

**BENGUET CORPORATION**

**MINUTES**

**OF THE ANNUAL STOCKHOLDERS' MEETING**

**09 November 2022**

The annual stockholders' meeting of Benguet Corporation (the "Company") was held virtually via Zoom Conference on Wednesday, 09 November 2022.

**I. Call to Order**

The meeting was called to order at 3:00 in the afternoon. The Chairman, Mr. Bernardo M. Villegas, welcomed all the stockholders to the 2022 Regular Annual Stockholders' Meeting (ASM), and mentioned that the ASM will be conducted online and recorded through video-streaming proceeding as approved by the Board of Directors in its regular meeting held on August 24, 2022 in view of the risk posed by the COVID-19 pandemic and to comply with the mandate of the Inter-Agency Task Force (IATF) on Emerging Infectious Diseases' for avoiding physical mass gatherings.

Mr. Villegas also mentioned that the procedures for the ASM were embodied in the Company's Definitive Information Statement duly approved by the Securities and Exchange Commission (SEC) which was disclosed in PSE Edge Portal and posted in the Company's website. He added that the stockholders were advised to register online to accord them the opportunity to participate in the ASM and that only questions and concerns submitted online prior to the given deadline of November 3, 2022 will be addressed during the ASM and that those given during the ASM will be addressed through email after the ASM and will be included in the minutes, accordingly.

The incumbent members of the Board of Directors of the Company who were present, were thereafter introduced, including those attending online, as follows:

**Attended in person at the BC Board Room**

BERNARDO M. VILLEGAS	Independent Director/Chairman of the Board
ANDREW JULIAN K. ROMUALDEZ	Director
RHODORA L. DAPULA	Independent Director, Chairman of Audit Committee
LINA G. FERNANDEZ	Director and President
<b>Attended online:</b>	
REGINALD S. VELASCO	Independent Director, Chairman of the Board Risk Oversight Committee
ANTHONY M. TE	Director
ANDREW PATRICK R. CASIÑO	Director
KWOK YAM IAN CHAN	Director
JOSE RAULITO E. PARAS	Director
MARIA REMEDIOS PAZ R. POMPIDOU	Director
LUIS JUAN L. VIRATA	Director

Also introduced were the following officers:

REYNALDO P. MENDOZA	Executive Vice President and Asst. Corporate Secretary
MAX D. ARCEÑO	Senior Vice President-Finance & Treasurer
VALERIANO B. BONGALOS, JR.	Vice President/Resident Manager for Benguet District Operations
PAMELA M. GENDRANO	Asst. Vice President-Environmental Compliance and Chief Risk Officer
HERMOGENE H. REAL	Corporate Secretary

Mr. Villegas likewise acknowledged the presence of the Company's external auditors, Sycip Gorres Velayo & Company, represented by Messrs. Wilson Tan and Peter John R. Ventura, and the Company's transfer agent, Stock Transfer and Service, Inc. representative, Mr. Richard Regala, Jr.

## II. Proof of Notice of the Meeting and Certification of Quorum

The Corporate Secretary, Atty. Hermogene H. Real, was asked to submit proof of the notice of meeting. The Corporate Secretary certified that, pursuant to the alternative mode for distributing and providing the notice of meeting in connection with the holding of the Annual Stockholders' Meeting (ASM) for 2022, notices of the meeting were sent to all stockholders of record as of September 19, 2022 in four (4) ways to reach as many stockholders as possible.

First, through publication in print and online format of the Notice of the ASM, including the agenda, for two (2) consecutive days on October 17 and 18, 2022 both in Manila Standard Today and in People's Journal, as evidenced by the Affidavits of Publications executed by the respective representatives of said publishers (Annex "A")<sup>1</sup>. Second, by disclosure of Information Statement with the Philippine Stock Exchange (PSE). Third, by posting on the Company's website. Finally, through email for those who have successfully registered online, consistent with applicable SEC Rules and the Company's internal guidelines on participation by electronic means of communication or in absentia.

### **Certification of Quorum:**

The Corporate Secretary certified that there was a quorum for the transaction of any business that may be properly brought before the body, with attendance of shareholders covering a total of 418,431,472 shares of stock represented remotely and by proxy equivalent to 66.95% of the outstanding shares and constitute 2/3 of the outstanding capital stock. [Appended to the original of the Minutes is the report dated November 9, 2022 of SGV & Co., the Company's external auditors, showing the results of tabulation of the number of shares present at the meeting. (Annex "B")<sup>2</sup>]

On the basis of the Corporate Secretary's certification, there being a

<sup>1</sup>Annex "A" – Manila Standard Today and People's Journal Affidavits of Publication

<sup>2</sup>Annex "B" - Quorum Tabulation

quorum present, the Chairman called the meeting to order.

**III. Approval of the Minutes of the Annual Stockholders' Meeting held on November 10, 2021**

The Chairman mentioned that the minutes of the last Regular Annual Stockholders' Meeting held on November 10, 2021 (Annex "C")<sup>3</sup> was available in the Company's website. Stockholders owning 418,431,472 shares representing 66.95% of the total outstanding shares of stock have voted in favor of the following resolution:

***"RESOLVED,** that the Minutes of the Annual Stockholders' Meeting of the Corporation held on November 10, 2021 be, as it hereby, approved."*

**IV. Approval of Management Report and Audited Financial Statements for 2021**

The Chairman announced that the next order of business was the review of the Company's operations for the year 2021. He then requested the President, Ms. Lina G. Fernandez, to deliver the Management Report, as follows:

"Dear Fellow Stockholders:

We are pleased to report that your Company rendered in 2021 its most remarkable performance in 3 decades. Consolidated revenue posted at ₱3.84 billion and after-tax Income of ₱1.4 billion, made it the most profitable year of your Company in its recent 30 operating years.

A 137% increase in revenue was reported by your Company year-on-year from ₱1.62 billion in 2020 to ₱3.84 billion in 2021. After-tax income in 2021 soared to ₱1.42 billion, almost 4 times last year's net income of ₱381.39 million. 2021 also saw profitable performance of all operating units and subsidiaries of your Company, with the mining segment as the main driver of the revenue and income growth.

Strong metal prices complemented higher mine output from both the nickel and gold operations. Nickel operations which provided ₱2.77 billion in export sales dominated again this year's revenue, followed by the gold operations at ₱945.78 million, up 238% and 34% respectively over the previous year. Lime operations also posted a healthy 20% increase in revenue year-on-year.

The non-mining business segment, on the other hand, rallied this year with a hefty ₱54.42 million revenue, exceeding by 61% the ₱33.90 million revenue posted in the previous year.

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<sup>3</sup>Annex "C" – Minutes of the Annual Stockholders Meeting held on November 10, 2021

As a result, earnings per share climbed 269% to ₱2.29 in 2021, from ₱0.62 a year ago.

On the other hand, total assets grew to ₱8.75 Billion, up 19% compared to ₱7.38 Billion in 2020. On the other hand, total liabilities declined by 10%, from ₱2.6 Billion in 2020 to ₱2.3 Billion in 2021. Accordingly, stockholders' equity increased by 34% to ₱6.4 Billion from ₱4.8 Billion in the previous year.

## **EXPLORATION, RESEARCH AND DEVELOPMENT**

During the year, your Company invested ₱11.7 million in exploration activities and ₱40.9 million in mining and milling equipment for the expansion of its gold project in Benguet province and Sta Cruz nickel operation in Zambales. In 2020, ₱10.8 million was invested in exploration activities and ₱27.3 million was invested in mining and milling equipment for the expansion of the said projects in 2020. Corporate restructuring was also implemented with the infusion of additional capital in several subsidiaries, amendment of the Articles of Incorporation and By-laws of Arrow Freight Corporation and Batong Buhay Mineral Resources Corporation as well as change of corporate name of Benguetcorp Nickel Mines, Inc. to Benguetcorp Resources Management Corporation.

The Pantingan property in Bataan remains to be a viable prospect of your Company for epithermal gold mineralization and aggregates. The second phase drilling works on the Pantingan Gold Prospect consisting of 7 drill holes have been completed and the recovered core samples are undergoing physical and chemical analysis. On the aggregates prospect, your Company is undertaking topographical and road surveys and is applying for permits including road-right-of-way within the 40-hectares Quarry Permit Application outside the Mineral Production Sharing Agreement area, as well as securing local government unit consent, tree inventory, National Commission on Indigenous Peoples certification and Environmental Compliance Certificate approval.

Your Company is currently completing the documentary requirements for conversion of Zamboanga Gold Prospect's Application for Mineral Production Sharing Agreement to Exploration Permit Application, including securing Free, Prior and Informed Consent from the Indigenous People in compliance with DENR Administrative Order No. 2021-25 necessary in approval of the EPA.

### **Land Development**

On August 18, 2021, registration of the Company's Kelly Ecozone Project in Itogon, Benguet was approved by the Philippine Economic Zone Authority for "Mixed-use Ecozone". Consultation with the Project-Affected-People is ongoing. Coordination with the Baguio

City Economic Zone and collaboration with the newly elected Itogon local government officials for the phased development and project social acceptability are likewise being undertaken. A satellite nursery for the propagation of agroforestry species as initial site development activity and source of planting materials for the enhancement of disturbed areas during site development is being established.

### **Solar Energy**

Your Company planned to collaborate with Entoria Energy Asia Pte. Ltd. of Singapore to conduct feasibility study on solar project for large scale industrial or local utility power supply.

### **Water project**

Your Company will sign the renewal of the Memorandum of Agreement or MOA with Manila Water Philippine Ventures Inc. on raw water purchase in connection with the bulk water supply proposal to Baguio City. The MOA renewal includes increase in Raw Water Abstraction Fee from P46 million to P55.2 million and royalty from 3% to 5%. Upon MOA signing, your Company will stand to gain P9.2 million as additional down payment on the Raw Water Abstraction Fee.

## **ENVIRONMENTAL PROTECTION AND COMMUNITY RELATIONS**

A total of P25.5 million in 2021 was spent by your Company for the continuous protection and enhancement of the environment. Accomplishment of various programs and activities based on the approved ACMP-Annual Environmental Protection and Enhancement Program or AEPEP, BRMC-AEPEP, BC-ILP AEPEP and BAGO-Care and Maintenance Program shows your Company's commitment to environmental protection and sustainable development. Majority of the programs implemented dealt with the enhancement of land resources which includes progressive rehabilitation and maintenance of various environmental structures such as the tailings storage facility and its appurtenances, drainage tunnels and the strict implementation of hazardous and solid waste management. The components of AEPEP and care and maintenance activities which are continuously carried-out consist of Nursery Development and Seedling Production, Mining Forest Program and Progressive Rehabilitation within Tenement, National Greening Program Outside Tenement, Establishment of Bamboo Plantation Areas, Implementation of the Sustainable Agroforestry Program – "Gulayan sa Minahan", Coastal Area Protection and Management, River Protection and Air Water and Noise Quality Monitoring, Solid and Hazardous Waste Management.

Your Company implemented in 2021, the total amount of P6.98 million in social development projects which supplement the general welfare programs provided by the national and local government. Your Company provided its host communities in the province of Zambales and Benguet, education support to its 388 scholars, education equipment and supplies to schools, assistance to Child

Development Programs, provision of medicines, vaccines, and medical equipment, provision of farming equipment and fertilizer to farmers, assistance to infrastructure development and continuing support for various activities concerning Information Education Communication Programs and Development of Mining Technology and Geosciences.

In upholding its commitment to be a socially responsible corporate citizen, your Company continues to deliver and support various environmental and social development programs that protect and improve the quality of life of the community where the Company operates.

Your Company's continuing efforts and quest for excellence during the year in review have been recognized with awards and nominations received:

- Acupan Gold Project have been awarded by the Department of Environmental and Natural Resources – Mines and Geosciences Bureau or DENR-MGB and the Philippine Mine Safety and Environment Association or PMSEA with the Safest Underground Mining Operation Award Runner-Up on November 26, 2021 during the 67<sup>th</sup> Annual National Mine Safety and Environment Conference.

- The nickel operations under BRMC, received the following Awards and Recognitions during the MGB-Region III Mining Summit in April 2022: (1) attaining the Highest Average Tenement, Safety and Health, Environment and Social Development Score for the Metallic Category in Region 3; (b) Best Recorded Improvement on its Mine Operations and Rehabilitation; and (c) Safety Award for Attaining 2 Million Man Hours Worked Without Any Lost time Accident Up until the end of CY 2021.

- BRMC will also be a recipient of the Presidential Minerals Industry Environmental Award or PMIEA-Platinum award this coming November 18, 2022 during the PMSEA Awards night in Baguio City.

- Irisan Lime Operations is the recipient from MGB, for the second time, of the Safest Mine Award-Runner up in the Mineral Processing Calcining category. Last year's award was conferred on February 3, 2021, while Irisan's award this year will be given during the PMSEA awards night in Baguio City on November 18, 2022.

- On the other hand, its nickel, gold and healthcare business operations continue to be ISO Certified.

## **OUTLOOK**

With sustained performance in 2022, your Company is hopeful that 2023 will be another good year on the back of strong metal prices as well as government support to mining and other industries.

Furthermore, your Company will continue to develop its non-mining portfolio and pursue profitable business in real estate, renewable energy, agro-industry and water projects. As we look forward to

maximize opportunities in its non-mining assets, we will continue to strive to contribute to the development of the mining industry and uplift the lives of our host communities.

### **CONCLUSION/ACKNOWLEDGMENT**

2021 was indeed a banner year for Benguet Corporation despite the difficulties brought by the pandemic, and climate change. We attribute the notable performance last year to the hard work, dedication and commitment of all the employees, cooperation and support of stakeholders, support and wisdom of the Board of Directors, as well as the unwavering trust and support of our stockholders. Until next year, keep safe always. Thank you so much.”

After the presentation by the President, the Corporate Secretary reported that Stockholders owning 66.95% of the outstanding shares or a total of 418,431,472 shares have voted in favor of the following resolution:

***RESOLVED**, that the Management Report as presented by the President and the Corporation’s audited financial statements for the year ended December 31, 2021 be, as it is hereby, approved.”*

#### **V. Approval for the extension of the term/retention of Mr. Bernardo M. Villegas as Independent Director**

The Corporate Secretary informed the body that the Company’s Chairman of the Board, Mr. Bernardo M. Villegas, is an Independent Director and his term as such, has reached the nine (9) years maximum term limit in 2021 with 2012 as reckoning year. During the regular meeting of the Board of Directors held on August 24, 2022, he was approved for extension and for retention as Independent Director. As set by the Company’s Manual on Corporate Governance, pursuant to Securities and Exchange Commission Memorandum Circular No. 19, Series of 2016, such term limit may be extended upon meritorious justification/s and Stockholders’ approval. The justification for said extension/retention has been provided to the Stockholders in advance through the Information Statement disclosed in the PSE Edge Portal and posted in the Company’s website.

The Corporate Secretary reported that Stockholders owning 66.95% of the outstanding shares or a total of 418,431,469 shares have voted in favor of the following resolution:

***“RESOLVED**, that the extension/retention of Dr. Bernardo M. Villegas as Independent Director despite having reached the cumulative maximum term of nine (9) years and one year extension under the SEC Memorandum Circular No. 4, series 2017, for reasons that Dr. Villegas has contributed, and will continue to contribute significantly to the success of the Company, be, as it is hereby, approved.”*

**VI. Extension of termination date for granting stock option to eight (8) years or until May 31, 2031 and the corresponding amendment to paragraph 11 of the Amended Stock Option Plan of the Company**

The Chairman stated that the approval of the extension of termination date for granting stock option to eight years or until May 31, 2031 and the corresponding amendment to paragraph 11 of the amended Stock Option Plan of the Company was authorized and approved by the Board in its regular meeting held on August 24, 2022. The amended Stock Option Plan provides that the termination date for granting of stock options is up to May 31, 2023 only.

The Corporate Secretary reported that Stockholders owning 66.95% of the outstanding shares or a total of 418,431,472 shares have voted in favor of the following resolution:

***“RESOLVED,** that the extension of termination date for granting stock option to eight years or until May 31, 2031 and the corresponding amendment to paragraph 11 of the amended Stock Option Plan of the Company be, as it hereby, approved.”*

**VII. Re-appointment of SyCip Gorres Velayo and Company (SGV) as the independent external auditor of the Company**

The Chairman stated that the Audit Committee recommended the re-appointment of the firm SyCip Gorres Velayo & Company (SGV) as the Company's external auditor for the year ending December 31, 2022.

The Corporate Secretary reported that Stockholders owning 66.95% of the outstanding shares or 418,431,472 shares have voted in favor of the resolution re-appointing SGV as external auditor for the year ending December 31, 2022, to wit:

***“RESOLVED,** that the accounting firm of Sycip Gorres Velayo & Co. be re-appointed external auditors of the Corporation for the years 2022-2023.”*

**VIII. Ratification of all acts, resolutions, contracts, investments and proceedings made and entered into by Management and/or the Board of Directors since November 10, 2021 until November 9, 2022 annual stockholders' meeting**

The Chairman stated that a summary of the acts of the management and directors of the Corporation was disclosed in the Definitive Information Statement in the PSE Edge Portal and posted in the Company's website.

The Corporate Secretary reported that Stockholders owning 66.95% of the outstanding shares or 418,431,472 shares have voted in favor of the resolution,



to wit:

**RESOLVED**, that all acts, proceedings, transactions, contracts, agreements, resolutions and deeds, authorized and entered into by the Board of Directors, Management and/or Officers of Benguet Corporation from the date of the last annual stockholders' meeting up to the present, be, as they are hereby, ratified, confirmed and approved."

**IX. Election of Board of Directors (subject to the lifting of the Temporary Restraining Order issued by the Supreme Court)**

The Chairman then proceeded to the election of the members of the Board of Directors. He asked the Corporate Secretary if she has the list of nominees to the Board of Directors. The Corporate Secretary replied in the affirmative, and that the Company received a total of eight (8) nominations for Regular Directors, and three (3) nominations for Independent Directors. Full details of the backgrounds and qualifications of the nominees have been disclosed in the Company's Definitive Information Statement.

The Corporate Secretary stated that as disclosed in the Company's Definitive Information Statement, the election of directors is still enjoined under the Temporary Restraining Order (TRO) issued by the Philippine Supreme Court as of October 7, 2022, the date of the statement. She informed the stockholders that as of the date and time of the meeting, no order lifting the TRO has been received by the Company, hence, no election of directors could be held.

Thus, the present set of incumbent directors and independent directors of the Company shall continue to remain in office on holdover capacity until their successors are elected and qualified, namely:

For Regular and Independent Directors representing Common Class A and Convertible Preferred Class A Stocks:

1. Andrew Patrick R. Casiño
2. Jose Raulito E. Paras
3. Maria Remedios Paz R. Pompidou
4. Anthony M. Te
5. Luis Juan L. Virata
6. Rhodora L. Dapula – Independent Director
7. Reginald S. Velasco – Independent Director

For Regular and Independent Director representing Common Class B Stocks:

1. Bernardo M. Villegas – Independent Director
2. Lina G. Fernandez
3. Andrew Julian K. Romualdez
4. Kwok Yam Ian Chan

**X. OTHER MATTERS / QUESTION AND ANSWER**


**A. Conversion Premium for Convertible Preferred "A" shares**

The Chairman informed the shareholders that for the year 2022, the conversion premium for converting Convertible Preferred "A" shares into Common Class "A" shares is P10.42 per share. Holders of Convertible Preferred Class A at their option may convert such shares into Common Class A stock with par value of P1.00 per share upon payment of the conversion premium.

The Chairman then asked the Corporate Secretary if there were comments and questions submitted to the Company prior to the stated deadline of November 3, 2022 through email or meeting portal. He asked the Corporate Secretary to read the questions and the management's corresponding responses. The Corporate Secretary replied that there was none received by email or through the meeting portal prior to the meeting. She further stated that any questions submitted during the Annual Stockholders' Meeting will be addressed via email and will be reflected accordingly in the minutes.

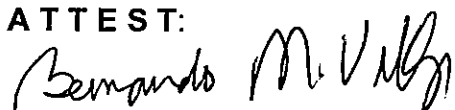
**XI. ADJOURNMENT**

Since all matters in the agenda have been covered in full, and neither were there questions/comments received from stockholders prior to the meeting nor during the proceedings, the meeting was declared adjourned at 3:30 p.m.



**HERMOGENE H. REAL**  
Corporate Secretary

**ATTEST:**



**BERNARDO M. VILLEGAS**  
Chairman