



BenguetCorp  
Since 1903

# COMPENSATION CHARTER

## **I. Purpose**

The Salary/Compensation Committee is established by the Board of Directors (the “Board”) of Benguet Corporation (the “Company”) for the primary purpose of assisting the Board and management in evaluating, recommending, and approving compensation plans, policies and programs of the Company’s officers, other titled positions and directors.

## **II. Committee Membership**

The Committee shall be composed of three (3) members who will all be appointed by the Board, at least one of whom shall be an independent directors, based on the requirements of the Securities and Exchange Commission (SEC). The Board shall assign the Chair of the Committee who shall be familiar with, and knowledgeable about matters related to salary, and compensation structure within the Company, and even in the mining industry.

The members of the Committee will serve for one (1) year, or until such time that he or she is removed by the Board, or resigns from the position, upon which event the Board shall appoint his or her replacement.

## **III. Committee Authority and Responsibilities**

### 1. Committee Meetings

The Committee should meet at least once in a calendar year. Notice of the meeting shall be given via email, text, or phone call at least three (3) days before unless circumstances require urgency which means a waiver of the 3-day notice. Majority of the members shall make up a quorum provided that at least one (1) independent director / member is present. The Chairman may, at his discretion, call for additional meetings as he may deems necessary to perform certain responsibilities of the Committee.

The Chairman may invite resource persons, external / third party experts /analysts, or consultant, who may be able to help facilitate in the review of compensation issues and preparation of recommendation for specific actions. Each member is entitled to one (1) vote, and only the members may vote, but other non-member directors may participate in the Committee meetings. In the absence of the Chairman in Committee meetings, the members present must appoint from among them the acting chair for that particular meeting.

## 2. Escalation

All decisions, resolutions and recommendations by the Committee which require the approval, or ratification of the Board, shall be appropriately referred to the Board with corresponding notes and explanations.

## 3. Duties and Responsibilities

- a. Develop a compensation policy and strategy for officers, other titled positions and directors that is competitive under the industry standards, and promotes the recruitment and retention of talented individuals who are needed by the Company to run its business successfully;
- b. Establish a formal and transparent procedure to develop a policy for determining the remuneration of officers, other titled positions and directors, and provide oversight over remuneration of senior management and other key officers ensuring that compensation is consistent with the Company's culture, practices and business environment in which it operates;
- c. 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 disclose under penalty of perjury all their existing business interest or shareholdings that may directly or indirectly conflict in the performance of their duties once engaged;
- d. Disallow any director to decide his or her own remuneration. No members of the Committee will act to fix his or her own compensation except for uniform compensation policy applicable to all directors;
- e. Review (if any) existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement in the context of overall company strategies and directives, as well as compliance with all statutory provisions, rules and regulations;
- f. Review and approve from time to time the corporate goal and objectives with respect to the compensation for the Chief Executive Officer (CEO). The Committee shall evaluate the CEO's performance in the light of these goals and objectives and based on these evaluation, determine the CEO compensation, including salary, bonus, equity and non-equity incentives;
- g. Review the Company's equity incentive plans such as stock options and other stock based plans and recommend changes to the Board. Confirm further that any incentive pay or bonus arrangement does not unnecessarily expose the

- Company to excessive risk that is likely to have material adverse impact on the financial statements;
- h. Determine the reasonability of employment contracts containing incentive and severance provisions (golden parachute) for senior executive officers and approve the terms of these contracts;
  - i. Periodically monitor industry strategic labor and human resources policies and practices especially regarding compensation, and benefits;
  - j. Review regulatory/government-initiated policies and assist management in the effective, and timely implementation of the same;
  - k. Report its findings, activities and recommendations to the Board; and
  - l. Conduct annual self-evaluation of the Committee's performance including its effectiveness and compliance with this Charter.
4. The Committee shall conduct a review of this Charter on regular basis, and propose to the Board for its approval required changes / modifications to the Charter as may be necessary.

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