

**BENGUET CORPORATION**

**MINUTES**

**OF THE ANNUAL STOCKHOLDERS' MEETING**

**08 November 2023**

The annual stockholders' meeting of Benguet Corporation (the "Company") was held virtually via Zoom Conference Meeting on Wednesday, 08 November 2023.

**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 2023 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 30, 2023 in compliance with Securities and Exchange Commission Memorandum Circular No. 6, Series of 2020.

Dr. 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, 2023 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:

<b>Attended in person at the BC Board Room</b>	
BERNARDO M. VILLEGAS	Independent Director/Chairman of the Board
RHODORA L. DAPULA	Independent Director, Chairman of Audit Committee
LINA G. FERNANDEZ	Director and President
<b>Attended online:</b>	
ANTHONY M. TE	Director
ANDREW PATRICK R. CASIÑO	Director
KWOK YAM IAN CHAN	Director
CARLOS ALFONSO T. OCAMPO	Director
MARIA REMEDIOS PAZ R. POMPIDOU	Director
ANDREW JULIAN K. ROMUALDEZ	Director
LUIS JUAN L. VIRATA	Director

Also introduced were the following officers:

REYNALDO P. MENDOZA	Executive Vice President and Asst.
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	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

Dr. Villegas likewise acknowledged the presence of the Company's external auditors, Sycip Gorres Velayo & Company represented by Messrs. Peter John R. Ventura and Jerome O. Afable, 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 2023, notices of the meeting were sent to all stockholders of record as of September 19, 2023 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 16 and 17, 2023 in Manila Standard Today business section and on October 16 & 17 in People's Journal online edition and on October 18 & 19 in People's Journal print edition, 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 through the Philippine Stock Exchange (PSE) Edge Portal. 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:**

1. 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 comprising a total of 415,013,230 shares of stock represented remotely and by proxy representing 66.38% 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 8, 2023 of SGV & Co., the Company's external auditors, showing the results of tabulation of the number of shares present at the meeting.<sup>2</sup> ]

On the basis of the Corporate Secretary's certification, there being a quorum present, the Chairman called the meeting to order.

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

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

**III. Approval of the Minutes of the Annual Stockholders' Meeting held on November 9, 2022**

The Chairman mentioned that the minutes of the last Regular Annual Stockholders' Meeting held on November 9, 2022 (Annex "C") was made available in the Company's website.<sup>3</sup> Stockholders owning 415,013,230 shares representing 66.38% 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 9, 2022 be, as it is hereby, approved."*

**IV. Approval of Management Report and Audited Financial Statements for 2022**

The Chairman announced that the next order of business was the review of the Company's operations for the year 2022. He then requested the President, Ms. Lina G. Fernandez, to deliver the Management Report, as follows:

"This year marked your Company's 120<sup>th</sup> anniversary, and as BenguetCorp enters its next decade, we are happy to report that your Company achieved another milestone in 2022 with consolidated record revenue of ₱4.03 Billion; exceeding by 5% last year's revenue of ₱3.84 Billion. After tax income was ₱1.33 Billion, compared to last year's ₱1.42 Billion. All operating units and subsidiaries continued to post profits; with nickel operation driving the revenue growth.

The upward performance was due to sustained strength of metal prices and foreign exchange gains which prevailed through most of the year, partly offset by cost increases in the aftermath of the Russia-Ukraine war. The nickel business achieved 7% revenue growth year on year, accounting for ₱2.95 Billion or 73% of the total revenue and ₱1.05 Billion, or 79% of net income. Gold operations, on the other hand, provided 23% or ₱912 Million revenue and ₱36.0 Million net income, while lime operations contributed ₱100 Million in revenue and ₱17.7 Million net income.

Total consolidated assets grew to ₱9.91 Billion, or 13% increase year on year, while total liabilities dropped by 9% from ₱2.34 Billion in 2021 to ₱2.13 Billion in 2022. As a result, Equity climbed 21% from ₱6.41 Billion in 2021 to ₱7.78 Billion this year. Earnings per share was computed at ₱2.14, compared to ₱2.29/share in 2021, while book value per share rose from ₱10.29 in 2021 to ₱12.49 in 2022.

**EXPLORATION, RESEARCH AND DEVELOPMENT**

During the year, your Company invested ₱31.2 million in drilling and exploration activities and ₱45.4 million in mining and milling equipment for the expansion of the gold project in Benguet Province and Sta Cruz nickel operation in Zambales.

<sup>3</sup>Annex "C" – Minutes of the Annual Stockholders Meeting held on November 9, 2022

For the Pantingan property in Bataan, the tenement is a viable prospect for epithermal gold mineralization and for aggregates.

The Company continues to implement drilling program in the gold prospect with the showing of encouraging results and has completed Phase 2 of the drilling campaign. The drilling activity also aims to provide the necessary justification to apply for renewal of Mineral Production Sharing Agreement or MPSA which is due to expire in March 2025. Other activities for the MPSA renewal includes conduct of topographic survey and environmental impact study.

On the aggregates prospect, processing of quarry permits is being rushed and scheduled to be completed by year end 2023. Development of the quarry project will be undertaken with a possible joint venture partner. Hauling road, processing equipment and port facility among others, are needed for commercial operation.

On the other hand, your Company has submitted the documentary requirements for approval of the Exploration Permit Application or EPA of the Zamboanga Gold Prospect also known as BOLCO, after securing the Free, Prior and Informed Consent of the Indigenous People in compliance with DENR Administrative Order No. 2021-25. Once EPA is approved by the Mines and Geosciences Bureau or MGB, your Company can start exploration activity in the San Fernandino vein area.

Aside from mining and related business ventures, your Company is expanding its portfolio to include construction under Arrow Freight and Construction Corporation, real estate, agribusiness, renewable energy, and water. It is leaning towards diversification.

### **Land Development**

Social preparation, which involves collaboration and coordination with the LGUs and the project-affected surface occupants is a continuing process for your land development project. Trial planting of fruit trees such as durian, coffee and mangosteen in the area as a component for agroforestry activities was implemented during the period.

### **Solar Energy**

Your Company's collaboration with a Singaporean company for a solar project in Zambales Province, to generate and supply power to distribution utilities and large industrial customers, has resulted in an initial feasibility study, which is currently being carefully evaluated by the Company's business development team. In the meantime, the Renewable Energy Contract application with the Department of Energy is being pursued.

### **Water project**

With the deferment of the renewal of the Memorandum of Agreement with Manila Water Philippine Ventures Inc. on the Laboy River water source, your Company has renewed talks with other interested water companies for the bulk water project.

## **ENVIRONMENTAL PROTECTION AND COMMUNITY RELATIONS**

Environment protection and community relations remain to be a cornerstone in the Company's operations, as shown by the various programs and projects it implemented under the Annual Environment

Protection and Enhancement Programs (AEPEP) and Social Development and Management Programs (SDMP).

Your Company spent ₱9.4 million in gold operations, ₱22.8 million in nickel operations, ₱1.7 million in lime operations and ₱4.1 million in Antamok or a total of **₱38.0 million** in 2022 for the continuous protection and enhancement of the environment. Accomplishment of various programs and activities based on the approved Acupan Contract Mining Project-AEPEP, Benguetcorp Resources Management Corporation-AEPEP, BC-Irisan Lime Project AEPEP and Antamok-Care and Maintenance Program shows your Company's commitment to environmental protection and sustainable development.

Majority of the programs implemented involve the enhancement of land resources which includes the continuous maintenance and rehabilitation of various environmental structures such as:

- 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 being continuously carried-out consist of:

- Nursery Maintenance,
- Development and Seedling Production,
- Mining Forest Program,
- Progressive Rehabilitation within Tenement,
- National Greening Program Outside Tenement,
- Establishment and Maintenance of Bamboo Plantation

Areas,

● Maintenance and development of the Sustainable Agroforestry Program –

- "Gulayan sa Minahan",
- Coastal Area Protection and Management,
- River Protection,
- Air, Water and Noise Quality Monitoring, and
- Solid and Hazardous Waste Management.

On the other hand, your Company undertook to perform and deliver social impact projects through strengthening of its SDMP with the support of stakeholders in the host communities. Such programs include:

● Educational support covering seven (7) Elementary Schools, two (2) Integrated Schools, one (1) High School and eleven (11) Child Development Centers, in its areas of operations;

- Assistance to different livelihood associations;
- Supply of medicines and medical equipment;
- Support to various infrastructure programs, and
- Activities concerning Information Education Communication Programs, and Development of Mining Technology and Geosciences.

Total SDMP expenditures in 2022 amounted to **₱16.5 million**.

During the period in review, your Company provided its host communities in the provinces of Zambales and Benguet, educational support to 388 and 52 scholars, respectively. It also donated educational equipment and supplies to schools, granted funding assistance to Child Development Programs, provided medicines, vaccines, and medical equipment, and supplied farming equipment and fertilizers to farmers.

Your Company upholds its commitment as a socially responsible corporate citizen by providing various environmental and social development projects that protect and improve the quality of life in the community where the Company operates. Your Company's continuing quest for business excellence has been recognized with awards and nominations received from government and private institutions.

- Your nickel subsidiary, BRMC was awarded by MGB Region 3 the Highest Tenement, Safety and Health, Environment and Social Development (TSHES) Score Award, and award for 4 Million Man-Hours Worked without Lost Time on June 8, 2023 in Clark Freeport, Pampanga.

- Acupan Gold Project and Irisan Lime Project were nominated by MGB for Safest Mine Award.

- The Company's nickel, gold and healthcare business operations continue to be ISO Certified.

- Your Company also received last September 28, 2023 Two Golden Arrow Award from the Institute of Corporate Directors for excellence in corporate governance practices.

## **OUTLOOK**

With sustained performance in 2022, your Company is hopeful that 2023 will be another good year on the back of strong demand for green metals and strong metal prices. The government's renewed support for the mining industry in particular is a big incentive which your Company aims to maximize.

Furthermore, your Company will be steadfast in following the path of diversification by developing its non-mining portfolio of assets for real estate, renewable energy, healthcare, construction, agro-industry and water projects. It is looking forward to harness the potentials of its idle mining assets for profitable non-mining ventures, and to contribute to the upliftment of the lives of its host communities.

## **CONCLUSION/ACKNOWLEDGMENT**

2022 was a rewarding year for Benguet Corporation in spite of the challenges as it realized substantial profits in its operation. We attribute the note-worthy performance of the Company to strong management direction, prudent fiscal management, the dedication and hard work of all the employees, support and guidance of the Board of Directors as well as the unwavering trust and confidence of our stockholders.

We are one with all of you in striving for a brighter future where the Company will continue to grow and prosper in the years to come.

Until next year, always keep safe. Thank you so much."

After the presentation by the President, the Corporate Secretary reported that Stockholders owning 66.38% of the outstanding shares or a total of 415,013,230 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, 2022 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 30, 2023, 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 66.38% of the outstanding shares or a total of 415,013,227 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 two 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. 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, 2023.

The Corporate Secretary reported that Stockholders owning 66.38% of the outstanding shares or 415,013,230 shares have voted in favor of the resolution re-appointing SGV as external auditor for the year ending December 31, 2023, to wit:

***"RESOLVED**, that the accounting firm of Sycip Gorres Velayo & Co. be re-appointed external auditors of the Corporation for the years 2023-2024."*

**VII. Ratification of all acts, resolutions, contracts, investments and proceedings made and entered into by Management and/or the Board of Directors since November 9, 2022 until November 8, 2023 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 reported that Stockholders owning 66.38% of the outstanding shares or 415,013,230 shares have voted in favor of the resolution, to wit:

**RESOLVED**, that all acts, proceedings, transactions, investments, 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."

**VIII. 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 September 28, 2023, 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. Carlos Alfonso T. Ocampo
3. Maria Remedios Paz R. Pompidou
4. Anthony M. Te
5. Luis Juan L. Virata
6. Rhodora L. Dapula – Independent Director
7. Elmer B. Serrano – 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

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

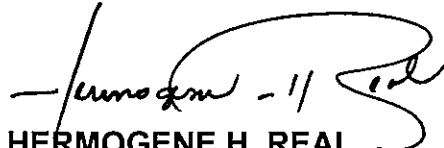
**A. Conversion Premium for Convertible Preferred "A" shares**

The Chairman informed the shareholders that for the year 2023, the conversion premium for converting Convertible Preferred "A" shares into Common Class "A" shares is P12.48 per share. Holders of Convertible Preferred Class A at their option may convert such stocks into Common Class A stock with par value of P1.00 per share upon payment of the conversion premium.

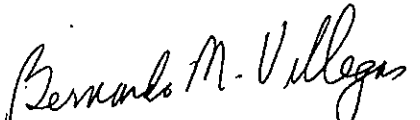
The Chairman then asked the Corporate Secretary if there were comments and questions submitted to the Company prior to and during the Annual Stockholders' Meeting through email or meeting portal. He asked the Corporate Secretary to read the questions and the management's corresponding responses. The 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 within the stated deadline nor during the proceedings, the meeting was adjourned at 3:35 p.m. upon motion duly made and seconded.

  
**HERMOGENE H. REAL**  
 Corporate Secretary

**ATTEST:**

  
**BERNARDO M. VILLEGAS**  
 Chairman