

## POLICY ON INSIDER TRADING

**BENGUET CORPORATION** (the "Company") adopts this policy on Insider Trading, which applies to all employees, officers, directors and consultants of the Company and its subsidiaries.

Insider Trading is prohibited by the Company. Simply stated, there is Insider Trading when any Covered Persons (as defined below) uses material non-public information obtained through involvement with the Company to make decisions to purchase, sell, give away or otherwise trade the Company's securities or to provide that information to others outside the Company. The prohibitions apply to any employees, officers, directors and consultants of the Company and its subsidiaries, and by extension, to their close and immediate relatives (collectively, "**Covered Persons**"), who buys or sells Company stocks or other securities on the basis of material non-public information that he or she obtained about the Company and its subsidiaries, its customers, suppliers, or other companies with which the Company has contractual relationships or may be negotiating transactions.

### 1. General Policy

All Covered Persons who are in possession of material information which are not generally available to the public (non-public) regarding the affairs of the Company and its subsidiaries, including any information that may affect the price of shares of stock or other securities issued by the Company, shall not trade in, buy or sell, shares of stock or other securities of the Company. They shall keep such information strictly confidential and shall not disclose them to co-employees (who does need the information in connection with their work), associates, friends, family members or relatives. The restriction applies to all transactions in Company's shares of stock (common / preferred / convertible stocks), and other securities including options, notes, warrants, bonds, as well as derivative securities issued by the Company. Covered Persons may trade in, buy or sell, shares of stock or other securities of the Company, only when they are not in possession of the material non-public information, or when they have complied with the provisions of the Securities Regulation Code (SRC) and its implementing rules and regulations, Philippine Stock Exchange (PSE) / Securities and Exchange Commission (SEC) disclosure rules, and other applicable laws.

### 2. Material Information

Material Information is any information that may reasonably be expected to affect the market activity and/or market price of shares of stocks and securities of the Company, or if it

otherwise information that a reasonable investor would want to know before making an investment decision. Materiality sets a relatively low threshold and may include, but not limited to, the following information:

1. Financial position and financial result;
2. Projection of future earnings or losses in operation;
3. Significant developments such as investment, acquisition or divestment of major assets, new projects, mergers, recapitalization, etc.;
4. Dividends declaration or changes in dividend policy;
5. Significant regulatory issues or litigations affecting operation;
6. Public offerings; and
7. Change in equity or management structure.

If one is unsure of whether the information is material or not, he or she must consult with the Compliance Officer before making any decision to disclose such information (other than to regulators, or to such other persons who legitimately need to know it), or to trade in, or recommend securities to which that information relates.

### **3. Violations of Insider Trading Policy**

Insider Trading is illegal. The penalties for violation can be severe, both for the Company and the responsible individual. They may be civilly or criminally prosecuted under the law either by the Company (in the case of employees, officers, directors or consultants), or the regulators as the case may be. The law provides fines and/or imprisonment upon conviction. The breach of fiduciary duty or relationship of trust and confidence by the officers or employees concerned may also be the subject of disciplinary action under the Company's Code of Conduct. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory.

### **4. Rules on Trading by Covered Persons**

**Blackout Period.** All Covered Persons who possess or are considered to possess material non-public information by reason of their work or position in the Company and its subsidiaries, shall observe the blackout period provided under the SRC (Section 27) and the Philippine Stock Exchange (PSE) rules. They cannot deal in the Company's stocks or securities during the period they are in possession of material non-public information and up to two (2) full trading days after its public disclosure. The blackout period is intended to provide the market ample time to absorb the information disclosed and to avoid misuse of information by Covered Persons. In addition to the PSE rules, the Company may in certain cases impose special blackout periods during which all Covered Persons are prohibited from trading in the Company's stocks or

securities. Provided that exercises of stock option grant under the Stock Option Plan shall not be covered by the blackout period.

Disclosure and Reporting. Aside from the duty of the Company to disclose material information to the SEC and PSE, all officers and directors of the Company and its subsidiaries must comply with the reporting requirements of the SEC and PSE on beneficial ownership, or when there are changes in beneficial ownership. They are enjoined also to immediately report to the Compliance Officer and Stockholders Relation Office (SRO) any dealings they have made in the Company's stocks or securities.

Approved by the Board of Directors on March \_\_, 2018 and to be effective on date of approval.