knowledge of the operations of the Company and he must also have some financial and accounting skills. The Company Secretary has the following duties and responsibilities:*

- 1. Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the company;*
- 2. As to agenda, get a complete schedule thereof at least for the current year and put the Board on notice before every meeting, and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.*
- 3. Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations;*
- 4. Attend all Board meetings and maintain record of the same.*

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.  
*Yes. The Company Secretary is trained in legal, accountancy and company secretarial practices.*

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes  No

Committee	Details of the procedures
Executive	Accurate and timely information shall be made available to the committee members on an on-going basis. The information shall include the background or explanatory information relating to matters to be brought before the Committee concerned, copies of disclosure documents, budget, forecasts and monthly internal financial statements. Further inquiries may be made by each Committee member to the management and Corporate Secretary to enable him to properly perform his duties and responsibilities.
Audit	
Nomination	
Remuneration	
Stock Option	
Investment	
Property Development	
Corporate Governance	
Risk Management	
Management Advisory Board	

5) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

<sup>6</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Procedures	Details
The Company adopts a policy that members of the Board, either individually or as a Board and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.	The Audit Committee shall have the appropriate resources and authority to discharge its responsibilities, including the authority to engage external auditors, reviews and other procedures and to retain and obtain advice from special counsel and other experts and consultants, to assist it. [Audit Committee Charter]

6) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
<i>None.</i>		

**D. REMUNERATION MATTERS**

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	<i>Follows Company salary structure, market rate used as a guide; salary adjustments based on performance and changes in responsibilities and authorities.</i>	
(2) Variable remuneration	<i>None.</i>	
(3) Per diem allowance	<i>CEO receives per diem allowance for attendance in meetings of the Board or of its Committees.</i>	<i>None.</i>
(4) Bonus	<i>Board-approved bonus.</i>	
(5) Stock Options and other financial instruments	<i>Board-approved stock option plan.</i>	
(6) Others (specify)	<i>None.</i>	

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Follows Company's salary structure and benefit package and Board-approved rate/package.		

Non-Executive Directors	The levels of remuneration of the Company shall be sufficient to be able to attract and retain the services of qualified and competent directors. [Manual on Corporate Governance, Remuneration of Directors and Officers, page 5]	There are no standard arrangements which compensate directors directly or indirectly, for any services provided to the Company either as director or as Committee member or both or for any other special assignment. [SEC Form 20-15, Compensation of Directors, page 11/ SEC 17-A, page 32]	Directors receive per diems of P15,000.00 (gross) for attendance in meetings of the Board or its committees but do not receive other compensation from the Company for other services rendered. [SEC Form 20-15, Compensation of Directors, page 11/ SEC 17-A, page 32]
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Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
No.	Not applicable.

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year(2014) (in million):

Remuneration Item	Executive Directors and other Officers	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	88.9	-	-
(b) Variable Remuneration	-	-	-
(c) Per diem Allowance	0.1	0.8	0.3
(d) Bonuses	7.7	-	-
(e) Stock Options and/or other financial instruments	-	-	-
(f) Others (Transportation and Housing Allowance)	2.1	-	-
<b>Total</b>	<b>98.8</b>	<b>0.8</b>	<b>0.3</b>

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	-	-	-
2) Credit granted	-	-	-
3) Pension Plan/s Contributions	-	-	-
(d) Pension Plans, Obligations incurred	-	-	-
(e) Life Insurance Premium	0.03	-	-
(f) Hospitalization Plan	-	-	-

(g) Car Plan	-	-	-
(h) Others (Tuition fee of dependents)	-	-	-
<b>Total</b>	0.03	-	-

4) Stock Rights, Options and Warrants  
(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
Benjamin Philip G. Romualdez	Class A - 300,000 Class B - 200,000	-	Class A - 300,000 Class B - 200,000	0.255% 0.258%
Andres G. Gatmaitan	Class A - 174,000 Class B - 116,000	-	Class A - 174,000 Class B - 116,000	0.148% 0.149%
Luis Juan L. Virata	Class A - 174,000 Class B - 116,000	-	Class A - 174,000 Class B - 116,000	0.148% 0.149%
Daniel Andrew G. Romualdez	Class A - 174,000 Class B - 116,000	-	Class A - 174,000 Class B - 116,000	0.148% 0.149%
Maria Remedios R. Pompidou	Class A - 174,000 Class B - 116,000	-	Class A - 174,000 Class B - 116,000	0.148% 0.149%
Bernardo M. Villegas	Class A - 174,000 Class B - 116,000	-	Class A - 174,000 Class B - 116,000	0.148% 0.149%
Isidro C. Alcantara Jr.	Class A - 30,000 Class B - 20,000	-	Class A - 30,000 Class B - 20,000	0.025% 0.026%
Alberto C. Agra	Class A - 30,000 Class B - 20,000	-	Class A - 30,000 Class B - 20,000	0.025% 0.026%
Rogelio C. Salazar	Class A - 30,000 Class B - 20,000	-	Class A - 30,000 Class B - 20,000	0.025% 0.026%

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
<p>Since 1980, the Company maintained an Incentive Bonus Plan. The purposes of the Plan are: (1) to attract, employ and retain management personnel of outstanding competence, and (2) to motivate its management personnel to deliver superior performance in pursuing the goals and business interests of the Company. The plan provides for a bonus award, calculated on the basis of net income, to top operating executives, managers and members of the Board of Director. Bonus awards are either paid in full directly to the awardees or are transferred to a trust fund and are payable to the awardees in three installments generally over a period of two years. Bonus awards for any year shall be paid in cash, or in common stock. Either Common Class A or Common Class B shares may be issued under the Plan subject to the legal limitations on ownership of Common Class A shares which can be owned only by Philippine citizens. From 1995 to 2012, there was no amount set aside for payment of bonuses in accordance with the Plan. [2013 SEC Form 17A, Incentive Bonus Plan, p. 35]</p>		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Benjamin Philip G. Romualdez, President/CEO	P39.1 Million
Renato A. Claravall, SVP- CFO	
Pablo Gabriel R. Malvar, VP Business Devt. (Resigned on 12/01/14)	
Bienvenido M. Araw, SVP Proj& Organization Devt. Officer (Retired on 10/01/14)	
Ana Margarita N. Hontiveros, VP Special Proj of the Company & concurrently President of BCLI/MedCentral	

**E. BOARD COMMITTEES**

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	2	1	1	None	The Executive Committee shall act in behalf of the Board of Directors, in the exercise of the powers of the Board in the management of the business and affairs of the Company, excluding any powers granted by the Board, from time to time, to any other committee of the Board.		

Audit	1	1	2	Audit Committee Charter	To assist the Company's Board of Directors in the performance of its oversight responsibilities for accounting and financial reporting processes, system of financial control, risk management system, maintenance of an effective audit process, and procedure for monitoring compliance with applicable laws, rules and regulations.	Details of the key responsibilities for the performance of its oversight functions for risk management and internal control, overseeing financial reporting and disclosures, overseeing internal audit, overseeing external audit and other duties are set forth in the Audit Committee Charter.	The Audit Committee, in discharging its oversight role, shall maintain free and open communication with the Company's external auditors, internal auditors and the management of the Company. To fulfill its responsibility, the Committee is empowered to study or investigate any matter brought to its attention, with full access to all records, books of accounts, facilities and personnel of the Company. Likewise, the Committee shall have the authority to retain and terminate outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention. <i>[Section 4, Audit Committee Charter]</i>
Nomination	1	0	2	Manual of Corporate Governance	Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.	It shall pre-screen and shortlist all candidates nominated to become a member of the board of directors and other appointments that require Board approval in accordance with the qualifications and disqualifications set forth in the Manual on Corporate Governance.	



Remuneration	1	1	1	Manual of Corporate Governance	To assist the Board in establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment.	The Committee shall ensure that the remuneration shall be of a sufficient level to attract and retain directors and officers who are needed to run the Company successfully.  The Committee shall: <ul style="list-style-type: none"> <li>• Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;</li> <li>• Disallow any director to decide his or her own remuneration;</li> <li>• Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts; and</li> <li>• Or in the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above.</li> </ul>
Stock Option	0	2	1	-	The Committee shall have the power to grant stock options under the Company's Stock Option Plan.	
Investment	2	2	1	-	Assists the Board in making decisions involving investment matters.	
Property Development	3	-	2	-	Assist and advise the Board in making decisions on the development of its properties.	
Corporate Governance	1	1	1	-	Assist the Board in fulfilling its oversight responsibilities in relation to overall approach of corporate governance of the Company and its subsidiaries.	
Risk Management	1	1	1	Risk Management Charter	<p>1) Exchange risk management ideas and best practices;</p> <p>2) Identify and share available risk management resources;</p> <p>3) Provide input to the development of Company-wide risk management practice standards and risk and safety administrative</p> <p>1) Creates and maintains business units' trend analysis based on frequency and severity projections of anticipated losses.</p> <p>2) Addresses or manages threats and risks concerning legal, permitting and political, as well as legislations, which will severely impact the Company.</p> <p>3) Formulates plans, procedures, policies and/or strategies regarding maintenance of corporate image, particularly on dealing with media and other relevant issues.</p> <p>4) Conduct worksite safety assessments, inspections and audits to identify risks, actions necessary to abate hazards or to fully implement measures to control the risks involve with the hazards, as identified.</p>	

					<p>regulation review;</p> <p>4) Establish the risk management culture of the Company in support of institutionalizing and systematizing the risk management program of the company; and</p> <p>5) Recommend risk mitigating measures to the Board for appropriate action.</p>	<p>5) Aid in the development of policies to foster, promote, and develop a safe work environment for all employees.</p> <p>6) Receive reports from, and if necessary meets with, risk management staffs of business units, on risks encountered and/or resolved, categorize and analyze them, and help develop policies, guidelines and procedures towards coordinated solutions for the approval of the Board's Risk Management Committee.</p> <p>7) Provides technical expertise on risk management to business units thru relevant training programs, especially for risk management staffs.</p> <p>8) Review and guide risk assessment and control committee activities relative to risk management plans.</p> <p>9) Design and implement safety orientation &amp; training programs for the different business units.</p> <p>10) Provide Environmental, Safety and Risk Management Technical Assistance to business units, including those risks that are economic in nature.</p> <p>11) Provide Accident/Incident Reporting Procedures and Forms*</p> <p>12) Remain vigilant on political developments, particularly on legislations, executive orders, LGU resolutions and NGO activities that may be prejudicial to the interest of the Company.</p> <p>The RMO oversees and monitors a variety of the Company's potential risks such as but not limited to legal, commercial, political, operational and financial risks and in particular insurance programs, including equipment, automobile, general and professional liability, property, workers' compensation, employee hospitalization, employee safety and loss prevention, visitors' health, short and long term employee disability and special events.</p>
Management Advisory Board	2	1	1	None	The creation of a Management Advisory Board is to promote efficiency and faster implementation of business plans of the Company	

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (ED)	Benjamin Philip G. Romualdez	May 28, 2015	0	0	0%	
Member (ED)	Isidro C. Alcantara, Jr.	May 28, 2015	0	0	0%	
Member (ID)	Alberto C. Agra	May 28, 2015	0	0	0%	
Member (NED)	Andres G. Gatmaitan	May 28, 2015	0	0	0%	

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (ID)	Bernardo M. Villegas	May 28, 2015	2	2	100%	
Member (ED)	Isidro C. Alcantara, Jr.	May 28, 2015	2	2	100%	
Member (NED)	Andres G. Gatmaitan	May 28, 2015	2	2	100%	
Member (ID)	Alberto C. Agra	May 28, 2015	2	1*	100%	7 mos.

(\* ) One (1) audit committee meeting was held during his term as member of the audit committee.

Disclose the profile or qualifications of the Audit Committee members.

The following are the profiles and qualifications of the members of the Audit Committee:

**BERNARDO M. VILLEGAS** – Independent Director (2002 to present); Chairman, Audit Committee

First became a Director by appointment on June 25, 1998. He was designated Independent Director of the Company in 2002 up to present, although he has been a Director prior to the issuance of SEC Circular No. 16 dated November 29, 2002. He is also the Chairman of the Audit Committee and Corporate Governance Committee, and a member of the Salary (Compensation) Committee, Stock Option Committee, Investment Committee, Property Development Committee and Nomination Committee of the Company. He also holds, among others, the following positions: Independent Director of Benguetcorp Nickel Mines, Inc. (2012 to present, a wholly owned subsidiary of the Company); Director and Consultant, Insular Life, Transnational Diversified, Inc. (1998 to present); Member of the Board of Dualtech Foundation (1998 to present); Director and Consultant of Alaska (1999 to present); and Columnist, Manila Bulletin (1964 to present). Formerly, he was a Director of Makati Business Club (1981-2010); Director, Phinma Foundation (1995-2001); Director, Pilipinas Shell Foundation (1995-2001); Senior Vice President, University of Asia and the Pacific (2004-2006); Chairman, Center for Research and Communication (1995); President, Philippine Economic Society (1972-1974); Chairman, Department of Economics-De La Salle University Manila (1964-1969), Committee on the National Economy & Patrimony (1986); Director, Economic Research Bureau and Graduate School of Business-De La Salle University Manila (1967-1968); Project Director, Philippine Economic History under the National Historical Commission (1969-1972); Member, Preparatory Commission for Constitutional Reforms and Constitutional Commission (1999); Consultant, Productivity Development Center-National Economic Council and Program Implementation Agency (1968-1969).

**ISIDRO C. ALCANTARA, JR.** – Director (2008 to present); Member, Audit Committee

First became a Director of the Company by appointment on November 14, 2008 and concurrently Executive Director of the Company since April 2, 2014 to present. He is also a Member of the Executive Committee, Audit Committee, Risk Management Committee, Investment Committee, Property Development Committee and Corporate Governance Committee of the Company. He also serves as a Director of the following wholly owned subsidiaries of the Company: Benguetcorp Nickel Mines, Inc. (2012 to present); Benguet Management Corporation (2012 to present) and Balatoc Gold Resources Corporation (2009 to present). Currently, he is President of Marcventures Holdings, Inc. (MHI), a Publicly Listed Company which owns a Nickel Mining Subsidiary, Marcventures Mining & Development Corporation (MMDC) where he is Vice Chairman. He is also the President of Bright Kindle Resources and Investments, Inc. (BKR), a Listed Financial and Investments Holding Company. He is the President and CEO of a Financial Consulting Firm, Financial Risk and Resolution Advisory, Inc. (FRRA), engaged in Advisory and Arranger Services for M&As, Equity and Debt Fund Raising, and General Financial Advisory. Post his Banking Career, he has been involved in several M & As, Distressed Debt Settlements, Fund-raising for Corporates and Asset Recovery Work-outs. He was formerly Executive Vice President in charge of Corporate Banking of PCIBank and the Equitable PCIBank (previously the third largest and most profitable Universal Bank) where he managed a Third of the Bank's Assets. He was the President and CEO of the Philippine Bank of Communications (PBCom) where he successfully led the Rehabilitation and Transformation of the Bank into a healthy Financial Institution. He worked briefly with the HSBC (Manila) as Senior Vice President and Head of Corporate and Institutional Banking. He also served as a Director of the Bankers Association of the Philippines from 2000-2004. He graduated Magna cum Laude from the De la Salle University and has Degrees in Economics and Accounting and is a Certified Public Accountant. He also took special studies in International Banking at the Wharton School of Finance, University of Pennsylvania and at the Institute of Independent Certified Directors and is a Certified Independent Director.

**ANDRES G. GATMAITAN** – Director (1987 to present); Member, Audit Committee

First became a Director of the Company by appointment on February 10, 1987. He is also the Chairman of Salary (Compensation) Committee and Stock Option Committee and a Member of the Executive Committee, Audit Committee and Corporate Governance Committee of the Company and independent director of Holcim Philippines Inc., a publicly listed company. He also holds, among others, the following positions: Senior Counsel of SyCip Salazar Hernandez & Gatmaitan Law Office which is the outside counsel of the

Company; Chairman, JVS Asia, Inc.; President, United Holdings and Development, Inc., and St. Agen Holding, Inc.; Director, Benguetcorp Nickel Mines, Inc. (2011 to present) the wholly owned subsidiary of the Company, Suprallex Asia Ventures Corporation, Triumph International (Philippines) Inc., Maybank Philippines, Inc., JVS Worldwide, Inc., Star Performance Philippines, Inc., Unicharm Philippines, Inc., AMI Philippines, Inc.

**ALBERTO C. AGRA** – Independent Director (2010 to present); Member, Audit Committee

First became an Independent Director of the Company by appointment on August 25, 2010. He is Chairman of Risk Management Committee, Member of the Executive Committee, Audit Committee, Property Development Committee and Nomination Committee of the company. He also holds, among others, the following positions: Independent Director of Balatoc Gold Resources Corporation (2012 to present) and BenguetCorp Nickel Mines, Inc. (2012 to present), President of Forensic Law and Policy Strategies, Inc. (August 2010 to present); Professor of Laws, College of Law, Ateneo de Manila University (November 1993 to present [on leave, AY 2010-2011]); Ex-Officio Trustee, Board of Trustees of MWSS (March 2007-present). Formerly, he was Acting Secretary, Department of Justice (March 2010-June 2010); Acting Solicitor General, Office of the Solicitor General (January 2010-June 2010); Government Corporate Counsel, Office of the Government Corporate Counsel, Department of Justice (March 2007-March 2010); and Chief Regulator, Officer-In-Charge, Regulatory Office of MWSS.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee, in the performance of its oversight function to the external auditor, shall perform the following responsibilities, as set forth in the Audit Committee Charter:

1. Review and evaluate the independence, professional qualifications and competence of external auditor
2. Select and retain the External Auditor, who shall be accountable to the Committee, and determine its remuneration
3. Evaluate the performance of external auditor periodically and determine and recommend its reappointment or replacement as the committee may deem necessary or appropriate
4. Assure the regular rotation of the lead audit partner primarily responsible for the audit review of the Company's financial accounts, as required by law, and shall consider and discuss with management whether there should be a regular rotation of the external auditor itself, at least once every five (5) years, or more frequently if the Committee deems appropriate.
5. Evaluate and determine the of non-audit services, if any, of the external auditor, and review periodically the non-audit fees paid by the company to the external auditor and to the corporations' overall consultancy expenses. The committee shall disallow any audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report.
6. Review with the external auditor the scope and results of the audit, problems or difficulties that the auditor encountered in the audit work and management's response, and any questions, comments or suggestions the auditor may have relating to the internal controls and accounting practices and procedures, of the Company and its subsidiaries.
7. Review reports submitted by the external auditor as well as their quarterly, half-year and annual financial statements before submission to the Board and ensure compliance with auditing standards.

**(c) Nomination Committee**

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (ED)	Benjamin Philip G. Romualdez	May 28, 2015	1	1	100%	6
Member (ID)	Bernardo M. Villegas	May 28, 2015	1	1	100%	6
Member (ID)	Alberto C. Agra	May 28, 2015	1	1	100%	5

**(d) Remuneration Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings	%	Length of Service in the
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			(2015)	Attended		Committee (period until 2015)
Chairman (NED)	Andres G. Gatmaitan	May 28, 2015	0	0	0%	22
Member (ED)	Benjamin Philip G. Romualdez	May 28, 2015	0	0	0%	4
Member (ID)	Bernardo M. Villegas	May 28, 2015	0	0	0%	12

(e) Stock Option Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (NED)	Andres G. Gatmaitan	May 28, 2015	0	0	0%	22
Member (NED)	Cesar C. Zalamea	May 28, 2015	0	0	0%	7 mos
Member (ID)	Bernardo M. Villegas	May 28, 2015	0	0	0%	7

(f) Investment Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (ED)	Benjamin Philip G. Romualdez	May 28, 2015	0	0	0%	17
Member (NED)	Maria Remedios R. Pompidou	May 28, 2015	0	0	0%	15
Member (NED)	Luis Juan L. Virata	May 28, 2015	0	0	0%	17
Member (ED)	Isidro C. Alcantara, Jr.	May 28, 2015	0	0	0%	7
Member (ID)	Bernardo M. Villegas	May 28, 2015	0	0	0%	17

(g) Property Development Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (ED)	Daniel Andrew G. Romualdez	May 28, 2015	0	0	0%	13
Member (ED)	Benjamin Philip G. Romualdez	May 28, 2015	0	0	0%	17
Member (ED)	Isidro C. Alcantara,	May 28, 2015	0	0	0%	7

	Jr.					
Member (ID)	Alberto C. Agra	May 28, 2015	0	0	0%	5
Member (ID)	Bernardo M. Villegas	May 28, 2015	0	0	0%	17

(h) Corporate Governance Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (ID)	Bernardo M. Villegas	May 28, 2015	1	1	100%	4
Member (NED)	Andres G. Gatmaitan	May 28, 2015	1	1	100%	4
Member (ED)	Isidro C. Alcantara, Jr.	May 28, 2015	1	1	100%	4
	Chuchi C. Del Prado - Compliance Officer	May 28, 2015	1	1	100%	1 yr / 7 Mos

(i) Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (ID)	Alberto C. Agra	May 28, 2015	1	1	100%	4
Member (ED)	Isidro C. Alcantara, Jr.	May 28, 2015	1	0	0%	2
Member (NED)	Andres G. Gatmaitan	May 28, 2015	1	1	100%	7 mos
	Lina G. Fernandez - Risk Management Officer	May 28, 2015	1	1	100%	4

(j) Management Advisory Board

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee (period until 2015)
Chairman (ED)	Daniel Andrew G. Romualdez	May 28, 2015	0	0	0%	1 yr & 7 Mos
Member (ED)	Isidro C. Alcantara, Jr.	May 28, 2015	0	0	0%	1 yr & 7 Mos
Member (ID)	Alberto C. Agra	May 28, 2015	0	0	0%	1 yr & 7 Mos
Alternate Member	Macario U. Te	May 28, 2015	0	0	0%	1 yr & 7 Mos

(NED)						
	Arsenio K. Sebial (External Resource Person)	May 28, 2015	0	0	0%	1 yr&7 Mos

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Risk Management	Rogelio C. Salazar Macario U. Te	Resignation In lieu of Rogelio C. Salazar
Audit	Rogelio C. Salazar Alberto C. Agra	Resignation In lieu of Rogelio C. Salazar
Management Advisory Board	Rogelio C. Salazar Macario U. Te	Resignation In lieu of Rogelio C. Salazar
Stock Option	Rogelio C. Salazar Cesar C. Zalamea	Resignation In lieu of Rogelio C. Salazar
Others – Executive, Salary, Investment, Property Development, Nomination and Corporate Governance	No changes in the committee membership for the year covered	

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	<i>None.</i>	<i>None.</i>
Audit	<i>Reviewed reports submitted by the external auditor as well as their quarterly, half-year and annual financial statements before submission to the Board and ensure compliance with auditing standards.</i>	<i>No issues on compliance matters were required to be addressed by the Committee.</i>
Nomination	<i>Pre-screened nominations for independent directors and committee members.</i>	<i>No issues on compliance matters were required to be addressed by the Committee.</i>
Remuneration	<i>None.</i>	<i>None.</i>
Stock Option	<i>None.</i>	<i>None.</i>
Risk Management	<i>Performed its oversight function relating to identification and evaluation of environmental, regulatory, operational and other external risks or threats to the business of the Company. Formulated strategies relative to risk management plans.</i>	<i>Regulatory compliance issues.</i>

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Continue performing functions.	

Audit	Continue performing functions.	
Nomination	Continue performing functions.	
Remuneration	Continue performing functions.	
Stock Option	Continue performing functions.	
Investment	Continue performing functions.	
Property Development	Continue performing functions.	
Corporate Governance	Continue performing functions.	
Risk Management	Continue performing functions.	

**F. RISK MANAGEMENT SYSTEM**

1) Disclose the following:

- (a) Overall risk management philosophy of the company;  
*The overall risk management philosophy of the Company is to integrate the work of designated risk management office of the Company's different business units who shall systematically identify, evaluate, analyze and document their unit's exposure to the risk and thereafter undertake corrective/remedial measures to mitigate, if not altogether eliminate, their exposure and liability associated with the risk.*
- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof:  
*The risks associated with the Company's activities are reviewed regularly by the Board, which assesses the Company's risk appetite/tolerance, and considers major risks and evaluates their impact on the Company.*
- (c) Period covered by the review: 2014
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness: *Risk management system is reviewed as often as necessary.*
- (e) Where no review was conducted during the year, an explanation why not.

2) Risk Policy

(a) Company<sup>7</sup>

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
<i>Liquidity risk which arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial liabilities.</i>	<i>It is a policy to consider the Company's available funds and liquidity in managing immediate financial requirements.</i>	<i>To maintain a balance between continuity of funding in order to continuously operate and support its exploration activities.</i>
<i>Credit risk which refers to the potential loss arising from any failure by counterparties to fulfill their obligations as they fall due</i>	<i>It is a policy to trade only with recognized, creditworthy third parties. Further, that all customers who wish to trade on credit terms are subject to credit verification procedures.</i>	<i>To fulfill obligations when they fall due.</i>
<i>Interest rate risk which is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk</i>	<i>It is the Company's policy to regularly monitor interest due to exposure from interest rates movements.</i>	<i>Avoid exposures from changes in interest rates.</i>

<sup>7</sup>Benguet Corporation's Audited Financial Statement for 2013



<i>relates primarily to the Group's long-term debt obligations with floating interest rates.</i>		
<i>Foreign currency risk which is the risk to earnings or capital arising from changes in foreign exchange rates. The Company has transactional currency exposures arising from the sale of gold and beneficiated chrome ore and the purchase of certain goods and services denominated on USD. Dollar conversion of metal sales to Philippine peso is based on the prevailing exchange rate at the time of sale.</i>	<i>It is the Company's policy to maintain foreign currency exposure within acceptable limits.</i>	

(b) Group<sup>8</sup>

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
<i>Liquidity risk which arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial liabilities.</i>	<i>It is a policy to consider the Group's available funds and liquidity in managing immediate financial requirements.</i>	<i>To maintain a balance between continuity of funding in order to continuously operate and support its exploration activities.</i>
<i>Credit risk which refers to the potential loss arising from any failure by counterparties to fulfill their obligations as they fall due</i>	<i>It is a policy to trade only with recognized, creditworthy third parties. Further, that all customers who wish to trade on credit terms are subject to credit verification procedures.</i>	<i>To fulfill obligations when they fall due.</i>
<i>Interest rate risk which is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's long-term debt obligations with floating interest rates.</i>	<i>It is the Group's policy to regularly monitor interest due to exposure from interest rates movements.</i>	<i>Avoid exposures from changes in interest rates.</i>
<i>Foreign currency risk which is the risk to earnings or capital arising from changes in foreign exchange rates. The Group has transactional currency exposures arising from the sale of gold, nickel ore and beneficiated chrome ore and the purchase of certain goods and services denominated on USD.</i>	<i>It is the Group's policy to maintain foreign currency exposure within acceptable limits.</i>	

<sup>8</sup>Consolidated Audited Financial Statement for 2013

<i>Dollar conversion of metal sales to Philippine peso is based on the prevailing exchange rate at the time of sale.</i>		
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(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

<b>Risk to Minority Shareholders</b>
The Company's Revised Manual on Corporate Governance expressly provides for the protection of stockholders and minority shareholders and the Board commits to respect those rights.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
<i>Liquidity risk</i>	The Company considers its available funds and liquidity in managing its immediate financial requirements.	As of December 31, 2012 and 2011, cash and cash equivalents may be withdrawn anytime while quoted in AFS investments may be converted to cash by selling them during normal trading hours in any business day.
<i>Credit risk</i>	The Company has assessed the credit quality of the following financial assets: a. Cash and cash equivalents and short-term investments are assessed as high grade since these are deposited in reputable banks, which have a low probability of insolvency. b. Trade receivables, which pertain mainly to receivables from sale of chromite ore and lime, were assessed as standard grade. These were assessed based on past collection experience and debtors' ability to pay the receivables. c. Quoted equity instruments were assessed as high grade since these are instruments from companies with good financial capacity and with good financial conditions and operates in an industry which has potential growth. Management assesses the quality of its unquoted equity instruments as standard grade.	The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. Other than receivables which were fully provided with allowance, there were no history of default on the outstanding receivables as at December 31, 2013 and 2012.
<i>Interest rate risk</i>	There is no other impact on the Company's equity other than those already affecting the profit or loss. Based on historical movement of the interest rates, management believes that the reasonably possible change for the next quarter would result in an	The Company regularly monitors their interest due to exposure from interest rates movements. The Company's secured and unsecured bank loans are both payable on demand.

	increase (decrease) of 100 basis points for USD LIBOR and Php T-bill.	
<i>Foreign currency risk</i>	The Company's policy is to maintain foreign currency exposure within acceptable limits. The Company believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Company is involved. The Company did not seek to hedge the exposure on the change in foreign exchange rates between the USD and the Philippine Peso. The Company does not generally believe that active currency hedging would provide long-term benefits to stockholders.	The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial performance and cash flows. The Company has transactional currency exposures. Such exposures arise from the sale of gold and beneficiated chrome ore and the purchase of certain goods and services denominated on USD. All sales of gold and nickel are denominated in USD. Dollar conversion of metal sales to Philippine Peso is based on the prevailing exchange rate at the time of sale.

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
<i>Liquidity risk</i>	The Group considers its available funds and liquidity in managing its immediate financial requirements.	As of December 31, 2013 and 2012, cash and cash equivalents may be withdrawn anytime while quoted in AFS investments may be converted to cash by selling them during normal trading hours in any business day.
<i>Credit risk</i>	The Group has assessed the credit quality of the following financial assets: a. Cash and cash equivalents and short-term investments are assessed as high grade since these are deposited in reputable banks, which have a low probability of default. b. Trade receivables, which pertain mainly to receivables from sale of chromite ore and loans receivable, were assessed as standard grade. These were assessed based on past collection experience and debtors' ability to pay the receivables.	Other than receivables which were fully provided with allowance, there were no history of default on outstanding receivables as of December 31, 2013 and 2012.
<i>Interest rate risk</i>	As of December 31, 2013 and 2012, the Group's exposure to the risk for changes in market interest rate relates primarily to its secured bank loans with floating interest rates. The Group regularly monitors its interest due to	The Group's secured and unsecured loans payable are both payable on demand while other loans payable are payable within three (3) years. Nominal interest rates vary from floating rate of 91-day Philippine Treasury Bill (Php T-

	<p>exposure from interest rates movements.</p> <p>There is no other impact on the Group's equity other than those already affecting the consolidated statements of income. Based on historical movement of the interest rates, management believes that the reasonably possible change for the next quarter would result in an increase (decrease) of 100 basis points for USD LIBOR and Php T-bill.</p>	<p>bill) rate for peso loans and 3-month LIBOR foreign loans, plus a margin of 2.5% for unsecured loans and 3.5% for secured loans.</p>
<i>Foreign currency risk</i>	<p>The Group's policy is to maintain foreign currency exposure within acceptable limits. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Group is involved. The Group did not seek to hedge the exposure on the change in foreign exchange rates between the USD and the Philippine Peso. The Group does not generally believe that active currency hedging would provide long-term benefits to stockholders.</p>	<p>The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial performance and cash flows. The Group has transactional currency exposures. Such exposures arise from the sale of gold, nickel ore and beneficiated chrome ore and the purchase of certain goods and services denominated on USD. All sales of gold and nickel are denominated in USD. Dollar conversion of metal sales to Philippine Peso is based on the prevailing exchange rate at the time of sale.</p>

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	<p>The Committee shall assist the Company's Board of Directors in the performance of its oversight responsibilities for accounting and financial reporting processes, system of financial control, risk management system, maintenance of an effective audit process, and procedure for monitoring compliance with applicable laws, rules and regulations.</p>	<p>Details of the key responsibilities for the performance of its oversight functions for risk management and internal control, overseeing financial reporting and disclosures, overseeing internal audit, overseeing external audit and other duties are set forth in the Audit Committee Charter.</p>

Risk Management Committee	<p>The Committee is tasked to perform the following functions:</p> <ol style="list-style-type: none"> <li>1) Exchange risk management ideas and best practices;</li> <li>2) Identify and share available risk management resources;</li> <li>3) Provide input to the development of Company-wide risk management practice standards and risk and safety administrative regulation review;</li> <li>4) Establish the risk management culture of the Company in support of institutionalizing and systematizing the risk management program of the company; and</li> <li>5) Recommend risk mitigating measures to the Board for appropriate action.</li> </ol>	<p>The RMO oversees and monitors a variety of the Company's potential risks such as but not limited to legal, commercial, political, operational and financial risks. The details of its responsibilities are laid out in the Committee Charter.</p>
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**G. INTERNAL AUDIT AND CONTROL**

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

The Company's internal control system is defined as a collection of procedures and methods used to :

- (a) To protect and safeguard the Company's Asset;
- (b) Ensure compliance Company with all regulatory requirements and with the Company's policies and procedures;
- (c) Ensure compliance with internal financial and operational controls, including IT system controls; and
- (d) Ensure financial information is accurate and reliable.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The directors have reviewed the effectiveness and adequacy of the Company's system of internal controls. The review includes assessment of the financial, operational and compliance controls and risk management procedures. Due to the limitations inherent in any such system, this is designed to manage rather than eliminate risk and to provide reasonable but not absolute assurance against material misstatement or loss.

(c) Period covered by the review;

The period covered by the review is for Fiscal Year 2014

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The review of internal controls is done at least annually. Issues such as the adequacy of the current internal controls and affectivity of operations are discussed. Any failings and weakness identified are corrected and its progress monitored.

(e) Where no review was conducted during the year, an explanation why not.

Not Applicable

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
General Audit	<p>Ensure compliance with regulatory requirements and the Company's policies and procedures</p> <p>Measure adequacy and effectiveness of internal financial and operational controls including IT system controls</p> <p>Manage the recording, control and use of Company assets</p> <p>Monitors the efficiency, effectiveness, and ethical conduct of the Company's business systems and processes</p>	In-house	Nilo Thaddeus P. Rodriguez	Reported to Audit Committee
Advisory services	<p>Providing advice on the development of new programmes and processes and/or significant changes to existing programmes and processes including the design of appropriate controls.</p> <p>Assisting management and the Risk Management Committee to identify risks and develop risk mitigation and monitoring strategies as part of the risk management framework and monitoring and reporting on the implementation of risk mitigation strategies.</p> <p>Assisting management to identify the risks of fraud and develop fraud prevention and monitoring strategies.</p>	In-house	Nilo Thaddeus P. Rodriguez	Reported to Audit Committee
Audit support activities	<p>Assisting the Audit Committee to discharge its responsibilities</p> <p>Providing secretarial support to the Audit Committee</p> <p>Monitoring the implementation of agreed recommendations arising</p>	In-house	Nilo Thaddeus P. Rodriguez	Reported to Audit Committee

	from internal and external audit reports Disseminating across the Company better practice and lessons learned arising from its audit activities			
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- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

The Audit Committee recommends to the Board the appointment, replacement and/or retention of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced. Final decision resides within the Board.

- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

Internal Audit reports functionally to the Audit Committee, and administratively to the senior management. The Head of Internal Audit is accountable to the Board of Directors for the efficient and effective operation of the internal audit function.

The Head of Internal Audit has direct access to the Chairman of the Board, and the Chair and other members of the Audit Committee.

Internal audit is authorized to have full, free and unrestricted access to all functions, premises, assets, personnel, records, and other documentation and information that the Head of Internal Audit considers necessary to enable internal audit to meet its responsibilities.

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
None to disclose.	

- (e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

<b>Progress Against Plans</b>	Plans (Progress) <ul style="list-style-type: none"> <li>• Regular review of internal audit systems (on-going)</li> <li>• Variance reporting and analysis (on-going)</li> <li>• Updating of documentation regarding accounting, finance and internal control (on-going)</li> <li>• Testing of controls of key business process (on-going)</li> </ul>
<b>Issues<sup>9</sup></b>	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Findings<sup>10</sup></b>	<ul style="list-style-type: none"> <li>• Need to improve administrative information systems that provide necessary information to the appropriate people, at the necessary level of detail, on a timely basis</li> <li>• Update documentation regarding accounting, finance and internal control policies and procedures</li> </ul>

<sup>9</sup> "Issues" are compliance matters that arise from adopting different interpretations.

<sup>10</sup> "Findings" are those with concrete basis under the company's policies and rules.

	<ul style="list-style-type: none"> <li>Enhance control and protection over Company's information asset</li> </ul>
<b>Examination Trends</b>	

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- Preparation of an audit plan inclusive of a timeline and milestones;
- Conduct of examination based on the plan;
- Evaluation of the progress in the implementation of the plan;
- Documentation of issues and findings as a result of the examination;
- Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
Segregation of duties	Implemented
Proper authorizations	Implemented
Adequate documentation	Implemented
Assets such as cash, inventory, equipment, and supplies are safeguarded from unauthorized access, use or theft by the appropriate means.	Implemented
Compare budget to actuals and investigate if there are significant differences, items not budgeted, and/or unusual items or transactions	Implemented
Routinely spot-check transactions, records, reports and reconciliations to ensure expectations are met as to timeliness, completeness, segregation of duties, propriety of the transaction, and approvals.	Implemented
Reconcile balance of payroll expenses, cash and petty cash, accounts payable, and accounts receivables	Implemented
Compare recorded fixed assets, and inventory with actual on-hand and investigate differences.	Implemented
Routine risk assessment of adequacy of internal controls	Implemented

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<i>Internal audit has no direct authority or responsibility for the activities it reviews. The internal audit function has no responsibility for</i>	<ul style="list-style-type: none"> <li><i>Cannot have close family, personal or business relationship with the Company</i></li> <li><i>Cannot be given a</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Cannot have close family, personal or business relationship with the Company</i></li> <li><i>Cannot be given or</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Cannot have close family, personal or business relationship with the Company</i></li> <li><i>Cannot be given a</i></li> </ul>



<p><i>developing or implementing procedures or systems and does not prepare records or engage in any other activity normally reviewed by it, as this may impair its objectivity and judgment.</i></p> <p><i>Internal Audit reports functionally to the Audit Committee, and administratively to the senior management. The Head of Internal Audit is accountable to the Board of Directors for the efficient and effective operation of the internal audit function.</i></p> <p><i>The Head of Internal Audit has direct access to the Chairman of the Board, and the Chair and other members of the Audit Committee.</i></p> <p><i>External Auditors cannot perform any prohibited services such as Human Resource, Legal Services and management functions. The Company also evaluates and determines the non-audit work, if any, of the external auditor. The non-audit fees paid to the external auditor are periodically reviewed in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence.</i></p>	<p><i>loan from the Company.</i></p> <ul style="list-style-type: none"> <li>• <i>Cannot receive or accept goods, services or hospitality from the Company.</i></li> <li>• <i>Cannot have holdings or investments in the Company.</i></li> </ul>	<p><i>give a loan from the Company.</i></p> <ul style="list-style-type: none"> <li>• <i>Cannot receive or accept goods, services or hospitality from the Company.</i></li> <li>• <i>Cannot have holdings or investments in the Company.</i></li> </ul>	<p><i>loan from the Company.</i></p> <ul style="list-style-type: none"> <li>• <i>Cannot receive or accept goods, services or hospitality from the Company.</i></li> <li>• <i>Cannot have holdings or investments in the Company.</i></li> </ul>
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(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

*In compliance with the reportorial requirements of the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE), the Company submitted a Sworn Certificate by the Compliance Officer duly countersigned by the President & Chief Executive Officer of Benguet Corporation (BC) on the extent of compliance of BC to its Revised Manual on Corporate Governance for the Year 2012, in accordance with the requirements of SEC Memorandum Circular 6, Series of 2009.*

#### H. ROLE OF STAKEHOLDERS

a. Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	<i>The Company shall, in the production of mineral products, and delivery of services (1) avoid anything that would be detrimental to the health or safety of the beneficiary of such goods and services; and (2) deliver the product or service in the quality, quantity, time and price agreed upon. [Code of Ethics, Basic Principles for the Conduct of Business, Item B. Towards the customers]</i>	
Supplier/contractor selection Practice	<i>The Company shall ensure that (1) the terms of all contracts be clearly stated and unambiguous, and honored in full unless terminated or modified by mutual consent; (2) in general, payment should always be made promptly at the agreed time or, if no specific time is agreed upon, as quickly as may be reasonable, given the circumstances; and (3) no supplier shall be encouraged to commit his resources for apparently long-term purposes unless there are reasonable guarantees that the orders he receives from the company will not be terminated arbitrarily. [Code of Ethics, Basic Principles for the Conduct of Business, Item C. Towards the suppliers]</i>	<p><i>In order to improve monitoring and control of costs, a Contract, Purchasing, Bids and Awards Committee (CPBAC) was formed which convenes regularly as recommended or required by Purchasing group, by the concerned operations manager/s. The CPBAC reviews and approves or endorses for approval the purchase of materials, equipment, supplies, and services, as well as all contracts pertaining to BC and subsidiaries.</i></p> <p><i>Company policy and procedures in the preparation of Contracts, CBP'S, Justification, ROI computation, supplier accreditation for major supply or service contracts, minimum of 3 comparative quotes, among others, shall apply to all purchases of M&amp;S, equipment and services.</i></p> <p><i>In the case of contracts or purchases conducted through bidding, the proponent shall prepare the Terms of Reference, inform and obtain consent from the CPBAC and invite prospective contractors/suppliers to submit their sealed bids on or before the appointed time and date. The proponent shall evaluate and tabulate the bids for presentation to the CPBAC which shall award the same.</i></p> <p><i>After the award of contract by the CPBAC, the corresponding Agreement or Contract shall be prepared by the proponent for</i></p>

		<i>review and comments of the Legal and Finance groups. All contracts shall be approved by the Board of Directors. On the other hand, purchases of materials/services shall be covered by Purchase Order/s, and observe BC Policy on Signing Authority.</i>
Environmentally friendly value-chain	<i>Protection and care for the environment shall be the principal consideration in every stage of Company's existing and future projects;</i>	<i>The Company goes through the series of Environmental Work Program during Exploration stage, the Environmental Enhancement and Protection program during the construction, development and operation as well as the Final Mine Rehabilitation program.</i>
	<i>Mitigation and progressive rehabilitation measures shall be an integral component of all business operation of the company;</i>	<i>Mitigating measures are integral part of the Company's environmental program such as the construction of silt ponds, tailings storage facilities, regular air ambient and water quality tests, construction of wash bays, installation of sediment flux monitoring equipment, etc. Mined out areas undergo progressive rehabilitation through reforestation/ re-vegetation,</i>
	<i>Compliance to government environmental laws, rules and regulations;</i>	<i>Required ECCs have been obtained (mining, port, stockyards, stalling storage facilities) and complying with all its conditions including enhancement and maintenance. Acquired necessary permits are obtained such as Discharge Permit, Permit to Operate equipment, Hazardous Waste Generator ID and Chemical Control Order (CCO) Registration for chemicals being used by the Company.</i>
	<i>Prudent utilization of all Company resources such as regulated use of electricity;</i>	<i>The Company is implementing power and water conservation programs as well as regular maintenance of equipment for better efficiency. Policies are installed for proper use of resources.</i>
	<i>Instill proper waste management among employees, households and dependents of the various operation in compliance to R.A. 9003 otherwise known as the Solid Waste Management Act of 2000;</i>	<i>5S seminar in coordination with DOLE-CAR, is regularly conducted to all employees. The Company continuous to coordinate with the LGU on the implementation of the Solid Waste Management Act in all its host communities. Extends assistance in the garbage collections in host communities.</i>
	<i>Continuous employee development and awareness on environmental aspects, issues and concerns through information, communication, education and skills upgrading;</i>	<i>Signages relative to environment are installed strategically within the area of operation. Employees undergo regular trainings and sent to environmental forums.</i>
	<i>Support and protect the ecological integrity of areas affected by the company operations,</i>	<i>Regular water, air and noise quality monitoring is being conducted to insure</i>

	<p><i>including biodiversity resources and micro-ecosystems to promote public welfare, safety and environmental quality;</i></p>	<p><i>compliance to government standards and safety of its employees and communities.</i></p>
	<p><i>Adopt technologies that will contribute to the advancement of the Company processing procedures that will lead to enhancement and preservation of the environment.</i></p>	<p><i>The company is continuously improving its mill facility and pollution control devices such as installation of acid fume scrubbers and implementation of detoxification programs.</i></p>
Community Interactions	<p><i>Realizing that the Company is using to important degree the nation's resources, the Company shall: (1) do its best to ensure that the way resources are deployed also benefits society in general and does not conflict with the needs and reasonable aspirations of the communities in the areas where it operates; (2) as a corporate citizen, make such contributions as resources will allow; and (3) consider the human and social costs of mechanization and technology. [Code of Ethics, Basic Principles for the Conduct of Business, Item F. Towards the community where it operates]</i></p> <p><i>The Company further adopts the following philosophy:</i></p> <ul style="list-style-type: none"> <li><i>• Achieve competitiveness and excellence as a natural resource development Company through enhanced productivity of its people and through the improvement of the quality of life of its employees, their families and the host communities.</i></li> <li><i>• Harmonious relationship with the communities surrounding the Company shall be strengthened and an open process communication window shall be instituted to allow dynamic and responsive interactions among the stakeholders and the company.</i></li> <li><i>• Continuous and meaningful consultation process with the industry and all stakeholders shall be instituted to integrate concerns on current and future natural resource development projects standard.</i></li> <li><i>• Information education and communication campaign shall be vigorously pursued jointly with the industry and other stakeholders about the natural resources development projects for purposes of enhancing public awareness and respect for right of communities and reaching informed decisions on company projects.</i></li> </ul>	<p><i>The Company continues to fulfill its social development obligations through the implementation of various Social Development and Management Programs (SDMP) of Benguet Gold Operation and BNMI, in coordination with local government units and host communities. The SDMP has benefitted residents within the Company's areas of operations in Benguet and Zambales, as well as neighboring communities.</i></p> <p><i>Health, livelihood and education are paramount in the social programs of the Company. High School, Vocational Technical and College Scholarship programs continue to benefit deserving students from various host communities. The Company provided new equipment and educational materials to several schools situated within its areas of operation through its Adopt a School Program. It likewise conducted medical outreach programs of various services and provided basic health equipment to health centers. Furthermore, a deworming and supplemental feeding program is being implemented for Grades 1 and 2 pupils of elementary schools, as well as pupils of day care centers in Benguet and Zambales.</i></p> <p><i>The Company contributes to the social upliftment of its community by generating local employment opportunities and providing livelihood projects such as lemon grass production, mushroom production, goat and swine dispersal, food processing, and production of handicrafts. It extends financial assistance for various socio-cultural activities, infrastructure development, and other maintenance activities of its host barangays. [SEC FORM 20-IS, Definitive Proxy Statement]</i></p>
Anti-corruption programmes and procedures	<p><i>There is no specific program and procedure, but the Company adopts the policy to conduct its business in a strictly lawful manner and that all operation and transaction of the Company must comply with applicable laws and regulations.</i></p>	
Safeguarding creditors' rights	<p><i>There is no specific program and procedure, but the Company adopts the policy to conduct its business in a strictly lawful manner and</i></p>	

	<i>that all operation and transaction of the Company must comply with applicable laws and regulations.</i>	
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b. Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?  
*No, but there is a Corporate Social Responsibility (CSR) Report and/or the CSR portion in the annual report (SEC 17-A).*

c. Performance-enhancing mechanisms for employee participation.

i. What are the company's policy for its employees' safety, health, and welfare?

*The Company shall endeavor to provide for a safe and healthy atmosphere in the work environment conducive to the physical and moral well-being and growth of the employees. It is the company policy to ensure the physical well-being of its employees by providing medical, dental and hospitalization benefits, paid vacation and sick leave benefits; implementing safety guidelines and procedures at the workplace, especially hazardous areas (e.g., underground), providing safety equipment and gadgets (e.g. miner's hat and boots); monitoring incidence of dangerous diseases in camp (e.g. dengue).*

ii. Show data relating to health, safety and welfare of its employees. -In compliance with the government rules on health and safety of employees, Benguet Corporation conducted training on Drug-Free Workplace, Prevention and Control of HIV-AIDS, TB Prevention and Control in the Workplace, and Workplace Policy and Program on Hepatitis B. It was facilitated by a representative from Department of Labor and Employment (DOLE).

As part of the awareness program campaign on EBOLA Virus Disease (EVD), Human Resources posted in the bulletin board about EVD – how one can get it, what are its signs and symptoms, and how to prevent EBOLA.

*The continuous conduct of intensified Information Education Campaign (IEC) against dengue and the strict monitoring of health and sanitation concerns to all areas of responsibility particularly within camp and industrial premises by the Camp Administration together with BC-Task Force Dengue (TFD) have contributed a lot to achieve less dengue cases in camp. The TFD-IEC activities also extend its services to nearby communities like Acupan, Batuang, Riverside, Keymen's Hill and Virac to eradicate the occurrence of the deadly dengue.*

*Among the IEC activities are as follows:*

- 1. The search and eradication of possible breeding site of dengue mosquitoes.*
- 2. Smearing of similarv powder on stagnant waters to regulate the growth of mosquitoes. Similarv powder was provided by the Provincial Health Office at La Trinidad, Benguet.*
- 3. The distribution of dengue flyers and posters and at the same time explanation of its contents to all bunkhouses/cottage/household occupants. Leaflets and posters were provided by Department of Health (DOH) Baguio City.*
- 4. Creation of Dengue Brigade represented by all bunkhouse Capitanas to coordinate with Camp Administration in case of suspected dengue patients*

*For 2013, eight (8) dengue cases involving 5 employees, 1 dependent of contractors' miners, and 1 contractor's miner, were all treated.*

*As for safety, a total of 224 departmental safety meetings were conducted with 13,551 attendees during the calendar year 2013. Other related activities are summarized as follows:*

- 1. Safety awareness – Safety Department conducts daily broadcasting at the portal every beginning of the shift while 10-15 minutes tool box/pep talk meetings are conducted by the supervisors;*
- 2. Safety Inspections and Reporting – A total of 2,683 safety inspections to various underground and surface workplaces were conducted. The Company also assisted MGB-CAR officials in the conduct of their regular inspection.*
- 3. A joint Mine Program are conducted as scheduled to determine the prevailing and/or potentials hazards such as illegal drives, old fill and mine out stopes, etc.*
- 4. Accident Investigation – Safety Division facilitates incident investigation so that all types of work related serious incidents and major property damage are investigated by the Incident Prevention Investigation Committee (IPIC). Findings and recommendations of the IPIC were further validated by the Central Safety Council (CSC). MGB Manila and Baguio are furnished copies of report per standard procedure.*
- 5. Personal Protective Equipment (PPE) – During the safety orientation of newly hired employees, they are required to present their PPE such as hard hat and safety miner's boots wherein they are taught on the importance, use, fittings and maintenance of said PPEs. The Company strictly implements/ monitors the use of PPE such as miner's boots, hard hat, eye google, face shield, cap lamps, etc. at the industrial area.*
- 6. Emergency Response Program – copies of this were distributed to all concerned and a copy of which is kept at the*

safety office for reference.

The Company have likewise conducted (1) Regular Medical, Dental and Optical Mission both for its stakeholders & employees; (2) Continuous Enhancement of Recreational Facilities; (3) IEC on Women's and Children's Rights/ Magna Carta for Women/Cancer Awareness; (4) Special Employment for Students in coordination with the LGU; and (5) Regular beautification and waste management strategies.

- iii. State the company's training and development programmes for its employees. Show the data.  
*The Company adopted a professional training and development program for its employees and officers. For 2013, a Management and Employee Training was conducted where all of the safety inspectors have completed the forty (40) hours Occupational Safety and Health Trainings required by the government. Basic First Aid training was conducted attended by 439 newly-hired BC and service contract employees as part of the safety induction/orientation program. Likewise, a 2-day First Aid Refresher's Training was conducted attended by 130 BC employees.*
  - iv. State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.  
*It is the policy of the Company to reward employees on the basis of meritorious performance. It also implements a stock option plan to recognize exceptional contribution of select employees to the company's overall performance. The Group has an incentive bonus plan which provide for bonus awards, calculated on the basis of net income, to top operating executives, managers and members of the BOD. Bonus awards are either paid on full directly to the awardees or are transferred to a trust fund and are payable to the awardees in three installments generally over a period of two years. No incentive bonuses were paid or accrued in 2013, 2012 and 2011.*
- d. What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

*It is the Company's policy to afford employees suspected of having violated company policies the right to be heard under a speedy, fair, just and impartial investigation without adversely affecting the time and efficiency of the employees concerned which are critical in the operation.*

*The following are the implementing guidelines for administrative investigation:*

2. *The Company may, upon written complaint of an employee or any person, or on reasonable suspicion of commission or violation of any act punishable under any Company policies, conduct an investigation to determine the employee's guilt and to impose the appropriate penalty, thru the Officer or Manager who has supervision over an employee suspected of having committed such violation, or his duly designated representative who must be a Manager (hereinafter called Investigating Authority).*
3. *In meting out penalties, the Company shall take into account the nature and effect of the offense, the time interval of the commission of offenses, and such circumstances that may justify, mitigate or aggravate the commission thereof.*
4. *In the pursuit of the speedy investigation, the Vice President or Manager concerned may forego the procedure herein established provided that the respondent is given fair opportunity to be heard.*
5. *The procedural guideline herein established shall be without prejudice to the right of the Company to motuproprio conduct inquiry or preliminary investigation which could be the basis for conducting a formal investigation as provided under the procedural guidelines, which are as follows:*
  - a. *Formal Complaint – Upon receipt of a formal complaint prepared either upon a written complaint of an employee or any person concerned, or motuproprio by the Company, which shall contain the nature of the offense/violation complained to have been committed, respondent shall explain in writing his position within three (3) working days from receipt of the copy of the complaint with accompanying documents and affidavits if applicable.*
  - b. *Preventive Suspension – If the presence of the respondent poses serious danger to life of his co-employees or to the property of the Company, the respondent may be placed under preventive suspension which shall take effect immediately upon his/her receipt of a notice for that purpose. Should the respondent be found innocent of the act/s complained of, all benefits due him/her for the period of suspension shall be restituted. In no case, however, shall preventive suspension be more than thirty (30) days.*
  - c. *Default – Failure or refusal of the respondent to make such written answer within the period above provided shall be deemed a waiver of his/her right to answer or explain his/her side. The Investigating Authority shall nevertheless proceed with the investigation.*
  - d. *Decision – The investigation shall be completed within two (2) weeks from service of complaint. Upon completion of the Investigation, the Investigating Authority shall render a decision, stating briefly the findings and the conclusion reached. Legal Services shall the review the decision to determine if it is legally sustainable. Decision shall be immediately executor unless the President shall order otherwise on the basis of an appeal by the employee subjected*

to a penalty.

- e. Service – Notices or decision shall be sent to the respondent or witness/es personally or by leaving at his/her table, if he/she reports for work or, by all to his/her last known address appearing in the Personnel records, if he/she cannot be found. Such service shall be deemed sufficient for the purpose of this policy.

## I. DISCLOSURE AND TRANSPARENCY

### a. Ownership Structure

- i. Holding 5% shareholding or more

The following table sets forth certain information about persons (or "groups" of persons) known by the Company to be directly or indirectly the record and/or beneficial owner of more than five percent (5%) of any class of the Company's outstanding capital stocks as of December 31, 2014:

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Filipino)	Class A Common – 52,586,388	44.78%	(see Note 1)
	Class B Common – 27,992,788	36.07%	
(Non-Filipino)	Class A Convertible Preferred – 60,072	27.67%	
	Class B Common – 11,057,892	14.25%	
Palm Avenue Holding Company, Inc.	Class A Common - 21,874,909	18.63%	(See Note 2)
Palm Avenue Holdings Company and/ or Palm Avenue Realty Corporation, Metro Manila, Phil. <sup>11</sup>	Class A Common - 21,306,830	18.14%	(See Note 2)
Palm Avenue Realty Corporation, Metro Manila, Philippines	Class B Common – 14,560,000	18.76%	(See Note 2)
Palm Avenue Holdings Company and/ or Palm Avenue Realty Corporation, Metro Manila, Phil. <sup>12</sup>	Class A Common – 10,278,125	08.75%	(See Note 2)
Fairmount Real Estate	Class A Convertible Preferred - 59,262	27.30%	(See Note 3)

The following are PCD's participants who hold five percent (5%) or more of any class of the Company's outstanding capital stocks as of December 31, 2014.

Name of PCD's Participant	Number of Shares Held	Percent
Lucky Securities, Inc.	Class A Common – 17,066,518	14.53%
	Class B Common – 16,212,667	20.89%
Maybank ATR Kim Eng Securities, Inc.	Class A Common – 5,647,265	5.00%
	Class B Common - 4,427,348	5.70%
Citibank, N.A.	Class B Common – 7,398,248	9.53%
Abacus Securities Corporation	Class A Convertible Preferred – 37,617	17.33%

**Note 1.** PCD Nominee Corporation (PDCNC) is a wholly-owned subsidiary of Philippine Central Depository, Inc. (PCD). The beneficial owners of such shares registered under the name of PDCNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. PCD is prohibited from voting these shares, instead the participants have the power to decide how the PCD shares in Benguet Corporation are to be voted.

**Note 2.** The Company is not aware of who is/are the direct or indirect beneficial owner/s of the stocks issued to Palm Avenue Holdings Company, Inc. and Palm Avenue Realty and Development Corporation (the "Palm Companies"). The nominee of Palm Companies in the Board of Directors is Mr. Benjamin Philip G. Romualdez, President/CEO. On May 28, 2014 Annual Stockholders' Meeting of the Company, the Palm Companies issued a proxy in favor of its legal counsels, Attys. Otilia Dimayuga-Molo/Andrea Rigonan-Dela Cueva, to vote in all matters to be taken up in the stockholders' meeting. Please note that (a) Palm Avenue Holding

<sup>11</sup>Sequestered by the Republic of the Philippines, Presidential Commission on Good Government under Executive Order Nos. 1 & 2

<sup>12</sup>Sequestered by the Republic of the Philippines thru PCGG under E.O. Nos. 1 & 2 and reverted to Palm Avenue as sequestered shares per Supreme Court Entry of Judgment dated March 15, 1993 in G.R. No. 90667 entitled Republic of the Philippines vs. Sandiganbayan, Palm Avenue Realty Development Corp. and Palm Avenue Holdings Company, Inc.

Company, Inc. and Palm Avenue Holdings Company are one and the same corporation, and (b) Palm Avenue Realty and Development Corporation and Palm Avenue Realty Corporation are one and the same corporation.

**Note 3.** Sequestered shares which is presently in trust by PCGG and the record owner of which is Fairmount Real Estate. The Company is not aware of who is/are the director or indirect beneficial owner/s of the stocks issued to Fairmount Real Estate.

Below are information as to each class of securities of the Company beneficially owned by directors and officers as of December 31, 2015.

**A. Individual**

Name of Senior Management	Number of Direct shares		Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Benjamin Philip G. Romualdez	Class A	23	The Company is not aware of any indirect beneficial ownership of its directors and officers.	0.000%
	Class B	551		0.000%
Cesar C. Zalamea	Class A	1		0.000%
Andres G. Gatmaitan	Class A	152		0.000%
	Class B	1		0.000%
Isidro C. Alcantara, Jr.	Class A	1,434,400		1.220%
	Class B	1		0.000%
Alberto C. Agra	Class A	1		0.000%
Luis Juan L. Virata	Class A	78,001		0.066%
	Class B	23,200		0.030%
Daniel Andrew G. Romualdez	Class A	7		0.000%
Maria Remedios R. Pompidou	Class A	5		0.000%
Bernardo M. Villegas	Class B	1		0.000%
Macario U. Te	Class A	1		0.000%
Reynaldo P. Mendoza	Class A	29,222		0.025%
Leopoldo S. Sison III	Class A	31,702		0.027%
Ma. Mignon D. De Leon	Class A	10,000		0.008%
Lina G. Fernandez	Class A	38,022		0.032%
Max D. Arceño	Class A	511		0.000%
Antonio L. Buenavista	Class A	7,156		0.007%
Hermogene H. Real	Class A	17,700	0.015%	
	Class B	100	0.000%	
<b>TOTAL</b>	Class A	1,646,904	1.401%	
	Class B	23,854	0.031%	

b. Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	No
Number of board of directors/commissioners meetings held during the year	No
Attendance details of each director/commissioner in respect of meetings held	No
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes. Total remuneration is disclosed.



Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

*The Company's Annual Report contains the disclosure requirements imposed by the SRC, its Implementing Rules and Regulations, and the issuances of the SEC. Number of board of directors/commissioners meetings held during the year and attendance details of directors in respect of meetings held are disclosed/presented in the Definitive Information Statement (SEC Form 20-IS) and disclosed in the Company's website.*

c. External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SyCipGorresVelayo & Co.	P4.9Million	P1.8 Million*

(\*) - Year 2013

d. Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

*Shareholders are provided information through public records, electronic communication media, Company's website, press releases, announcements, the Company's disclosures and reports filed with the SEC, PSE and other regulating agencies.*

e. Date of release of audited financial report: *March 28, 2014*

f. Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.  
Not applicable.

g. Disclosure of RPT

RPT	Relationship	Nature	Value
<i>Benguetcorp Nickel Mines, Inc. (BNMI)</i>	<i>Wholly-owned subsidiary</i>	<i>Appointed Benguet Corporation (parent company) as its exclusive agent with a marketing fee of \$5 per ton of nickel ore shipped, inclusive of Value Added Tax (VAT). This is a five-year exclusive marketing agreement signed in August 2011.</i>	

Berec Land Resources, Inc. (BLRI)	Wholly-owned subsidiary	<p>Agreement for the management of the operation of Acupan Gold (AGP). Under this management contract, BLRI will provide the necessary technical and financial assistance to expand the production capacity of AGP to 300 tons per day in exchange for a management fee based on the net operating profit of AGP. BLRI also leases its equipment to the AGP mining operations.</p> <p>BLRI also leases its equipment to the AGP mining operations.</p>
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*In addition, all intercompany transactions are disclosed in accordance with Philippine SEC requirements under SRC Rule 68, as amended (2011).*

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

*All related party transactions are fully disclosed to the Board of Directors. It is the policy of the Company to continuously monitor and assess intercompany transactions in order to maintain utmost transparency, observe an arms-length relationship between the Company and among its subsidiaries and affiliates, in continuing compliance of all government regulations, observance of good corporate governance and adherence to regulatory standards. On March 22, 2013, the Board approved the policy on inter-company transactions which states that the company continuously monitor and assess intercompany transactions in order to maintain utmost transparency, observe an arms-length relationship between the Company and among its subsidiaries, in continuing compliance of all government regulations.*

**J. RIGHTS OF STOCKHOLDERS**

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

<p style="text-align: center;"><b>Quorum Required</b></p>	<p><i>Excepting as may otherwise provided by the laws of the Philippines, at any regular or special meeting of the stockholders, it shall be necessary that the owners of a <b>majority</b> of the entire subscribed capital stock of all classes as shown by the stock transfer books of the Company be present in person or by proxy to constitute a quorum and, except in cases where Philippine law or the Articles of Incorporation of the Company require a higher percentage and/or voting by classes of stock, every decision of a majority of the stock represented at such meeting shall be valid as a Company act. (Amended By-Laws, Article II, Section 5, Majority to Govern – Exceptions)</i></p>
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	<i>A vote of the stockholders representing the <b>majority</b> of the outstanding capital stock of the Company (in person or by proxy), is required for approval/ratification of the minutes of the annual stockholders meeting and all acts, contracts, investments, resolutions, and proceedings made and entered into by the Management and/or the Board of Directors since the last Annual Stockholders Meeting. [SEC Form 20-IS p. 18]</i>
<b>Description</b>	<i>Each share shall be entitled to one vote.</i>

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights not in The Corporation Code</b>
<i>Stockholders' rights concerning Annual/Special Stockholders' Meeting are in accordance with provisions stated in the Corporation Code.</i>	<i>There are no rights granted to Stockholders that are not in the Corporation Code.</i>

Dividends

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>
<i>None to report for 2014.</i>		

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

<b>Measures Adopted</b>	<b>Communication Procedure</b>
<p><i>The Board should be transparent and fair in the conduct of the annual and special stockholders meetings of the corporation. The stockholders should be encouraged to personally attend such meeting. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject of the requirements of the By-Laws the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in stockholder's favor. [Revised Manual on Corporate Governance, Section 10 (B)]</i></p> <p><i>Accurate and timely information shall be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. [Section 10 (C), Revised Manual on Corporate Governance]</i></p> <p><i>Although all stockholders shall be treated equally without discrimination, the Board shall give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.</i></p>	<p><i>A written or printed notice of every regular or special meeting of the stockholders stating the time and place and, in case of special meetings, the objects thereof, shall be prepared and mailed by the President or Secretary of the Company, postage prepaid, to the last known post office address of each stockholders as shown by the Company's stock transfer books at least thirty (30) days before the date of any such meeting. No failure or irregularity of notice of any regular meeting shall invalidate the same or any proceedings thereat. [Article II, Section 3, Amended By-Laws]</i></p>

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
  - a. Amendments to the company's constitution
  - b. Authorization of additional shares
  - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

*The Board is transparent and fair in the conduct of the annual and special stockholders meetings of the corporation. Prior to the meeting, the stockholders are furnished with sufficient information material upon which to base their decisions. The stockholders are encouraged to personally attend the meeting. If they cannot attend, they are apprised ahead of time of their right to appoint a proxy.*

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

*Yes. For May 28, 2015 Annual Stockholders' Meeting, the minimum 21 days was observed in giving out notices to the stockholders of the Company.*

- a. Date of sending out notices: *April 28, 2015*
- b. Date of the Annual Stockholders' Meeting: *May 28, 2015*

4. State, if any, questions and answers during the Annual Stockholders' Meeting.

*None. There are no questions brought out during the 2015 Annual Stockholders Meeting.*

5. Result of Annual Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the May 30, 2014 Annual Stockholders' Meeting	75.82%	0.06%	0.15%
Approval of the increase in the number of members of the Board of Directors from 10 directors to 11 directors and the corresponding amendments of Article Sixth of the amended Articles of Incorporation and Article III, Section 1 of the amended By-Laws of the Company.	75.76%	0.19%	0.08%
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 amendments of Article Seventh of the amended Articles of Incorporation and Article 1, Section 1 of the amended By-Laws of the Company	75.76%	0.17%	0.10%
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 1, Section 1 of the amended By-Laws of the Company	75.73%	0.21%	0.09%
Approval of the amended requirement that only the affirmative vote of two third (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 and the corresponding amendments of Article Seventh (B) of the amended Article of Incorporation and Article VI, Section 1 of the amended By-Laws of the Company	75.21%	0.28%	0.60%

Approval of the deletion of the amendment 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 and the corresponding amendment of Article Seventh (A)(2) of the amended Articles of Incorporation.	75.78%	0.15%	0.12%
Approval of the deletion of the By-Laws 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, and the corresponding amendment of Article IV, Section 3 of the amended By-Laws.	75.78%	0.13%	0.10%
Ratification of all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors since the May 28, 2014 Annual Stockholders' Meeting	75.77%	0.13%	0.11%
At their discretion, the Proxies are authorized to vote upon such other matters as may properly come before the meeting and which are not known to management at a reasonable time, including to adjourn the meeting for up to ninety (90) days from May 28, 2015.	75.89%	0.28%	0.11%

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

Just after the May 28, 2015 stockholders' meeting, the results of the votes taken was disclosed to the PSE, and on May 29, 2015, it was disclosed to the SEC and posted in the Company website.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
There were no modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year.	

(f) Stockholders' Attendance

Details of Attendance in the Annual/Special Stockholders' Meeting Held (2015):

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending Person	% of SH in Proxy	Total % of SH attendance

Annual Stockholders Meeting	<p><b>Directors:</b></p> <p>Benjamin Philip G. Romualdez          Andres G. Gatmaitan          Isidro C. Alcantara, Jr.          Alberto C. Agra          Bernardo M. Villegas          Cesar C. Zalamea          Macario U. Te</p> <p><b>Officers:</b></p> <p>Arsenio K. Sebial, Jr.          Renato A. Claravall          Reynaldo P. Mendoza          Leopoldo S. Sison III          Lina G. Fernandez          Ma. Mignon D. De Leon          Max D. Arceño          Ana Margarita N. Hontiveros          Chuchi C. Del Prado          Mary Jean G. Alger          Ma. Anna G. Vicedo-Montes          Hermogene H. Real</p>	May 28, 2015	Voting carried by motions made and duly seconded.	52.68% of the outstanding capital stock of the Company	23.38% of the outstanding capital stock of the Company	76.06% of the outstanding capital stock of the Company
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- (i) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?  
*Yes. SyCipGorresVelayo & Co., is appointed as the Company's independent party inspector.*
- (ii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.  
*The Company's common shares carry one vote for each share.  
 All the shares of all classes of stock of the Corporation shall have identical voting rights and shall vote as a single class, except as otherwise provided in the Amended Article Seventh of the Amended Articles of Incorporation. In the election of directors, sixty (60%) per centum of the total number of directors shall be nominated and elected by holders of Convertible Preferred Stock and of Common Class A Stock acting as a single class, while forty (40%) per centum of the total number of directors shall be nominated and elected by holders of Common Class B Stock. [Article Seventh (B), Amended Articles of Incorporation]*

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	<i>Any stockholder not present at any annual or special meeting of the stockholders may vote the share or shares standing in his name on the stock transfer books of the Company by proxy, such proxy to be dated, signed and to designate the person or persons named as proxy. [Article II, Section 4. Proxies, Amended By-Laws]</i>
Notary	<i>The Company's By-Laws does not require the proxy to be notarized.</i>
Submission of Proxy	<i>Proxies must be filed with the Secretary twenty-four (24) hours before the date of the stockholder's meeting. [Article II, Section 4. Proxies, Amended By-Laws]</i>
Several Proxies	<i>Allowed. Any stockholder not present at any annual or special meeting of the stockholders may vote the share or shares standing in his name on the stock transfer books of the Company by proxy, such proxy to be dated, signed and to designate the person or</i>

	<i>persons named as proxy. [Article II, Section 4. Proxies, Amended By-Laws]</i>
Validity of Proxy	<i>A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. In the event a stockholder decides to attend the meeting, he may, if he wishes, revoke his proxy and vote his shares in person.  For the 2015 Annual Stockholders Meeting, the grant of authority in the election of directors is subject to the lifting of TRO. In case no election of directors is held on the date of the Annual Stockholders' Meeting on May 28, 2014, the proxy will still be valid for ninety (90) days from said date, or up to August 26, 2014 and can still be exercised in the event the TRO is lifted after the May 30, 2013 Stockholders' Meeting and an election is ordered within the said ninety (90) day-period.</i>
Proxies executed abroad	<i>The Company retained Georgeson, Inc. to assist in the solicitation of proxies from the United States. The firm may solicit proxies by personal interview, telefax, telephone, mail and electronic mail.</i>
Invalidated Proxy	<i>An invalidated proxy shall not be recognized and vote cast shall not be counted and the stockholder shall be informed of such fact.</i>
Validation of Proxy	<i>The committee of validation of proxies are composed of representatives from the Company's external auditor (SycipGorresVelayo &amp; Company), stock transfer agent (Stock Transfer Service, Inc.), and its Corporate Secretary/Assistant Corporate Secretary. The committee adheres to the procedural requirements governing conduct in the validation of proxies as set forth in the By-Laws and procedures under Paragraph 11 (b) of SRC Rule 20.</i>
Violation of Proxy	<i>Any vote made in violation of the terms of the proxy will not be considered for purposes of counting of votes.</i>

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
<i>Accurate and timely information shall be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. [Section 10 (C), Revised Manual on Corporate Governance]</i>	<i>A written or printed notice of every regular or special meeting of the stockholders stating the time and place and, in case of special meetings, the objects thereof, shall be prepared and mailed by the President or Secretary of the Company, postage prepaid, to the last known post office address of each stockholders as shown by the Company's stock transfer books at least thirty (30) days before the date of any such meeting. No failure or irregularity of notice of any regular meeting shall invalidate the same or any proceedings thereat. [Article II, Section 3, Amended By-Laws]</i>

(i) Definitive Information Statements and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	<b>16,937</b>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	<b>April 28, 2015</b>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	<b>April 28, 2015</b>

State whether CD format or hard copies were distributed	Hard copies of the Definitive Information Statement and 2014 Annual Report were distributed to Foreign Stockholders and for Local Stockholders, hard copy of the Definitive Information Statement and CD format of the Definitive Information Statement and 2014 Annual Report were distributed.
If yes, indicate whether requesting stockholders were provided hard copies	Yes, requesting stockholders were provided hard copies of Definitive Information Statement and 2014 Annual Report.

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
<p><i>The Company recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. As such, the Board committed to respect the following rights of the stockholders:</i></p> <ol style="list-style-type: none"> <li>1. <i>voting right</i></li> <li>2. <i>power of inspection</i></li> <li>3. <i>right to information</i></li> <li>4. <i>right to dividends</i></li> <li>5. <i>appraisal right</i></li> </ol>	<ul style="list-style-type: none"> <li>• <i>Shareholders shall have the right to elect, remove and vote on certain corporate acts pursuant to the Corporation Code, the Articles of Incorporation and By-Laws.</i></li> <li>• <i>Shareholders are entitled to vote for each share held as of the established record date. A stockholder entitled to vote at the meeting shall have the right to vote in person or by proxy.</i></li> <li>• <i>Shareholders are allowed to inspect corporate books and records including minutes of Board meetings at reasonable hours during business days in accordance with Section 74 of the Corporation Code and shall be furnished with annual reports, including financial statements, without costs or restrictions.</i></li> <li>• <i>The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</i></li> <li>• <i>The minority shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes."</i></li> <li>• <i>Although all stockholders shall be treated equally without discrimination, the Board shall give minority</i></li> </ul>



	<i>stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.</i>
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(b) Do minority stockholders have a right to nominate candidates for board of directors?

*Yes. In the election of directors, sixty (60%) per centum of the total number of directors shall be nominated and elected by holders of Convertible Preferred Stock and of Common Class A Stock acting as a single class, while forty (40%) per centum of the total number of directors shall be nominated and elected by holders of Common Class B Stock. [Article Seventh (B), Amended Articles of Incorporation]*

#### K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

*The Company has communication system channel that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC and PSE, the Company maintains its website that provides timely information updates on its governance, operational and financial performance.*

*The Company has also designated a stockholders relations officer to handle its investor and shareholder queries and requests, whose contact information can easily be accessed through the Company's website. The Legal Services, Corporate Secretary and Chief Finance Officer exercise oversight responsibility over the stockholders relations office.*

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	<i>To build better understanding and cultivate a relationship of trust with stakeholders, the Company has communication system channels that promote effective communication with its shareholders and investors.</i>
(2) Principles	<i>Handle investor and shareholders queries and requests as a top priority matter with transparency and promptness.</i>
(3) Modes of Communications	<i>Company website and PSE website for all corporate disclosures, telephone, letter or email.</i>
(4) Investors Relations Officer	<i>Romeo Leonilo H. Tangalin Manager – Stockholders Relations Office <a href="mailto:rht@benquetcorp.com.ph">rht@benquetcorp.com.ph</a></i>

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?  
*No acquisition of corporate control in the capital markets and extraordinary transactions has taken place. In any event, such acquisition needs board approval and/or stockholders' approval.*

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.  
*Not applicable.*

#### L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
Training and employment for Out of School Youth	77 students of 21 barangays of Sta. Cruz and Candelaria, Zambales
Training Program for Barangay Officials/Secretaries	Barangays Tubotubo South, Bolitoc – Sta Cruz, Zambales
Animal Husbandry Program	Five Host Communities/Barangays - Zambales
Sewing Livelihood Training Project	Barangays Dampay, Candelaria, and Binabalian – Candelaria Zambales

BrigadaEskwela	Six host communities/Barangays – Sta Cruz and Candelaria , Zambales
Bamboo Farming Training	Barangay Dampay – Candelaria, Zambales
Full scholarship program	246 high school, college and vocational – 19 host barangays – Sta Cruz and Candelaria, Zambales
Adopted DepEd's Annual Math & Science Competition	Deped - Sta. Cruz and Candelaria, Zambales
LGU Cultural Event Sponsorships	LGUs of Sta. Cruz and Candelaria and host communities – Zambales
Free Monthly/Quarterly Medical services/mobile clinics	Five host communities/barangays - Zambales
Feeding Programs	1,110 malnourished children from 22 communities/barangays/elementary schools - Zambales
Repair and Construction of 2 Health Centers	Barangays Guisguis and Binabalian, Zambales
Repair and Construction of 3 bridges	Barangays Lomboy and Guisguis – Sta Cruz, Zambales
Construction/provision of 2 Agricultural Facilities	Barangays Tubotubo North & Binabalian - Zambales
Construction of 2 Multi-purpose Buildings	Barangays Tubotubo South, Yamot and Dampay – Zambales
Renovation of Day Care Center	Barangay Binabalian - Zambales
Donated Generator set and Hospital Appliances	Sta. Cruz, Municipal Hospital - Zambales
Farmland Enhancement	Five host communities/barangays - Zambales
Fishpond Enhancement	Barangays San Fernando and Tubotubo South – Sta Cruz, Zambales
Donated supplies for Barangay Officials & Health Workers	Seven host communities/barangays - Zambales
Provision of Barangay Hall furniture/appliances	Six host communities/barangays - Zambales
Provision of Day Care educational materials/appliances	Nine host communities/barangays - Zambales
Provision of Barangay service vehicle under the Disaster Preparedness Program	Barangay Binabalian – Candelaria, Zambales
Food Processing and Preservation Training	Barangay Irisan – Baguio city
Assistance to Barangay Peacekeeping Action Team	Barangays Poblacion, Ucab&Gumatdang – Itogon, Benguet
Assistance (for regular patrol works of BPATs , and various community field work of Barangay Health Workers and members of LGU)	Barangays Gumatdang, Poblacion, Virac, Ucab, Dalupirip Tinongdan&Loacan – Itogon, Benguet
Provision of patrol supplies and uniforms of Barangay Tanods	Barangay Irisan – Baguio City
Skills Training on Electrical Maintenance	Barangay Poblacion – Itogon, Benguet
Skills Training on Beauty Care	Barangay Poblacion – Itogon, Benguet
Rehabilitation of Water System; construction of wall rip-raps, railings, parapet	Barangay Virac – Itogon, Benguet
Construction of Tanod Outpost, drainages, canals, bunkhouse repairs	Barangay Irisan – Baguio city
High School & College Scholarship Program	Barangays Virac, Poblacion, Ucab&Gumatdang – Itogon, Benguet
BrigadaEskwela	Barangays Virac, Poblacion, Ucab – Itogon, Benguet
Implementation of Special Program for Employment of Students (SPES)	Barangays Virac, Poblacion, Ucab&Gumatdang – Itogon, Benguet
Assistance to Day Care Workers' Annual Summit	Barangay Virac – Itogon, Benguet
Assistance to Child Development Workers/Day Care Workers	Barangays Virac, Poblacion, Ucab, Gumatdang and Irisan , Itogon and Baguio City
Assistance to the Universal Children's Day Celebration	Barangays Virac and Poblacion – Itogon, Benguet
Provision of uniforms for Day Care pupils	Barangay Irisan – Baguio city
Skills Training on Welding	Barangay Irisan – Baguio City
Disaster Preparedness Training for High School Students	Barangay Virac – Itogon, Benguet
Assistance to Barangay Health Workers and Barangay Nutrition Scholars	Barangays Virac , UcabPoblacion and Gumatdang – Itogon, Benguet
Annual Medical, Dental and Optical, Surgical and Physical Wellness Outreach Programs	Barangays Virac, Poblacion and Irisan – Itogon, Benguet
Sewerage Construction, Basketball Court Improvements	Barangay Irisan – Baguio City

Use of Company facilities for various community programs	Barangay Virac – Baguio City
Assistance to the Nutrition Month Celebration	Barangay Poblacion – Itogon, Benguet
Support to LGU Cultural Events	Barangays Virac , Ucab and Poblacion – Itogon, Benguet
Implementation of various mining related IEC Activities in coordination with MGB-CAR and other mining companies in CAR (i.e., Essay Writing Contest, Poster Making Contest, conduct of quarterly barangay meetings, conduct of public consultations, conduct of briefings on new projects)	All host communities/barangays – Itogon, Benguet
Assistance to Itogon PNP & 3 COMPACs	Barangays Virac , Ucab and Poblacion – Itogon, Benguet
Support facilities for 2 Chapels	Barangay Ampucao – Itogon, Benguet
Assistance in the Quarterly Barangay Assembly	Barangay Poblacion – Itogon , Benguet
IEC on Dengue Prevention	Barangays Virac and Ucab – Itogon, Benguet

#### M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
<b>Board of Directors</b>	No formal evaluation is in place.	
<b>Board Committees</b>	The Audit Committee conducts an annual self-assessment of performance evaluation in compliance with the SEC Memo Circular No. 4, Series of 2012.	Guidelines for the Assessment of the Performance of Audit Committee of Companies Listed in the Exchange.
<b>Individual Directors</b>	The Board of Directors evaluates the performance of individual directors. On the other hand, the Nomination Committee likewise passes upon the performance of a director when it examines fitness of nominees for re-election as directors.	Criteria used are based on the standards set in the Manual of Corporate Governance.
<b>CEO/President</b>	The Board evaluates the performance of the CEO.	Criteria used are based on the standards set in the Manual of Corporate Governance.

#### N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

Violations	Sanctions <sup>13</sup>
First Violation	<i>Reprimand</i>
Second Violation	<i>Suspension. The duration of the suspension shall depend on the gravity of the offense</i>
Third Violation	<i>Removal from office may be imposed depending on the gravity of the offense.</i>

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of \_\_\_\_\_ on \_\_\_\_\_, 2016.

**SIGNATURE**

<sup>13</sup>Section 16, Revised Manual on Corporate Governance

**DANIEL G. ROMUALDEZ**  
Chairman of the Board

**BENJAMIN PHILIP G.ROMUALDEZ**  
President and Chief Executive Officer

**ALBERTO C. AGRA**  
Independent Director

**BERNARDO M. VILLEGAS**  
Independent Director

**CHUCHI C. DEL PRADO**  
Vice President, Human Resource & Administration /  
Corporate Governance Compliance Officer

Republic of the Philippines )  
City of \_\_\_\_\_ ) S.S.

SUBSCRIBED AND SWORN to before me this \_\_\_\_th day of \_\_\_\_\_, 2016, affiants exhibiting to me their competent proof of identification with details appearing opposite their respective names, as follows:

<u>Name</u>	<u>ID Number</u>	<u>Date/Place of Issue</u>
DANIEL G. ROMUALDEZ	Passport No. EB5843575 valid until July 3, 2017	July 4, 2012 at PCG New York
BENJAMIN PHILIP G. ROMUALDEZ	Passport No. 8388538 valid until June 13, 2018	June 12, 2013 at DFA Manila
ALBERTO C. AGRA	Passport No. EB2976355 valid until July8, 2016	July9, 2011 at DFA Manila
BERNARDO M. VILLEGAS	Passport No. EB4802303 valid until February 26, 2017	February 27, 2012 at DFA Manila
CHUCHI C. DEL PRADO	SSS No. 03-5878800-3	Office of the Philippine Social Security System (SSS)

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 2015.

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of New York, U.S.A. on \_\_\_\_\_, 2015.

SIGNATURE

DANIEL G. ROMUALDEZ  
Chairman, Board of Directors

A C K N O W L E D G M E N T

STATE OF NEW YORK }  
COUNTRY OF QUEENS} SS.

SUBSCRIBED AND SWORN to before me this \_\_\_\_th day of April, 2015 at Woodside, Queens, New York, personally appeared DANIEL G. ROMUALDEZ with his Philippine Passport Number EB5843575 as identification, known to me to be the person who executed the foregoing document titled 2014 Annual Corporate Governance Report of Benguet Corporation and he acknowledged to me that the signature affixed to the document is his true signature, and that such is his own free and voluntary act and lawful deed.

WITNESS MY HAND AND SEAL.

\_\_\_\_\_  
Notary Public