

# COVER SHEET

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SEC Registration Number

[illegible]

{Group's Full Name}

[illegible]

(Business Address: No. Street City/Town/Province)

**Mr. Reynaldo P. Mendoza**  
(Contact Person)

(Contact Person)

**812-1380**  
(Group Telephone Number)

(Group Telephone Number)

1	2
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3	1
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*Month*      *Day*  
 (Calendar Year)

Month \_\_\_\_\_ Day \_\_\_\_\_  
(Calendar Year)

I	A	C	G	R
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(Form Type)

Month Day  
(Annual Meeting)

**Not Applicable**

(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

Not Applicable
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Amended Articles Number/Section

\_\_\_\_\_

Total No. of Stockholders

\_\_\_\_\_

## Domestic

\_\_\_\_\_

## Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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## STAMPS

## STAMPS

Remarks: Please use BLACK ink for scanning purposes.



May 30, 2019

**Ms. RACHEL ESTHER J. GUMTANG-REMALANTE**  
Officer-in-Charge  
Office of the Director  
Corporate Governance and Finance Department  
Securities and Exchange Commission  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City

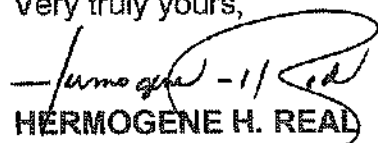
Dear **Ms. Remalante**,

In compliance with SEC Memorandum Circular No. 15, s2017, we submit herewith the Company's 2018 Integrated Annual Corporate Governance Report (I-ACGR).

We hope you find everything in order.

Thank you.

Very truly yours,



**HERMOGENE H. REAL**  
Corporate Secretary



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2018**
2. SEC Identification Number **11341**
3. BIR Tax Identification No. **000-051-037**
4. Exact name of issuer as specified in its charter **BENGUET CORPORATION**
5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **7<sup>th</sup> Floor, Universal Re Building, 106 Paseo de Roxas, Makati City** **1226**  
Address of principal office Postal Code
8. **(632) 8121380 / 7519137**  
Issuer's telephone number, including area code
9. **Not applicable**  
Former name, former address, and former fiscal year, if changed since last report.

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1	Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	<p>Compliant.</p> <p>Please refer to the Company's website:  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>            2018 Annual Report SEC Form 17-A pp. 26-29.</p> <p>Also PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp. 26-29  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a></p> <p>Also please see qualification standards for directors on page 5 Art III par. 3.4 of Manual of Corp Governance (MCG)  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer to the Company's Board Charter – Article 1 (1) on the composition of the Board-p. 1; Article 1 (2) on the qualification of the board members-p.2; Article IV (1) on Board Diversity-p.10  <a href="http://benguetcorp.com/corporate-governance/board-committees/-board-charter">http://benguetcorp.com/corporate-governance/board-committees/-board-charter</a></p> <p>Please refer to the Company's Definitive Information Statement (DIS) Part 1-pp 11-13</p>	



			<a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a>	
2	Board has an appropriate mix of competence and expertise.	Compliant.	<p>Please refer to the Company's website:  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a> 2018 Annual Report SEC Form 17-A on pp 26-29 on brief descriptions of the business experience of directors</p> <p>Also PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 26-29  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs</a></p> <p>Please refer to the Company's DIS Part 1-pp. 11-13  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p>	
3	Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant.	<p>Please refer to the Company's website:  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a> 2018 Annual Report SEC Form 17-A on pp. 26-29 describing qualifications of each director.</p> <p>Also PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 26-29  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs</a></p> <p>Please refer also the Company's MCG page 5 on directors qualification standards  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer also to the Company's Board Charter Article 1 (1) p. 1 at Company's website under tab Corporate Governance -&gt;Board Committees-&gt; Board Committee Charters</p>	

			<a href="http://benguetcorp.com/corporate-governance/board-committees/-board-charter">http://benguetcorp.com/corporate-governance/board-committees/-board charter</a>	
<b>Recommendation 1.2</b>				
1	Board is composed of a majority of non-executive directors.	Compliant.	<p>As of December 31, 2018, the Chairman and all members of the board are non-executive directors. For the period January 2018 to Sept 30, 2018, BC has two (2) executive directors, namely: Messrs. Isidro C. Alcantara and Leopoldo S. Sison III. Mr. Alcantara resigned effective June 28, 2018 and Mr. Sison remained as President/sole Executive Director until his retirement on Oct 1, 2018. Please refer to the Company's website under tab "About Us" -&gt; "Our Company ~Directors &amp; Officers".</p> <p><a href="http://benguetcorp.com/about-us/">http://benguetcorp.com/about-us/</a></p> <p>Pls refer also to the Company's 2018 Annual Report SEC Form 17-A pp. 26-29 describing qualifications of each director posted at the Company's website:</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Please refer to Annex "A" on Type of Directorship</p>	
<b>Recommendation 1.3</b>				
1	Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant.	<p>All directors are encouraged to participate in continuing education program or attend training annually, to ensure that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Company.</p> <p>Please refer to the Company's Manual on Corporate Governance, page 13 Art. III par. 3.11 posted in website under tab "Corporate Governance" -&gt; "Manual on Corporate Governance".</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>.</p> <p>Please refer also to the Company's website under tab "Corporate Governance" -&gt;Board Committees -&gt;Board Charter on page 13, Art. IV, par 7.</p> <p><a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	

2	Company has an orientation program for first time directors.	Compliant.	<p>The Company conducted a 2-day Orientation Program for first time directors last Jan. 29-30, 2019 held in Baguio City. First time directors were provided with an overview of BC and its subsidiaries including introduction to its businesses and overall operations of the Company. They visited the Woodspark Subd. real estate project in Rosario, La Union, Acupan Gold Project in Benguet Gold Operation, Itogon, Benguet and Irisan Lime Project in Baguio City, as well as Benguetcorp Laboratories Inc. (BCLI) clinic in Baguio and the new directors were able to interact with key management officers/managers. Pls see Attached Annexes "B" to "B-4" on Certificates of Participation of new Directors. In regular minesite visits by officers, the directors are encouraged to be part of the trip so they can give personal knowledge of the business and operations.</p> <p>In accordance with SEC Memorandum Circular No. 19 Series of 2016 or the 2016 Code of Corporate Governance, orientation programs and seminars for first time directors shall be for at least eight (8) hours, while the annual Corporate Governance continuing training program shall be for at least four (4) hours. This is expressly stated in our MCG and Board Charters as follows:</p> <p>Please refer to the Company's MCG, Art. III, par 3.11 on page 14 posted in website under tab "Corporate Governance" -&gt; "Manual on Corporate Governance". All new directors joining the Board are required to undergo orientation program  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  and Board Charter on page 13, Art. IV, par 7  <a href="http://benguetcorp.com/corporate-governance/board-committees/-board">http://benguetcorp.com/corporate-governance/board-committees/-board</a> charter</p>	
3	Company has relevant annual continuing training for all directors.	Compliant.	<p>The Company held its corporate governance seminar last Nov. 29, 2018 with Center for Training and Development Inc. as provider and took up topic-seminar on "Corporate Governance: Breaking Through Modern Controls". Please refer to the attendance of the Board of Directors posted in website under tab "Corporate Governance" -&gt; "ACGR"</p>	

			<a href="http://benguetcorp.com/wp-content/uploads/2019/02/Attendance-on-Corporate-Governance-Seminar_Directors-and-Officers-2018.pdf">http://benguetcorp.com/wp-content/uploads/2019/02/Attendance-on-Corporate-Governance-Seminar_Directors-and-Officers-2018.pdf</a>  PSE Edge Portal BC under Company Disclosures announce date Dec 6, 2018 at 0341pm Report or Circular no. CR07477-2018 <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108</a>	
<b>Recommendation 1.4</b>				
1	Board has a policy on board diversity.	Compliant.	<p>The Company's 2018 Board of Directors includes three women, (30% of the board), one of whom is an independent director. Members of the Board have diverse profound background.</p> <p>Please refer to the Company's MCG on page 4, Art III par 3.2 posted in website under tab "Corporate Governance" -&gt; "Manual on Corporate Governance" on policy statement on Board Diversity.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>.</p> <p>As stated in the Board Diversity Policy, no director or candidate for directorship shall be discriminated upon by reason of gender, age, disability, ethnicity, nationality or political, religious or cultural backgrounds.</p> <p>Please refer to website under tab "Corporate Governance" -&gt; "Policies-&gt; Board Diversity Policy.  <a href="http://benguetcorp.com/corporate-governance/policies/">http://benguetcorp.com/corporate-governance/policies/</a></p>	
<b>Optional: Recommendation 1.4</b>				
1	Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
<b>Recommendation 1.5</b>				
1	Board is assisted by a Corporate Secretary.	Compliant.	<p>BC's Corporate Secretary is Atty. Hermogene H. Real. Her qualifications/brief profile is stated in SEC 17-A, page 31 posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p>	

			<p>Pls refer also to page 3A of the Company's 2017 GIS with actual annual meeting date of Nov 8, 2018 posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p> <p>Please refer also to the Company's DIS part 1 page 16  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p> <p>Please refer also to MCG Article 5, 5.3 pp. 22-23  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	Corporate Secretary is a separate individual from the Compliance Officer.	Compliant.	<p>Atty. Hermogene H. Real (Corp Sec) is not the Company's Compliance Officer. The Company's Compliance Officer for Corporate Governance is Atty. Lina G. Fernandez. Pls refer to page 3 of GIS on list of officers with their positions as of Nov 8, 2018  <a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p> <p>Please refer to the Company's DIS part 1 page 16  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p> <p>Please refer also to the Results of Organizational meeting held on November 8, 2018  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p>	
3	Corporate Secretary is not a member of the Board of Directors	Compliant	<p>Atty. Real is not a member of the Board of Directors. Please see SEC Form 17-A, pp 26-29 on the Company's composition of Board of Directors  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Pls refer also to page 3 of the Company's GIS with actual meeting date of November 8, 2019 posted in BC website:  <a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p>	

			Please refer also to the Company's DIS part 1 page 16 <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a>	
4	Corporate Secretary attends training/s on corporate governance.	Compliant	<p>The Corporate Secretary, Atty. Hermogene Real, was issued CERTIFICATE OF ATTENDANCE dated August 10, 2018 by SEC accredited seminar provider, Center for Training and Development, Inc. with topic on "Corporate Governance: Breaking Through Modern Controls". Her Certificate of Attendance shows training/s attended with topics indicated and number of training hours which is 4 hours and 20 minutes. Annex "C".</p> <p>Please refer to the Company's disclosure on the attendance of Directors and Officers to the Corporate Governance seminar: <a href="http://benguetcorp.com/wp-content/uploads/2019/02/Attendance-on-Corporate-Governance-Seminar-Directors-and-Officers-2018.pdf">http://benguetcorp.com/wp-content/uploads/2019/02/Attendance-on-Corporate-Governance-Seminar Directors-and-Officers-2018.pdf</a></p> <p>Also PSE Edge Portal on Company Disclosures under form SEC 17-C announce date Dec 6, 2018 at 0341pm Report or Circular no CR07477-2018. <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=aa308a25ef43652243ca035510b6ec2b#sthash.U0P2VhT6.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=aa308a25ef43652243ca035510b6ec2b#sthash.U0P2VhT6.dpbs</a></p>	
<b>Optional recommendation 1.5</b>				
1	Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
<b>Recommendation 1.6</b>				
1	Board is assisted by a Compliance Officer.	Compliant	<p>The Company's Compliance Officer for Corporate Governance is Atty. Lina G. Fernandez. Please see her qualifications/brief profile as indicated in 2018 Annual Report SEC Form 17-A, pp 29-30 in BC website: <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p>	

			<p>Pls see PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 30-31  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a></p> <p>Pls see also Manual on Corp Governance pages 23-24 on her duties and functions  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer also to page 3 of the Company's 2017 GIS with actual meeting date of November 8, 2018 posted in BC website:  <a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p>	
2	Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p>Atty. Lina G. Fernandez holds the position of Senior Vice President for Finance &amp; Controller, Nickel Marketing Officer and Compliance Officer for Corporate Governance. Please see 2018 Annual Report SEC Form 17-A pages 29-30 in website on her qualifications  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Pls see PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 29-30  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a></p> <p>Pls refer also to page 3 of the Company's GIS on the list of officers as of November 8, 2018.  <a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p> <p>As mentioned in the MCG, the Board should ensure that it is assisted by a Compliance Officer, who should have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Corporation – MCG Article 5, 5.4 page 23  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	

			<p>Please refer also to the Results of Organizational Meeting held on November 8, 2018 <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p>	
3	Compliance Officer is not a member of the board.	Compliant	<p>Atty Lina G. Fernandez is not a member of the Board. She is one of the company's senior officers. Please see SEC Form 17-A, pp 27-29 on BC composition of Board of Directors posted in BC website <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Please refer to the Company's website under tab "About Us" -&gt; "Our Company ~Directors &amp; Officers": <a href="http://benguetcorp.com/about-us/">http://benguetcorp.com/about-us/</a></p> <p>Pls refer also to page 3 of the the Company's 207 GIS on the list of directors as of November 8, 2018. . <a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p> <p>This is also in accordance with our MCG, which states that the Compliance Officer should not be a member of the BOD. <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer also to the Results of Organizational Meeting held on November 8, 2018 <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p>	
4	Compliance Officer attends training/s on corporate governance.	Compliant	<p>Please refer to the Company's disclosure on the attendance of Directors and Officers to the Corporate Governance seminar: <a href="http://benguetcorp.com/wp-content/uploads/2019/02/Attendance-on-Corporate-Governance-Seminar_Directors-and-Officers-2018.pdf">http://benguetcorp.com/wp-content/uploads/2019/02/Attendance-on-Corporate-Governance-Seminar_Directors-and-Officers-2018.pdf</a></p> <p>Also PSE Edge Portal on Company Disclosures under form SEC 17-C announce date Dec 6, 2018 at 0341pm Report or Circular no CR07477-2018.</p>	



			<a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=aa308a25ef43652243ca035510b6ec2b#sthash.U0P2VhT6.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=aa308a25ef43652243ca035510b6ec2b#sthash.U0P2VhT6.dpbs</a>  Please see attached Annex “C” on topics covered in corporate governance training with a total of 4 hours and 20 minutes.	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company’s articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.				
Recommendation 2.1				
1	Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p>Article II.4 of Board Charter states that members of the Board shall attend and actively participate in all regular and special meetings of the board and its committees, in person or through teleconference or videoconferencing. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Directors actively attend regular board and committee meetings. Directors are provided with materials several days ahead of the date of the meeting. The Board had 4 meetings for 2018 including the ASM. <a href="http://benguetcorp.com/wp-content/uploads/2019/02/2018-Directors-Attendance-to-Board-Meetings.pdf">http://benguetcorp.com/wp-content/uploads/2019/02/2018-Directors-Attendance-to-Board-Meetings.pdf</a></p> <p>Board discussed and deliberated on all acts and resolutions as recommended and proposed by management. 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. Please refer to the Company’s Manual on Corporate Governance, page 12 posted in the Company’s website: <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>.</p>	
Recommendation 2.2				
1	Board oversees the development, review and approval of the company’s	Compliant	<p>The Board reviews and approves the company’s business objectives and strategies as presented by management every board meetings. The management reports during the Board meeting all updates and</p>	

	business objectives and strategy.		<p>changes (if any) in the company's business objectives and strategy. Please refer to MCG page 11.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>The Board monitors implementation of BOD approved company's business objectives and strategies as presented by management every board meetings. The management presented during the Board meeting all updates and issues on the company's business objectives and strategy. Please refer to MCG page 11.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Directors actively attend regular board and committee meetings. Directors are provided with materials several days ahead of the date of the meeting. The Board had 4 meetings for 2018 including the ASM.  <a href="http://benguetcorp.com/wp-content/uploads/2019/02/2018-Directors-Attendance-to-Board-Meetings.pdf">http://benguetcorp.com/wp-content/uploads/2019/02/2018-Directors-Attendance-to-Board-Meetings.pdf</a></p>	
2	Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>The Board reviews and approves company's business objectives and strategies as presented by management every board meetings. The management reports during the Board meeting all updates and changes (if any) in the company's business objectives and strategy. Please refer to MCG page 11.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>The Board monitors implementation of BOD approved company's business objectives and strategies as presented by management every board meetings. The management presented during the Board meeting all updates and issues on the company's business objectives and strategy. Please refer to MCG page 11.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Directors actively attend regular board and committee meetings. Directors are provided with materials several days ahead of the date of the meeting. The Board had 4 meetings for 2018 including the ASM.  <a href="http://benguetcorp.com/wp-content/uploads/2019/02/2018-Directors-Attendance-to-Board-Meetings.pdf">http://benguetcorp.com/wp-content/uploads/2019/02/2018-Directors-Attendance-to-Board-Meetings.pdf</a></p>	

1	Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Please refer to BC website under tab “About us”  <a href="http://benguetcorp.com/about-us/">http://benguetcorp.com/about-us/</a></p> <p>Please refer also to the Board Charter p.8 which states that one of the general responsibility of the Board is to determine the Company’s purpose, its vision and mission and strategies to carry out its objectives.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Please refer also to MCG’s Annex A p. 37  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	Board has a strategy execution process that facilitates effective management performance and is attuned to the company’s business environment, and culture.	Compliant	<p>The Company convenes regular operations (Opcom)/mancom meetings and financial reviews of gold and nickel projects, and other subsidiaries. The mancom/operations meetings are intended to monitor the effectiveness of the Company’s business objectives and strategy on a periodic basis as well as environment and regulatory compliance.</p> <p>The finance team reviews and tracks budget and financial performance of each operation/subsidiary compared to the business plan and corporate objectives for the year and forecast revenue for the year which in turn are submitted and reported to the Board of Directors. Pls see attached Annex “D” - Certification signed by the Officers-in-charge on the opcom/mancom meetings held in 2018.</p>	
<b>Recommendation 2.3</b>				
1	Board is headed by a competent and qualified Chairperson.	Compliant	<p>The Company’s Chairperson is Mr. Daniel Andrew G. Romualdez. Please refer to his qualifications indicated on page 26 of 2018 Annual Report SEC Form 17-A in the Company’s website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Pls refer also to page 3 of the Company’s 2017 GIS in the list of directors as November 8, 2018..  <a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p>	

			<p>Please refer also to DIS p.11-Brief descriptions of business experience  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p> <p>This is also pursuant to Article V, 5.1 of the MCG which states that the Board should be headed by a competent and qualified chairperson, p.21-22  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
<b>Recommendation 2.4</b>				
1	Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>The Company by practice adopts Succession Program based on its 115 years of corporate existence. Succession planning for directors, key officers and management is done by the Board in an executive session of regular board meeting.  Please refer to MCG on page 10.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	Board adopts a policy on the retirement for directors and key officers	Compliant	<p>BC has an existing Integrated Retirement Plan. Please refer to 2018 Annual Report SEC Form 17-A, page 33 in the Company's website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Pls see PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 Page 33  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a></p>	
<b>Recommendation 2.5</b>				
1	Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>Please refer to the Company's MCG, Art. III, par. 3.9 on pages 12-13:  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please see the Company's 2018 Annual Report SEC Form 17-A page 33 on Executive Compensation posted in BC website:  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p>	

			<p>Pls see PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 page 33  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a></p> <p>Please see amended by-laws Article IV Sec 1(c) page 70  <a href="http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf</a></p> <p>Please refer also to MCG p 14-15 that best describe the duties and responsibilities of Salary/Compensation Committee  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<p>Please refer to MCG p 14-15 where it is stated that it is the Salary/Compensation Committee's duties to establish a formal and transparent procedure and develop a policy for determining acceptable remuneration of directors and officers and provide oversight over remuneration of senior management and key personnel ensuring that compensation is consistent with the Company's culture, strategy and business environment under which it operates.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
3	Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>The Executive Director and President do not participate in discussion involving their remuneration. Please refer to the Company's MCG, Art. III, par. 3.9.b on page 12.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
Optional Recommendation 2.5				
1	Board approves the remuneration of senior executives.			
2	Company has measurable standards to align the performance-based			

	remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>				
1	Board has a formal and transparent board nomination and election policy.	Compliant	<p>The Company adopted and approved Board Nominations and Election Committee Charter on August 16, 2018. Pls see Charter posted in BC website. This charter serves as the Company's Policy regarding the rules and standards to be followed in nomination and election of directors vis-à-vis BC By-Laws and Manual of Corporate Governance.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Please refer to the Company's MCG, Art.IV, par. 4.1 on page 14  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>The Company has been following the provisions in its By-laws (Article 3 Section 1.1 and Section 2 page 13).  <a href="http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf</a></p>	
2	Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<p>The Company adopted and approved Board Nominations and Election Committee Charter on August 16, 2018. Pls see Charter posted in BC website. This charter serves as the Company's Policy regarding the rules and standards to be followed in nomination and election of directors vis-à-vis BC By-Laws and Manual of Corporate Governance.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Please refer to the Company's MCG, Art.IV, par. 4.1 on page 14  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>The Company has been following the provisions in its By-laws (Article 3 Section 1.1 and Section 2 page 13).  <a href="http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf</a></p>	

3	Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<p>MCG p14 Article IV, 4.1 states that the nomination committee shall pre-screen and shortlist all candidates nominated (including nominees from minority stockholders) to become member of the Board of Directors and other appointments that require board approval in accordance with the qualifications and disqualifications set forth in this Manual and Company's By-laws. <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>The nominees for election of independent directors in the November 8, 2018 Annual Stockholders' Meeting were nominated by minority stockholders. Please refer to page 10 of DIS Part 1 <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p> <p>Please refer also to PSE Edge Portal under BC Company Disclosures Information Statement Announce date September 14, 2018, 10:50am, Report or circular no. CR05821-2018 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.1W1j5vO7.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.1W1j5vO7.dpbs</a></p>	
4	Board nomination and election policy includes how the board shortlists candidates.	Compliant	<p>The Nomination &amp; Election Committee Charter lists the criteria which the committee may consider in recommending candidate for election to the Board. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>The shortlist of candidates for election in the November 8, 2018 ASM was presented in the DIS part 1, page 10 <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p>	
5	Board nomination and election policy includes an assessment of the effectiveness of the Boards' processes in the nomination, election or replacement of a director.	Compliant	<p>The Nomination and Election Committee Charter Art. 1, e page 1, states that the committee assists the Board in making assessment of the Board's effectiveness in the process of replacing or appointing new members of the Board and officers. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	

			The Nomination and Election Committee Charter page 1 states that the committee shall at least annually review the performance of directors and shall consider the results of such evaluation when determining whether or not to recommend the nomination of such director for an additional term in the next election. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
6	Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	It has been the practice of the Company's board to screen the background and qualifications of the nominated directors. Please refer to the Company's MCG, Art., III, par. 3.4 on page 5 and Art IV par 4.1c on page 14 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
<b>Optional: Recommendation 2.6</b>				
1	Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
<b>Recommendation 2.7</b>				
1	Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The Company has RPT Policy covering all related party transactions transacted or negotiated by BC and its subsidiaries, affiliates and special purpose units where that the Company exerts direct/indirect Control or that exerts significant Influence over the Company; Its directors, officers, stockholders and related interests (DOSRI); and their Close Family Members, as well as Corresponding Persons in Affiliated Companies and other person/juridical entity whose interests may pose potential conflict with the interest of the Company. The foregoing may be identified as a related party. Pls refer to RPT Policy posted in BC website	



			<a href="http://benguetcorp.com/corporate-governance/policies/">http://benguetcorp.com/corporate-governance/policies/</a>  It is the responsibility of the Board to adopt a system that ensure the integrity and transparency of related party transactions between the Company and its joint ventures, subsidiaries, affiliates, associates, major stockholders, officers and directors, including the spouses, children and dependent siblings and parents and of interlocking director relationship by members of the Board, MCG page 10-11. As such, the Board ha constituted RPT committee tasked with reviewing all material RPTs of the Company, MCG page 20 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
2	RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	The RPT policy includes review and approval of material RPTs to guarantee fairness of transactions. Pls see page 4 provision on evaluation of RPT material transactions <a href="http://benguetcorp.com/corporate-governance/policies/">http://benguetcorp.com/corporate-governance/policies/</a> SGV as external auditor regularly reviews all company transactions to be within accounting standards and does not transgress rule on RPT	
3	RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	The RPT policy includes review and approval of material RPTs entered into by related party as defined to guarantee fairness of transactions. Pls refer to RPT Policy, page 4 provision on evaluation of RPT material transactions <a href="http://benguetcorp.com/corporate-governance/policies/">http://benguetcorp.com/corporate-governance/policies/</a>	
<b>Supplement to Recommendations 2.7</b>				
1	Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior	Compliant	The RPT policy includes a threshold provision. Pls see RPT Policy page 4 provision on RPT materiality threshold and internal limits for disclosure and approval <a href="http://benguetcorp.com/corporate-governance/policies/">http://benguetcorp.com/corporate-governance/policies/</a>  SGV as external auditor regularly reviews all company transactions to be within accounting standards and does not transgress rule on RPT	

	shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.			
2	Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	<p>During Annual Stockholders' Meetings (ASM), RPTs are included in matters for approval of the stockholders. Pls refer to item no. 73, page 29 of all acts and resolutions submitted and approved by the stockholders on Nov 8, 2018 ASM as posted in BC website under Company Disclosures SEC 20-IS.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-2.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-2.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Definitive Information Statement announced Sept 14, 2018 page 32 DIS (1).pdf  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.XQyDZ0py.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.XQyDZ0py.dpbs</a></p> <p>As a matter of policy, the Company provides its shareholders with information of the RPTs for approval. Pls refer to MCG page 28 on voting rights  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer also to page 38 of 2018 Annual Report SEC Form 17-A on the item 12- Certain Relationships and Related Transactions  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Pls see PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 page 38  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs</a></p>	

			<p>Intercompany transactions are disclosed in the Company's Audited Financial Statements, including corresponding assets and liabilities arising from such transactions. This is separately disclosed in a schedule in accordance with Philippine SEC requirements under SRC Rule 68, as Amended (2011). Information regarding related party disclosure is discussed and presented on Note 28 – Related Party Disclosures of the Notes to 2018 Audited Consolidated Financial Statements of the Company. (Page 127 of SEC 17-A)</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>The intercompany transactions are discussed and presented on Note 24 – Related Party Disclosures of the Notes to Parent's 2018 Audited Financial Statements, page 229.</p>	
<b>Recommendation 2.8</b>				
1	Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Please refer to the Company's MCG on Art. III A(o), page 11 on General Responsibilities of the Board.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer to Board Charter Art III, A.0 page 9</p> <p><a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Please refer to management team pp. 5-6 of GIS</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p>	
2	Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief	Compliant	<p>Management team appointed by the Board: Mr. Leopoldo S. Sison III served as President until his retirement on Oct.1, 2018 and was replaced by Attys. Reynaldo P. Mendoza and Lina G. Fernandez as Officers-in-Charge. Pls refer to disclosure under SEC Form 17-C</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2018/11/SEC-17-C_Amendment-to-By-Laws_Retirement-of-Officer.pdf">http://benguetcorp.com/wp-content/uploads/2018/11/SEC-17-C_Amendment-to-By-Laws_Retirement-of-Officer.pdf</a></p>	

	Compliance Officer and Chief Audit Executive).		<p>PSE Edge Portal under Company Disclosures Change in Directors and/or Officers announce Nov 8m 2018 at 0136pm under Report or Circular no. C07467-2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b34e150553bef14443ca035510b6ec2b#sthash.bAJgLVNB.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b34e150553bef14443ca035510b6ec2b#sthash.bAJgLVNB.dpbs</a></p> <p>The Board appointed Atty Lina G. Fernandez as Chief Compliance Officer and Mr. Dale A. Tongco as Chief Audit Executive and Chief Risk Officer. The Management team was appointed/elected in the Organizational Meeting of the Board held on Nov 8, 2018 following the Shareholders' meeting. Pls refer to Company Disclosures posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p> <p>PSE Edge Portal under Company Disclosures "Results of Organizational Meeting of the board of directors announce Nov 9, 2018 At 0817am under Report or Circular no. C07497-2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.TRQmNKVj.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.TRQmNKVj.dpbs</a></p> <p>Please refer to GIS pp 5-6 on Chief compliance officer and Chief Audit Executive  <a href="http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf">http://benguetcorp.com/wp-content/uploads/2018/12/2017-GIS.pdf</a></p> <p>Please refer to the Company's MCG on Art. III A(o), page 11 on General Responsibilities of the Board.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer to Board Charter Art III, A.0 page 9  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	
Recommendation 2.9				
1.	Board establishes an effective performance management framework that ensures that	Compliant	<p>Please refer to MCG on Art. III, par. 3.10.e, page 13 on Performance Assessment  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>.</p>	

	Management's performance is at par with the standards set by the Board and Senior Management.		<p>Please see attached Annex "E" Policy on Performance Appraisal</p> <p>Please refer to Board Charter, p.13  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	
2	Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>Please refer to MCG on Art. III, par. 3.10.e, page 13 on Performance Assessment  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>.</p> <p>Please see attached Annex "E" Policy on Performance Appraisal  Please refer to Board Charter, p.13  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	
<b>Recommendation 2.10</b>				
1	Board oversees that an appropriate internal control system is in place.	Compliant	<p>Board has established an Internal Audit Charter. Pls refer to BC website under Board Committee Charters -&gt; Internal Audit Charter  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/Internal-Audit-Charter-11.5.151.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/Internal-Audit-Charter-11.5.151.pdf</a></p> <p>Please refer to MCG on Art. III, par. 3.8 A(p), page 11 on General Responsibilities of the Board and Art IV 4.3C page 15 on Audit Committee as part of their responsibilities and duties.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>Board has established an Internal Audit Charter. Pls refer to BC website under Board Committee Charters -&gt; Internal Audit Charter  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/Internal-Audit-Charter-11.5.151.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/Internal-Audit-Charter-11.5.151.pdf</a></p> <p>Please refer to MCG on Art. III, par. 3.8 A(p), page 11 on General Responsibilities of the Board and Art IV 4.3C page 15 on Audit Committee as part of their responsibilities and duties.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	

3	Board approves the Internal Audit Charter.	Compliant.	BC Internal Audit Charter was approved by the Board during its regular meeting held on Nov. 5, 2015. Pls refer to BC website under Board Committee Charters -> Internal Audit Charter <a href="http://benguetcorp.com/wp-content/uploads/2014/07/Internal-Audit-Charter-11.5.151.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/Internal-Audit-Charter-11.5.151.pdf</a>	
<b>Recommendation 2.11</b>				
1	Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	BC has established a Risk Management Charter approved by the BOD on June 24, 2011. Please refer to BC website under Corporate Governance->Board Committee Charters->Risk Management Charter. <a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf</a> Please refer also to SEC 17-A pages 12-13 on Business Risks Items (a) to (e) <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>  Pls see PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 12-13 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a>  Please refer also to MCG, page 9, Art III.3.8 A.q <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  Please refer also to Board Charter page 9 <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
2	The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Pls refer to pp 2-4 of Risk Management Charter on the responsibilities and key function of Risk Management Committee. <a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/Risk-Management-Charter1.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/Risk-Management-Charter1.pdf</a> Please refer also to SEC 17-A page 12-13 on Major Business Risks Items (a) to (e) <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>	

			<p>Pls see PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 12-13</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a></p>	
<b>Recommendation 2.12</b>				
1	Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	<p>The Company's Board Charter clearly defines its purpose and state the Board's roles, responsibilities and accountabilities in carrying out its fiduciary duties and serve as a guide to directors in the performance of their functions. The Board Charter supplements the Corporation's By-Laws, Manual of Corporate Governance and Code of Ethical Conduct in upholding good CG within BC's corporate culture, which begins at the Board level. Pls refer to BC Board Charter posted in BC website</p> <p><a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - &gt; Board Charter</p>	
2	Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<p>The Company's Board Charter clearly defines its purpose and state the Board's roles, responsibilities and accountabilities in carrying out its fiduciary duties and serve as a guide to directors in the performance of their functions. The Board Charter supplements the Corporation's By-Laws, Manual of Corporate Governance and Code of Ethical Conduct in upholding good CG within BC's corporate culture, which begins at the Board level. Pls refer to BC Board Charter posted in BC website</p> <p><a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - &gt; Board Charter</p>	
3	Board Charter is publicly available and posted on the company's website.	Compliant	<p>Pls refer to BC Board Charter posted in BC website</p> <p><a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - &gt; Board Charter</p>	
<b>Additional Recommendation to Principle 2</b>				
1	Board has a clear insider trading policy.	Compliant	Pls refer to BC website Manual of Corp Governance ->Policies	

			<a href="http://benguetcorp.com/wp-content/uploads/2018/05/P4-Insider-Trading-Policy.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/P4-Insider-Trading-Policy.pdf</a>	
<b>Optional Principle 2</b>				
1	Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2	Company discloses the types of decision requiring board of directors' approval			
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>				
<b>Recommendation 3.1</b>				
1	Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>Board has constituted various board committees to aid in the optimal performance of its duties. Pls refer to all the board committees established – pls see BC website under Corp Governance-&gt;Board Committees</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf">http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf</a></p> <p>Please refer also to MCG page 11 (j) <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer also to MCG page 14-20 – Board Committees <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer to Board Charter page 9 (j) <a href="http://benguetcorp.com/corporate-governance/board-committees/-Board Charter">http://benguetcorp.com/corporate-governance/board-committees/-Board Charter</a></p>	
<b>Recommendation 3.2</b>				



1	Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Pls refer to AuditCom Charter on page 4, par. 3.d.2 posted in BC website under <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>AuditCom Charter revised 11.5.15, which provides the role of Audit Com to recommend to the Board the appointment, replacement and/or retention of the External Auditor. The External Auditor is directly accountable to the AuditCom.</p> <p>Please refer also to MCG Article IV 4.3 page 15 on Audit Committee <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer also to MCG page 11 (j)</p>	
2	Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>The following are members of BC AuditCom:  Dr. Bernardo M. Villegas – Chairman – Non-Executive Director/  Independent Director  Atty. Rhodora L. Dapula – Member – Non-Executive Director/  Independent Director  Atty. Jennelyn F. Go - Member – Non-Executive Director</p> <p>Pls refer to BC website on composition of AuditCom under tab Corp Governance -&gt; Board Committees <a href="http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf">http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf</a></p> <p>Also pls refer to PSE Edge Portal under Company Disclosures “Results of Organizational Meeting of the board of directors announce Nov 9, 2018 At 0817am under Report or Circular no. C07497-2018 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.TRQmNKVj.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.TRQmNKVj.dpbs</a></p> <p>Pls refer to their qualifications indicated in 2018 Annual Report SEC Form 17-A on pages pp 26-29 <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p>	

			<p>Also pls see PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 26-29</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a></p>	
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Pls refer to the members of the AuditCom background and experience indicated in 2018 Annual Report SEC Form 17-A on pages 26-29 posted in BC website</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also SEC 17-A in PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 26-29</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69ajdRRc.dpbs</a></p>	
4	The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Non-Compliant		<p>Dr. Bernardo Villegas, Chairman of the AuditCom is also Chairman of Corporate Governance and Board Risk Oversight committees. He has been a director of the Company since 1998. As such, his experience and profound competence has proven invaluable in the various committee membership that he holds. Information on Dr. Villegas is indicated in 2018 Annual Report SEC Form 17-A on pp 26-29 posted in BC website</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also SEC 17-A in PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 pp 26-29</p>

				<a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs</a>
<b>Supplement to Recommendation 3.2</b>				
1	Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>Pls refer to MCG Art IV 4.3c IV e page 18 on Overseeing External Audit <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Pls refer also to AuditCom Charter, IV, no. 5, page 5 <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>There are no other services rendered by the external auditor in 2018 other than the usual audit services. Pls refer to 2018 Annual Report SEC Form 17-A Item 8 page 25 posted in BC website <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also SEC 17-A in PSE Edge Portal under BC Company Disclosures Annual Report announce date April 30, 2019 at 0259pm Report or Circular no CR02574-2019 page 25 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.69aJdRRc.dpbs</a></p> <p>Pls see attached Report of the AuditCom to the Board of Directors (Annex "F")</p>	
2	Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p>As the need arises, AuditCom meets and dialogues with the External Auditors on matters of concerns without anyone from management present.</p> <p>Pls refer to the Report of the AuditCom to the BOD (Annex "F")</p>	
<b>Optional Recommendation 3.2</b>				
1	Audit Committee meet at least four times during the year.			
2	Audit Committee approves the appointment and			

	removal of the internal auditor.			
Recommendation 3.3				
1	Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>BC has an established Corporate Governance Committee composed of: Bernardo M. Villegas as Chairman and Mr. Reginald S. Velasco and Atty. Rhodora L. Dapula as members with Atty. Lina G. Fernandez as Compliance Officer. Pls see BC website -&gt; Corporate Governance -&gt;Board Committees  <a href="http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf">http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf</a></p> <p>Pls see also BC website on Company Disclosures Minutes of Annual Stockholders Results of 2018 ASM and Organizational meeting of BOD page 5  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p> <p>Also PSE Edge under Company Disclosures announced Nov 09, 2018 on Results of Organizational Meeting of Board of Directors under Report no. C07497-2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs</a></p> <p>Please see MCG, page 19 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<p>BC Corp Governance Committee is composed of 3 members, all of whom are Independent Directors, namely: Bernardo M. Villegas, as Chairman and Mr. Reginald S. Velasco and Atty. Rhodora L. Dapula as members. Information on members of the Corp Governance Committee is indicated in 2018 Annual Report SEC Form 17-A on pages 26-29  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs</a></p> <p>Pls see BC website -&gt; Corporate Governance -&gt;Board Committees  <a href="http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf">http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf</a></p>	

			<p>Also pls see also BC website on Company Disclosures Minutes of Annual Stockholders Results of 2018 ASM and Organizational meeting of BOD page 5  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p> <p>Also PSE Edge under Company Disclosures announced Nov 09, 2018 on Results of Organizational Meeting of Board of Directors under Report no. C07497-2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs</a></p>	
3	Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>Dr. Bernardo Villegas, Chairman of the Corp Governance Committee is an independent director. Pls refer to SEC 17-A BC Annual Report on pages 28-29 in PSE Edge Portal  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs</a></p> <p>Also posted in BC website under Company Disclosures PP 28-29  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p>	
Optional: Recommendation 3.3				
1	Corporate Governance Committee meet at least twice during the year.			
Recommendation 3.4				
1	Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>BC has an established Risk Management Committee. Pls see composition of Board Risk Oversight Committee (BROC)  <a href="http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf">http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf</a></p> <p>Pls refer to  <a href="http://benguetcorp.com/corporate-governance/board-committees">http://benguetcorp.com/corporate-governance/board-committees</a>  <a href="#">➔ BC-Risk-Management-Charter</a></p> <p>on key functions of the Committee</p> <p>Pls refer also to pp 18-19 of the Manual of Corp Governance on functions of BROC posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	

2	BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p>BROC is composed of 3 members of which 2 members are independent directors. Mr. Reginald S. Velasco, BROC Chairman, is an independent director. Also BROC member, Dr. Bernardo M. Villegas is an Independent Director.</p> <p>Pls refer to pp 26-29 of 2018 Annual Report SEC Form 17-A posted in website on BROC members' qualifications and type of directorship (Annex A)</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>The qualifications of each of the members of the Board, including members of BROC, are contained in the Information Statements for 2018 pp. 11-13 of SEC 20-IS Part 1</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS_Part-1.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Information Statement SEC Form 20-IS announced Sept 14, 2018 under Report no. CR05821-2018 pp. 11-13</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=9300e947f0cf_d1bd43ca035510b6ec2b#sthash.z1TCQZS9.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=9300e947f0cf_d1bd43ca035510b6ec2b#sthash.z1TCQZS9.dpbs</a></p>	
3	The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	<p>BROC Chairman Mr. Reginald S. Velasco is not Chairman of the Board or of any other committees. Please see composition of all board committees posted in BC website</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf">http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf</a></p> <p>Pls refer also to Company Disclosures Minutes of Annual Stockholders Results of 2018 ASM and Organizational meeting of BOD page 5 posted in BC website</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p> <p>Also PSE Edge under Company Disclosures announced Nov 09, 2018 on Results of Organizational Meeting of Board of Directors under Report no. C07497-2018, page 5</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs</a></p> <p>Information about the BROC Chairman, Mr. Reginald S. Velasco is available on page 12 of SEC Form 20-IS <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p>	

			<p>Also in PSE Edge Portal under Company Disclosures Information Statement SEC Form 20-IS announced Sept 14, 2018 under Report no. CR05821-2018 page 12  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.LMWKWqJ1.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.LMWKWqJ1.dpbs</a></p> <p>Also found on page 27 of 2018 BC Annual Report under SEC Form 17-A Company Disclosures in PSE Edge Portal  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs</a></p>	
4	At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>Atty. Jose Raulito E. Paras, member of BROCC, has thorough knowledge of, with expertise and experience on risk and risk management involving environmental laws. He was general counsel of a mining firm, Lepanto Consolidated Mining Co. Pls refer to his background and experience as indicated in SEC 17-A BC Annual Report on page 27 available in PSE Edge Portal under Company Disclosures  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs</a></p> <p>Also in PSE Edge Portal under Company Disclosures Information Statement SEC Form 20-IS announced Sept 14, 2018 under Report no. CR05821-2018 page 12  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.LMWKWqJ1.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.LMWKWqJ1.dpbs</a></p>	
<b>Recommendation 3.5</b>				
1	Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p>Pls refer to RPT Committee created by the BOD available in BC website under Corp Governance -&gt;board committees  <a href="http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf">http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf</a></p> <p>Also contained in Company Disclosures Minutes of Annual Stockholders Results of 2018 ASM and Organizational meeting of BOD page 5 posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p> <p>Also in PSE Edge under Company Disclosures announced Nov 09, 2018 on Results of Organizational Meeting of Board of Directors under Report no. C07497-2018, page 5</p>	

			<a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs</a>  Also refer to MCG page 20-21 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
2	RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	RPT is composed of 3 non-executive directors, 2 of whom are independent directors, including the Chairman. Pls refer to RPT Committee created by the BOD available in BC website under Corp Governance ->board committees <a href="http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf">http://benguetcorp.com/wp-content/uploads/2019/04/BOARD-COMMITTEES.pdf</a>  Also contained in Company Disclosures Minutes of Annual Stockholders Results of 2018 ASM and Organizational meeting of BOD page 5 posted in BC website <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a>  Also in PSE Edge under Company Disclosures announced Nov 09, 2018 on Results of Organizational Meeting of Board of Directors under Report no. C07497-2018, page 5 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fadabd0434a53743ca035510b6ec2b#sthash.0swjPfr1.dpbs</a>	
<b>Recommendation 3.6</b>				
1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The Board has established charter of committees such as Nominations and Election, Salary (Compensation), Related Party Transaction (RPT), Audit, Risk Management. The charters of the different committees can be accessed at the BC website under Corporate Governance <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
2	Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Pls refer to BC website on Committee Charters <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	



3	Committee Charters were fully disclosed on the company's website.	Compliant	Pls refer to BC website on Committee Charters <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.				
Recommendation 4.1				
1	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>Pls see attached Annex "G" Secretary Certificate on director's participation in meetings.</p> <p>Pls also refer to BC website on board attendance to BOD meetings. <a href="http://benguetcorp.com/wp-content/uploads/2019/02/2018-Directors-Attendance-to-Board-Meetings.pdf">http://benguetcorp.com/wp-content/uploads/2019/02/2018-Directors-Attendance-to-Board-Meetings.pdf</a></p> <p>For attendance of directors attending through tele/video conferencing, BC complies with SEC rules as indicated in the Minutes of the BOD meetings.</p> <p>If and when necessary, the Board likewise holds committee meetings through the use of telecommunications or other electronic media.</p> <p>Please refer also to MCG, 3.7 (a) <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer also to Board Charter page 7, Art II, 4; page 10 Art III, B(b) iv. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - board charter</p>	
2	The directors review meeting materials for all board and Committee meetings.	Compliant	<p>Board materials for discussion were sent in advance through email or personal delivery (as requested) to directors at least three (3) days before the scheduled board meeting to provide ample time for the study and review of materials for discussion. Hard copies of materials are distributed to directors during the Board meeting.</p> <p>Pls see attached Annex "H" emails sent to directors.</p>	

			<p>Please refer also to MCG, page 12, B (b) I &amp; iii <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer to Board Charter page 10, B(b) I &amp; iii <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - Board charter</p>	
3	The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Pls see attached Annex "G" Secretary Certificate on active participation of directors where on certain issues discussed, clarifications/questions were raised during the Board meeting.	
<b>Recommendation 4.2</b>				
1	Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	<p>Pls refer to SEC 17-A Item 9 pp 27-30 <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Please refer also to MCG, page 12, B (c) <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer to Board Charter page 10, B(c) <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - Board charter</p> <p>Two (2) non-executive directors of the Company, Messrs. Luis Juan Virata and Jose Raulito E. Paras are concurrently serving less than five (5) publicly-listed companies. All other non-executive are not serving in PLCs.</p>	
<b>Recommendation 4.3</b>				
1	The directors notify the company's board before accepting a directorship in another company	Compliant	Present directors have notified the company of their directorship in other PLC through the updating of their profile which is being used in the Company's annual report and information statement.	

			<p>Please refer also to MCG, page 4, 3.3(c) (Policy on Multiple Board Seats) <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer to Board Charter page 11, 2.c. (Policy on Multiple Board Seats <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - Board charter</p>	
<b>Optional Principle 4</b>				
1	Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2	Company schedules board of directors' meetings before the start of the financial year.			
3	Board of directors meet at least six times during the year.			
4	Company requires as minimum quorum of at least 2/3 for board decisions.			
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.</b>				
<b>Recommendation 5.1</b>				
1	The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant.	<p>Currently, the Board has 3 independent directors, namely: Dr. Bernardo M. Villegas, Mr. Reginald S. Velasco and Atty. Rhodora L. Dapula. Pls see BC website -&gt; Home-&gt; About us -&gt; Directors and Officers  <a href="http://benguetcorp.com/home/about-us/">http://benguetcorp.com/home/about-us/</a> -&gt; Directors and Officers</p> <p>Please refer also to MCG, Article III 3.1.a page 3 Board Composition.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	

			Also to Board Charter Art 1.a Composition of the Board, page 1 <a href="http://benguetcorp.com/corporate-governance/board-committees/-board-charter">http://benguetcorp.com/corporate-governance/board-committees/-board charter</a>	
<b>Recommendation 5.2</b>				
1	The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant.	<p>The Board's independent directors, Directors Bernardo Villegas, Reginald Velasco and Rhodora Dapula possess all the qualifications and none of the disqualifications to hold the position. Please refer to 2018 SEC Form 17-A pp 27-28 posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company disclosures  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.jiXPLjYY.dpbs</a></p> <p>Please refer also to Definitive Information Statement (DIS) part 1, page 10 <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p> <p>Pls refer to Art. III.6 pages 7-9 of Manual of Corp Governance on the qualifications of independent directors  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
<b>Supplement to Recommendation 5.2</b>				
1	Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant.	<p>Pls refer also to BC website on Amended By-Laws Article 2 page 11  <a href="http://benguetcorp.com/about-us/">http://benguetcorp.com/about-us/</a></p> <p>The Company has no shareholder agreement, By-laws provision, or other arrangement that constrains the directors' ability to vote independently. Per our MCG and Board Charter, our directors are encouraged to exercise an objective and independent judgment on all corporate affairs. Pls refer to Board Charter, page 10  <a href="http://benguetcorp.com/corporate-governance/board-committees/-board-charter">http://benguetcorp.com/corporate-governance/board-committees/-board charter</a></p> <p>Also in MCG, page 12  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
<b>Recommendation 5.3</b>				

1	<p>The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	Compliant	<p>The Company's Independent Director Mr. Bernardo Villegas has served for 7 years reckoned from 2012 while the 2 Independent Directors Mr. Reginald Velasco and Atty. Rhodora Dapula were appointed as Independent Directors of the Board last August 16, 2018. Pls refer to page 3 of SEC Form 17-C 2018 under Company disclosures(1) Appointment of Independent Director and (2) Resignation and appointment of Directors posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2018/08/Appointment-of-Independent-Director.pdf">http://benguetcorp.com/wp-content/uploads/2018/08/Appointment-of-Independent-Director.pdf</a>  (on appointment of Atty. Dapula)  <a href="http://benguetcorp.com/wp-content/uploads/2018/08/Resignation-and-Appointment-of-Directors.pdf">http://benguetcorp.com/wp-content/uploads/2018/08/Resignation-and-Appointment-of-Directors.pdf</a> (on appointment of Mr. Velasco)  Also in PSE Edge Portal under Company Disclosures on Change in Directors and/or Officers announced Aug 17, 2018 under Report no C05647-2018 page 3  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=3e84c5b969fe69be43ca035510b6ec2b#sthash.LgXcSZPd.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=3e84c5b969fe69be43ca035510b6ec2b#sthash.LgXcSZPd.dpbs</a></p> <p>Pls refer to page 10 of Information Statement SEC Form 20-IS DIS Part 1 posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Information Statement page 10 of 20-IS attachment announced Sept 14, 2018 under Report no. CR05821-2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.fWpRS2gc.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.fWpRS2gc.dpbs</a></p> <p>Board Charter page 6 on tenure of office states that the Board's independent director should serve for a maximum cumulative term of 9 years. After which, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as non-independent director. <a href="http://benguetcorp.com/corporate-governance/board-committees/-board-charter">http://benguetcorp.com/corporate-governance/board-committees/-board charter</a></p>	
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			Please refer also to MCG page 9, 3.6.d <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
2	The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant.	<p>Pls refer to 2017 MCG Article III Item 3.6d page 9 posted in BC website <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>One of the Company's Independent Director Mr. Bernardo Villegas has served for 7 years reckoned from 2012.</p> <p>Please refer to Board Charter page 6 <a href="http://benguetcorp.com/corporate-governance/board-committees/-board-charter">http://benguetcorp.com/corporate-governance/board-committees/-board charter</a></p>	
3	In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p>Pls refer to 2017 MCG Article III Item 3.6d page 9 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>The Company's Independent Director Mr. Bernardo Villegas has served for 7 years reckoned from 2012.</p> <p>Please refer to Board Charter page 6 <a href="http://benguetcorp.com/corporate-governance/board-committees/-board-charter">http://benguetcorp.com/corporate-governance/board-committees/-board charter</a></p>	
<b>Recommendation 5.4</b>				
1	The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>The Company's Chairman of the Board is Mr. Daniel Andrew G. Romualdez. The Company has no CEO. BC has President, Mr. Leopoldo S. Sison III, who served as such from his appointment on Aug 23, 2017 until his retirement on Oct. 1, 2018. Pls refer to Home-About us-Directors and Officers posted in BC website <a href="http://benguetcorp.com/home/about-us/">http://benguetcorp.com/home/about-us/</a> -&gt;Directors and Officers</p> <p>Please refer to MCG page 21 Art V 5.1 The Board should be headed by a competent and qualified chairperson. The position of Chairman of the Board and Chief Executive Officer (CEO) should be held by separate individual.</p>	

2	The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Pls refer to Art V, 5.1 pp 21-22 of Manual of Corp Governance on the roles and responsibilities of Chairman of the Board <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a> and the roles and responsibilities of the Chief Executive Officer on page 22. The Chairman of the Board and the President are not related by consanguinity or affinity.	
<b>Recommendation 5.5</b>				
1	If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant.	The Chairman is not an independent director. But he is a Non-Executive Director. BC provides in the MCG (Art III Item 3.6c page 8) that the Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person. Pls refer to MCG Art III Item 3.6c page 8. <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	The Company will designate a lead director among the independent directors in the next regular board meeting
<b>Recommendation 5.6</b>				
1	Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Pls refer to MCG Art III Item 3.7c page 9. <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a> The Company has no transaction involving a director with material interest.	
<b>Recommendation 5.7</b>				
1	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and head of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant	Company's Board charter Art II Item 7 page 8 states that "The non-executive directors (NEDs) should have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation. The meetings should be chaired by the lead independent director." <a href="http://benguetcorp.com/corporate-governance/board-committees/-board">http://benguetcorp.com/corporate-governance/board-committees/-board</a> charter	The Audit Committee is composed of non-executive directors, two of whom are independent directors. No separate meetings were held in 2018 by non-executive directors with the external and internal auditors as it was deemed not necessary. The Audit Committee reports to the Board and in the event the external auditors or the head of the internal audit, compliance officer and risk officer find there are inadequate and ineffective internal control systems, Company's financial and operational issues, or risk event, then such a meeting with the NEDs can be called.

			<p>Please refer also to MCG Page 9, 3.7 item d  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	<p>The members of the Board Risk Oversight Committee are all non-executive directors of which two of them are independent directors. The Committee saw no reason to hold a meeting in 2018 without the presence of management (as all directors are non-executive directors). After the Mancom meeting, should the Risk Management Officer determine the need for appropriate action to address a business risk, then a separate meeting may be called to be chaired by the BROC Chairman, an independent director.</p>
2	The meetings are chaired by the lead independent director.	Non-Compliant	<p>Company's Board charter Art II Item 7 page 8 states that "The non-executive directors (NEDs) should have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation. The meetings should be chaired by the lead independent director.  <a href="http://benguetcorp.com/corporate-governance/board-committees/-board">http://benguetcorp.com/corporate-governance/board-committees/-board</a> charter</p> <p>Please refer also to MCG Page 9, 3.7 item d  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	<p>The Board has yet to appoint a lead independent director in its next regular Board meeting in August 2019</p>
<b>Optional Principle 5</b>				
1	None of the directors is a former CEO of the company in the past 2 years.			
<p><b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.</p>				
<b>Recommendation 6.1</b>				
1	Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant	<p>This is provided in Art III, 3.10 (a) and (b) page 13 of MCG  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	<p>Although the Board and the individual members has not yet conducted formal, documented self-assessments, the BOD/management believe that the overall principle</p>



				covering this recommendation is already being served by discussions among Board members not necessarily during BOD meetings on the performance of the Chair, and other members, especially during the nomination and appointment of the new directors in 2018. For 2019, the Company is finalizing the Self-Assessment Policy and Standards which will be institutionalized once approved.
2	The Chairman conducts a self-assessment of his performance.	Non-Compliant	Pls refer to Art III, 3.10 (a) and (b) page 13 of MCG <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	Although the Board and the individual members has not yet conducted formal, documented self-assessments, the BOD/management believe that the overall principle covering this recommendation is already being served by discussions among Board members not necessarily during BOD meetings on the performance of the Chair, and other members, especially during the nomination and appointment of the new directors in 2018. For 2019, the Company is finalizing the Self-Assessment Policy and Standards which will be institutionalized once approved.
3	The individual members conduct a self-assessment of their performance.	Non-Compliant	Pls refer to Art III, 3.10 (a) and (b) page 13 of MCG <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	Although the Board and the individual members has not yet conducted formal, documented self-assessments, the BOD/management believe that the overall principle covering this recommendation is already being served by discussions among Board members not necessarily during BOD meetings on the performance of the Chair, and other members, especially during the nomination and appointment of the new directors in 2018. For 2019, the Company is finalizing the Self-Assessment Policy and Standards which will be institutionalized once approved.
4	Each committee conducts a self-assessment of its performance.	Non-Compliant	The Audit Committee conducts an annual self-assessment of performance evaluation in compliance with the SEC Memo circular no. 4 Series of 2012.	Although the Board and the individual members has not yet conducted formal, documented self-assessments, the BOD/management believe that the overall principle covering this recommendation is already being served by discussions among Board members not necessarily during BOD meetings on the performance of the Chair, and other members, especially during the nomination and appointment of the new directors in 2018. For 2019, the Company is finalizing the Self-Assessment Policy and Standards which will be institutionalized once approved.

5	Every three years, the assessments are supported by an external facilitator.	Compliant	<p>There is a policy on this as provided in the Company's MCG Art. III, 3.10.b, page 13.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>The Board will decide when it will be practicable for the assessment to be supported by an external facilitator, consistent with the above policy in the MCG</p>	No external facilitator for the year 2018
<b>Recommendation 6.2</b>				
1	Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<p>Pls refer to Board Charter, page 12, Art IV. Item 6.c</p> <p><a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>The Company has a policy on this as provided in the Company's MCG Art III, 3.10.c page 13:</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	The system allows for a feedback mechanism from the shareholders.	Compliant	<p>Pls refer to Board Charter, page 12, Art IV. Item 6.c</p> <p><a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>The Company has a policy on this as provided in the Company's MCG Art III, 3.10.c page 13:</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>				
<b>Recommendation 7.1</b>				
1	Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>Please refer to Annex A of MCG</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer to Employee Conduct and Discipline (ECD) posted at company's website:</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf</a></p>	

2	The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>It has been the practice of the Company to orient new directors or employees as provided in the MCG Art III item 3.11a page 13 that “All new directors joining the Board are required to undergo an orientation program to familiarize themselves of their statutory/fiduciary roles and responsibilities under the law, the Company’s articles and by-laws and in the Board and Committees. The orientation is to ensure that they are properly apprised of the company’s strategic plans, enterprise risks, group structure, business activities, Code of Business Conduct and this Corporate Governance Manual”. Employees were asked to sign Acknowledgment and Agreement to Code of Business Conduct and Ethics distributed to each and every employee. (Please see Annex “I”). Each and every year thereafter, the Company and its minesite operating units conducts similar orientations for new employees. Each employee has been given a copy of the Code and each employee submits an acknowledgment receipt to confirm receipt of a copy of the Code.</p> <p>Also pls refer to Board Charter page 13, Art IV, Item 7 a.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	
3	The Code is disclosed and made available to the public through the company website.	Compliant	<p>Please refer to the company website under Corporate Governance:  <a href="http://benguetcorp.com/corporate-governance/code-of-business-conduct-and-ethics/">http://benguetcorp.com/corporate-governance/code-of-business-conduct-and-ethics/</a></p>	
<b>Supplement to Recommendation 7.1</b>				
1	Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>Please refer to Employee Conduct and Discipline, page 6 #40 posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf</a></p>	
<b>Recommendation 7.2</b>				
1	Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p>It is expressly provided in the Company’s MCG Art III, item 3.8A.r. page 11  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  <a href="http://benguetcorp.com/corporate-governance/code-of-business-conduct-and-ethics/">http://benguetcorp.com/corporate-governance/code-of-business-conduct-and-ethics/</a></p>	

			<p>Please refer to Art IV, par 7, page 12 of Board Charter:  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Offenses are dealt with in accordance with Code of ECD pp 5-8  <a href="http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf</a></p>	
2	Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>It is expressly provided in the Company's MCG Art III, item 3.8A.r. page 11  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  <a href="http://benguetcorp.com/corporate-governance/code-of-business-conduct-and-ethics/">http://benguetcorp.com/corporate-governance/code-of-business-conduct-and-ethics/</a></p> <p>Please refer to Art IV, par 7, page 12 of Board Charter:  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.				
Recommendation 8.1				
1	Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>BC has an existing Policy on Disclosure Rules appended as Annex "B", page 38 of Manual of Corporate Governance. Pls refer to BC website  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a> .</p> <p>Reports made available to shareholders and other stockholders are posted in BC website under "Company Disclosures"  <a href="http://benguetcorp.com/company-disclosures/">http://benguetcorp.com/company-disclosures/</a></p> <p>Also in PSE Edge Portal under Company Disclosures  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108</a>  Also Art VIII pp 31-32 of the Company MCG is devoted on the Company's disclosure policies.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	

1	Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty five (45) days from the end of the reporting period.	Non-Compliant		<p>Sec 17-A Annual Report covering consolidated financial and operations reports was made available in the PSE Edge Portal on April 30, 2019 under Company Disclosures. Pls refer to this link  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.HaN1dYU1.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.HaN1dYU1.dpbs</a></p> <p>The Annual Report is made available 120 days from end of fiscal year as extended. This was also posted in BC website under Company Disclosures SEC 17-A  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Interim quarterly reports are posted in BC website under Company Disclosures SEC 17-Q 2018  <a href="http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/sec-17-q/">http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/sec-17-q/</a></p> <p>Also posted in PSE Edge Portal under Company Disclosures are quarterly reports released on May 21, 2018 (1<sup>st</sup> Qtr Report), Aug 17, 2018 (2<sup>nd</sup> Qtr Report) and Nov 19, 2018 (3<sup>rd</sup> Qtr Report)  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108</a></p> <p>Quarterly reports are published and made available 48-50 days from the end of the reporting period as extended.</p>
2	Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company	Compliant	Please refer to 2018 Annual Report posted in BC website (SEC Form 17-A) Item 5 pages 16-20 Market for Issuer's Common Equity and Related Stockholder Matters and Item 11 pages 35-38 on Security Ownership of Certain Beneficial Owners and Management. <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>	

	affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.		Also in PSE Edge Portal under Company Disclosures, Annual Report announced April 30 2019 under Report no CR02574-2019 pages 16-20 and pages 35-38 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.RXtQDzjf.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.RXtQDzjf.dpbs</a>	
<b>Recommendation 8.2</b>				
1	Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>It has been the policy for directors to report to the Company their dealings in Company shares within 5 business days in accordance with SEC (under SEC Forms 23A/B) and PSE disclosure rules. Pls refer to Company disclosures posted in BC website <a href="http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/sec-23-a-b/">http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/sec-23-a-b/</a></p> <p>Also in PSE Edge Portal under Company Disclosures Initial Statement of Beneficial Ownership of Securities with date Aug 23 2018 <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108</a></p> <p>Please refer to Art. IV, no. 3, page 11 of Board Charter requiring all directors and officers to disclose their dealings in the company's shares <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - &gt; board charter</p>	
2	Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Please refer to Art. IV, no. 3, page 11 of Board Charter requiring all directors and officers to disclose their dealings in the company's shares <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> - &gt; board charter</p> <p>It has been the practice for officers to report to the Company their dealings in Company shares within 5 business days in accordance with SEC (under SEC Forms 23 A/B) and PSE disclosure rules. Please refer to the Company's website under tab Corporate Disclosure, <a href="http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/">http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/</a></p> <p>Security ownership of directors is disclosed in the Public Ownership Report on a Quarterly basis and is included in the Notice of ASM page 7 posted in BC website</p>	

			<a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a>  Also in PSE Edge Portal under Company Disclosures Information Statement announced Sept 14, 2018 page 7 of attachment DIS.pdf <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.UbrZmleh.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.UbrZmleh.dpbs</a>	
Supplement to Recommendation 8.2				
1	Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<p>It has been the practice for officers to report to the Company their dealings in Company shares within 5 business days in accordance with SEC (under SEC Forms 23 B) and PSE disclosure rules.</p> <p>Please refer to the Company's website under tab Corporate Disclosure, <a href="http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/sec-23-a-b/">http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/sec-23-a-b/</a></p> <p>Please refer to website on shareholdings of directors, management <a href="http://benguetcorp.com/home/about-us/shareholdings-structure/">http://benguetcorp.com/home/about-us/shareholdings-structure/</a> <a href="http://benguetcorp.com/wp-content/uploads/2018/04/2018-First-Quarter-Report.pdf">http://benguetcorp.com/wp-content/uploads/2018/04/2018-First-Quarter-Report.pdf</a> and top 100 shareholders: <a href="http://benguetcorp.com/home/about-us/shareholdings-structure/top-100-shareholders/">http://benguetcorp.com/home/about-us/shareholdings-structure/top-100-shareholders/</a></p> <p>Please refer to SEC 17-A page 148 on company's conglomerate map (Schedule III Benguet Corp and Subsidiaries Map showing the relationships of the companies within the group) posted in BC website under Company Disclosures SEC 17-A <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures, Annual Report with release date April 30, 2019, Schedule III page 148 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p> <p>The Company has no buy-back program for the year covered by this report.</p>	

### Recommendation 8.3

1	Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>Pls refer to 2018 Annual Report (SEC Form 17-A) posted in BC website for reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended (Annex C), pages 26-29, and page 37 (share ownership)</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures, Annual Report with release date April 30, 2019 pp 26-29 and page 37 on share ownership of directors</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.Q3eBnktU.dpb">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.Q3eBnktU.dpb</a></p> <p>Also in PSE Edge Portal under Company Disclosures, Information Statement with date Sept 14, 2018 page 10-12 of attachment DIS.pdf</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.UbrZmleh.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.UbrZmleh.dpbs</a></p> <p>Also posted in BC website under Company Disclosures SEC 20-IS Part 1 pp 9-11</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a></p> <p>Please refer also to the Company's MCG regarding the standard qualifications of directors., page 5.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of	Compliant	<p>Pls refer to 2018 Annual Report (SEC Form 17-A) posted in BC website for reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended, pages 26-29, and page 37 (share ownership)</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p>	



	interest that might affect their judgment.		<p>Also in PSE Edge Portal under Company Disclosures, Annual Report with date April 30, 2019 pp 26-29 and page 37 on share ownership of directors  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.Q3eBnktU.dpb">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.Q3eBnktU.dpb</a></p> <p>Also in PSE Edge Portal under Company Disclosures Information Statement with date Sept 14, 2018 page 10-12 of attachment DIS.pdf  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.UbrZmleh.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.UbrZmleh.dpbs</a></p> <p>Also posted in BC website under Company Disclosures SEC 20-IS Part 1 pp 9-11  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a></p> <p>Please refer also to the Company's MCG regarding the standard qualifications of directors., page 5.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
<b>Recommendation 8.4</b>				
1	Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p>Please refer to Compensation Charter posted in BC website  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>          -&gt;Compensation Charter          Also refer to Art IV, no. 5, page 12 of Board Charter  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Please refer also to pages 33-35 regarding Compensation of Directors in 2018 Annual Report (SEC Form 17-A) posted in BC website which include per diem, incentive bonus plan, stock option plan  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 pp 33-35  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>	

2	Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>In addition to the executives monthly compensation, other forms of remuneration includes among others, incentive bonus plan, retirement plan, stock option plan. Please refer to pages 33-35 of the 2018 Annual Report (SEC Form 17-A) posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures, Annual Report announced April 30, 2019 pp 33-35  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>	
3	Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		<p>BC disclosed the executive remuneration in an aggregate total for security reasons. Please refer to page 32 of the 2018 Annual Report (SEC Form 17-A)  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Please refer to page 32 of 2018 Annual Report posted in BC website regarding the Retirement provisions.  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 32  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>
<b>Recommendation 8.5</b>				
1	Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring	Compliant	<p>The Company observes its MCG Art IV, 4.6 page 21.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Please refer also to RPT Charter posted in BC website</p>	

	transactions in their Manual on Corporate Governance.		<a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a> and RPT Policy, pars. 8 and 9, page 5 posted in BC website <a href="http://benguetcorp.com/corporate-governance/policies/">http://benguetcorp.com/corporate-governance/policies/</a> <ol style="list-style-type: none"> <li>All employees must avoid at all times engaging in any situation that may involve a potential conflict of interest such as (<i>See related policy on Anti-Fraud</i>): <ol style="list-style-type: none"> <li>Private business dealing, ownership, and interest</li> <li>Unauthorized employment outside the Company</li> <li>Receipt and giving of gifts of unusually high value to persons or entities with whom the Company relates</li> <li>Insider dealing</li> </ol> </li> <li>The Board directors, officers, or majority stockholders shall declare and disclose in writing whether they directly, indirectly or on behalf of third parties, have a financial interest in any pending transaction or matter affecting the Company. If there exist such interest or relationship, they shall abstain from the discussion, approval and management of such transaction or matter.</li> </ol> <p>Pls refer also to Conflict of Interest Policy posted in BC website  <a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/Conflict-of-Interest.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/Conflict-of-Interest.pdf</a></p>	
2	Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Please refer to item 12 Certain Relationships and Related Transactions of 2018 Annual Report (SEC Form 17A) regarding Transactions with and/or Dependence on Related Parties on page 10 and Related Party Transactions page 38. <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a> <p>Also in PSE Edge Portal under Company Disclosures, Annual Report announced April 30, 2019 pages 10 paragraph on “Transactions with and/or Dependence on Related Parties and on page 38 Item 12 on RPT  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>	
Supplement to Recommendation 8.5				
1	Company requires directors to disclose their interests in	Compliant	No director has interest in transactions involving RPT or conflict of interests in the year covered by this report. Should there be any such future transaction, the Company is required to disclose.	

	transactions or any other conflict of interests.		<p>BC RPT policy par. 9, page 5 provides:  “The Board directors, officers, or majority stockholders shall declare and disclose in writing whether they directly, indirectly or on behalf of third parties, have a financial interest in any pending transaction or matter affecting the Company. If there exist such interest or relationship, they shall abstain from the discussion, approval and management of such transaction or matter.”</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/Related-Party-Transaction-Policy.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Related-Party-Transaction-Policy.pdf</a></p> <p>Pls refer also to Conflict of Interest Policy posted in BC website  <a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/Conflict-of-Interest.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/Conflict-of-Interest.pdf</a></p> <p>Also refer to page 11 of Board Charter, par. 4 on Conflict of Interest which states: “All directors and employees of the Company must uphold the best interest of the Company at all times and must not act based on personal considerations that may affect the exercise of independent judgment, or the objective and effective performance of their work. All directors and employees must disclose all potential conflicts of interest. Directors and employees must disclose any financial interest or benefit from any transaction involving the Company, including intention to pursue corporate opportunity, to ensure that all potential conflicts of interest are brought to the attention of the appropriate Board-delegated body.”</p> <p><a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	
Optional: Recommendation 8.5				
1	Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms’ length.			
Recommendation 8.6				
1	Company makes a full, fair, accurate and timely disclosure to the public of	Compliant	No acquisition or disposal of significant assets occurred in the period covered (Jan-Dec 2018) by this report. The Company shall disclose	

	every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.		should there be such acquisition or disposal of significant assets in the future under SEC Form 17-C.	
2	Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<p>No transaction was made in the period covered by this report. It has been the practice of the Company to engage an appraisal company to evaluate the acquisition or disposal value of the Company's property.</p> <p>The Board formed an Asset Recovery/ Disposal Committee tasked to determine and evaluate the fairness of transaction price with respect to the acquisition or disposal of assets. If necessary, the committee will engage an appraisal company to evaluate the acquisition or disposal value of assets. Biddings are conducted to determine the best transaction value and terms. Pls see attached Annex "J" on guidelines/procedures of CPBAC which procedure/protocol is being followed in strict compliance by the Asset Recovery/Disposal Committee.</p>	
<b>Supplement to Recommendation 8.6</b>				
1	Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant.	The Company has not entered into shareholder agreement, voting trust agreement, confidentiality agreement and such other agreement that may impact on the control, ownership, and strategic direction of the company during the period covered by this report. The Company shall disclose should there be such agreements under SEC Form 17-C.	
<b>Recommendation 8.7</b>				
1	Company's corporate governance policies, programs and procedures are contained in its Manual	Compliant	<p>Pls refer to the Company's website where the Manual on Corporate Governance is posted.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	

	on Corporate Governance (MCG).			
2	Company's MCG is submitted to the SEC and PSE.	Compliant	The Company submitted its MCG on May 30, 2017 in compliance to SEC Memo Circular No. 20 Series of 2016. Pls see attached Annex "K".	
3	Company's MCG is posted on its company website.	Compliant	Pls refer to the Company's website <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
<b>Supplement to Recommendation 8.7</b>				
1	Company submits to the SEC and PSE on updated MCG to disclose any changes in its corporate governance practices.	Compliant	The Company submitted its MCG on May 30, 2017 in compliance to SEC Memo Circular No. 20 Series of 2016. There were no amendments made in the Company's MCG in the year covered by this report. The Company shall submit to SEC and PSE an updated version should there be any amendment in the Company's MCG. Pls see attached Annex "K" (BC letter dated May 29, 2017 with SEC stamped received May 30, 2017)	
<b>Optional: Principle 8</b>				
1	Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
	i. Corporate Objectives	Compliant	Pls refer to Item 1 Business on page 5 of 2018 Annual Report <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>  Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page5 Item, 1 Business, page 5 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	
	i. Financial performance indicators	Compliant	Please refer to 2018 Audited Consolidated Financial Statements under schedule II page 147 on Financial Ratios – Index to the Financial Statements and Supplementary Schedules <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>	

			<p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 147 on Financial Ratios – Index to the Financial Statements and Supplementary Schedules</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>	
i.	Non-financial performance indicators	Compliant	<p>Please refer to 2018 Annual Report (SEC 17A Key Performance Indicators, pages 24-25</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 pages 24-25 par. C Key Performance Indicators</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>	
v.	Dividend Policy	Compliant	<p>Please refer to the Company's 2018 Annual Report (SEC Form 17-A) pages 19-20 paragraph on Dividends posted in BC website</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 pages 19-20 paragraph on "Dividends"</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p> <p>The Company is governed by its Amended Articles of Incorporation, pages 14-15 regarding the dividend rights and restrictions. Pls refer to website on "About us"</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/Jul-2016-Amended-BC-Articles-of-Incorporation.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/Jul-2016-Amended-BC-Articles-of-Incorporation.pdf</a></p>	
v.	Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships	Compliant	<p>Please refer to 2018 Annual Report (SEC Form 17-A) pages 26-29.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 pages 26-29</p>	

	in listed companies) of all directors		<a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	
	i. Attendance details of each director in all directors meetings held during the year.	Compliant	<p>Please refer to page 26, Item 9.A Board Attendance of SEC 17-A posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 26 Item 9.A. Board Attendance  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>	
	i. Total remuneration of each member of the board of directors	Compliant.	<p>The Company's directors received per diems for their attendance in meetings of the board or board committee meetings. Please refer to 2018 Annual Report (SEC Form 17-A) page 33 on Compensation of Directors.  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 33 paragraph on "Compensation of Directors"  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>	
2	The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance,	Compliant	<p>Pls refer to page 39, Item 13 Corporate Governance, of SEC 17-A posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p>	



	identifies and explains reason for each such issue.		Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 39 paragraph on "Corporate Governance" <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	
3	The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Please refer to the Statement of Management's Responsibility for Financial Statement in 2018 Annual Report (SEC Form 17A) on pp. 44-46 which forms part of 2018 Audited Financial Statement. <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>  Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 pages 44-46 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	
4	The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Pls see attached Annex "F" statement signed by Audit Committee. Pls refer also to Statement of Management's Responsibility (SMR) which forms part of the 2018 Audited Consolidated Financial Statements and page 25, par. 4, Item 8 of Annual Report (SEC 17-A) posted in BC website <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>  Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 25 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	
5	The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e.	Compliant	Please refer to the 2018 Annual Report (SEC Form 17-A) regarding the Business Risks pages 12-13 posted in BC website <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>	

	financial, operational including IT, environmental, social, economic).		Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 pages 12-13 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.				
Recommendation 9.1				
1	Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Please refer to the Company's MCG Art IV, item 4.3 (c) iv. a, b & c, pages 15-16. <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  Please refer to Audit Com Charter, Art IV, item 3.d 1,2 & 3 page 4. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Please refer to the Company's 2018 Annual Report (SEC Form 17A) Item 8 page 25. <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>  Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 25 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>  69.46% percent of the total outstanding shares of the company approved/ratified the reappointment of external auditor (SGV) during the ASM held on Nov 8, 2018. Pls refer to PSE Edge Portal announced Nov 9, 2018 on Results of ASM <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=2b4db0581d790b9343ca035510b6ec2b#sthash.D6mAhmNm.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=2b4db0581d790b9343ca035510b6ec2b#sthash.D6mAhmNm.dpbs</a>  The audit fees billed by the external auditor is P5.5M for 2018.	
3	For removal of the external auditor, the reasons for	Compliant	No removal of external auditor was made in the period covered by this report.	

	removal or change are disclosed to the regulators and the public through the company website and required disclosures.			
Supplement to Recommendation 9.1				
1	Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>Please refer to MCG Art IV 4.3 c iv d page 18  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  Also please refer to Audit Charter Art IV item 3 (d) 4 page 4  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	
Recommendation 9.2				
1	<p>Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. Assessing the integrity and independence of external auditors;</li> <li>ii. Exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	<p>Compliant</p> <p>Compliant</p> <p>Compliant</p> <p>Compliant</p>	<p>Please refer to Audit Com Charter Art Iv items 3 (d) on overseeing external auditor page 4.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Please refer to Audit Com Charter Art Iv items 3 (d) on overseeing external auditor page 4.  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p>	
2	Audit Committee Charter contains the Committee's	Compliant		

	responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.		Please refer to Audit Com Charter Art Iv items 3 (d) on overseeing external auditor page 4. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
<b>Supplement to Recommendations 9.2</b>				
1	Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Please refer to Audit Com Art Iv items 3 (d) on overseeing external auditor page 4. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
2	Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Please refer to Audit Com Art Iv items 3 (d) on overseeing external auditor page 4. <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
<b>Recommendation 9.3</b>				
1	Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant.	Please refer to 2018 Annual Report (SEC Form 17A) page 25 posted in BC website which states that "xxx. There are no other services rendered by the external auditor other than the usual audit services as mentioned above xxx." <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>  Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 25 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	
2	Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as	Compliant	Please refer to MCG Article IV, 4.3.c.iv.e page 18 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  Also pls refer to AuditCom Charter Art. IV, item 3.d.5 page 5 <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	

	impairing the external auditor's objectivity.			
<b>Supplement to Recommendation 9.3</b>				
1	Fees paid for non-audit services do not outweigh the fees paid for audit services	Compliant	<p>Pls refer to SEC 17-A page 25 Item 8 posted in BC website. Audit fees of SGV &amp; Co for BC and subsidiaries are P5.5 million for 2018 and P5.4 million for 2017. There were no other services rendered by the external auditor other than the usual audit services.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures Annual Report announced April 30, 2019 page 25</p> <p><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p>	
<b>Additional Recommendation to Principle 9</b>				
1	Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>The Company's external auditor, SGV &amp; Co., lead audit partner is:</p> <p>Mr. ALEXIS BENJAMIN C. ZARAGOZA III</p> <p>Accreditation no: 1627-A (Group A)</p> <p>Date accredited: April 4, 2017</p> <p>Expiry date of accreditation: April 3, 2020</p> <p>SGV &amp; Co., 6760 Ayala Ave., Makati City, Tel no. 8910307</p> <p>His appointment commenced in year 2017.</p>	
2	Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA)	Compliant	SGV agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program by the SEC's OGA. SEC subjected SGV to SOAR Inspection Program last November 12-23, 2018 with members of SGV engagement team.	
<b>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</b>				
<b>Recommendation 10.1</b>				
1	Board has a clear and focused policy on the disclosure of non-financial information, with emphasis	Compliant	<p>Pls see attached Sustainability Report (Annex "L")</p> <p>Please refer to MCG Art IX page 32 and Annex B page 38 of MCG on Policy on Disclosure Rules</p>	

	on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.		<a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  Please refer also to Annexes “R” and “R-1” on management of environmental and community related issues of the Company	
2	Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	The Company adopts the reporting framework/standard set by regulatory bodies. Pls see attached Sustainability Report (Annex “L”)	
<b>Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</b>				
<b>Recommendation 11.1</b>				
1	Company has media and analysts’ briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	Company discloses its Quarterly Reports under SEC 17-Q, Annual Report under SEC 17-A and Company disclosures under SEC Form 17-C through Company’s website and PSE Edge Portal. <a href="http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/">http://benguetcorp.com/company-disclosures/sec-filings-and-other-disclosures/</a>  and PSE Edge Portal with Benguet Corp symbol “BC” <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=108</a>	
<b>Supplement to Principle 11</b>				
1	Company has a website disclosing up-to-date information on the following:	Compliant	Pls refer to BC website <a href="http://benguetcorp.com/">http://benguetcorp.com/</a>	
	a. Financial statements/reports (latest quarterly)	Compliant	Please refer to 2018 First, Second and Third Quarter Reports under SEC Form 17Q posted in BC website <a href="http://benguetcorp.com/wp-content/uploads/2018/SEC%2017-Q_2018/2018%20First%20Quarter%20Report%20(SEC%20Form%2017Q).pdf">http://benguetcorp.com/wp-content/uploads/2018/SEC%2017-Q_2018/2018%20First%20Quarter%20Report%20(SEC%20Form%2017Q).pdf</a>  <a href="http://benguetcorp.com/wp-content/uploads/2018/08/2018-Second-Quarter-Report-SEC-Form-17-Q.pdf">http://benguetcorp.com/wp-content/uploads/2018/08/2018-Second-Quarter-Report-SEC-Form-17-Q.pdf</a>	

			<a href="http://benguetcorp.com/wp-content/uploads/2019/02/2018_Third-quarter-report-SEC-Form-17Q.pdf">http://benguetcorp.com/wp-content/uploads/2019/02/2018_Third-quarter-report-SEC-Form-17Q.pdf</a>  Also in PSE Edge Portal under Company Disclosures template name Quarterly Report 1 <sup>st</sup> Quarter Report – announced May 21, 2018 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=77f577054ffe7c0043ca035510b6ec2b#sthash.HNLxebAM.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=77f577054ffe7c0043ca035510b6ec2b#sthash.HNLxebAM.dpbs</a> 2 <sup>nd</sup> Quarter Report – announced Aug 17, 2018 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=eb464056c97cfeb343ca035510b6ec2b#sthash.pHHSRHJe.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=eb464056c97cfeb343ca035510b6ec2b#sthash.pHHSRHJe.dpbs</a> 3 <sup>rd</sup> Quarter Report – announced Nov 19, 2018 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=9017092d7ddcf39643ca035510b6ec2b#sthash.rNORxUhP.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=9017092d7ddcf39643ca035510b6ec2b#sthash.rNORxUhP.dpbs</a>	
	b. Materials provided in briefings to analysts and media	Compliant	Please refer to Company statement in reply to PSE regarding clarification of press release which appeared in Sept 7, 2018 issue of Philippine Star posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/SEC-17-C_Reply-to-PSE_Romualdez-sets-asset-sales-BC-delisting-and-DU30-restriction.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/SEC-17-C_Reply-to-PSE_Romualdez-sets-asset-sales-BC-delisting-and-DU30-restriction.pdf</a>  Also in PSE Edge Portal under Company Disclosures template Clarification of News Reports announced April 25, 2018 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=da0f15066ce3eadc43ca035510b6ec2b#sthash.UGmcneUZ.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=da0f15066ce3eadc43ca035510b6ec2b#sthash.UGmcneUZ.dpbs</a>	
	c. Downloadable annual report	Compliant	Please refer to 2018 Annual Report (SEC 17-A) posted in BC website: <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>  Also in PSE Edge Portal with Benguet Corp symbol “BC” under Company Disclosures Annual Report announced April 30, 2019	

			<a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	
	d. Notice of ASM and/or SSM	Compliant	<p>Pls refer to Notice of ASM posted in BC website including Agenda  <a href="http://benguetcorp.com/company-disclosures/notice-of-annual-or-special-stockholders-meetings/">http://benguetcorp.com/company-disclosures/notice-of-annual-or-special-stockholders-meetings/</a>  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/Notice-of-Annual-Meeting-of-Stockholders-w-Agenda.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/Notice-of-Annual-Meeting-of-Stockholders-w-Agenda.pdf</a></p> <p>Also in BC website under Company Disclosures SEC 20-IS  Preliminary IS  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a>  Definitive IS  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/DIS-Part-1.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures  Information Statement (Preliminary) announced Sept 4, 2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=9300e947f0cf-d1bd43ca035510b6ec2b#sthash.k6zW4lqG.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=9300e947f0cf-d1bd43ca035510b6ec2b#sthash.k6zW4lqG.dpbs</a></p> <p>Information Statement (Definitive) announced Sept 14, 2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.dpbs</a></p> <p>[Amend-2] Notice of Annual or Special Meeting announced March 22, 2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=00ea39f4439b456043ca035510b6ec2b#sthash.cet7ENKz.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=00ea39f4439b456043ca035510b6ec2b#sthash.cet7ENKz.dpbs</a></p> <p>[Amend-3] Notice of Annual or Special Meeting announced Aug 17, 2018</p>	



			<a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=ee71fb40a2250b9843ca035510b6ec2b#sthash.oMji1Qvt.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=ee71fb40a2250b9843ca035510b6ec2b#sthash.oMji1Qvt.dpbs</a>  [Amend-4] Notice of Annual or Special Meeting announced Aug 28, 2018 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=ee71fb40a2250b9843ca035510b6ec2b#sthash.rD6ZGZgd.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=ee71fb40a2250b9843ca035510b6ec2b#sthash.rD6ZGZgd.dpbs</a>  [Amend-5] Notice of Annual or Special Meeting announced Sept 14, 2018 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=c8e7ef1ea6a49e0e43ca035510b6ec2b#sthash.XEcehGA9.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=c8e7ef1ea6a49e0e43ca035510b6ec2b#sthash.XEcehGA9.dpbs</a>	
e. Minutes of ASM and/or SSM	Non-Compliant		<p>By practice, Minutes of ASM are posted in the Company's website after approval by stockholders in the next annual meeting.</p> <p>But results of the 2018 ASM were posted the next day in BC website under Company Disclosures Minutes of All General or Special Stockholders Meetings  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p> <p>Also ASM results were disclosed to the SEC/PSE within the prescribed period. Pls refer to PSE Edge Portal under Company Disclosures template Results of Annual or Special Stockholders Meeting announced Nov 9, 2018  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=2b4db0581d790b9343ca035510b6ec2b#sthash.wkVu4yzz.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=2b4db0581d790b9343ca035510b6ec2b#sthash.wkVu4yzz.dpbs</a></p> <p>Minutes of the 2018 ASM has yet to be approved by the stockholders in Nov 2019 ASM hence the reason it has not been uploaded to the website.</p> <p>Prior years ASM minutes are posted in BC website after approval by the stockholders in subsequent ASM.</p>	

				<a href="http://benguetcorp.com/wp-content/uploads/2018/11/Minutes-2016-ASM_Jun-1-2016.pdf">http://benguetcorp.com/wp-content/uploads/2018/11/Minutes-2016-ASM_Jun-1-2016.pdf</a>
	f. Company's Articles of Incorporation and By-Laws	Compliant	Please refer to the Company website under "About Us" <a href="http://benguetcorp.com/wp-content/uploads/2014/07/BC-Articles-of-Incorporation-and-By-Laws1.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/BC-Articles-of-Incorporation-and-By-Laws1.pdf</a>	
<b>Additional Recommendation to Principle 11</b>				
1	Company complies with SEC-prescribed website template.	Compliant	Please refer to Company's website: <a href="http://benguetcorp.com/">http://benguetcorp.com/</a>	
<b>Internal Control System and Risk Management Framework</b>				
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.				
<b>Recommendation 12.1</b>				
1.	Company has an adequate and effective internal control system in the conduct of its business	Compliant	Please see attached Annex "M" on Internal Audit's accomplishments Please refer to Internal Audit Charter <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>  Review of the internal control system is done annually.	
2	Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Please refer to the Risk Management Charter. <a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf</a> Please refer to 2018 Annual Report (SEC Form 17-A) page 12 paragraph on Business Risks and How the Company manages these risks posted in BC website <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a>  Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Annual Report announced April 30, 2019 page 12 <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a>	

			ERM workshop in CHQ, BGO, BCLI and BNMI were conducted in June 2018. Risk and control self-assessment was also conducted in May 2018.	
<b>Supplement to Recommendations 12.1</b>				
1	Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant.	<p>Please see attached Annex “N” on Company’s compliance program covering compliance with laws and relevant regulations.</p> <p>Pls refer to discussion on the company’s compliance on relevant laws and regulations presented in item 1, pages 10-11, SEC 17-A <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Management reviews regulatory compliances/requirements of various government agencies annually. Staff are sent to training institutions seminars, trainings and RTDs to keep them abreast of government compliance programs.</p>	
<b>Optional Recommendation 12.1</b>				
1	Company has a governance process on IT issues including disruption, cyber security and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
<b>Recommendation 12.2</b>				
1	Company has in place an Independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company’s operations.	Compliant	<p>The Company has an in-house internal audit office. The Internal Audit Dept is a separate and independent unit, which is accountable to the BOD and directly reports to the Audit Committee. It is headed by Mr. Dale A. Tongco, CPA.</p> <p>Among others, his role is to provide independent and objective assurance and consulting services to Management, Board of Directors and Stockholders designed to add value and improve the Company’s operations.</p> <p>Please refer to the Internal Audit Charter Mission, par. 1 page 1 in the company’s website.</p>	

			<a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a>	
Recommendation 12.3				
1	Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>The Company's Internal Audit Office Head appointed by the Board is Dale A. Tongco who is performing the functions of Chief Audit Executive (CAE). Please refer to 2018 Annual Report (SEC 17-A) page 30 posted in BC website on his qualifications  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Annual Report announced April 30, 2019 page 30  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p> <p>Also in BC website under company disclosures SEC Filings SEC 20-IS page 13  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a></p> <p>Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Information Statement announced Sept 14, 2018 page 15 DIS(1).pdf  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs</a></p> <p>Please refer also to Internal Audit Charter for his responsibilities, paragraph V, page 2  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Also in Company's MCG page 26, item 6.2(a) posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>In 2018, Mr. Tongco took Certified Internal Auditor (CIA) courses conducted by Institute of Internal Auditors (IIA)-Philippines as part of continuing education.</p>	

2	CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant.	<p>Please refer to Internal Audit Charter page 2 on Internal Audit Head responsibilities:  <a href="http://benguetcorp.com/corporate-governance/board-committees/">http://benguetcorp.com/corporate-governance/board-committees/</a></p> <p>Also in Company's MCG page 26, item 6.2(a) posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>No internal audit activity was outsourced in 2018.</p>	
3	In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	The Company has no outsourced internal audit activity for 2018. All internal audit activities were conducted in-house by AVP-Internal Audit, Mr. Dale A. Tongco, who is acting as the CAE.	
<b>Recommendation 12.4</b>				
1	Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>The Company has a Risk Management Office headed by a Risk Management Officer (RMO). Please refer to Risk Management Charter pages 1-2 for RMO's primary goal and key functions.  <a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf</a></p> <p>Also pls refer to Company's MCG page 27, Item 6.3(a) posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
<b>Supplement to Recommendation 12.4</b>				
1	Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company engaged external law office and former technical managers as consultant as the need arises. Training on ERM was led by Consultant.	
<b>Recommendation 12.5</b>				

1	In managing the company's Risk Management System, the company has Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>The Risk Management Office is headed by a Risk Management Officer (RMO) in the person of Mr. Dale A. Tongco. Pls refer to his responsibilities on page 3 of Risk Management Charter.  <a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf</a></p> <p>Pls refer also to page 27, par. 6.4(a) of MCG on Chief Risk Officer's functions posted in BC website.  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Mr. Tongco's qualifications/background are indicated on page 30 of SEC 17-A 2018 Annual Report posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Annual Report announced April 30, 2019 page 30  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p> <p>Also in BC website under company disclosures SEC Filings SEC 20-IS page 13  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a></p> <p>Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Information Statement announced Sept 14, 2018 page 15 DIS(1).pdf  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs</a></p>	
2	CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<p>The Risk Management Office is headed by a Risk Management Officer (RMO) in the person of Mr. Dale A. Tongco. Pls refer to his responsibilities on page 3 of Risk Management Charter. There is also a Board level Risk Management Committee.</p>	

			<p><a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/BC-Risk-Management-Charter1.pdf</a></p> <p>Mr. Tongco's qualifications/background are indicated on page 30 of SEC 17-A 2018 Annual Report posted in BC website  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/BC-Annual-Report-2018_SEC-Form-17-A.pdf</a></p> <p>Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Annual Report announced April 30, 2019 page 30  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6749845c5715b0a6efdfc15ec263a54d#sthash.kYa8DGcX.dpbs</a></p> <p>Also in BC website under company disclosures SEC Filings SEC 20-IS page 13  <a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a></p> <p>Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Information Statement announced Sept 14, 2018 page 15 DIS(1).pdf  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs</a></p> <p>Also in MCG page 27, Item 6.4(a)  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
Additional Recommendation to Principle 12				
1	Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance	Compliant	Please see attached Attestation of two Officers-in-Charge and AVP-Audit & Risk (Annex O)	

	system is in place and working effectively.			
<b>Cultivating a Synergic Relationship with Shareholders</b>				
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.				
<b>Recommendation 13.1</b>				
1	Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance	Compliant.	Please refer to the Company's Manual on Corporate Governance, Art VII page 28-31 on Shareholders rights posted in the Company's website: <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a> .	
2	Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant.	The basic shareholder rights are disclosed in the company's website under the tab CORPORATE GOVERNANCE. <a href="http://benguetcorp.com/corporate-governance/shareholders/">http://benguetcorp.com/corporate-governance/shareholders/</a>	
<b>Supplement to Recommendation 13.1</b>				
1	Company's common share has one vote for one share.	Compliant	Please refer to MCG Art VII par 7.1 (ii) b page 29 regarding the entitlement of shareholders to one vote for one share for shares held as of the established record date. <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a> Please refer also to the company's Articles of Incorporation, Article Seventh, B page 26: <a href="http://benguetcorp.com/wp-content/uploads/2014/07/Jul-2016-Amended-BC-Articles-of-Incorporation.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/Jul-2016-Amended-BC-Articles-of-Incorporation.pdf</a>	
2	Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	The Company has 3 classes of stock, (the Common Class A and the Convertible Preferred Class A shares) can be owned only by Philippine Citizens because the Company is engaged in mining business. Under Philippine law, at least 60% of the outstanding capital stock of a company engaged in mining must be owned by Philippine citizens. The third class of the company's shares is its Common Class B which may be owned by anyone regardless of nationality or citizenship.  The Board is governed by Article VII, 7.1 of MCG page 28-29: <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	



			<a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  The Board is also governed by the Company's Articles of Incorporation Article VII Par A.1, 2 & 3 pages 10-14: <a href="http://benguetcorp.com/wp-content/uploads/2014/07/Jul-2016-Amended-BC-Articles-of-Incorporation.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/Jul-2016-Amended-BC-Articles-of-Incorporation.pdf</a>  The Board is also governed by the Company's By-laws Article I Section 4, page 3-4, under tab "About Us": <a href="http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf</a>	
3	Board has an effective, secure, and efficient voting system.	Compliant	Please refer to SEC Form 20-IS of 2018 pages 34-35 Item 19 on Voting Procedures posted in BC website under company disclosures SEC Filings <a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a>  Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Information Statement announced Sept 14, 2018 pages 34-35 DIS(1).pdf <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs</a>	
4	Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	Please refer to Article II, Sec. 6 on Cumulative voting of Amended By-Laws, page 11. <a href="http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf</a>  Also pls see Cumulative Voting Rights on page 3 of SEC 20-IS of 2018 posted in BC website under company disclosures SEC Filings <a href="http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf">http://benguetcorp.com/wp-content/uploads/2018/09/PIS_Part-1.pdf</a>	

			Also in PSE Edge Portal with Benguet Corp symbol "BC" under Company Disclosures Information Statement announced Sept 14, 2018 page 5 DIS(1).pdf <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1349db820d9aca0b43ca035510b6ec2b#sthash.JEhfbj6T.o3uMFWjL.dpbs</a>	
5	Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Please refer to MCG, Art. VII (III) page 29 : <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>  For 2018, no proposal was received from the stockholders.	
6	Board clearly articulates and enforces policies with respect to treatment of minority stockholders.	Compliant	Please refer to MCG, Art. VII, 7.1 pages 28-32 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
7	Company has a transparent and specific dividend policy,	Compliant	Please refer to guidelines on dividend rights and restrictions provided in Amended Articles of Incorporation, Art VIII, 7.A.3(a) page 14 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/Jul-2016-Amended-BC-Articles-of-Incorporation.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/Jul-2016-Amended-BC-Articles-of-Incorporation.pdf</a> Pls refer also to MCG Art VII (vi) page 30 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
<b>Optional: Recommendation 13.1</b>				
1	Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
<b>Recommendation 13.2</b>				
1	Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant	Compliant.	The Company follows its By-Laws provision of sending out notice of meeting, proxy form and copy of annual report to the shareholders at least 30 days before the date of the meeting. Pls refer to Sec 3 pages 10-11 of BC By-Laws.	

	information at least 28 days before the meeting.		<a href="http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/Jul-2016-Amended-BC-By-laws.pdf</a>	
<b>Recommendation 13.3</b>				
1	Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<p>Pls refer to company disclosure on the Results of Nov 8, 2018 Annual Stockholders' Meeting, Annexes "A" and "B" showing the tabulation of votes posted in the company's website:  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures template Results of Annual or Special Stockholders Meeting announced Nov 9, 2018 under SEC 17-C  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=2b4db0581d790b9343ca035510b6ec2b#sthash.yxkSHMuv.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=2b4db0581d790b9343ca035510b6ec2b#sthash.yxkSHMuv.dpbs</a></p>	
2	Minutes of the Annual and Special Shareholders' Meeting were available on the company website within five business days from the end of the meeting.	Non Compliant		<p>It is the Company's practice to post the Minutes of the Shareholders' Meeting after approval by the stockholders in the subsequent annual meeting. However, the results of the annual meeting are immediately posted in BC website a day after the ASM.  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Results-of-November-8-2018-ASM-and-Org-Meeting-of-BOD.pdf</a></p> <p>Also in PSE Edge Portal under Company Disclosures template Results of Annual or Special Stockholders Meeting announced Nov 9, 2018 under SEC 17-C  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=2b4db0581d790b9343ca035510b6ec2b#sthash.yxkSHMuv.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=2b4db0581d790b9343ca035510b6ec2b#sthash.yxkSHMuv.dpbs</a></p> <p>Stockholders are given opportunity to ask questions during the annual meeting and the answers are given in the meeting itself, or if the required information are not available, through posting in the website.</p>
<b>Supplement to Recommendation 13.3</b>				

1	Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The Chairman or Acting Chairman introduced the Directors present at the stockholders meeting. The shareholders are informed of the presence of the Company's external auditor, SGV & Co., the Company's senior officers, including head of Internal Audit, and other relevant individuals during the ASM and/or special meeting.	
<b>Recommendation 13.4</b>				
1	Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p>Please refer to Article VII, 7.7, page 31 of Manual on Corporate Governance which provides that the Board should make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p> <p>Also provided as one of Board Responsibilities 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 – page 11, Article 3.8 A. k  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
2	The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>Please refer to Article VII, 7.7, page 31 of Manual on Corporate Governance.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
<b>Recommendation 13.5</b>				
1	Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>The head of the Company's Investor Relations Office is:</p> <p>Atty. Reynaldo P. Mendoza  Telephone number: 751-9137 / 812-1380  Fax number: 752-0717  E-mail address: admin@benguetcorp.com</p>	
2	IRO is present at every shareholders' meeting.	Compliant	IRO is always present during the ASM. For Nov 8, 2018 ASM, head of IRO acted as Acting Chairman of the meeting.	
<b>Supplemental Recommendations to Principle 13</b>				
1	Board avoids anti-takeover measures or similar devices	Compliant	No restrictions on the transferability of shares such as first refusal option etc.	

	that may entrench ineffective management or the existing controlling shareholder group.			
2	Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Please refer to SEC 17-A 2018 Annual Report page 17. As of December 31, 2018, the Company public float is 45.44%. <a href="http://benguetcorp.com/wp-content/uploads/2018/05/BC%202017%20Annual%20Report%20(SEC%20Form%2017-A).pdf">http://benguetcorp.com/wp-content/uploads/2018/05/BC%202017%20Annual%20Report%20(SEC%20Form%2017-A).pdf</a>	
<b>Optional: Principle 13</b>				
1	Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting.			
2	Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
<b>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</b>				
<b>Recommendation 14.1</b>				
1	Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Please refer to Article III, 3.8 (e) page 10 of MCG <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
<b>Recommendation 14.2</b>				
1	Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Please refer to MCG, Article VII, 7.1 (v) page 29 on Power of Inspection, 7.1 (vi) on Right to Information, 7.1, (vi) Appraisal Right and 7.1 (viii) pages 29-30 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	

Recommendation 14.3				
1	Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>Stakeholders can communicate (letter or e-mail) their concerns and/or complaints of possible violation of their rights to:</p> <p>Stockholders Relations Office – Mr. Romeo H. Tangalin and/or Ms. Eden M. Barcelona</p> <p>Telephone no.: 751-9137 / 812-1380</p> <p>Email: <a href="mailto:admin@benguetcorp.com">admin@benguetcorp.com</a>; <a href="mailto:rht@benguetcorp.com">rht@benguetcorp.com</a> or <a href="mailto:ebarcelona@benguetcorp.com">ebarcelona@benguetcorp.com</a></p> <p>Please refer to policy statement on whistleblowing policy.  <a href="http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/Policy-on-Whistle-Blowing-Work-Place-Safety-trading-on-inside-information-BOD-and-Key-Officer-Training.pdf">http://benguetcorpcom.azurewebsites.net/wp-content/uploads/2014/07/Policy-on-Whistle-Blowing-Work-Place-Safety-trading-on-inside-information-BOD-and-Key-Officer-Training.pdf</a>  Also Whistle Blowing Policy under Corporate Governance tab -&gt; Policies  <a href="http://benguetcorp.com/corporate-governance/policies/">http://benguetcorp.com/corporate-governance/policies/</a></p>	
Supplement to Recommendation 14.3				
1	Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<p>Please refer to Article VII 7.7 page 31 of MCG  <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p>	
Additional Recommendations to Principle 14				
1	Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action as well presents the specific steps being taken to finally	Compliant	No exemption was sought by the company for the period covered.	

	comply with the applicable law, rule or regulation.			
2	Company respects intellectual property rights.	Compliant	Intellectual Property rights are respected, particularly on the use of licensed hardware and software	
<b>Optional: Principle 14</b>				
1	Company discloses its policies and practices that address customer' welfare.			
2	Company disclose its policies and practices that address supplier/contractor selection procedures.			
Principle 15: A mechanism for employee participation should be developed to create a symbolic environment, realize the company's goals and participate in its corporate governance processes.				
<b>Recommendation 15.1</b>				
1	Board establishes policies, programs and procedures that encourages employees to actively participate in the realization of the company's goal and its governance.	Compliant	<p>Please refer to page 34 MCG Annex "A" on Code of Ethics basic principle on the conduct of business towards employees which states that the Company shall endeavor to provide for participative element so that the knowledge, experience and creativity of all who work in the company may contribute to the decision-making process.</p> <p><a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>Pls refer to attached Annex "P"</p>	
<b>Supplement to Recommendation 15.1</b>				
1	Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	<p>The Company has existing Employee Stock Option Plan (ESOP), the objective of which is to provide the employees, directors, and consultants greater incentive to promote the business interest of the Company and instill loyalty. Pls refer to Stock Option Plan attached as Annex "Q-1".</p> <p>In addition to Company policies on 15 days Vacation Leave (VL) and 15 days Sick Leave (SL) with pay based on attendance, birthday leave of 1 day, educational, insurance, medical benefits, the Company is in</p>	

			compliant with government mandated special leaves on paternity leave, parental leave and Magna Carta for Women. Pls refer to attached VL/SL Policy/Birthday Leave memo (Annex "Q")	
2	Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>Please refer to Policies posted in website under tab Corp Governance- &gt; Policies  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Workplace-Policy-and-Program-on-Hepatitis-B.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Workplace-Policy-and-Program-on-Hepatitis-B.pdf</a>  <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Drug-Free-Workplace-Policy.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Drug-Free-Workplace-Policy.pdf</a></p> <p>In addition to those policies on health, basic and major medical benefits are given to all regular employees to assist in their medical expenses and needs. The Company also conducts Annual Physical Examination among all employees and conducts Health Talks on Nutrition as well as sponsor Aero Zumba Activities for employees wellness program.</p> <p>On safety and welfare, the Company participates in the Fire Drill conducted by Bureau of Fire Protection – NCR and in Earthquake Drill conducted by MMDA</p>	
3	Company has policies and practices on training and development of its employees.	Compliant	<p>Please refer to Policies posted in website under tab Corp Governance- &gt; Policies  <a href="http://benguetcorp.com/wp-content/uploads/2018/05/TRAINING-POLICY.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/TRAINING-POLICY.pdf</a></p>	
<b>Recommendation 15.2</b>				
1	Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>Pls refer to Code of Employee Conduct and Discipline Offense #47 Page 6 of Annex "I"  <a href="http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf</a></p>	
2	Board disseminates the policy and program to	Compliant	The Company disseminated the policies and programs to employees throughout the organization via emails and by way of	



	employee across the organization through trainings to imbed them in the company's culture.		acknowledgement signed by employees. Pls see attached Annex "I" – Code of Employee Conduct and Discipline.	
<b>Supplement to Recommendation 15.2</b>				
1	Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Pls refer to Code of Employee Conduct and Discipline Offense #47 Page 6 of Annex "I" <a href="http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf">http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf</a>	
<b>Recommendation 15.3</b>				
1	Board established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear or retaliation.	Compliant	Please refer to Whistle blowing policy under tab Corporate Governance -> Policies <a href="http://benguetcorp.com/wp-content/uploads/2019/05/Policy-on-Whistle-Blowing.pdf">http://benguetcorp.com/wp-content/uploads/2019/05/Policy-on-Whistle-Blowing.pdf</a>	
2	Board establishes a suitable framework for whistleblowing that allows employees to have Direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Please refer to MCG page 16 Article IV, 4.3(d) <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
3	Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Please refer to Article IV, 4.3(d) of MCG page 16 <a href="http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf">http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a>	
Principle 16: The company should be socially responsible in all its dealing with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.				

Recommendation 16.1				
1	Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Pls refer to Annexes “R” and “R-1” on Company’s community involvement and environment-related programs	
Optional: Principle 16				
1	Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development.			
2	Company exerts effort to interact positively with the communities in which it operates.			

# Apostille

(Convention de La Haye du 5 Octobre 1961)

1. Country: United States of America  
This public document
2. has been signed by **Audrey I. Pheffer**
3. acting in the capacity of **County Clerk**
4. bears the seal/stamp of the **county of Queens**

Certified

5. at New York City, New York
6. the 21st day of May 2019
7. by Deputy Secretary of State for Business and Licensing Services, State of New York
8. No. NYC-1251437
9. Seal/Stamp
10. Signature



*Whitney A. Clark*

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Whitney A. Clark

Deputy Secretary of State for Business and Licensing Services

State of New York }  
County of Queens } ss:

No. 439086

I, **AUDREY I. PHEFFER**, Clerk of the County of Queens, and Clerk of the Supreme Court in and for said county, the same being a court of record having a seal, **DO HEREBY CERTIFY THAT**

**ANDREW CASINO**



whose name is subscribed to the annexed original instrument has been commissioned and qualified as a NOTARY PUBLIC.....

and has filed his/her original signature in this office and that he/she was at the time of taking such proof or acknowledgment or oath duly authorized by the laws of the State of New York to take the same: that I am well acquainted with the handwriting of such public officer or have compared the signature on the certificate of proof or acknowledgment or oath with the original signature filed in my office by such public officer and I believe that the signature on the original instrument is genuine.

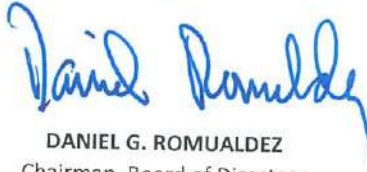
IN WITNESS WHEREOF, I have hereunto set my hand and my official seal this  
20th day of May, 2019

  
County Clerk, Queens County



Pursuant to the requirement of the Securities and Exchange Commission, this Integrated 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 May 16 2019.

SIGNATURE



DANIEL G. ROMUALDEZ  
Chairman, Board of Directors

ACKNOWLEDGEMENT

STATE OF NEW YORK    }  
NEW YORK CITY        } S.S.


SUBSCRIBED AND SWORN to before me this 16th day of May, 2019 at New York City, New York, personally appeared DANIEL GOMEZ ROMUALDEZ with his Philippine Passport Number P1741994A expiring on January 24, 2022 as identification, known to me to be the person who executed the foregoing document titled Integrated Annual Corporate Governance Report and he acknowledged to me that the signature affixed to the document is his true signature, and that such is his own free will and voluntary act and lawful deed.


WITNESS MY HAND AND SEAL.



ANDREW CASINO  
Notary Public, State of New York  
No. 020A6073875  
Qualified in Queens County  
Commission Expires April 29, 2022


Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on May 29, 2019.

  
**BERNARDO M. VILLEGAS**  
Independent Director

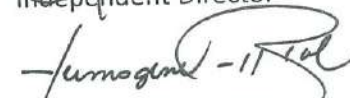
  
**REYNALDO P. MENDOZA**  
OIC/SVP-Public Affairs, Legal  
& Asst. Corp. Sec.

**SIGNATURE**

  
**REGINALD S. VELASCO**  
Independent Director

  
**LINA G. FERNANDEZ**  
OIC/SVP-Finance & Comptroller, Nickel  
Marketing, Logistics & Other Services  
and Compliance Officer for Corporate Governance

  
**RHODORA L. DAPULA**  
Independent Director

  
**HERMOGENE H. REAL**  
Corporate Secretary

Republic of the Philippines )  
City of Makati ) S.S.

**MAY 30 2019**  
SUBSCRIBED AND SWORN to before me this \_\_\_\_\_th day of May, 2019, affiants exhibiting to me their competent proof of identification with details appearing opposite their respective names, as follows:

<u>Name</u>
BERNARDO M. VILLEGAS
REGINALD S. VELASCO
RHODORA L. DAPULA
REYNALDO P. MENDOZA
LINA G. FERNANDEZ
HERMOGENE H. REAL

<u>ID Number</u>
SSS No. 03-1245504-2
Driver's License #XOI-70-014725
PRC ID No. 0100161
SSS No. 03-3865936-9
SSS No. 03-7537025-8
SSS No. 03-3235876-3

<u>Date/Place of Issue</u>
Office of the Philippine Social Security System (SSS)
Land Transportation Office Philippines; Expiry Sept 7, 2023
PRC Manila; Expiry Dec 3, 2021
Office of the Philippine Social Security System (SSS)
Office of the Philippine Social Security System (SSS)
Office of the Philippine Social Security System (SSS)

Doc. No. BV  
Page No. 28  
Book No. 1  
Series of 2019.

**ATTY. VIRGINIO E. BATALLA**  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. NO. M-87- UNTIL DEC. 31, 2020  
ROLL OF ATTY. NO. 45348  
MCLE COMPLIANCE NO. V-0026676/4-11-2018  
IBP O.R No. 706762-LIFETIME MEMBER JAN. 29, 2007  
PTR No. 7332020- JAN 03, 2019- MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST.  
MAKATI CITY

## Board of Directors

Number of Directors per Articles of Incorporation	11
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Actual number of Directors for the year	10
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## Composition of the Board

Director's Name	Type [Executive (ED), Non- Executive (NED) or Independent Director (ID)]	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	NED	-	Oct 22, 2002	Nov 8, 2018	ASM	16 years
Maria Remedios R. Pompidou	NED	-	Oct 25, 2000	Nov 8, 2018	ASM	18 years
Luis Juan L. Virata	NED	-	Aug 8, 1995	Nov 8, 2018	ASM	23 years
Bernardo M. Villegas	ID	Rebecca R. Rapisura – no relation	Jun 25, 1998	Nov 8, 2018 and since 2002 as ID	ASM	20 years
Rhodora L. Dapula	ID	Max D. Arceño- no relation	Aug 16, 2018	Nov 8, 2018 and since Aug 16, 2018 as ID	ASM	4months
Reginald S. Velasco	ID	Lina G. Fernandez-no relation	Aug 16, 2018	Nov 8, 2018 and since Aug 16, 2018 as ID	ASM	4months
Edgar Dennis A. Padernal	NED	-	Aug 16, 2018	Nov 8, 2018	ASM	4months
Jose Raulito E. Paras	NED	-	Aug 16, 2018	Nov 8, 2018	ASM	4months
Jennelyn F. Go	NED	-	Aug 16, 2018	Nov 8, 2018	ASM	4months
Jesse Hermogenes T. Andres	NED	-	Aug 16, 2018	Nov 8, 2018	ASM	4months
Leopoldo S. Sison III (*)	ED	-	Aug 23, 2017	August 23, 2017	-	1 year and 1month
Isidro C. Alcantara, Jr. (**)	ED	-	Nov 14, 2008	Jun 1, 2016	ASM	9 years and 7months
Andres G. Gatmaitan (***)	NED	-	Feb 10, 1987	Jun 1, 2016	ASM	31 years and 5months

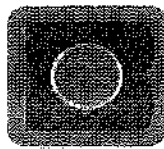
(\*) Mr. Leopoldo S. Sison III retired effective October 1, 2018.

(\*\*) Mr. Isidro C. Alcantara, Jr. resigned effective Jun 28, 2018.

(\*\*\*) Mr. Andres G. Gatmaitan passed away on July 25, 2018.

<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 November 8, 2018 Annual Stockholders' Meeting.



BenguetCorp

ANNEX "B"

# CERTIFICATE OF PARTICIPATION

This certificate is presented to

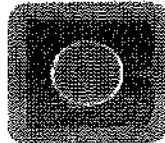
**ATTY. JESSE HERMOGENES  
T. ANDRES**

For attending the DO Orientation Program  
held in Baguio City on January 29 – 30, 2019.

Atty. Lina G. Fernandez  
OIC

Atty. Reynaldo P. Mendoza  
OIC





BenguetCorp

# CERTIFICATE OF PARTICIPATION

This certificate is presented to

**ATTY. EDGAR DENNIS A.  
PADERNAL**

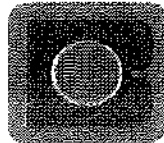
For attending the AG Orientation Program  
held in Baguio City on January 29 – 30, 2019.

Atty. Lina G. Fernandez

OIC

Atty. Reynaldo P. Mendoza

OIC



BenguetCorp

# CERTIFICATE OF PARTICIPATION

This certificate is presented to

**ATTY. JOSE RAULITO E.**

**PARAS**

For attending the BC Orientation Program  
held in Baguio City on January 29 – 30, 2019.

Atty. Lina G. Fernandez

OIC

Atty. Reynaldo P. Mendoza

OIC



BenguetCorp

# CERTIFICATE OF PARTICIPATION

This certificate is presented to

**MR. REGINALD S. VELASCO**

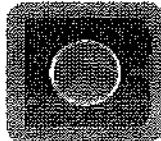
For attending the BC Orientation Program  
held in Baguio City on January 29 – 30, 2019.

Atty. Lina G. Fernandez

OIC

Atty. Reynaldo P. Mendoza

OIC



BenguetCorp

# CERTIFICATE OF PARTICIPATION

This certificate is presented to

**ATTY. RHODORA L.  
DAPULA**

For attending the BC Orientation Program  
held in Baguio City on January 29 – 30, 2019.

Atty. Lina G. Fernandez  
OIC

Atty. Reynaldo P. Mendoza  
OIC

# ANNEX "C"

## 2018 CORPORATE GOVERNANCE FOR

### BENGUET CORPORATION

*Date/Time: November 29, 2018 – 8:30 AM – 1:00 PM*

*Venue: 7<sup>th</sup> Floor, Universal Re-Building, Paseo de Roxas, 1226 Makati City*

## PROGRAM

	Activity	Time	Speaker
I.	Registration/Attendance	8:30 A.M. – 8:35 A.M.	
II.	Introduction	8:35 A.M. – 8:40 A.M.	
III.	TRAIN Law	8:40 A.M. – 9:40 A.M.	Atty. Rosario S. Bernaldo, CPA, MBA
IV.	Risk Assessment	9:40 A.M. – 10:40 A.M.	Mr. Marvin G. Garcia, CPA
V.	BREAK	10:40 A.M. – 10:50 A.M.	
VI.	Safeguard Against Fraud	10:50 A.M. – 11:50 A.M.	Mr. Glenn S. Magcaling, CPA
VII.	New Corporation Code as approved by Senate	11:50 A.M. – 12:50 P.M.	Atty. Rosario S. Bernaldo, CPA, MBA
VIII.	Open Forum and Accomplishment of Seminar Evaluation Form	12:50 P.M. – 1:00 P.M.	
TOTAL HOURS:		4 HOURS 20 MINS.	

*ndd*

# ANNEX "D"

## CERTIFICATION

**WE, REYNALDO P. MENDOZA and LINA G. FERNANDEZ**, both of legal age, Filipino and with office address at the 7F Universal Re Building, 106 Paseo de Roxas, Makati City, after having been duly sworn in accordance with law, hereby state that:

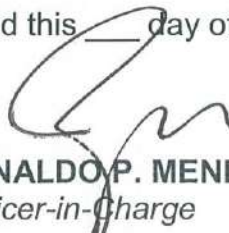
1. We are the OFFICERS-IN-CHARGE of **BENGUET CORPORATION**, a corporation duly organized and existing under Philippine law, with principal office address as abovestated.

2. We certify that for the year 2018, the Company held regular operations meetings on the following dates:

February 13, 2018  
February 20, 2018  
February 27, 2018  
April 3, 2018  
April 17, 2018  
May 2, 2018  
May 9, 2018  
May 22, 2018  
June 3, 2018  
June 20, 2018  
July 10, 2018  
August 23, 2018  
September 18, 2018  
November 13, 2018  
November 18, 2018  
December 12, 2018

3. We are issuing this Certification to attest to the truth of the foregoing and for all legal purposes that this may serve.

Issued this      day of May 2018 at Makati City.

  
**REYNALDO P. MENDOZA**  
Officer-in-Charge

  
**LINA G. FERNANDEZ**  
Officer-in-Charge




MAY 30 2019

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of May, 2019 at Makati City, affiants exhibited to me their valid competent SSS I.D.s as follows:

	SSS I.D. No.	Issued in
REYNALDO P. MENDOZA	03-3865936-9	Republic of the Philippines
LINA G. FERNANDEZ	03-7537025-8	Republic of the Philippines

Doc No. 134.  
Page No. 28.  
Book No. 47  
Series of 2019.

  
**ATTY. VIRGILIO R. BATALLA**  
NOTARY PUBLIC FOR MAKATI CITY  
APPEL NO. M-27- UNTIL DEC. 31, 2020  
ROLL OF ATTY. NO. 48348  
MCLE COMPLIANCE NO. V-0026676/4-11-2018  
IBP O.R. No. 705762-LIFETIME MEMBER JAN. 29, 2007  
PTR No. 7333020- JAN 03, 2019- MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE.; COR., JUPITER ST.  
MAKATI CITY

Personnel Policy Manual

0301

SUBJECT: Performance Evaluation Program ImplementationOrig. by: FAP Approved by: JVO Date of Issue: Nov. 24, 1975 Supersedes: New

## COPIES

TO:

JVO

AJF

APP

LPM

GAL

DLL

TCT

All Senior

Staff

File

The Performance Evaluation Program will be implemented December 1, 1975 for Senior Staff, subject to adjustment in the future based on actual experience. The program will be evaluated after six months after which time the Junior Staff may be integrated into the program.

The following will govern the implementation of the program in addition to FAP-M-2-75 and other instructions/memoranda:

1. Scheduling of Evaluation

- a. Evaluation will be done on the employment anniversary date of senior staff.

This will distribute the rating load over the whole year and will not unduly burden raters and reviewers. Besides convenience in scheduling, the date is somewhat meaningful to the staff.

- b. Personnel will set up a Master Performance Evaluation Schedule.

- c. Personnel sends form to senior staff due for appraisal, with advise to department head concerned.

2. Steps in Evaluation

- a. Ratee receives 1 copy of Form 301 from Personnel.
- b. Ratee accomplishes Part I of form, signs and submits form within seven days from receipt to his superior.
- c. Rater makes his comments and accomplishes Part II of the form.
- d. Staff is then called in for Interview after Step 4. During the interview:



- (1) Rater discusses his comments with Ratee, including his overall assessment in Part II.
- (2) Rater & Ratee finalizes three most important objectives for the next 6 months.

- e. Rater signs form and forwards to the next higher level within 7 days from receipt of form from Ratee.
- f. Reviewer has seven days from receipt of form from Rater to forward to higher levels.

### 3. Frequency of Evaluation

- a. Senior Staff are to be evaluated by their immediate superior after the probationary period of 6 months, and every 6 months thereafter.
- b. The 6 months frequency of evaluation will be maintained unless revised.

### 4. Appeal Procedure

The Ratee may appeal to the next higher level (Rater's boss) if the Ratee believes this is necessary, provided he first informs the Rater that he will take his appeal to higher authority.

In many instances, the Rater and the Rater's boss are present during the evaluation interview in certain departments; the new procedure does not call for the Rater's boss presence.

### 5. Who Rates Who?

- a. When staff works operationally under one superior and functionally under another superior:

- (1) Ratee accomplishes Form 301 and submits to his operational superior. Operational superior rates jointly with functional superior. Rater's operational superior reviews report jointly with functional superior.
- (2) When there is conflict between functional and operational levels, it will be resolved by APP or JVO for Operations and AJF or JVO for Exploration.

Notice: The CIA Certification Seminar Series is the sole and exclusive program of the Institute of Internal Auditors - Philippines (IIA-F) that delivers professional certification seminars. As a matter of policy, IIA-F does not and will not accept any organization or knowledge institute that offers or purports to offer CIA review courses.

DISCLAIMER: Institute of Internal Auditors Philippines, Inc. - Center for Professional Development offers a wide range of interesting seminars which would surely add value across your organization. IIA-F would not be held liable in any loss or damages in operation of b. When Ratee is new in his job

- (1) Former boss rates together with new Rater.
- (2) If former boss is not available next higher level together with new Rater.

c. New Employee (Ratee) due to transfer, promotion or reorganization

44th CIA Seminar Series Registration.pdf  
258.4kb

The newly promoted or transferred staff should not yet be rated if he has been on the new job for less than six months.

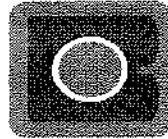
- d. Staff recently given salary increase/promotion will be evaluated but recommendations/comments will include a statement of the recent increase in pay or promotion and that no increase/promotion is recommended.

6. Listing of Objectives

- a. Emphasize that the 3 most important objectives asked for in the form are only part of the Ratee's job; he must perform all other aspects of his responsibility as well.
- b. If no objectives were set with the Rater, Ratee will list his major accomplishments/achievements during said period.
- c. If objectives were set, accomplish Question No. 1 as per guidelines.
- d. It will help if staff first prepares draft of replies in a separate sheet of paper before finalizing form.

*Francisco A. Paraan*  
FRANCISCO A. PARAAN

FAP/aoa



BenguetCorp

### Report of the Audit Committee To the Board of Directors

The Audit Committee of Benguet Corporation (the “Company” or “BC”) submits this Report to the Board of Directors in compliance with its functions, duties and responsibilities as stated in the Company’s Corporate Governance Manual and the Audit Committee Charter.

1. As constituted in its charter, the Audit Committee is composed of three (3) Directors, two of whom are Independent Directors, and all are Non-Executive Directors as follows:
 

Chairman:	Dr. Bernardo M. Villegas (Independent Director)
Members:	Atty. Rhodora L. Dapula (Independent Director)
	Atty. Jennelyn F. Go
2. The Audit Committee had two (2) meetings in 2018:
  - March 20, 2018
  - November 8, 2018
3. The Audit Committee discussed the following with the Chief Audit Executive:
  - 2017 audited financial statements of BC and its subsidiaries as presented by the External Auditor, SyCip, Gorres, Velayo & Co. (“SGV”)
  - 2018 SGV audit scope and plans of BC and subsidiaries
  - 2017 and 2018 completed and ongoing works of Audit and Risk covering compliance, corporate governance, document management, risk management, financial and operations audit, ISO, policy documentation and others
4. The Audit Committee reviewed and discussed the audited financial statements of BC and its subsidiaries for the year with the Management, which has the primary responsibility for the financial statements, and with the External Auditor, SGV & Co.
5. Consistent with its oversight responsibility, the Audit Committee recommended to the Board of Directors the approval of the Company’s audited financial statements and its inclusion in the Company’s annual reports, for submission to Bureau of Internal Revenue, Securities and Exchange Commission, Philippine Stock Exchange and other regulatory bodies.
6. The Audit Committee reviewed and approved all audit services provided by SGV to the Company and its subsidiaries and the corresponding audit fees for such services, as reported in the Company’s 2018 Information Statement.
7. For 2018, the Audit Committee confirms that no non-audit work was undertaken by SGV.
8. Based on a review of SGV’s performance and qualifications, including consideration of management’s recommendation, the Audit Committee endorses for approval of the BOD and

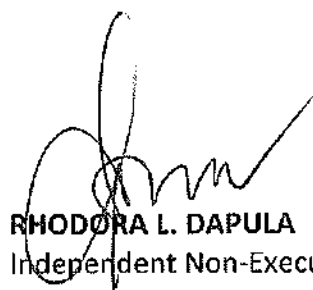
stockholders the appointment of SGV & Co., as the Independent Auditor of the BC Group of Companies for the year 2018.

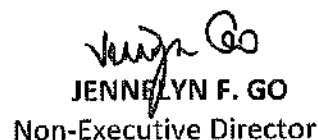
9. Based on the review of the reports and discussions with the Management, Chief Audit Executive and the External Auditors (SGV), the Audit Committee confirms that the internal control systems, including financial and operational controls, are adequate and effective.

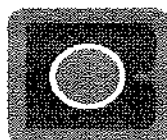
Submitted on May 20, 2019.

  
BERNARDO M. VILLEGAS  
Chairman

Independent Non-Executive Director

  
RHODORA L. DAPULA  
Independent Non-Executive Director

  
JENNELYN F. GO  
Non-Executive Director



BenguetCorp

## CERTIFICATION

I, **HERMOGENE H. REAL**, Filipino, of legal age and with office address at Universal Re Building, 106 Paseo de Roxas, Makati City, being the duly elected and incumbent Corporate Secretary of **BENGUET CORPORATION**, a corporation registered under Philippine laws, with principal office at 7/F, Universal-Re Building, 106 Paseo de Roxas, Makati City, hereby CERTIFIES THAT:

- (1) Benguet Corporation is a mining company registered in the Securities and Exchange Commission (SEC) and its shares are listed in the Philippine Stock Exchange (PSE);
- (2) In the Board and Committee Meetings held in 2018, the members of the board of directors present actively participated in the discussion of various matters taken up by the Board and Committee by asking the necessary questions and/or seeking relevant information and explanations of issues under their consideration.
- (3) This Certification is made pursuant to the Integrated Annual Corporate Governance Report of the PSE and SEC, and shall form an integral part thereof.

**HERMOGENE H. REAL**

Corporate Secretary

## ANNEX "H"

Shirley Cueva

**From:** Shirley Cueva  
**Sent:** Tuesday, August 14, 2018 5:43 PM  
**To:** 'Daniel Romualdez'; 'marean pompidou'; Leopoldo Sison III; 'Bernardo Villegas'; 'Luis Virata, CLSA'; 'Zalamea Cesar'  
**Cc:** Rey Mendoza (rey\_men777@yahoo.com); Lina Fernandez; 'md\_arceno@yahoo.com'; 'ginggay.hontiveros@yahoo.com'; 'buenavista.tony@gmail.com'; Ma. Anna Vicedo Montes; Dale Tongco; hermogene real; 'Roger Nehls'  
**Subject:** BOARD MATERIALS for August 16, 2018 BOD  
**Attachments:** BC BOD agenda August 29, 2018.doc; C - Minutes of BOD meeting - March 21, 2018 single space.doc; F(1) - FINAL MANAGEMENT REPORT 16 AUG 2018 v3.pdf; F(2) - BC Conso Monthly Reporting\_30Jun2018.pptx; I - BC Board Committees Aug 2018.docx; J - RETURN OF TUDING CLAIMS.pdf; J1 - Memorandum of Agreement bet BC and Philex\_final 080218.pdf; K - Memo on SSS Loan Update and email from SSS dated July 13, 2018.pdf; K - SSS reply to BC dated July 9 2018 and BC letter dated June 10 2018.pdf; K (1) SSS letter to BC dated May 10 2018.pdf; L - Disclosure on MDDL retirement & LGF appt as CG Officer.pdf; M- Nominations and Election Comm Charter.docx; M(1) - RPT Policy.docx; N(1) - BC CHQ signatories as of Aug 16 2018.doc; N(2) - Signatories to SSS-SMEC Program.docx; N(3) - Complaints, verification and cert of non-forum shopping.docx; N(4) - Designation of authorized signatories to ACMP & security contracts.pdf; N4 - Board Reso ALB signatory security.doc; O - Asset Disposal~Contracts for approval.pdf; O(1) - Lease of Ucab for Smart cell site.pdf; O(3) - CLUB share prices.pdf; O(4) - Deed of Conditional Sale of UUI502.pdf; P(1) - Disclosure on AGG's death.pdf; P(2.1 - ICA's resignation.pdf; P2 (2) - MUT's resignation.pdf; P(2).3 - CCZ resignation.pdf; R - Strategic Plan of Privatization of BC.pdf

Dear All,

Pls find attached AGENDA and board materials for discussion on Thursday, August 16, 2018 BOD meeting at 9:00 a.m.

Thank you.

OFFICE OF THE CORPORATE SECRETARY

## ACKNOWLEDGEMENT AND AGREEMENT

ANNEX "I"

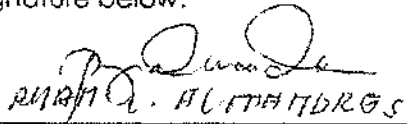
I

I hereby understand the Benguet Corporation Employee Conduct and Discipline (ECD). I agree that it is my responsibility to abide by the provisions and standards set forth in the contract.

Strict adherence to the stated rules and guidelines in the handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to my immediate dismissal.

I also understand that the company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extent with Company interest and its obligation.

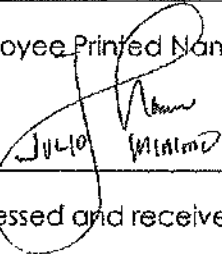
I further acknowledgement and understand that the statement contained in the BC-ECD are considered binding and legal and co-exist with my employment terms of BNMI as I signify my signature below.

  
RINA M. ALTAMIRANOS

Employee Printed Name over signature

03/14/2018

Date

  
JULIO M. MAMBO

Witnessed and received by: HR

3/14/18

Date

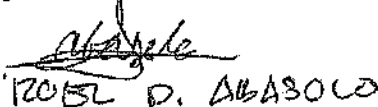
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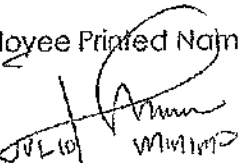
I also understand that the company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extent with Company interest and its obligation.

I further acknowledgement and understand that the statement contained in the BC-ECD are considered binding and legal and co-exist with my employment terms of BNMI as I signify my signature below.

  
ROSEL D. ALABOLO

Employee Printed Name over signature

Date

  
JULIO M. MAMBO

Witnessed and received by: HR

3-14-18

Date

### ACKNOWLEDGEMENT AND AGREEMENT

I hereby acknowledge having received and read the Benguet Corporation Employee Conduct and Discipline (ECD). I understand and agree that it is my responsibility to abide by the provisions and standards set forth in the Handbook.

Strict adherence to the stated rules and guidelines in this handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to immediate dismissal.

I also understand that the Company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extent with Company interest and its legal obligations.

I further acknowledge and understand that the statement contained in this Handbook are considered binding and legal, and co-exist with my employment terms of Benguet Corporation as I signify my signature below.

  
Employee Signature

JANICE D. DAIN  
Employee Name (PRINTED)

7 MAY

Date

Witnessed and Received by:

  
Human Resource Department

7 MAY

Date



## ACKNOWLEDGEMENT AND AGREEMENT

I hereby acknowledge having received and read the Benguet Corporation Employee Conduct and Discipline (ECD) and understand and agree that it is my responsibility to abide by the provisions and standards set forth in the Handbook.

Strict adherence to the stated rules and guidelines in this handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to immediate dismissal.

I also understand that the Company will promptly investigate violations of the provisions stated in the handbook and treat confidentially to the extent with Company interest and its legal obligations.

I further acknowledge and understand that the statement contained in this Handbook are considered binding and legal, and co-exist with my employment terms of Benguet Corporation as I signify my signature below:

  
Employee Signature

27 MAY 73  
Date

JERRY L. SERRANO, A. C. C. S. S. S.  
Employee Name (PRINTED)

Witnessed and Received by:

  
Human Resources Department

27 MAY 73  
Date


**ACKNOWLEDGEMENT AND AGREEMENT**

I hereby acknowledge having received and read the Benguet Corporation Employee Conduct and Discipline (ECD). I understand and agree that it is my responsibility to abide by the provisions and standards set forth in the Handbook.

Strict adherence to the stated rules and guidelines in this handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to immediate dismissal.

I also understand that the Company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extent with Company interest and its legal obligations.

I further acknowledge and understand that the statement contained in this Handbook are considered binding and legal, and co-exist with my employment terms of Benguet Corporation as I signify my signature below:


  
Employee Signature

JEANINE P. YACNO  
Employee Name (PRINTED)

27 MAY

Date

Witnessed and Received by:

  
Human Resources Department

27 MAY

Date



## ACKNOWLEDGEMENT AND AGREEMENT

I hereby acknowledge having received and read the Benguet Corporation Employee Conduct and Discipline (ECD). I understand and agree that it is my responsibility to abide by the provisions and standards set forth in the Handbook.

Strict adherence to the stated rules and guidelines in this Handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to immediate dismissal.

I also understand that the Company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extent with Company interest and its legal obligations.

I further acknowledge and understand that the statement contained in this Handbook are considered binding and legal, and co-exist with my employment terms of Benguet Corporation as I signify my signature below:

  
Employee Signature

Elyon P. Abay  
Employee Name (PRINTED)

12 MAY

Date

Witnessed and Received by:

  
Human Resource Department

12 MAY

Date

## ACKNOWLEDGEMENT AND AGREEMENT

I hereby acknowledge having received and read the Benguet Corporation Employee Conduct and Discipline (ECD). I understand and agree that it is my responsibility to abide by the provisions and standards set forth in the Handbook.

Strict adherence to the stated rules and guidelines in this handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to immediate dismissal.

I also understand that the Company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extent with Company interest and its legal obligations.

I further acknowledge and understand that the statement contained in this Handbook are considered binding and legal, and co-exist with my employment terms of Benguet Corporation as I signify my signature below:

*[Signature]*  
Employee Signature

04 JAN 2018  
Date

ROSEMARY A. DELFORDO  
Employee Name (PRINTED)

Witnessed and received by:

*[Signature]*  
Human Resource Department

04 JAN 2018  
Date



## ACKNOWLEDGEMENT AND AGREEMENT

I hereby acknowledge having received and read the Benguet Corporation Employee Conduct and Discipline (ECD). I understand and agree that it is my responsibility to abide by the provisions and standards set forth in the Handbook.

Strict adherence to the stated rules and guidelines in this handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to immediate dismissal.

I also understand that the Company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extent with Company interest and its legal obligations.

I further acknowledge and understand that the statement contained in this Handbook are considered binding and legal, and co-exist with my employment terms of Benguet Corporation as I signify my signature below.

*[Signature]*  
Employer Signature

11 JAN 19

Date

*[Signature]*  
Employee Name (PRINTED)

Witnessed and Accepted by:

*[Signature]*  
Human Resource Department

11 JAN 19

Date

## ACKNOWLEDGMENT AND AGREEMENT

I hereby acknowledge having received and read the Banguet Corporation Employee Conduct and Discipline (ECD). I understand and agree that it is my responsibility to abide by the provisions and standards set forth in the Handbook.

Strict adherence to the stated rules and guidelines in this handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to immediate dismissal.

I also understand that the Company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extent with Company interest and its legal obligations.

I further acknowledge and understand that the statement contained in this Handbook are considered binding and legal, and co-exist with my employment terms of Banguet Corporation as I sign my signature below.

  
Employee Signature

15 APR 2017  
Date

Selva Hernandez  
Employee Name (PRINTED)

Witnessed and Received by

  
Human Resource Department

15 APR 2017  
Date

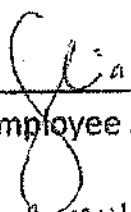
## ACKNOWLEDGEMENT AND AGREEMENT

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I also understand that the Company will promptly investigate violations of the provisions stated in the Handbook and treat confidentially to the extend with Company interest and its legal obligations.

I further acknowledge and understand that the statement contained in this Handbook are considered binding and legal, and co-exist with my employment terms of Benguet Corporation as I signify my signature below:

  
Employee Signature

December 17, 2018  
Date

Krina Camille W. Galang  
Employee Name (PRINTED)

Witnessed and Received by:

  
Maureen S. Bernado  
Human Resource Department

December 17, 2018  
Date


## ACKNOWLEDGEMENT AND AGREEMENT

I hereby acknowledge having received and read the Benguet Corporation Employee Conduct and Discipline (ECD). I understand and agree that it is my responsibility to abide by the provisions and standards set forth in the Handbook.

Strict adherence to the stated rules and guidelines in this handbook is one of the conditions of my continued employment. An infraction will be subjected to disciplinary action, including and up to immediate dismissal.

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Employee Signature

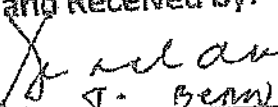
08-02-18

Date

JANYNE ANNE D. VALENCIA

Employee Name (PRINTED)

Witnessed and Received by:

  
DONATO T. BERNALES

Human Resource Department

AUG. 2, 2018

Date



## ACKNOWLEDGEMENT AND AGREEMENT

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Employee Signature

07/08/18  
Date

JEAN B. BAULK  
Employee Name ( Printed )

Witnessed and Received by:

  
NEILSON D. QUINDO  
Human Resources Department

7/8/2018  
Date

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Employee Signature

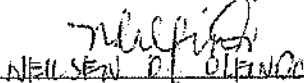
7/30/18

Date

ANNA CHARLE G. BACALALAD

Employee Name (PRINTED)

Witnessed and Received by:

  
NELSEN D. OLIVERA

Human Resource Department

7/30/2018

Date

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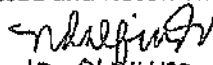
OCTOBER 1, 2018

\_\_\_\_\_  
Date

FERNANDO G. LUKBAN

\_\_\_\_\_  
Employee Name (PRINTED)

Witnessed and Received by:

  
ND OLINDO

\_\_\_\_\_  
Human Resource Department

10/1/2018

\_\_\_\_\_  
Date

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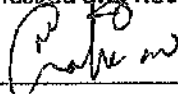
Employee Signature

Ryan Ananayo

Employee Name (PRINTED)

Date

Witnessed and Received by:



Human Resource Department

Date


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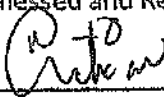
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\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

Melody Borda  
\_\_\_\_\_  
Employee Name (PRINTED)

Witnessed and Received by:

  
\_\_\_\_\_  
Human Resource Department

\_\_\_\_\_  
Date


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Employee Signature

Date

Ruth Luyo Angway

Employee Name (PRINTED)

Witnessed and Received by:



Human Resource Department

Date

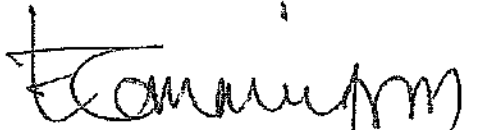
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Employee Signature

ERNESTO G. MANIPON  
Employee Name (PRINTED)

\_\_\_\_\_  
Date

Witnessed and Received by:

  
Human Resource Department

\_\_\_\_\_  
Date

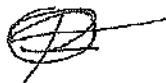
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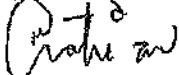
Employee Signature

Date

Ronald Garcia

Employee Name (PRINTED)

Witnessed and Received by:



Human Resource Department

Date



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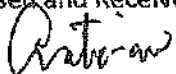
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Employee Signature

\_\_\_\_\_  
Date

ROWENA B. PAULSAN  
Employee Name (PRINTED)

Witnessed and Received by:

  
\_\_\_\_\_  
Human Resource Department

\_\_\_\_\_  
Date

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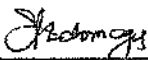
Employee Signature

PETER M. GATCHALIAN

Employee Name (PRINTED)

Date

Witnessed and Received by:



Human Resource Department

Date

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Employee Signature

\_\_\_\_\_  
Date

Dangilan, Angie, Mae M.  
Employee Name (PRINTED)

Witnessed and Received by:

  
Human Resource Department

\_\_\_\_\_  
Date

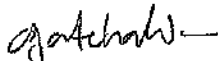
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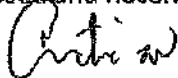
Employee Signature

\_\_\_\_\_  
Date

GERALD GATCHALIAN

Employee Name (PRINTED)

Witnessed and Received by:



Human Resource Department

\_\_\_\_\_  
Date

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Employee Signature

\_\_\_\_\_  
Date

OPLAY, GABRIEL  
Employee Name (PRINTED)

Witnessed and Received by:

  
Human Resource Department

\_\_\_\_\_  
Date

# ANNEX "J"

## BENGUET CORPORATION Internal Memorandum

October 12, 2011

To: OFFICERS AND ALL CONCERNED\*  
From: BPG ROMUALDEZ  
Subject: PURCHASING AND BIDDING GUIDELINES

\* DRB. RCS. BMA. RAC. MAB. SPP. RPM. RPJ. TDM. RBA. LSS.  
MDDL. LGF. HHR. MDA. BCB. EMP. RPF. ARG. ALB. DJA. ILE

### I. Creation of Contract, Purchasing, Bids and Awards Committee (CPBAC)

In order to improve monitoring and control of costs, a Contract, Purchasing, Bids and Awards Committee (CPBAC) is hereby formed which shall convene regularly as recommended or required by Purchasing group, by the concerned operations manager/s, or as determined by a majority of the members of the committee, or by its chairperson. The CPBAC shall review and approve or endorse for my approval the purchase of materials, equipment, supplies, and services, as well as all contracts pertaining to BC, BNMI, BLRI, BGRC and subsidiaries.

### II. Composition of the CPBAC

Chairman: Rogelio C. Salazar  
Members: Salvador P. Pabalan  
Hermogene H. Real  
Lina G. Fernandez

### III. Voting/CPBAC Approval Process

The Purchasing or Operations group concerned shall present, recommend and justify to the CPBAC, the approval of contract or purchase of material/s, equipment, or service they require.

Only members of the above committees shall have voting power. A majority of the members of the committee shall constitute a quorum. The unanimous vote of the members present in a committee meeting shall constitute the decision of the committee. If no consensus is reached, the matter shall be referred to the undersigned for final decision. All proceedings of the CPBAC shall be reported to the undersigned.

The Purchasing group shall attend all meetings of the CPBAC and prepare the minutes of meeting for signature of all CPBAC members present at the meeting.

#### IV. Contract or CBP Preparation and Bidding

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&S, equipment and services.

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.

After the award of contract by the CPBAC, the corresponding Agreement or Contract shall be prepared by the proponent for 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.

#### V. Others

AFC and BTI shall be given priority over all outside contractors or suppliers.

A bi-monthly report shall be made by the Purchasing group on the summary of contracts/purchases approved by the CPBAC. The report shall contain the nature of item purchased or contracted, name of supplier/contractor, value of contract and/or purchase, total purchases/contract for the period, and year-to-date. The said report shall be submitted to CPBAC, the President/CEO, CFO, and Treasury.

Contracts or Purchases which were not approved by the CPBAC will not be honored and processed for payment.

For your guidance and strict compliance.

  
B.P.G. ROMUALDEZ



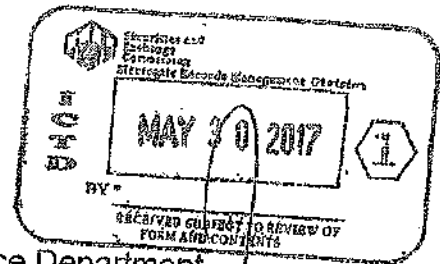
ANNEX "K"  
ANNEX "K"

SEC Reg. No. 11341

May 29, 2017

SECURITIES AND EXCHANGE COMMISSION  
SEC Building, EDSA, Greenhills  
Mandaluyong City

Attention: ATTY. JUSTINA F. CALLANGAN  
Director, Corporate Governance and Finance Department



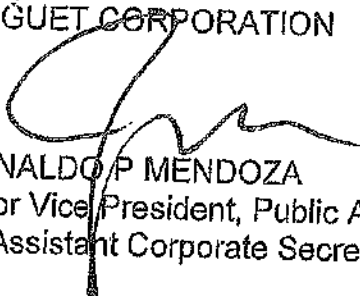
Gentlemen:

We submit hereto is now Manual on Corporate Governance of Benguet Corporation pursuant to Memorandum Circular No. 20 Series of 2016 of the Securities and Exchange Commission.

We trust that our new Manual is in order

Very truly yours,

BENGUET CORPORATION  
By:

  
REYNALDO P MENDOZA  
Senior Vice President, Public Affairs, Legal  
and Assistant Corporate Secretary



ANNEX "L"

# SUSTAINABILITY REPORT

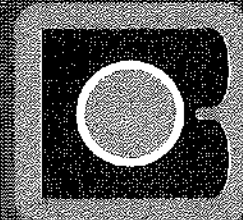
115 Years

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2018: PROGRESS REPORT

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BENGUET CORPORATION



BenguetCorp  
Since 1903

---

## MESSAGE FROM THE PRESIDENT

To our fellow stakeholders

In 2018, our perseverance in delivering positive results paid off. As our Nickel business continue to be suspended, we focused on our core business unit, the Gold operations, while expanding the non-mining operating units like healthcare, logistics, and limestone. We were determined to derive efficiencies in their operations - prioritizing optimal activities, and expenses that will generate revenues to fund the social, environmental, and employee enhancement programs we deemed necessary this year.

The Company benefitted from stable, higher Gold prices, cushioning the cut in nickel prices which settled at the lower range due to the ongoing correction in Chinese demand.

Last March 13, 2018, Benguet Corporation's Gold operations in Itogon was awarded the ISO 14001:2015 Certification on Environmental Management System (EMS) for the third consecutive year by the accredited certifying body TÜVRheinland®.

The ISO 14001:2015 is an internationally agreed standard that specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance. ISO states that this standard is used by the organization seeking to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.

Our strategic imperative to build a balanced portfolio remains. We will strive to achieve a healthy balance in our revenues between mining, and the non-mining businesses. Benguet Corporation will continue to develop, and improve on the operations of its business legs – mining, logistics, health care, and real estate.

Your Company continues to work towards maximizing the value of its deep asset base by studying opportunities which may be derived from strategic, and creative partnerships.

---

## **A STRATEGIC APPROACH TO SUSTAINABILITY**

Benguet Corporation in its over 100 years of excellence has always woven into its business operations the goal of uplifting the lives of the people in its mining communities as it conscientiously undertakes the development of the country's natural resources.

**BC aims to achieve the Three Main Imperatives to Sustainability:**

- 1. Become responsible custodians of the country's natural resources, and other environmental media such as water, land, and air;**
- 2. Cultivate a judicious, and responsive relationship with the stakeholders in the host mining communities;**
- 3. Integrate and align the BC value chain to ensure the implementation of our thrust on Responsible Mining (reduce environmental impact and keeping the people productive, safe, and healthy)**

---

## COMPANY PROFILE, MILESTONES

Benguet Corporation (the "Company", "Benguet") is the oldest mining company in the Philippines and the country's recognized pioneer of modern mining. Established on August 12, 1903 as Benguet Consolidated Mining Company, the Company's 114 years of existence is a testament of its adaptability and resiliency in the face of changes brought about by global events, natural calamities, economic conditions and industry trends.

Benguet is now on its third fifty-year corporate life, the extension having been approved by the SEC on June 18, 2006. Having been listed in the Philippine Stock Exchange since January 4, 1950, it is one of the most widely held public companies in the country with 16,952 stockholders of record, with 20.31% of its outstanding shares owned by foreign nationals and institutions, as of December 31, 2013.

Benguet was reorganized and registered with the Securities and Exchange Commission (SEC) on June 18, 1956 under the name Benguet Consolidated, Inc. to engage primarily in mining, fabricating, manufacturing and dealing in and with minerals, metals, ores, petroleum gas, products of earth and soil, timber and the products and by-products thereof. It operated some of the richest mineral prospects using up-to-date and cutting-edge technology and has contributed significantly to the country's export earnings.

In the 1980's, following its name change to the now "Benguet Corporation", the Company's stature peaked as it simultaneously operated its five major mines: Benguet Gold Operations (BGO), Benguet Antamok Gold Operation (BAGO), Dizon Copper-Gold Operation (DCO), Masinloc Chromite Operation (MCO), and Paracale Gold Operation (PGO).

In the 1990s, as the Philippine mining industry went through a difficult period, the Company likewise suffered a decline. Its operations were gravely affected by natural calamities such as the Baguio earthquake in 1990 and the Mount Pinatubo eruption in 1991, countless typhoons, and other external factors such as low metal prices and the 1997 Asian currency and economic crisis. All these led to the suspension of operations of the Company's BGO in 1992, PGO in 1993, BAGO in 1998; and the Company's decision to sell its remaining interest in DCO in 1997. The Company also turned over MCO to the claim owner in July 2007 due to the expiration of the operating contract.

In 2003, it reopened BGO on a limited scale through the Acupan Contract Mining Project now renamed as the Acupan Gold Project (AGP), developed Sta. Cruz Nickel Project (SCNP) in 2007, and continued to review and package its various mineral properties for future development or sale.

In 2010, the Company resolved a long standing issue with the claim owner of the Kingking Project. It invested in the development of the Sta. Cruz Nickel Project (SCNP), Balatoc Tailings (BTP), and Surigao Coal projects, and the expansion of AGP. It likewise settled a majority of its debt, and continued to hold interest in the Acupan Gold, Ampucao Gold Copper, Pantingan Gold, Benguet Orelina Contract Operation (BOLCO), and the Ilocos Norte and the Kalinga Financial or Technical Assistance Agreement (FTAA) prospects.

---

Aside from mining and mineral exploration, the Company ventured into various projects through several wholly owned subsidiaries. Its healthcare and diagnostics services arm, BenguetCorp Laboratories, Inc. (BCLI) has now grown its outpatient brand MedCentral into cities outside Baguio. It has likewise entered the market of oncology drugs and services. Its mining logistics firm, Arrow Freight Corporation (AFC) has expanded into non-BC and non-mining customers. Other subsidiaries include the trading of industrial equipment and supplies through Benguetrade, Inc., port services through Keystone Port Logistics and Management Services Corporation, shipping services through Calhorr 1 Marine Services Corporation and Calhorr 2 Marine Services, Inc., and real estate development and lime kiln operation through BMC Forestry Corporation.

Benguet Corporation has committed 114 years of responsible mining through the fulfillment of best practices in community building and environmental protection. It has helped build cities, educated the youth in its host communities, created long stretches of roads that were keys to better livelihood, loved the earth that provided as well as the hands that tilled them. BC has been partnering with the Filipinos in creating better futures, sharing the riches of the land ever since the cowboys came to town that fateful day in the early 1900.

## ECONOMIC PERFORMANCE

FISCAL YEAR 2018: CONSOLIDATED		UNITS (‘000)	AMOUNT
DIRECT ECONOMIC VALUE GENERATED			
Revenue	Php		1,008,704
DIRECT ECONOMIC VALUE DISTRIBUTED			
Costs and operating expenses	Php		1,209,123
Employee wages and benefits	Php		180,691
Payments to suppliers	Php		368,941
Interest payment	Php		4,828
Taxes given to government	Php		13,401
Investments to Community	Php		34,673

---

## **ENVIRONMENT: RESOURCE MANAGEMENT**

### **Environmental Protection and Enhancement Programs (EPEP)**

All current mining operations of Benguet Corporation, including its subsidiaries strictly adhere to the conditions in the Mining Act of 1995. Basic to that is the conduct, and implementation of the "Annual Environmental Protection and Enhancement Program (AEPEP)" which refers to a yearly Environmental Management Work Plan based on the approved environmental protection and enhancement strategy by the regulatory agencies.

"Environmental Protection and Enhancement Program (EPEP)" refers to the comprehensive and strategic environmental management plan for the life of the mining project on which AEPEPs are based and implemented to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the disturbed environment.

"Environmental Work Program (EWP)" refers to the comprehensive and strategic environmental management plan to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the disturbed environment during the exploration period.

### **Benguet Gold Operations**

The Mine Rehabilitation Fund Committee for Benguet Corporation – Acupan Contract Mining Project was formed and operationalized on June 2003 and has performed in overseeing the implementation of the company's Annual Environmental Protection and Enhancement Program pursuant to the Implementing Rules and Regulations of the Mining Act of 1995.

The company's approved 2018 Annual Environmental Protection and Enhancement Program (AEPEP) has an equivalent cost of Thirty Four Million Three Hundred Forty One Thousand Five Hundred Fifty Seven & 63/100 (PhP 34,341,557.63) and is divided into six (6) categories:

1. **Land Resources** – includes the National Greening Program activities
2. **Water Resources** - includes activities such as regular water sampling and analysis, repair and maintenance of various environmental structures such as the New Diversion Tunnels, Old Diversion Tunnels and the Ambalanga Spillway. Also includes desilting activities of the Siltdam and NDT approach. Hazardous and solid wastes management are also included in this category
3. **Noise Quality** – noise level monitoring
4. **Air Quality** – activities related to Air Quality monitoring
5. **Trainings and Workshops** – consists of the regular MMT monitoring and validation, regular and special MRFC Meetings, Trainings, Workshop and Writeshop

## AEPEP Monitoring by the Multi-partite Monitoring Team (MMT)

The 2018 ACMP-AEPEP reported accomplishments were validated and monitored quarterly by the monitoring arm of the MRFC, the Multipartite Monitoring Team on the following dates:

### MONITORING DATES

- 1st Quarter 2018 Monitoring February 14-16, 2018
- 2nd Quarter 2018 Monitoring May 15-18, 2018
- 3rd Quarter 2018 Monitoring August 13-17, 2018
- 4th Quarter 2018 Monitoring October 22-26, 2018

### Accomplishments

ACTIVITIES	COMPLETED
<b>1. Land Resources</b>	
Seedling Propagation and Maintenance	10,000 seedlings
<b>2. Water Resources</b>	
Water sampling and analysis	12 sampling activities completed (3/quarter)
Rehabilitation of Ambalanga River spillway	100% complete rehabilitation
Construction of Tailings Storage Facility #2 spillway	48 meters of spillway construction completed
Repair of Old Diversion Tunnel #2	43 meters of tunnel flooring repair completed
<b>3. Noise and Vibration</b>	
Monitoring of noise/vibration	Completed 4 monitoring activities for the year (once a quarter)
<b>4. Air Quality</b>	
Monitoring of ambient air quality	3 samplings completed
Stack emission test (Assay Laboratory Acid and Lead Fume Scrubber)	Completed mandatory testing
Stack emission test (Refinery Acid Fume Scrubber)	Completed mandatory testing
Installation of Air Pollution Equipment	Purchased and installed 1 pollution control equipment
<b>5. Trainings and Workshops</b>	
Trainings and Seminars	2 trainings were completed as scheduled



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#### National Greening Program: Reforestation Program

The company participates annually in the National Greening Program of the government by maintaining its own nursery located at Timberyard, Virac, Itogon, Benguet. For the year, the company conducted maintenance activities for the 2.0 hectares agroforestry area located at Mayabe, Dalicno, Ampucao, Itogon, Benguet.

#### ACCOMPLISHMENT

AREA MAINTAINED AND PROTECTED	20,000 sqm
SEEDLINGS PRODUCED	11,664
SEEDLINGS DONATED	1,764

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## **SOCIAL CONTRIBUTIONS**

### **Social Development and Management Plans (SDMP)**

The Annual Social Development and Management Program" refers to a yearly community development programs/ projects/ activities based on the approved five-year Social Development and Management Program.

The Contractor/Permit Holder/Lessee shall assist in the development of the host and neighboring communities to promote the general welfare of the inhabitants living therein; assist in developing mining technology and geosciences as well as the corresponding manpower training and development.

### **Benguet Gold Operations**

Barangay Resolutions for the designation of committees and members in the composition of the Internal Monitoring Team for Barangays Virac and Poblacion were submitted. This is advantageous to directly obtain direct information on the implemented PPAs. Issues and concerns will be identified and corrective action can be done immediately if necessary.

Site visit and ocular inspection were performed for proper evaluation. Random interviews even without structured questionnaires to various community members were undertaken. Full cooperation of members of the community of which the barangay council has committed to extend their support. The same method is being used in the conduct of the monitoring and evaluation of PPAs. The Monitoring Team will handle said activity done in monthly basis throughout the year.

Meetings and discussions would complete the activity and to finally clarify and resolve any problem that may arise. Regular communication (text/call) with the LGUs of the Host Barangays, school heads of different schools, leaders of different associations and other neighboring barangays in the monitoring of the status of the PPAs.

A written report on the status of the project is requested for every host barangay for submission to the CRO as this will be conveyed to the management and specifically for the proper evaluation of the MGB-CAR representative.

As part of the social responsibility of the company although it is not included in our SDMP, we are continuously assisting our Host and neighboring communities by using our facilities for free, frequent coordination with the LGU and community members and other stakeholders of the barangay.

**Sub-activities to accomplish  
Recommendations**

**Timeframe**

1. Submission of the Barangay Resolution of Barangay Ampucao (re: Designation of Committees/members for the Internal Monitoring Team)	1 <sup>st</sup> Qtr 2018
2. Project Proposals for all backlogs and 2018 PPAs for submission to ComRel Office	1 <sup>st</sup> Qtr 2018
3. Implementation of 2015, 2016 & 2017 PPAs	2018

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## ENVIRONMENT, HEALTH, AND SAFETY

### I. OBJECTIVE

To have a sound Safety and Health Program that is applicable to all phases of ACMP operations both surface and underground in order to mitigate the occurrence of undesired incidents such as injuries to employees and stoppage of work and to address all issues that will affect the well-being or health condition of employees of BC and service contracts. The target is to have a "Zero Accident" through religious implementation and adherence to all established company policy procedures on the conduct of safety and health monitoring of employees, safety rules and regulations and other policies regarding safety, health and environment.

At the end of 2017, the following will be achieved for safety and health.

IR = 0

FR = 0

SR = 0

Acquired Occupational Disease = 0

### II. ELEMENTS OF THE SAFETY PROGRAM

<b>1. LEADERSHIP AND ADMINISTRATION</b>
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#### VISION STATEMENT:

To become the leading total natural resource development conglomerate in the country, actively engaged in mining and mineral exploration, water resource and land development, engineering, construction and allied services, and imbued with corporate values that have been hallmarks of -the company's 100 year heritage.

#### MISSION STATEMENT

Benguet Corporation aims to be a responsible, profitable and growth oriented conglomerate engaged in natural resource development.

- Maximize share prices and profitably through growth in earnings and tangible asset value.
- Be a socially responsible and environment -conscious corporate citizen adhering to the highest business standards.
- Create high value added portfolio -stabilizing business opportunities preferably in natural resource-based endeavors through strong exploration, research and development programs.

- 
- Achieve competitiveness and excellence as a natural resource company through the enhanced productivity of its people, the improvement in the quality of life of its employees and their families and host communities.

### **COMPANY ENVIRONMENT POLICY**

We adhere to the environmental policy of the company who puts environmental management system as an important part of our operations, we commit to the following principles:

- Prevention of pollution, as well as protection and care for the environment in every stage of the BC-ACMP's existing and future projects;
- Compliance to government and other environmental laws, rules and obligations and, other legal requirement;
- Prudent utilization of all resources and materials and use of environment-friendly resources whenever possible;
- Proper waste management not only among employees, but also among our sub-contractors and suppliers;
- Continual improvement of our environmental management systems and its performance

We shall achieve these principles by:

- Continuous employee development and awareness on environmental aspects and issues and concerns through information, communication, education and skills upgrading;
- Supporting, and protecting the ecological integrity of areas affected by the company operations, including biodiversity resources and micro-ecosystems to promote public welfare, safety and environmental quality;
- Adopting technologies that will contribute to the advancement of the Company processing procedures that will lead to enhancement and preservation of the environment;
- Vigorously pursuing information, education and communication campaigns conducted jointly with the industry and other stakeholders about the natural resources development projects for purposes of enhancing public welfare, safety and environment quality;
- Instituting continuously and meaningful consultation process with the industry and all stakeholders to integrate concerns on current and future resource development project standards;
- Strengthening the harmonious relationship with the communities surrounding the industry and by creating an open communication process to allow dynamic and responsive interactions among stakeholders and the company.

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## **COMPANY SAFETY POLICY**

The management of the company is well concerned about the wellbeing of every individual involved in Benguet Corporation, the protection of its properties from damage, loss and wastage, as well as the preservation of the environment where it operates. It is the policy of this company to be safe and healthy always. This company does not want accidents and down grading incidents to happen and will do what is necessary to prevent the occurrence of the same. SAFETY IS EVERYBODY'S CONCERN

It is stated in our safety manual that the most important function of an employee is to accomplish a work in a safe manner to protect life and limb of one self and to his/her fellow workmen.

Each employee should consider himself a safety inspector at all times. He/she must report immediately any dangerous conditions or practice in his working place

## **SAFETY ORGANIZATION**

### **Safety Department**

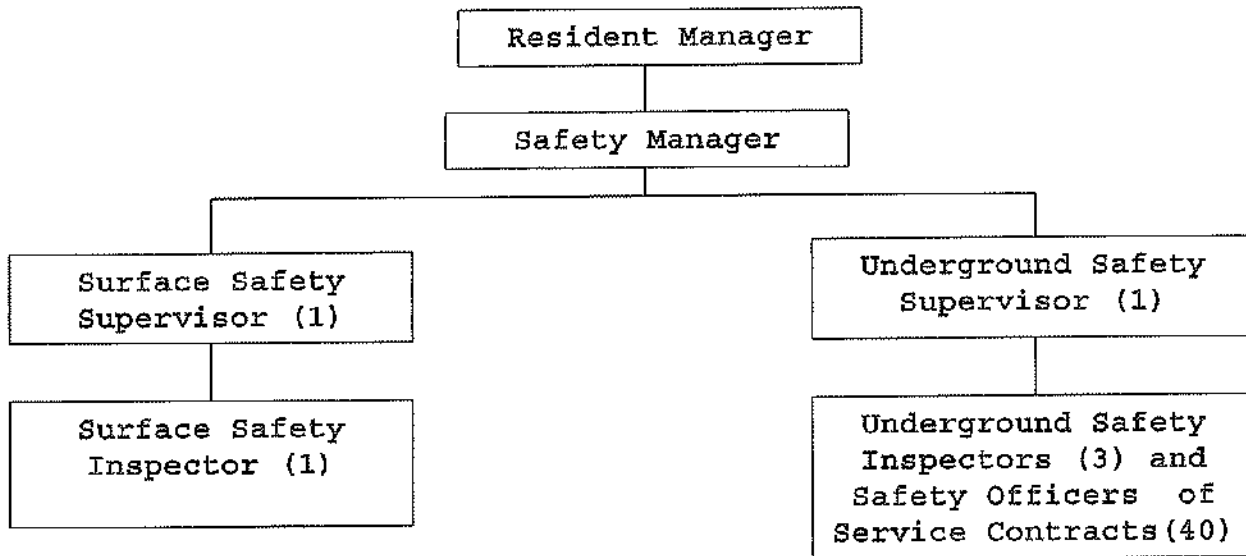
The Safety Department consists of six safety officers, including the (1) Department Head, two (2) Assistant Unit Managers, and four (4) Rank and File employees. The department will always see to it that the registration of Safety Permit of each personnel under this department at MGB will be acquired and regularly renewed. The Safety Inspectors permit and Safety Engineers permit of service contractors will also be required by the company under the provisions provided for in the DAO.

The safety officers are rotationally scheduled to cover all shifts, currently we have four (4) underground safety officers and two (2) surface safety officers while the service contracts has more or less (30) safety officers manning about 3,000 company and service contracts personnel of the whole mine and more than three hundred (300) active working places in underground. Benguet Corporation team and Service Contracts are complying with the provisions under DAO-2000-98 that BC and service contracts should have their own duly registered safety inspectors.

Relatively, the safety officers of service contractors have to comply with the standing procedure in the submission of accomplishment reports to the safety department of the Company monitoring and recording purposes.

The table of organization is established in order to satisfy the requirement of the Bureau of Mines and Geosciences in the effective monitoring and implementation of the Company's Safety and Health Program for Calendar Year 2018.

## TABLE OF ORGANIZATION



## **DUTIES AND RESPONSIBILITIES**

### **1. Senior Manager's Responsibilities:**

- a. Provides full support in the effective implementation of the safety and health program;
- b. Directs, motivates and leads that employees fully understand the importance of safety to their lives by following the established work instructions and other accepted/standard operating procedures;
- c. Enforces all safety rules and regulations of the government and company embodied in the DAO-2000-98 and safety manual respectively;
- d. Plans all processes for the whole mine operations with the careful attention to safety;
- e. Initiates and maintain a safety conscious supervision and system of inspection to detect and correct potential hazards of the operation.
- f. Trains, educates and requires employees to follow safe working methods.
- g. Initiates the investigation of any industrial incident immediately and recommends the best solution to prevent any recurrence;
- h. Sees to it that necessary precautions are observed when using equipment; tools material, personal protective equipment and safeguards.
- i. Leads in promoting safety and maintaining interest to safety practices among all employees

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## **2. Junior Manager's/Supervisor's Responsibilities**

- a. Be held responsible for the safety, orderly housekeeping, sanitation and maintenance at his working areas of responsibility. He shall take a good example for his men to follow.
- b. Shall not allow any worker to report for work if found to be mentally or physically unfit and /or intoxicated with liquor, had taken in drugs or coupled with great anxiety or problem;
- c. Knows, understands, applies and enforces all safety rules and regulations and precautions regarding his work and that of his men;
- d. Investigates thoroughly any incident that happened during his work shift; properly accomplish the preliminary accident report for meeting is and submit to the safety office within twenty four (24) hours from the time the accident happened. If Incident Prevention Investigation Council (IPIC) meeting is needed, he presents witness/es for further investigation.
- e. Responsible for the motivation and safety of his men and equipment used in his areas of jurisdiction;
- f. Accounts the number of men in his custody at the start and end of the shift;
- g. Reports to other departments any noted hazard at their area before it turns to major property damage or life changing injury.
- h. Visits all working places under his supervision during the shift;
- i. Implements all safety and administrative memoranda issued by the General Manager, safety department and other designated representative;
- j. Renders first aid treatment to an injured person when qualified
- k. Acts immediately to correct all reported, unsafe acts and conditions after making proper assessment /investigation of the report
- l. Attends departmental safety meetings, participates actively, and provides good advices in motivating his men to work safely and effectively

## **3. Employee's Responsibilities**

- a. Observes all safety rules and regulations regarding safety;
- b. Reports promptly all incidents, unsafe acts/conditions at his working place to the shift supervisor for his immediate action;
- c. Assists fellow employees in preventing incidents and warn them on any noted unsafe condition to avert untoward incident;
- d. Reports for duty well-rested, sober and with good mental capability to enable him to use all pre-cautionary measures while on duty.
- e. Submits himself for annual physical examination or other treatment as needed.
- f. Follows instructions given by the operating staff/Safety Personnel
- g. Never enter in any abandoned work areas for safety reasons, due to possible presence of toxic gases;
- h. Does not report for work if under the influence of liquor or prohibited drugs nor carry any kind of liquor or prohibited drugs into the working place;



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- a. Does not loaf nor linger in any workplace at the end of the shift especially if the workplace is known to be a high grade area.
  - b. Shall not use fight nor engage in horseplay /commit other act in disorderly manner.
  - c. Does not destroy safeguards /devices furnished or installed for his protection like safety signboards and notices unless authorized by the safety department;
  - d. Does not use any defective equipment or tools, report to the concerned supervisor for repair and for tools, returned to the bodega for replacement;
  - e. Wears safety belt or rope where there is danger
  - f. Tools and materials shall be properly secured/kept safe prior to spitting a round or at the end of the shift;
  - g. A worker must not work nor should stay under suspended load, in case of absolute necessity, extra care should be observed so that anything that may cause injury will not drop.
  - h. Equipment and machines shall not be operated without permit to operate issued by the safety department and all necessary evaluations have been done;
  - i. Oxygen or acetylene cylinders shall not be handled roughly, dropped nor bumped. They must be standing upright when in use
  - j. Use eye goggles when doing hot works such as welding or cutting around rotating machines
  - k. Reckless driving is not allowed, No LTO driver license, NO DRIVING;
  - l. No driver shall be allowed to operate any vehicle while under the influence of liquor or prohibited drugs;
  - m. Adheres to all other safety rules and regulations stated in the Company's Safety Instructions Manual and other related company safety policies.

#### **4. Service Contractor's Responsibilities:**

- a. Knows, understands, applies and enforces all safety rules and regulations and precautionary measures to his men and area off responsibility.
- b. Keeps the condition of his area of responsibility well ventilated, clean and safe to work with;
- c. Sees to it that his men work with proper PPE while working to protect them from potential danger;
- d. Accounts the number of men in his area at the start and end of his shift
- e. Attends and conducts monthly departmental safety meeting of his area.
- f. Does not tolerate false accidents/ incident report;
- g. Shall not allow his men to work in isolated / abandoned / dangerous area nor permits unscheduled drive;
- h. Investigates thoroughly any incident that happened to his men/area, fills us the preliminary accident report form and submits -to the safety office within 24 hours form the time the incident happened. If the incident involves serious incident or fatal, the contractor shall assist the safety personnel and MGB personnel during their investigation, attends IPIC meeting and presents the witness/es hereto during IPIC meeting. The contractor involved must present and

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discuss such serious or lost time accident during CSHEC meeting purposely to validate the report and find other means in preventing recurrence of similar incident.

- i. Actively participates in the prevention of work related incidences by all means.
- j. All safety inspection memos and a report issued by the safety department and/or MGB must be given action and a report of the action taken must be forwarded at the safety department for reference.

#### **5.Safety Manager:**

- a. Reports to the General Manager and acts as his principal adviser on safety matters.
- b. Provides directions of the safety department for the whole Benguet Gold operations.
- c. Accompany MGB-CAR personnel in their safety inspection or visits at underground and other industrial areas.
- d. Ensures implementation and monitoring of the Safety and Health Program of the company in all aspects of the operation in compliance to DAO-2000-98 and Occupational Safety and Health standards.
- e. Ensure preparation, implementation and monitoring of approved safety budget and continuous improvement programs of the department.
- f. Coordinate with all other groups /departments/service contractors for the assistance and services required.
- g. Assists in the study and development of safe mining systems, methods and techniques.
- h. Reviews and ensures timely submission of Monthly General Accident Reports (MGAR) to government agencies such as MGB-CO, MGB-CAR and other mining companies within CAR such as Philex Mining Corporation and Lepanto Consolidated Mining Company. Submission should be on or before 15<sup>th</sup> day of the calendar month.
- i. Secretariat to the Central Safety, Health and Environment Council (CSHEC), facilitate this meeting and the monthly departmental safety meeting and submit minutes of the same to MGB-CAR.
- j. Performs other duties as may be required by the General Manager

#### **6. Safety Inspector's Responsibilities:**

- a. Conducts routine inspection and audits in underground and surface working areas and plant installations.
- b. Investigates and reports all work related incidents and recommends necessary measures to prevent recurrence.
- c. Makes inspection report as to unsafe acts and unsafe conditions he had observed during his inspection and informs the department head/contractor of any potential hazards for corrective action.

- d. Recommends to the management or contractor remedial measures for any reported hazards received from BC or service contracts personnel.
- e. Trains employees on accident prevention, first aid and orderly housekeeping/sanitation.
- f. Facilitates safety meetings for the promotion of safety at the working places.
- g. Keeps record of all industrial accidents /incidents, daily safety inspection reports and safety action memos.
- h. Monitors department managers / supervisors in their means of implementing the company safety rules and regulations as embodied in the DAO-2000-98 and company Safety Instructions Manual

### **Central Safety, Health and Environment Council (CSHEC)**

The Central Safety, Health and Environment Council is the highest policy making body. The council shall endeavor to carry out the Safety and Health Program of the company in order to address all concerns with regards to safety, health and environment as well. It shall aim to prevent the occurrence of undesired incidents resulting to injuries of employees and acquiring of occupational diseases from work and enhance the protection of environment. The council is comprised of the different department or group which is represented by the department heads, senior mine managers/consultants and the service contracts represented by their chairman. The safety serves as secretariat.

The meeting of the council shall be held every last Wednesday of the month.

## **2. ORGANIZATIONAL RULES AND PROCEDURES**

The Company Safety Instructions Manual and the Code of Conduct and Discipline were formulated and patterned from DAO-2000-98, written in English and available in Ilocano dialect translation for most of the employees speaks and understands this dialect.

A three-day orientation for new employees/contact workers will be conducted by the Safety and HR personnel. The trainer or lecturer will interact with the participant based on the common dialect of participants, be it in English, Ilocano or Filipino for them to easily understand, and will be made sure that they will understand. The orientation will include but will not be limited to the presentation and explanation of the Safety Rules, Good Housekeeping, Accident Causations, Basic Timbering and Blasting, Mine Gases, BLS and Simple First Aid, walk around, etc.

The managers and employees shall familiarize themselves and shall strictly implement the established government/company/departmental rules and regulations embodied in DAO-2000-98, Safety Instructions Manual, Conduct and Disciplines and other existing standard operating procedures and guidelines.

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Any new activity shall be provided with SOP and or policy by the concerned department or process owner before it is implemented. The policy and SOP formulated shall be subjected for deliberation with the safety, admin, HR, security, mine engineering, legal department, etc. and the service contractors' representative before it is forwarded to the office of the General Manager for approval and implementation when approved.

Employees disregarding safety rules will be treated accordingly; it can be either done in oral warning; written reprimand; day's away from work; or dismissal depending on the severity of his negligence and outcome of the investigation. There will always be fair investigations in this company.

Established organizational rules and procedures are periodically reviewed and revised when necessary to fit the operational structure of this company.

### **3. GROUP MEETINGS**

#### **1. Central Safety Council Meeting**

The Central Safety Council meets once a month which is scheduled every 3rd Wednesday of the month. The CSC Executive Officers and working committees are presented in the first parts of this program. Each of the working committees are allotted time to present their concerns. A written memorandum of the concerns that was tackled during the meeting will be given to the concerned department to be acted upon.

#### **2. Departmental Safety Meeting**

Each department and service contractors are required and given an hour to have their monthly safety meeting, the goal is to constantly remind employee/s or workers under their supervision concerns regarding safety. The scheduled meetings are held at the safety conference room to discuss topics more about safety, health, and environment, safety statistics is presented during meetings by the safety inspectors of the company.

An average of 20 departmental safety meetings are held monthly, the service contractors and supervisors are held responsible for relaying the scheduled meeting after their schedules are distributed, same schedules are posted at the bulletin boards.

#### **3. Peptalk or Tool Box Meeting**

All supervisors and contractors are required to conduct at least 10-15 minutes tool box minutes to discuss topics and remind workers about safety such as accident prevention, proper usage of PPE, work safety, possible accidents in work areas and the possible resulting injuries.

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#### 4. Record Keeping

Minutes of the departmental safety meetings are recorded and maintained incorporating the venue, time, attendance, presiding chairman, safety messages, suggestions and the topics discussed. The minutes are submitted to the MGB central and regional offices in Manila and Baguio respectively.

### 4. MANAGEMENT AND EMPLOYEE TRAINING

#### 1. Outdoor Training

The company believes that employee involvement in the safety and health program can only be successful when all employees on the site is given sufficient training to understand what their safety and health responsibilities and opportunities are and how to fulfill them. Therefore, training is a high priority to ensure a safe and healthy workplace. Finding time to look for schedule and organized is vital, there will be an effort to look for methods of improvement. Every year the company will send out employees to attend relevant trainings outside. Employees who have gone to trainings outside may re-echo their trainings to co-employees.

#### 2. First Aid Training

The objective of First Aid Training is to make sure that all employees can tend to their own injuries, or each employee can perform such if a co-employee is injured while waiting for a more - trained emergency responder, nurse, physician or while ongoing transport to "the company clinic or a capable hospital . Hence, a one (1) DAY Basic First Aid Training to new employees (BC team and contracts) will be conducted by the safety department upon hiring and aside from the scheduled Basic Life Support and Simple First Aid refreshers. The company may invite qualified trainers and lectures outside to conduct these trainings.

#### 3. Mine Rescue Training

Presently the safety department has seven (7) units of new model closed circuit breathing apparatus CCBA, MSA, Air elite 4h. The update basic training will be conducted at least yearly to cover new supervisors and or replaced any regular member who is disqualified of age limit requirement or above 45 years of age. A member of the Mine Rescue should have undergone the Emergency Responders Course.

#### 5. Emergency Alarm System

All members of the company workforce shall make themselves familiar and knowledgeable in the emergency alarm system devised by the company in order to respond to any given situation accordingly.

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## 6. Fire Brigade Training

The Fire Brigade team refreshes training are conducted more frequently in order -to sustain skills and evaluate the response ability of the workforce in dealing with unexpected eventualities. The company will coordinate the training to the local fire station available in the area.

## 5. PLANNED INSPECTION

### 1. Mine Program

The departments comprising Safety, Mine, Engineering, Geology and concerned area service contractors or representatives will conduct scheduled monthly inspection program to all working places underground to determine the prevailing hazards and how to eradicate them and also to check if previous hazard potentials are: illegal drives, mined out stopes, old fill/muck, lack of timber support, poor ventilation, absence of safety ropes/ladders, substandard opening are included in the inspection check.

### 2. Safety Inspection

Apart from the daily routine inspections being done by the safety inspectors, we conduct planned inspections where predetermined inspection list of unsafe conditions are given priority such that recommendations be forwarded in the form of Safety Action Memo to the department head concerned for their corrective action in preventing loss. In case of potential hazard that can be corrected outright, the safety inspectors may log them in their reports but may not be already included in the safety action memos. The safety inspectors will include in -their inspections the conditions of the following but are not limited to: portals, explosive magazine, loaders, drifts, track rails, ground condition, rock support, drilling and blasting activities, electrical and mechanical installations, ventilation, tailings storage facilities/tailings dam, abuse and misuse, gradual wear of equipment/tools/materials, premature deterioration of roofs, stairs, etc.

The Tailings Storage Facility / Tailings Dam will be inspected regularly, the Environmental Department shall continue to conduct clearing of the parameters, penstock and spillway of the dam, PIEZO meter monitoring. Likewise, the Safety Department will conduct inspection -to note irregularities that may cause its fail and coordinate to appropriate department or personalities. The safety inspectors of service contractors' are likewise given a checklist to accomplish during inspections that they need to submit at the Safety Department regularly.

### 3. The Mines and Geosciences Bureau Safety Inspection

The Bureau officials conduct their own Safety Inspection regularly and a copy of their report is forwarded to the management as to their observations and recommendations. The management

should resolve or react upon these observations and recommendations and submit the same to the MGB.

#### 4. Work Environment Monitoring (WEM)

We have the multipartite monitoring team that monitors the condition of the underground and surface workplaces. They recommend corrective actions to the management to keep the working conditions within standards. The items include in the monitoring are sanitation, housekeeping, hazardous gases, work temperature, water waste samples, etc.

### 6. ACCIDENT / INCIDENT INVESTIGATION

11 types of work related accidents /incidents are investigated in the order of importance.

1. Disaster / catastrophe, major fire incident, lost time accident-fatal,
2. Lost Time Accident-Non Fatal, major property damage
3. Non-Lost Time Accident
4. First Aid Cases
5. Near Miss Accidents
6. Occupational Illnesses

The accident / incident report form shall be filled up by the department head/ contractor's concerned and submits the same within 24 hours to the safety department.

#### 1. Important information to be considered in the investigation but not limited to:

1. What was the victim actual activity when the incident occurred
2. The unsafe act/condition that contributed most to the incident
3. What are the materials/tools or equipment and their conditions involved if being used at the time of the incident
4. The mental /physical capability of the victim during the work shift
5. Safety rule / regulations violated as per DAO-2000-98 and Company Safety Instructions Manual / Conduct and Discipline
6. Eye witness/es of the accident / incident
7. Method of handling, first aid treatment administered and by whom
8. Where and what time, shift and date did the accident happen
9. Recommendation/s of the declarant to prevent recurrence of the accident

#### 2. Incident prevention and investigation committee (IPIC)

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The committee which is headed by the chairman investigates all serious incidents. The findings and recommendations during the investigation shall be forwarded to the General Manager for information and the same shall be presented during CSC meeting by the department manager concerned of the IPIC chairman.

### 3. Incident reporting

All types of incidence should be investigated and reported by the department heads supervisor to the safety department. A preliminary accident form be properly filled up and submitted to the safety department within twenty four (24) hours for recording and reference. The incident report of the supervisor is independent from the report of the safety personnel.

On lost time accident or major property damage, the safety department prepares a preliminary investigation report and forward it to the General Manager and furnish copies to the mine manager and adman manager for their information.

The safety office of the MGB-CAR, shall be informed of any fatal accident or major incident cases within 24 hours from the time the accident occurred. The Bureau shall conduct an independent investigation within 48 hours upon receiving the information from the safety department.

### 4. Accident Cost

Accident cost are recorded to include medical compensation and/or direct cost spec at the hospital by the injured plus the indirect cost such as the cost of time lost by the supervisors, coworkers, investigators, cost of prevailing days lost by the injured, costs of training of new employee to replace the injured, insurance cost, production losses, penalties, property damage, et al.

<b>1. ACCIDENT / INCIDENT ANALYSIS</b>
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The analysis is conducted in order to establish the sequence of event resulting to the incident, uncover immediate and basic causes, identify areas with insufficient control and determine appropriate remedial actions -to be implemented.

The analysis of the accident /incident includes but not limited to the following:

1. Type of accident/incident
2. Immediate and basic causes
3. Activity / work being done
4. Parts of the body harmed
5. Information as to designation, age, home, address, status, length of service, contractors/ supervisor/ leadman/ witnesses et, al
6. Date, time, shift, place of accident, equipment/ tools involved
7. Recommendations to prevent recurrence



## 8. Non-conformance / violations and appropriate penalties

Computations of performance statistics are as follows:

INCIDENCE RATE (IR) - The total number of incidents that happened during a specific period multiplied by one million divided by the total Man hours worked, express in the following formula

$$\text{IR} = \frac{\text{No. of Incidents} \times 1,000,000}{\text{Manhours Worked}}$$

ACCIDENT FREQUENCY RATE- shall mean the total fatal and non-fatal lost time accidents per million manhours worked, and may be expressed in the following formula:

$$\text{FR} = \frac{\text{No. of Lost Time Accident (LTA)} \times 1,000,000}{\text{Manhours Worked}}$$

ACCIDENT SEVERITY RATE - Shall mean the days lost per million manhours worked and may be expressed in the following formula:

$$\text{SR} = \frac{\text{Number of Days Lost} \times 1,000,000}{\text{Manhours Worked}}$$

## 8. HEALTH CONTROL SERVICES

Medical examinations provided by the company are:

1. Pre-employment physical and mental examinations of all employees
2. Medical Services to employees and dependents
3. Regular garbage collection which is done twice a week
4. Anti-dengue campaign
5. Blood pressure monitoring of all employees
6. Circumcision service
7. Annual Check up (x-ray, complete blood count, urinalysis, ECG, pap Smear
8. Rescue Operations

During routine inspections, risks and health hazards at the working places are identified and assessed to minimize work hazard exposure for any employee. In case of exposure incidence, the ill employee receives medical treatment for his illness with the physician authorized by the company.

There is an annual monitoring health program by company wherein a compulsory check-up is being done within the month of March. This includes, x-ray, complete blood count and urinalysis administered by Benguet Laboratories. Employees that did undergo the general check-up are given

memorandum to complete the tests or given disciplinary actions. Those with illnesses are required to undergo additional examinations needed or take medications to treat his illness or disease. Others are transferred to jobs that are will not aggravate his present condition or to mitigate possible situations that can happen because of the employee's present condition.

We have an emergency clinic inside camp where initial medical treatment and services are rendered by the company physician and or nurses. In case of complications or 'severe injuries that need further treatment, procedure, assessment or operation, the patient is transported immediately to Baguio General Hospital. There are also ongoing actions undertaken to improve the present facility. The provision of first aid boxes which are located at strategic places both in underground and surface working areas / places. The safety officers are trained emergency responders in the aid of pre-hospital care, the safety department has covered all the three shifts not only for inspection but also to have a ready responder in cases of undesirable incidents. Aside from being lectured on first aid in the second day of their orientation, service contractors are also included and encouraged to participate in the Emergency Responders Course and or refresher course on BLS and FAT

## **1. EMERGENCY PREPAREDNESS**

### **EMERGENCY PREPAREDNESS PROGRAM FOR ACMP AND BAGO**

#### **Introduction**

This Emergency Preparedness Plan is a scheme designed to address emergency crisis situation in order to prevent or mitigate loss of life and damage to properties. It contains the appropriate response strategies and responsibilities of key personnel in the organization including the qualified men of Emergency Rescue Team, Fire Brigade Team and First Aid Team who were trained to be prepared at all times to respond to any emergency situation that may occur. Usually, emergency situations are the results of calamities such as fire, earthquake, storm, landslides and other natural phenomena.

#### **I. Working Organization and Functions**

The following Table of Organization shows the different individual or groups directly involved in the emergency plan.

##### **1. Incident/Disaster Commander**

The Resident Manager or in his absence the Officer-in-Charge automatically assumes the responsibility of the Incident/Disaster Commander when disaster strikes. In effect, he takes full responsibility in implementing this Emergency Preparedness Plan. He will decide the termination of the emergency operation.

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## 2. Mine Operations Manager

Given his vast experience in emergency situation, he will assist the Incident/Disaster Commander in giving direct orders particularly to the emergency responders (Emergency Rescue Team / Fire Brigade Team) all related to rescue and recovery operations in order to save lives and properties.

## 3. Administration Manager

He is responsible in handling outside communication and news media. If deemed necessary, proper coordination and communication with other mines and concerned government institutions for assistance to cope with the emergency operations. It is important that all communications like appeals, news releases and development reports must be handled to be able to project the right and accurate information at the time of emergency.

## 4. Safety Manager

Monitors and supervise the emergency operations and from time to time give updates to the Incident/Disaster Commander with regards to the rescue and recovery operations.

## 5. Medical

Responsible for the accommodation and immediate medical treatment of the recovered injured personnel. He also handles the referral of victims with serious injuries to the hospital in Baguio City.

## 6. Mine Mechanical, Electrical and Motor Pool

The Mine Mechanical, Electrical and Motor Pool are given specific duties and responsibilities in times of emergency as follows;

1. Mine Mechanical to provide mechanics under the supervision of mechanical engineer for the maintenance of all mechanical equipment needed during emergency operations.
2. Electrical to provide competent electricians ready for action when ordered to do electrical works like the cutting off of power in areas as the need arises. Likewise, they are in charge to provide the needed communication electronic device such as 2-way radio in the absence of telephone system in order to maintain smooth flow of communication.

Motor Pool is in charge of the following in times of emergency;

- Provide the needed service vehicles for the transportation of emergency responders as well as materials and supplies
- Immediate dispatch of the Ambulance at the site of emergency for the transportation of injured personnel
- Immediate dispatch of the Fire Truck and Water Delivery Truck together with the Ambulance at the site of fire emergency
- Assign round-the-clock drivers for the whole duration of the emergency situation

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### 3. Security Department

Once notified and confirmed the emergency situation, they will immediately activate the alarm signal following the number of siren blast as to the location in case of fire emergency. They will cordon the affected area and restrict the entry of unauthorized personnel. Only men directly involved with the rescue and recovery operations and authorized company personnel are permitted to pass through all access routes of the emergency site.

### 4. Responsibilities of other Department Heads

Upon the discretion of the Incident/Disaster Commander, he may also involve other department heads in this program as the need arises.

### 5. Responsibility of Person Who Discover the Emergency

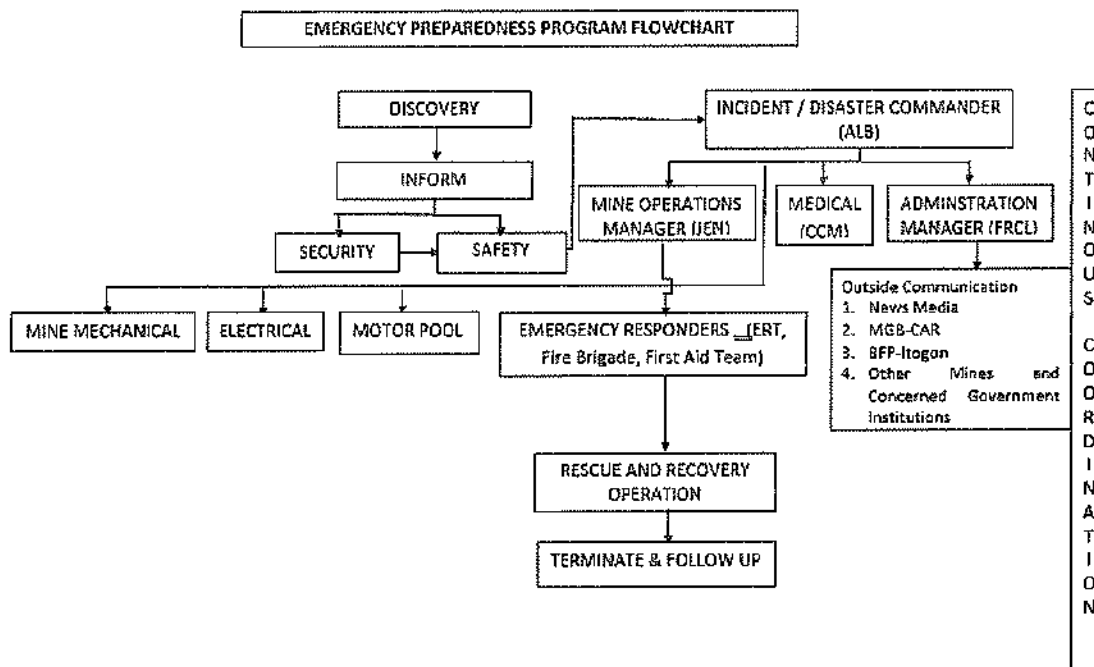
At the time of discovery of the emergency situation, report it immediately to Safety Department or to the Security Department through the Emergency Hotline Number 09303685770 or to any concerned party who will in turn relay it to the Safety or Security Department.

### 6. Emergency Responders (ERT / First Aid Team and Fire Brigade Team)

The trained members of ERT/First Aid Team and Fire Brigade Team must be prepared at all times and have the spontaneous willingness to respond to any emergency situation upon hearing the emergency alarm signal or upon being informed of the disaster. Their function is to proceed immediately to emergency site, assess the area and conduct rescue and recovery operation. All recovered injured victims should be brought to a safe area, apply first aid treatment before transporting him/her to the Company Clinic.

### 7. Responsibilities of the Affected Work Areas

When disaster strikes, all supervisors of the affected work areas must try their best to avert panic among their men. In case prompt evacuation is necessary they must lead their men to retreat immediately to a safe area.



## 10. GOOD AND ORDERLY HOUSEKEEPING

It will be made sure that good housekeeping shall be maintained in all work areas and also in the community. It shall be the responsibility of the department heads and the Service Contracts to ensure 5S and good housekeeping in their respective areas. This will be included in the safety inspection and any observed poor housekeeping shall be address to the concerned department heads or service contractors for appropriate action.

## 11. PERSONAL PROTECTIVE EQUIPMENT (PPE)

The management control of PPEs is under the responsibility of Safety Department. Scope of the control includes allocation of budget, initiate preliminary materials requisition, issuance to employees and the inventory of PPEs. The Safety Department keeps record of PPE issuance to each employee for monitoring.

The company is very strict in implementing the usage of PPEs. Therefore, all employees are provided with their needed personal protective equipment at the company's expense. All concerned department heads and supervisors will be held responsible for the failure of their men to wear the required PPEs that will result to accident.

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## **12. SAFETY INCENTIVES**

It is the practice of the company to reciprocate a good safety performance such as zero (0) Lost Time Accident (LTA) within the prescribed period of Fiscal Year by giving a "Safety Canao", a thanksgiving ceremony which is usually held on August 12 to coincide with the anniversary of Benguet Corporation.

Likewise, every year there is a selection of candidates for Best Personalities (e.g. Best Foreman, Best Shift boss, Best Safety Inspector and Best Miner). The criteria of selection are based on the safety performance of employees. They will compete for Best Personalities in the national level. Anyone who will emerged as Best Personalities in the ANMSEC which is being held in the month of November will be given due recognition by the company in the form of Certificate of Exemplary Safety Performance and cash incentive amounting to not less than Ten Thousand Pesos (Php 10,000.00) which is usually given during the celebration of Christmas Party of the company.

## **13. COMMUNITY CONSULTATION**

The host communities are considered one of the stakeholders of the company. Any concerns that directly affect the interest of the residents of the host communities will go through the process of public consultation that will be initiated by the ComRel Department.

## **14. SAFETY AWARENESS CAMPAIGN**

### **SAFETY ADVERTISEMENT**

Safety advertisement can be done by posting placards of safety slogans in the conspicuous places in the surface and underground.

### **INFORMATION DISSEMINATION**

Every monthly safety meeting, the safety officer who conduct the meeting will do the dissemination of the safety performance update and statistics of BC Team and Service Contracts including the observed safety hazards in the work areas during safety inspections especially in underground to keep the workers abreast on the current situation on safety and give them safety tips on how to address these hazards.

### **PUBLIC ADDRESS SYSTEM**

A safety officer conducts 10 to 15 minutes safety broadcasting at 2000 Level and 1500 Level portals at the star of the shifts to give reminders about safety in the underground work areas.

## **15. GENERAL PROMOTION**

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## **SAFETY BULLETIN BOARDS**

1. The safety bulletin boards installed at the portals for safety and health campaign purposes will be regularly updated.
2. Safety and health policies /notices and safety meeting schedules are posted on bulletin boards translated in Ilocano dialect so that all employees can understand easily its meaning and purpose if needed be.

## **16. HIRING AND PLACEMENT**

### **1. PRE-EMPLOYMENT EVALUATION**

The Human Resource Department evaluates job applicant based on his/her qualifications as to education, work experience, knowledge and skills, etc. before the processing of his/her application.

### **2. PHYSICAL EXAMINATION**

All newly hired employees shall undergo pre-employment general physical examination which include chest x-ray, eye examination, ultrasound, complete blood count, blood pressure, etc. which will be conducted at Benguet Laboratories.

### **3. ORIENTATION PROGRAM**

All newly hired employees of the company and the Service Contracts shall undergo three (3) days orientation on safety covering the company safety rules and regulations, safety instructions manual, standard operating procedures/standard job procedures (SOPs/SJPs) and actual visit at work sites.

In addition for the newly hired employees of the company, their three (3) days orientation shall include the following:

1. Company policies, benefits and code of conduct to be handled by Human Resource Department; and
2. Housing rules and policies regarding staying in camp by Camp Administration Department.

## STAKEHOLDER MANAGEMENT

STAKEHOLDER GROUP	CONCERNS	ENGAGEMENT ACTIVITIES
IPs/Host communities	Sustainable Livelihood	Timely payment of IP Royalties Mandatory employment in patented mine areas Minahang Bayan
Local Government Units	Share in mining benefits for community development Environmental impact mitigation	Social Development and Management Programs Environmental Protection, and Enhancement Programs
Regulatory Agencies	Access to operational data Monitoring of mining laws, others	Timely submission of reportorial requirements/disclosures Attendance, and participation in regular meetings
Investors	Access to financial, operational performance of the company	Timely disclosures Posting of reportorial requirements with SEC, and on the website Interactive means of communication via a dedicated email address/hotline
Employees	Nuanced work-life balance	Annual Town Hall Meets Above satisfactory medical benefits Updated, responsive employee benefits Skills training Real-time feedback mechanism



# **AUDIT AND RISK OFFICE** **WORK SUMMARY 2017 to 2018**

CATEGORY		2017 DONE	2018 DONE
Compliance	1.	Reviewed new I-ACGR and Corporate Compliance Code checklists on Internal Audit (with Corplan) for PSE and SEC.	1. Reviewed new I-ACGR compliance requirement on Internal Audit, Controls and Risk Management for PSE and SEC compliances.
	2.		Prepared Data Privacy Policy for BC as approved by the Board (With Data Privacy Officer)
	3.		Conducted Data Privacy Act (DPA) awareness training for CHQ, BCL, BGO and BNMI personnel (With HRA)
	4.		Appointed a Data Privacy Officers for BC and BCL, and a Consultant on a limited basis to assist in the implementation of DPA.
	5.		Training for Audit personnel in preparation for Certified Internal Auditor (CIA).
Document Management	6.		Prepared updated framework on Management Committees as approved by the President.
	7.		Hired Document Controller for BC.
	8.		Partial centralization and digitization of critical documents.
	9.		IT components and warehousing requirements for physical documents summarized and costing prepared.

CATEGORY		2017 DONE	2018 DONE
Enterprise Risk Management (ERM)			10. Conduct ERM awareness training to CHQ, BCLI, BGO and BNMI personnel (With HRA)
			11. Prepared revised ERM framework for BC including risk processes, templates and
			12. Implemented initial phase of ERM framework in CHQ, BCLI, BGO, BNMI, Irian Lime – identification and assessment of risks
			13. Reviewed initial risk assessments done by BGO, BNMI and BCLI.
Financial and Operations Audit		3. Conducted financial audit of Irian Lime for year 2016. Results not officially released because of plan to incorporate in 2018 operations audit.	14. Conducted financial 2017 and operations audit of BCLI.
		4. Conducted inventory count of artworks in CHQ, BCLI and BGO (with respective teams assisting). Prepared catalogue of artworks for independent valuation.	15. Conducted audit of BCLI Taytay cash deficiency case.
		5. Conducted inventory of company vehicles. Performed limited audit of related expenses.	16. Conducted inventory count of gold pendants.
		6. Performed partial review of BNMI revenues. Aborted for re-prioritization.	17. Reviewed updates on BCLI case. Turned-over to Investigation Committee Head.
		7. Reviewed MDDL Makati condominium contract and expenses.	18. Assisted in the review of BGO case and caretaker's functions and costs.
		8. Reviewed purchase of BTP BIR-bidder property in Ucab Itogon.	
		9. Reviewed updates on BCLI CTBartolome case	

CATEGORY		2017 DONE	2018 DONE
ISO Management	10. Oversaw BGO ISO 14001 Surveillance Audit 2017 by TUVR (With BGO ISO Team). Passed the audit with 0 Non- Conformity.	19. Oversaw BGO ISO 14001 Surveillance Audit 2018 by TUVR. Passed the audit with 0 Non- Conformity.	
	11. Oversaw BNMI ISO 14001 Surveillance Audit 2017 by TUVR (With BNMI ISO Team). Passed the audit with 0 Non-Conformity.	20. Oversaw BNMI ISO 14001 Surveillance Audit 2018 by TUVR. Passed the audit with 0 Non- Conformity.	
	12. Managed Benguet Lab ISO 9001 Certification Audit by TUVR – Stages 1 and 2 (With BL ISO Team). Passed the audit with 3 Non-Conformities.	21. Oversaw BGO ISO 14001 internal audits 2018.	
	13. Oversaw BGO ISO 14001 internal audits 2017.	22. Oversaw BNMI ISO 14001 internal audits 2018.	
	14. Oversaw BNMI ISO 14001 internal audits 2017.	23. Oversaw Benguet Lab ISO 9001 internal audit 2018.	
	15. Oversaw Benguet Lab first ISO 9001 internal audit 2017.		
Policy Documentation/ Process Improvement	16. Conducted training on ISO 9001:2015 to BCLI employees in Baguio, Taytay and San Fernando clinics including ISO 9001 awareness, documentation and internal audit (With FDL Management Consultancy).		
	17. Assisted BCLI in their Operations Policy and Procedure (OPP) manual. Prepared standard template, reviewed drafts and conducted orientation.	24. Prepared revised Related Party Transaction (RPT) Committee Charter as approved by the Board.	
	18. Compiled OPP for BNMI. Prepared standard template, reviewed drafts and conducted orientation.	25. Prepared revised policy on RPT as approved by the Board.	
		26. Prepared revised policy on Officer Car as approved by the Board.	

CATEGORY		2017 DONE	2018 DONE
			27. Prepared revised policy on Company Service Vehicles as approved by the Board.
			28. Prepared revised policy draft of Employee Code of Conduct (With HRA).
			29. Prepared revised policy draft of Anti-Fraud and Whistleblowing Policy.
			30. Prepared TRAIN Advisory.
Organizational Development		19. Performed review of BC organizational structure and recommended alignment of structures and functions.	31. Performed functional validation review of BGO manpower audit. Improvements undergoing.
		20. Assisted BCLl in preparing their Balance Scorecard requirement for ISO 9001 as aligned with their Mission and Vision.	32. Prepared proposed Table of Organization for BGO as a result of manpower review.
Others		21. Participated in GAIA review of BGO and BNMI regulatory environment compliances.	33. Membership in Institute for Internal Auditors Philippines.
		22. Participated in initial stage of Finance centralized cash operation project.	

## ANNEX "N"

BENGUET CORPORATION (Parent Company)  
REPORTS SUBMITTED TO GOVERNMENT AGENCIES

GOVT AGENCY	REPORT DESCRIPTION	DUE DATE	ACCOUNTABLE PERSONS
BIR-Main	Audited F/S (Balance Sheet/Income Statement/Cash Flow)	April 15th of the following year	MDA/LGF/LSS/DAGR
	Annual Income Tax Return (BIR Form 1702)	April 15th of the following year	MDA/LGF/LSS
	Esubmission of Summary Alphalist of Withholding Taxes (SAWT) - Annual	April 15th of the following year	MDA
	Quarterly F/S (Balance Sheet/Income Statement/Cash Flow)	60 days after end of every quarter	MDA/LGF
	Quarterly Income Tax Return (1702Q)	60 days after end of every quarter	MDA
	Esubmission of Summary Alphalist of Withholding Taxes (SAWT) - Quarterly	60 days after end of every quarter	MDA
	BIR Form 1601E-Monthly Expanded Withholding Tax	15th of the following month	MDA
	BIR Form 1601EQ- Quartely Expanded Withholding Tax	30th day of the month following end of every quarter	MDA
	Esubmission of Quarterly EWT (Esub)- DAT files	30th day of the month following end of every quarter	MDA
	BIR Form 1601C-Withholding Tax on Compensation	15th of the following month	MDA
	BIR Form 1601F-Final Tax	15th of the following month	MDA
	BIR Form 1601FQ-Quarterly Return of Final Tax	30th day of the month following end of every quarter	MDA
	Esubmission of Quarterly 1601F (Esub)- DAT files	30th day of the month following end of every quarter	MDA
	BIR Form 2200M-Excise Tax	15th of the month following end of the qtr	MDA
	BIR Form 2550M-Monthly VAT Return	20th of the following month	MDA
	BIR Form 2550Q-Quarterly VAT Return	25th of the month following end of the qtr	MDA
	Esubmission of Quarterly 2550Q (Esub)- DAT files	25th day of the month following end of every quarter	MDA
	Summary List of Sales & Purchases		MDA
	BIR Form 1604E-Annual Information Return of Creditable Income Taxes Withheld (Expanded)/Income Payments Exempt from Withholding Tax	March 1st of the following year	MDA
	BIR Form 1601CF- Annual Information Return of Income Taxes Withheld from Compensation and Final Withholding Taxes	January 31st of the following year	MDA
BIR-Baguio	Annual Inventory Listing	January 30th of the following year	MDA
	Semestral List of Regular Suppliers of Goods and Services	July 31st for the 1st semester of the year January 31st of the following year for the 2nd semester	MDA MDA
Mun. of Itogon	Monthly Official Register Book (ORB)	5th of the following month	LOC
	Weekly Gold Sales Report	Every Tuesday after the week to be reported	LOC/ALB
	Annual Gross Receipts for Business Tax Computation	On or before January 31 of the following year	LOC/ALB
	<b>FOR BC-CHQ:</b>		
SSS	SSS/ECC Premiums Contributions	20th of the following month	MDA
SSS	SSS LOANS	10th of the following month	MDA
HDMF	Pag-Ibig Premiums Contribution	10th to 14th of the following month	MDA
HDMF	Pag-Ibig Loans	10th of the following month	MDA
PHIC	Philhealth Premiums Contribution	16th to 20th of following month	MDA
	<b>FOR BC-BGO:</b>		
SSS	SSS/ECC Premiums Contributions	10th of the following month	LOC/ALB
HDMF	Pag-Ibig Premiums Contribution	14th of the following month	LOC/ALB
PHIC	Philhealth Premiums Contribution	10th of the following month	LOC/ALB

GOVT AGENCY	REPORT DESCRIPTION	DUE DATE	ACCOUNTABLE PERSONS
MGB-Baguió	Monthly Production Report	15th of the following month	LOC/MAT/ALB
	Quarterly Report on Mining Investments	15th of the month after close of the quarter	LOC/MAT/ALB
	Quarterly Report of Petroleum Products Consumption	15th of the month after close of the quarter	LOC/MAT/ALB
	Annual Report on Taxes, Fees and Royalties	1st qtr after the close of calendar year	LOC/MAT/ALB
	Integrated Annual Report of Metallic Minerals	1st qtr after the close of calendar year	LOC/MAT/ALB
	Quarterly Financials	15th of the month after close of the quarter	LOC/DRS/ALB
MGB-Baguió	Mine Waste & Tailings Fee Report	Semi-annual- every 15th day of the month following end of the semester	FOF/ALB
	Annual Report of Taxes, Fees & Royalties paid & Withheld	28th day of February of the following year	FOF/ALB
	Integrated Annual Report on Metallic Minerals/Non-Metallic Minerals and Quarry Resources Report	28th day of February of the following year	FOF/ALB
	Annual Mineral Resource/Reserve Inventory Report	28th day of February of the following year	FOF/ALB
	Quarterly Report on Production, Sales and Inventory of Quarry Resources	15th of the month after the end of every quarter	FOF/ALB
	Quarterly Report on Mining Investments Report	15th of the month after the end of every quarter	FOF/ALB
	Quarterly Energy Consumption Report	15th of the month after the end of every quarter	FOF/ALB
	Quarterly Inventory of Foreigners for Technical and Specialized Work in Mining Operations Report	15th of the month after the end of every quarter	FOF/ALB
	Quarterly Self Monitoring Report	15th of the month after the end of every quarter	FOF
	Quarterly Data for the Philippine Green House Gas Inventory for the Industrial Processes and Product Life	15th of the month after the end of every quarter	FOF
PSA	Quarterly Survey of Phil. Business & Industry	A month after the close of the quarter	PSET/ALB
	Annual Survey of Phil. Business & Industry	At least six months after the close of the year	PSET/ALB



ANNEX "N"

06 March 2018

**MS. FAY W. APIL**  
OIC, Regional Director and Chairman  
Mines & Geosciences Bureau - CAR  
& BC – ACMP Mine Rehabilitation Fund Committee  
Diego Silang St., Baguio City

MAR 07 2018


0723-X

Dear Director Apil:

We are pleased to submit the *Revised Annual Environmental Protection and Enhancement Program (AEPEP)* of Benguet Corporation – Acupan Contract Mining Project (BC-ACMP) for the Calendar Year 2018.

Hope you find the document in order.

Respectfully yours,

  
**JEMIMAH R. SALAYOG**  
MEPEO  
Benguet Gold Operations

Approved:

  
**ANTONIO L. BUENAVISTA**  
AVP / OIC-Resident Manager  
Benguet Gold Operation



**CERTIFIED ISO 14001:2015 Environmental Management System**  
Balatoc, Itogon, Benguet  
PO Box 100 Baguio City, 2600 Philippines



06 March 2018

**HONORABLE MEMBERS**  
**MRFC-BC-ACMP**

Dear Sir / Madam:

Forwarding you copy of the **Revised Annual Environmental Protection and Enhancement Program (AEPEP)** of **Benguet Corporation – Acupan Contract Mining Project (BC-ACMP)** for the **Calendar Year 2018**.

Hope you find the document in order.

Respectfully yours,

  
**JEMIMAH R. SALAYOG**  
MEPEO  
Benguet Gold Operations

Approved:

  
**ANTONIO L. BUENAVISTA**  
AVP / OIC-Resident Manager  
Benguet Gold Operation

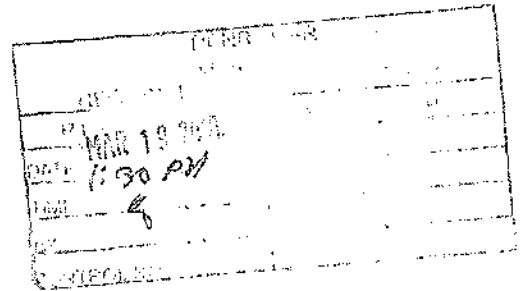
Copies:


RD Fay W. Apil  
OIC, RED Engr. Ralph C. Pablo  
RD Reynaldo S. Digamo  
Mr Mario W. Godio  
Mr. Lemino N. Kaniteng  
Hon. Noel D. Bilibit  
Hon. Andres C. Panayo

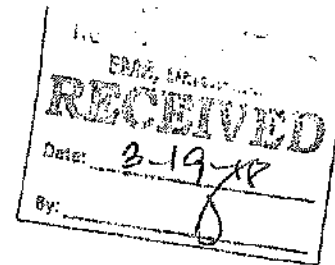
- MGB-CAR
- DENR-CAR
- EMB-CAR
- LGU-Itogon Representative
- Peoples Organization
- Barangay Virac Representative
- Barangay Poblacion Representative



**CERTIFIED ISO 14001:2015 Environmental Management System**  
Balatoc, Itogon, Benguet  
PO Box 100 Baguio City, 2600 Philippines



  
3/17/18  
Approved  
For Services CHM  
3/17/18







Republic of the Philippines  
Department of Environment and Natural Resources  
**MINES AND GEOSCIENCES BUREAU**  
Regional Office – CAR

**ANNUAL ENVIRONMENTAL PROTECTION  
AND ENHANCEMENT PROGRAM (AEPEP)  
(C.Y. 2018)**

**1.0 CORPORATE DATA**

- 1.1 Project Name :** ACUPAN CONTRACT MINING PROJECT (ACMP)
- 1.2 Company Name & Address :** BENGUET CORPORATION -  
ACUPAN CONTRACT MINING PROJECT  
7/F Universal - Re Building  
No. 106 Paseo de Roxas  
Makati City
- 1.3 Contact/Title**
- Corporate Head Quarter : **MA. MIGNON D. DE LEON**  
Vice President for Compliance
- Benguet District Office : **ANTONIO L. BUENAVISTA**  
AVP / OIC - Resident Manager  
Benguet Gold Operations

**2.0 PROJECT DESCRIPTION**

**2.1 PROJECT DETAILS**

**2.1.1. Project Location**

The project site is located within Barangay Virac, Municipality of Itogon, Province of Benguet. It is about 16 kilometers Southeast of Baguio City. Please refer to Figure 2.1A for the location map showing ACMP operations including structures and Tailings Ponds. From Manila, Baguio City is about 250 kilometers. The central area is within the intersection of the following geographic coordinates:

**Northing : 16° 20' 00" to 16° 22' 10" N. Latitude**

**Easting : 120° 38' 30" to 120° 39' 40" E. Longitude**



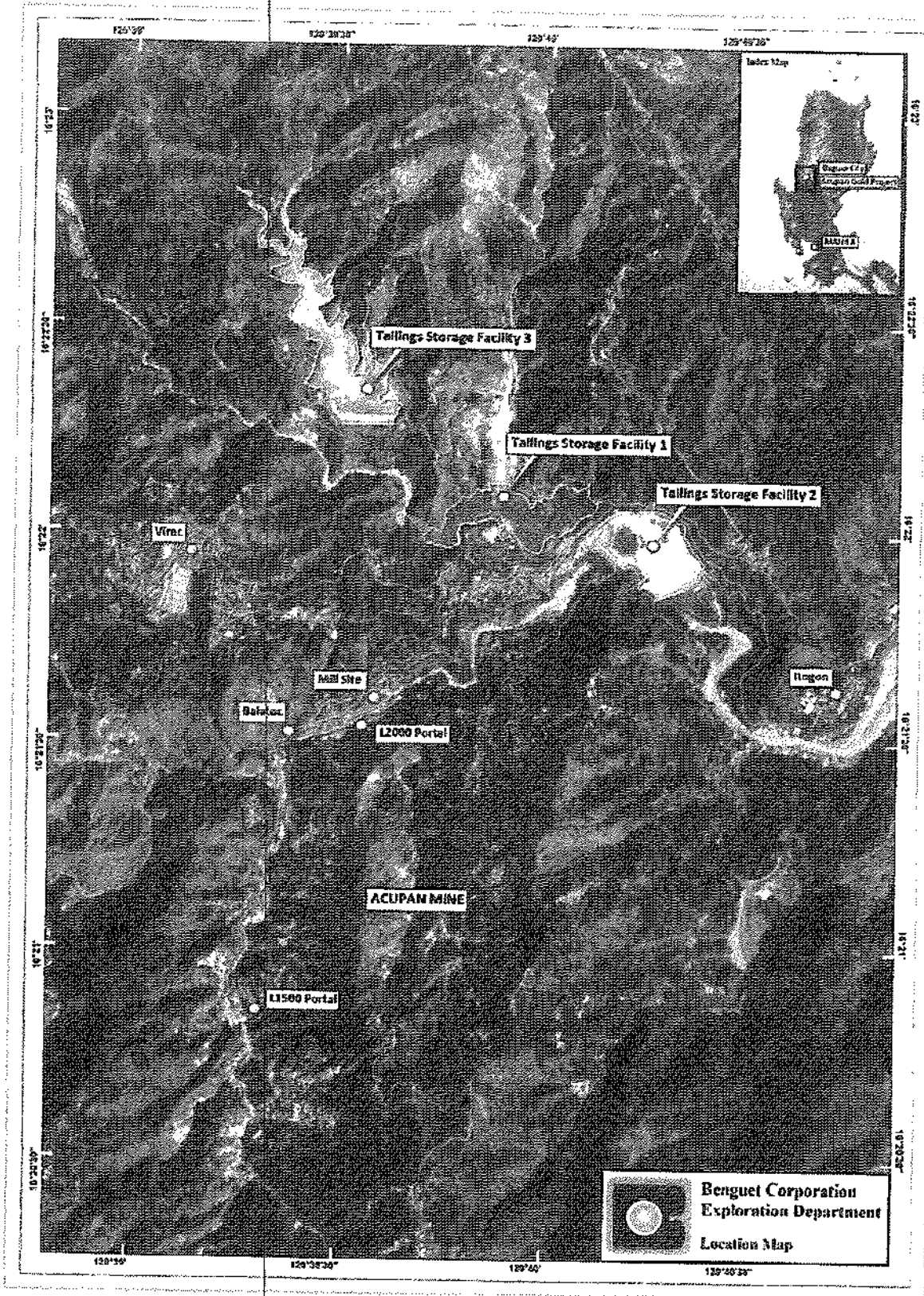


Figure 1. Project Location Map



### 2.1.2. Estimated Capital and Operating Cost

The total estimated capital and operating cost for the Acupan Contract Mining Project (ACMP) is Php. 559,465,923.37. Estimated Direct Mining and Milling Cost (DMMC), on the other hand, is Php. 403,958,361.84. Table 1 presents the breakdown of expenses in the phases of the ACMP development while Table 2 presents the estimated DMMC of ACMP for 2017.

**Table 1. Summary of ACMP estimated Capital and Operating Cost**

ACTIVITY	ESTIMATED COST (Php)
<b>ESTIMATED CAPITAL COST</b>	
Mining	24,307,830.87
Assaying Charges	7,252,754.01
BSP Refining Charges	547,198.55
Milling Cost	379,103,332.42
Security	20,065,252.46
Mine Overhead	70,819,550.28
Depreciation/Amortization	43,993,242.32
Excise Tax	13,376,762.46
<b>TOTAL</b>	<b>559,465,923.37</b>

**Table 2. Estimated Direct Mining and Milling Cost of ACMP for 2016**

ACTIVITY	ESTIMATED COST (PHP)
Mining	24,855,029.42
Milling	379,103,332.42
<b>TOTAL</b>	<b>403,958,361.84</b>

### 2.1.3. Minerals to be Mined

Gold is the primary mineral extracted and secondary is the Silver.

### 2.1.4. Mining Method

The mining operation of the Acupan Contract Mining Project (ACMP) applies the traditional "camote", resuing and/or pillar robbing underground cut and fill mining methods in the extraction of ores. Underground mining operation is conducted within the five (5) active mining levels namely L-2000, L-1875, L-1700, L-1500 and L-1300 with corresponding sub-levels whenever feasible.



To ensure order and safety in contracting numerous groups to undertake mining of ore underground, Mine Operations Department together with the Mine Engineering and Geology Departments provide the necessary technical guidance to the different contracting groups in their mining operations. Relatively, each contractors are assigned specific working areas within corresponding mining area so as to ensure order in mining excavation. Annex II Maps and Working places show the working places grouping.

Mining is generally guided by the geologic structure of the intercepted ores. Following the general trend of the ore, excavation is done using the minimal drill and blast mining scheme and broken muck is usually placed in sacks for hauling. From the mining elevation, these sacked ores are lowered to main haulage levels and brought to mill through the L 2000 main haulage with a series of manual and mechanized hauling using diesel powered tractors and/or a train of mine cars pulled by battery operated locomotives.

Additional ore haulage for mining within the L 1500 is also operational at the L 1500. Ore will be brought out to the 1500 level portal and then hauled by trucks to the mill plant at L 2000.

Underground operation used natural ventilations with intakes coming from existing portals and with mechanized (with blower) exhaust at the 1300 level portal. Secondary blowers are strategically installed to manage the flow of the air inside the tunnel and to address insufficient ventilation where required.

Mine waste are backfilled underground in abandoned areas such as open stopes along drifts, raises and any openings available which do not impede or obstruct ventilation, haulage ways and other safety and efficiency considerations.

For control purposes, explosives and the accessories used by the Contractors for blasting requirements are all company issued.

As for other equipment like portable blowers, electric drills, compressors and others, contractors can either bring in or rent from the Company if available.

Timbers used underground are bought from lumber trading. Contractors tapped their water supplies from the Company's water source'

#### **2.1.5. Solid Wastes & Wastewater**

Waste products generated from the mill operation include waste water coming from the ball mill sluicing process, decanted water from the ball mill tails holding pond, spillages from grinding area, spillages from CIP and elution area, loaded carbon water-wash and the cyanide-bearing final tails.

The waste water is collected in Tank #1 (located along the river bank fronting the Old Drain Tunnel Shop) and will be pumped directly to Tailings Storage Facility II

(see Figure 2). During harvesting of loaded carbon from the CIP process, in which the final tails are screened out and being disposed as waste, the water from Tank #1 serves as diluents for the CIP tails directed to Tank #3 (located at the mill gate) to reduce the cyanide concentration of the final tails to be disposed to Phase II dumpsite. Where there is no harvesting activity, only Tank #1 will be used, but in case of Tank #1 pump breakdown, Tank #2 (the alternate tank beside Tank #1) will be utilized.

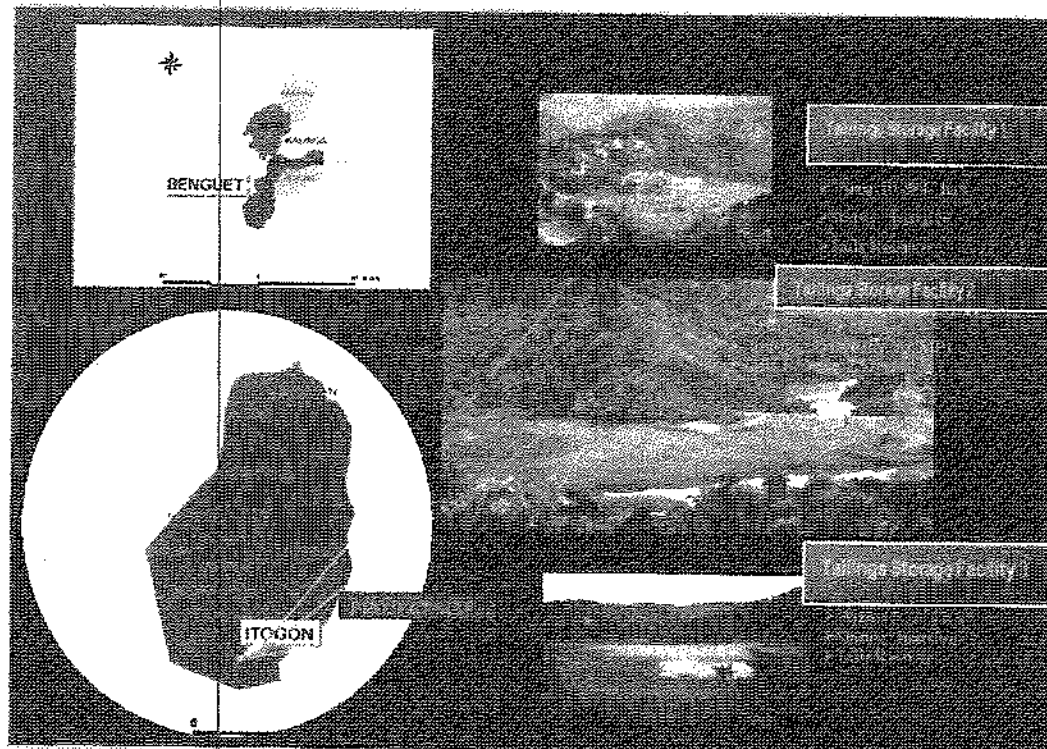


Figure 2. Tailings Storage Facility

#### 2.1.6. Estimated Daily Production / Mill Throughput

The estimated daily production projected for the year is **148 Dry Metric Tons per day** which is approximately **53,940 tons total for the year**.

#### 2.1.7. Type of Mill Process

The company operates a batch type Carbon in Leach (CIL) processing plant to process/mill the run-off-mine ore. At present the plant is capable of processing 100-300 tons of ore per day. The plant consist of crushing and grinding facilities to further reduce the size of ore ideal for the leaching process which takes place per batch in twelve leaching tanks with capacities ranging from ten



(10) tons to one hundred twenty tons to cater for the varying deliveries of each contractor.

As stipulated in the mining contracts, revenues and costs are shared between the Company and the Contractors on a 60/40 percentage distribution.

To provide some controls in processing of contracted and company ores, two processing setups have been established to separate the flow of materials during processing. The Acupan Contract Mining Project (ACMP) batch processing plant handles that of the contracted ore while the Benguet Corporation Continuous (BCC) plant will process company generated ores.

A centralized milling process has been constructed at the drain tunnel shop (see Figure 3 and 4) and portion of the motor pool garage along the L-2000 portal in Balatoc. Mill plant area covers a total land area of 5,244 square meters. Milling Process flow chart is shown in Annex "C" The operation is divided into the following stages, namely:

#### **A. PROCESS PLANT & DESCRIPTION (Annex "C")**

##### **A.1. Crushing and Grinding of Contractors' Ores**

The plant consists of two parallel lines of crushing and grinding. Each line has a jaw crusher, a cone crusher and a ball mill. Each 10, 15, 20, 50, 60, and 120-ton batch are delivered to the plant in 40-kg sacks that are dumped in a hopper situated before the jaw crusher. Ore is drawn from the hopper to a belt conveyor that discharges the ore to a jaw crusher. The jaw crusher product is again similarly conveyed to a cone crusher for further size reduction. Crushed ore from the cone is conveyed to a fine ore hopper then conveyed as feed to the ball mill with its associated pump and cyclone. The cyclone underflow goes back to the ball mill while the overflow is directed to a batch tank. Crushing and grinding is done until the tank is full to the required level. Lime in solid form is added initially to the mill so that pH 11 is reached on the pulp inside the batch tank.

##### **A.2. Leaching**

Leaching is done in an agitated and aerated tank. Sodium Cyanide is added to reach the optimum  $CN^-$  concentration then Carbon is also added at a maximum of 2.4 kilograms per ton of ore. The sodium cyanide concentration and pH are maintained for the duration of the leach within 48 hours.

##### **A.3. Carbon Harvesting, Tails Pumping and Cyanide Destruction**

After leaching, the pulp is drained through a gate valve at the base of the tank to a tray screen to retrieve the loaded carbon. The pulp that passes the screen flows to the tails sump then pumped to the tailings pond. Sodium Hypochlorite solution is dosed to the tails sump so that the remaining cyanide in the tails solution is converted into non-toxic form.

While stored in the pond, further detoxification is naturally accomplished. The cyanide detoxification and pumping equipment is a common facility for the ACMP and BCC plants.

#### **A.4. Carbon Ashing**

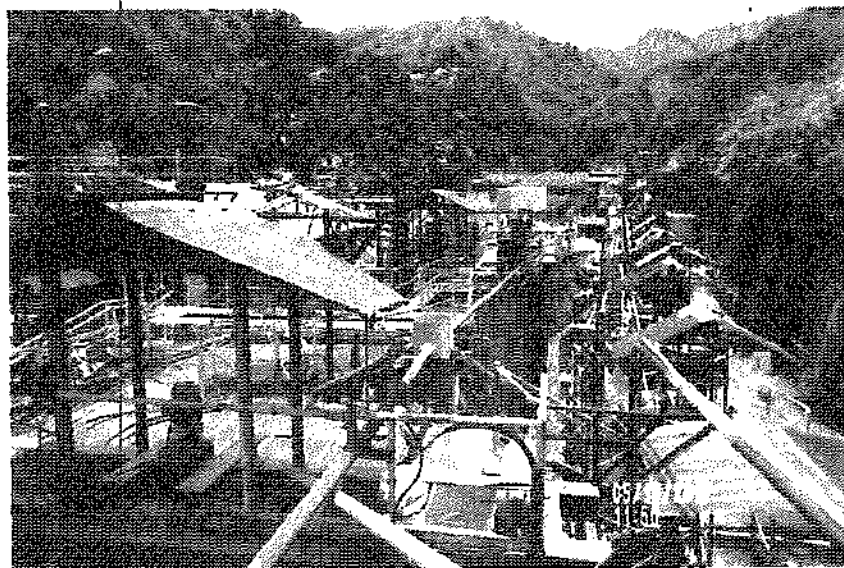
The gold laden carbon chips are set over a 20 mesh screen inside an open cylindrical tank then ignited with the use of commercial charcoal and kerosene (only for initial ignition). Air is supplied from the bottom by a portable blower so that spontaneous burning proceeds. This process takes 10-15h.

#### **A.5. Smelting**

The resulting ash is upgraded 7 to 10 times from its loaded carbon grade thus becomes suitable for smelting. Borax and silver granules are added then mixed with the ash after which is smelted to form a gold-silver alloy. Re-melting then nitric acid treatment of the poured metal separates the silver. The undissolved gold is smelted to form a gold button. Silver is precipitated from the solution, dewatered, dried then smelted to silver. Parts of the silver granules are recycled to the start of the smelting process. The rest of the silver is shared at the usual 60% for the Contractor and 40% for the company.

### **B. THE CONTINUOUS PLANT (Annex "B")**

The operation of the BC Continuous Plant has been temporarily suspended.



**Figure 3**



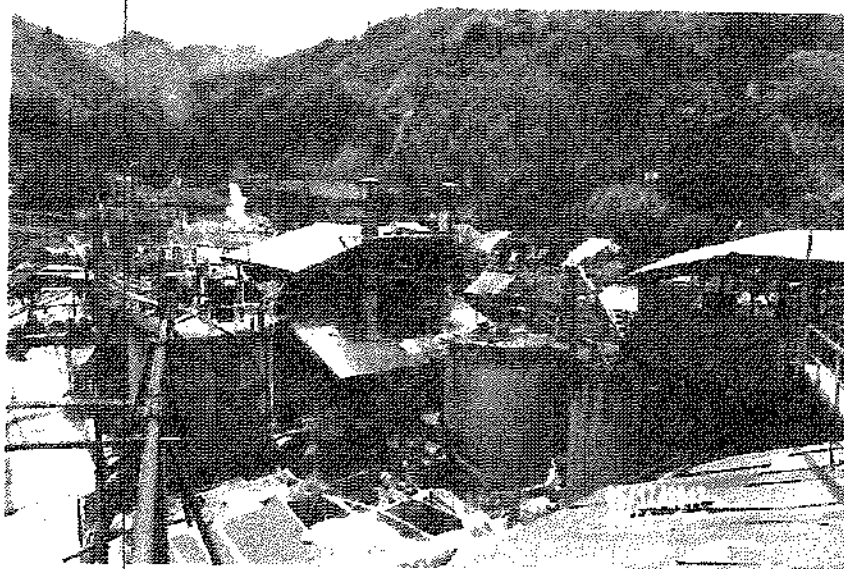


Figure 4.

### 2.1.3. Ore Processing Description

The old Acupan gold mine was opened to Contract Mining by Benguet Corporation to small groups of Miners with each group having his respective area. Milling is done in a Batch Processing Plant being operated by Benguet Corporation. Revenue and Cost are shared between the Company and the Mining Contractors. The ore processing plant basically employs the Carbon-in-Leach (CIL) process, leaching in a batch tank after crushing and grinding. The plant can process 80-120 tons of ore per day.

## 2.2 MINERAL RESERVES / RESOURCES

A summary of the available ore resources for ACMP is shown in the tables below.

Table 3. Ore Reserve Estimate for ACMP (at 300 TPD Production)

	Potential		Indicated		Inferred		Total Resource	
	Tons	Grade (Au)	Tons	Grade (Au)	Tons	Grade (Au)	Tons	Grade (Au)
BC Mineral Resource								
GG 14, 15, 16 & 1	7,708,000	2.50						
GG 4, 5 & 7	1,693,000	2.50	650,679	2.81	422,879	2.87	1,073,558	2.83
GG 3, 13, 8, 12, 18 & 19	13,653,000	2.50	390,788	2.75	81,012	2.51	171,900	2.71
Malouf	3,794,000	2.26	50,063	3.87	190,591	3.88	240,654	3.88
Vein Type	2,333,000	5.27						
Sub-Total	28,179,000	2.69	1,091,530	2.84	694,482	3.11	1,786,012	2.94
ACMP Mineral Resource								





	Potential		Indicated		Inferred		Total Resource	
	Tons	Grade (Au)	Tons	Grade (Au)	Tons	Grade (Au)	Tons	Grade (Au)
Formerly BC Team Active			10,445	3.57				
Old Resource Inventory								
Accessible								
In-Accessible			776,067	3.69			776,067	3.69
Sub-Total			786,512	3.69			776,067	3.69
<b>TOTAL</b>	<b>29,170,000</b>	<b>2.69</b>	<b>1,678,042</b>	<b>3.19</b>	<b>704,538</b>	<b>2.88</b>	<b>2,648,857</b>	<b>3.09</b>

The Company, thru its Geology Section, is continuously searching and re-evaluating blocks or veins adaptable or economical for the present contract mining project and they are also assisting the contract miners in their daily operations, pin-pointing ore blocks and sampling exposed veins materials, if necessary.

Generally speaking, the Acupan Underground has shown deterioration from the time mining operation was suspended ten (10) years ago. However, it can be made safe for the resumption of underground mining operations by rehabilitating identified underground workings. Currently, available data on ore reserve shows a mine life of 20 years at 300 DMT daily output as originally planned. However, the Company continuous to explore other economically viable ore veins which can sustain the mine operations. Ores even below L-200 are still intact since the time the Company suspended its mining operations.

## 2.3 ACCESS / TRANSPORTATION

### 2.3.1. Road

The access to the project site is an all-weather concrete road via the Baguio-Virac-Itoyon Road. Travel time by car is about 30 minutes from Baguio City.

### 2.3.2. Air Access

The company maintains a helipad for a twin engine chopper at Antamok, Itoyon from where land transportation will take about 30 minutes from the helipad to project site. Also, the Loakan Airport at Baguio City is an alternate access for air landing. From Loakan Airport, travel time by car is 20 minutes.

## 2.4 POWER SUPPLY

### 2.4.1. Requirements

Power consumption for the whole Benguet District Operation during the suspension of mining operation was 9.36 million Kwh/year. The Acupan Contract Mining Project



(ACMP) has projected an average annual power requirement of 800,000 kwh. The National Power Corporation (NPC) is the direct source of electric power.

#### 2.4.2. Supply Alternative

Before the suspension of mining/milling operation in 1992, the Company has a stand-by generator set ready to run all its facilities. However, due to inadequate maintenance, these units are now non-operational and were disposed, there being no more alternative source of power supply to run the ACMP facilities in case of power failure by NPC.

### 2.5 MINING & MILLING EQUIPMENT

As a currently operating mine, the project is equipped with available inventory of mining and milling equipment. It only involved the maintenance and/or rehabilitation of such equipment to serve the requirement of the mining/milling operation. Table below shows a summary of some of the major equipment currently being used in the Mining and/or Milling operation.

Other equipment necessary for the operation such as dozers, trucks, graders, compressors, generator sets and other vehicles are also existing in the mine site. Some of these equipment are presently being utilized for road and drainage repair and maintenance works.

	EQUIPMENT
1	Loaders, LHD (Load-Haul-Dump)
2	Locomotives with Mine Cars
3	Rockdrilling Machines
4	Fan, Ventilation
5	Compressor
6	Conveyor Systems
7	Crusher, Cone
8	Crusher, Jaw
9	Classifier, Spiral
10	Feeder System, Pan/Apron
11	Grizzly, Vibrating
12	Hoist, Slusher
13	Mill, Ball
14	Pressure Vessel
15	Pulverizer
16	Pump
17	Repulper
18	Screen, Rotary
19	Screen, Vibrating
20	Scrubber System
21	Tank, Leaching
22	Tank, Receiver, Air
23	Transformers
24	Miscellaneous Laboratory Size Equipments for Assay Department



#### **Component Facilities:**

The mining camp is surrounded by cottages and bunkhouses that were earlier constructed and maintained from the time of suspension of mining operation to present. Most cottages are occupied by the managers and staff of the Company. Privileges for Company staffs include electric and water supply. The bunk houses were opened to the public on a rental basis.

Contractors, on the other hand, are accommodated at the bunkhouses of the Company charged with minimum maintenance fee.

#### **Water Supply:**

Domestic water supply for the mining camp is supported by the Virac Water System project of the Company. These water systems extend its services to the residential houses that have availed of the water services offered by the Company at cost.

### **2.6 WORKFORCE INFORMATION / MANPOWER SUPPORT**

The total manpower complement for the project is composed of 363 regular Benguet Corporation employees assigned at the Head office (41) and mine site (322), 3,300 contractor's workforce for mining operations and 34 Service providers for incidental work requirement making a total of 3,697. The contractor's workforce is distributed among sixteen (16) contractor members of the Virac Community Contractors Inc. (VCLCAI) to implement the mining program for the Acupan Contract Mining Project

### **2.7 DEVELOPMENT SCHEDULE (FOR MINING)**

Development program is a requirement to ensure that the mine will have a smooth and continuous production. In as much as the Project is an existing producing mine, most of the infra structures needed for production are already in place. The scheduled development requirements are more on improvement of current accesses to help improve production efficiency and some drives to prepare additional working places.

Two Thousand Seven Hundred Thirty Five (2,735) meters (97 %) of the planned Two Thousand Eight Hundred Ten (2,810) meters development requirements are for rehabilitation of drifts. Remaining 3 % (75 meters) is for fresh drive of Ramps to provide connecting access to already inaccessible old headings.

Mining activities of the contractors are still concentrated in the four (4) main levels of the Acupan Underground namely L-2000, L-1875, L-1700 and L-1500 with minor mining activities at L-1300. And the development drives schedule for the year are basically distributed within L-1500 and L-1700. 1,525 meters (54%) of the scheduled development is in L-1500; while the remaining 46 % is allocated for L-1700.



The scheduled development requirements requires a budget of Twenty Million Pesos (PhP 20,000,000) from the company's annual budget.

### 3.0 SPECIFIC STRATEGY TO LIMIT AND CONTROL IMPACTS

#### 3.1. LAND RESOURCES

AREAS TO BE AFFECTED	PREDICTED IMPACT	CONTROL STRATEGIES
a. <i>Underground</i>	<ul style="list-style-type: none"> <li>• Increase in muck wastes</li> <li>• Deformation of land forms (from blasting)</li> <li>• Presence of new openings, if any</li> <li>• Oil / diesel leak / spillage from underground heavy equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Generated muck wastes will be used to backfill underground voids.</li> <li>• Excess muck wastes are trammed out and dumped at a designated area in Batuang.</li> <li>• Impose immediate backfilling of voids to prevent subsidence of mine surface</li> <li>• Use of mine timbers</li> <li>• Follow established EMS Guidelines on proper handling and transport of oil.</li> <li>• Follow established EMS Guidelines on proper handling and transport of oil.</li> </ul>
b. <i>Surface Mine Buildings and other Structures</i>	<ul style="list-style-type: none"> <li>• No significant impact is predicted as Camp facilities like buildings for offices and quarters already exist</li> </ul>	<ul style="list-style-type: none"> <li>• Assess stability of all existing buildings and structures</li> <li>• Implement necessary repairs needed to ensure safety of occupants</li> <li>• Offices will be refurbished and maintain good housekeeping at all times.</li> </ul>
c. <i>Access Roads</i>	<ul style="list-style-type: none"> <li>• No significant negative impact is foreseen</li> </ul>	<ul style="list-style-type: none"> <li>• Existing access roads to the minesite and to the working area will be maintained</li> </ul>
d. <i>Stockpiles and dumps</i>	<ul style="list-style-type: none"> <li>• Stockpile may cause additional siltation</li> </ul>	<ul style="list-style-type: none"> <li>• Practice proper stockpiling to avoid damage of sacks</li> </ul>
e. <i>Mill Plant</i>	<ul style="list-style-type: none"> <li>• The ground surface where the plant was transferred is in flat and previously used by the company as industrial area for its shop. No adverse effect predicted with respect to the ground levelling or excavation</li> </ul>	<ul style="list-style-type: none"> <li>• The Mill plant at Balatoc already exists. Proper procedure for the installation of new Mill equipment/facilities will be observed</li> </ul>



AREAS TO BE AFFECTED	PREDICTED IMPACT	CONTROL STRATEGIES
f. <i>Water Supply and Storage, including treatment ponds</i>	<ul style="list-style-type: none"> <li>• Spillage and overflow of mill effluents along land surface</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct a regular monitoring of tailings disposal system to avoid spillage</li> <li>• Conduct a regular maintenance of equipment to prevent breakdown.</li> <li>• Standby pump motors shall be maintained to provide 100% mechanical availability and efficiency of the machines and the tailings disposal system.</li> </ul>
g. <i>Removal of plants and animal communities</i>	<ul style="list-style-type: none"> <li>• No significant impact is predicted. There will be no cutting of trees and plants as the operation is done underground. Mine timbers are sourced from suppliers whose lumber comes from outside of the region</li> </ul>	<ul style="list-style-type: none"> <li>• The nursery at the Virac Timberyard will be maintained for company reforestation activities.</li> <li>• Reforestation activities will be conducted annually.</li> </ul>

### 3.2. WATER RESOURCES

RESOURCES / AREAS TO BE AFFECTED	PREDICTED IMPACT	CONTROL STRATEGIES
a. <i>Underground Mine Used Water and Lubricants</i>	<ul style="list-style-type: none"> <li>• Water Contamination</li> </ul>	<ul style="list-style-type: none"> <li>• Implement established EMS Guidelines on addressing oil spill</li> <li>• Conduct routine maintenance for equipment</li> <li>• Implement established EMS Guidelines for contaminated water</li> <li>• Conduct a regular water quality monitoring</li> </ul>
b. <i>Mill Plant</i>	<ul style="list-style-type: none"> <li>• Water contamination due to spillage (breached pipes) of pulp, ballmill discharges and mill tailings.</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly check and conduct maintenance and clean-up activities to all pipelines, valves and others.</li> <li>• Close monitoring of tanks, discharge valve to avoid overflow</li> <li>• Regularly conduct water quality monitoring test.</li> <li>• Mill Tailings should be directed to the Mill Tailings Treatment Facility</li> </ul>
c. <i>Mechanical Shop and Motorpool</i>	<ul style="list-style-type: none"> <li>• Water contamination due to oil spill</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of Oil-water separators</li> <li>• Implement established EMS</li> </ul>



RESOURCES / AREAS TO BE AFFECTED	PREDICTED IMPACT	CONTROL STRATEGIES
		Guidelines on addressing oil spill • Conduct water quality test of effluent
d. Assay Laboratory	• Water contamination from toxic wastes • Release of contaminated water into the river • Chemical Spill	• Water drains are all connected to the Tailings Storage Treatment Facility. • Conduct water quality test of effluent • Implement established EMS Guidelines on addressing chemical spill
e. Tailings Storage Facility	• Mill Effluent discharges	• TSF is utilized for silt / effluent impoundment. Only decanted water is discharged from the facility, hence water will be free from toxic substances that may pollute water bodies • Conduct water quality test of effluent
f. Infrastructure and Sewerage	• Water contamination due to wastes generated by human	• All infrastructure facilities (including sewer system) for the ACMP already exist. Needed repairs and improvements shall be implemented • Decanted water will be contained in the TSF.

### 3.3. NOISE QUALITY

RESOURCES / AREAS TO BE AFFECTED	PREDICTED IMPACT	CONTROL STRATEGIES
a. Road Vehicles	• Insignificant Impact is foreseen	• N/A
b. Explosives	• Insignificant Impact is foreseen.	• Controlled blasting is being employed • Employees are provided with ear plug to control noise pollution from explosives
c. Milling Equipment	• Minimal impact is foreseen	• Employees are provided with ear plug to control noise pollution from the equipment • Conduct Noise level monitoring
d. Mining Equipment	• Minimal impact is foreseen	• Provision of PPEs



### 3.4. AIR QUALITY

RESOURCES / AREAS TO BE AFFECTED	PREDICTED IMPACT	CONTROL STRATEGIES
a. <i>Dust from Mining Activities</i>	<ul style="list-style-type: none"> <li>• Generation of dust and fumes after blasting, however with only minimal impact</li> <li>• Generation of dust from drilling activities however with only minimal impact</li> </ul>	<ul style="list-style-type: none"> <li>• Proper mine ventilation</li> <li>• Implement wet drilling</li> </ul>
b. <i>Dust from Underground Equipment</i>	<ul style="list-style-type: none"> <li>• There will be generated dust and smoke from underground equipment however, with only minimal impact</li> </ul>	<ul style="list-style-type: none"> <li>• Proper mine ventilation</li> <li>• Conduct regular maintenance of all equipment.</li> </ul>
c. <i>Pollution Control Equipment</i>	<ul style="list-style-type: none"> <li>• Smoke from scrubbers</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct regular check-up and maintenance of scrubbers</li> <li>• Conduct stack emission tests</li> </ul>
d. <i>Dust from Mill Processing</i>	<ul style="list-style-type: none"> <li>• Minimal impact is foreseen</li> </ul>	<ul style="list-style-type: none"> <li>• Processed ore are wet / sprinkled with water</li> </ul>
e. <i>Dust from Vehicle Movement</i>	<ul style="list-style-type: none"> <li>• No significant impact is foreseen</li> </ul>	<ul style="list-style-type: none"> <li>• Regular water spraying along roads and haulroads will be considered when necessary to avoid increase dust suspension in the atmosphere. Dust suspension will come from public conveyances that fly the Baguio-Acupan route</li> </ul>

### 3.5. CONSERVATION VALUES

RESOURCES / AREAS TO BE AFFECTED	PREDICTED IMPACT	CONTROL STRATEGIES
a. <i>Visual Aesthetics</i>	<ul style="list-style-type: none"> <li>• Unpleasant view of operational vicinity. Impact, however, is considered nil</li> </ul>	<ul style="list-style-type: none"> <li>• Implement proper / orderly piling of sacked ores in a manner that no spill over of ore will be seen</li> <li>• Implement 5S in all working areas</li> </ul>

### 3.6. SOCIAL ISSUES

RESOURCES / AREAS TO BE AFFECTED	PREDICTED IMPACT	CONTROL STRATEGIES
a. <i>Social Issues</i>	<ul style="list-style-type: none"> <li>• Issue on the hiring of employees and contractors for the operation is a significant concern</li> </ul>	<ul style="list-style-type: none"> <li>• Company will give priority to qualified Itogon residents</li> </ul>



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#### 4.0 APPROACH AND SCOPE OF ENVIRONMENTAL MONITORING

A regular internal monitoring will be conducted to monitor the implementation and compliance of all programmed activities. Further, the BC-ACMP Multipartite Monitoring Team (MMT) composed of representatives from the company, community, Local Government Unit, Indigenous Peoples, and the MGB-CAR that chairs the team, undertakes the task and responsibility in monitoring all activities relative to the implementation of the approved Annual Environmental Protection and Enhancement Program (AEPEP) for Calendar Year 2018 of the Company.

#### 4.1. STRATEGY FOR MONITORING

##### A. LAND RESOURCES

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
1. Change in the configuration geologic setting of the underground	<ul style="list-style-type: none"> <li>Underground mining activities</li> </ul>	<ul style="list-style-type: none"> <li>Width, depth, area and alignment of the portion of the portal before and after each extraction and the cycle of the extraction will be monitored to see to it that impact on change in the configuration of underground workings are avoided.</li> </ul>	<ul style="list-style-type: none"> <li>Field measurements and inspection of actual accomplishments, taking photographs, and regular preparation of reports and documentation along underground and mill plant site will be important in monitoring disturbances in land resources.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of underground operation should be done daily by the Company's Safety Inspector.</li> <li>Since road network and mine buildings are very visual, this can be monitored daily or weekly.</li> <li>Monitoring may also be conducted as deemed necessary by</li> </ul>	<ul style="list-style-type: none"> <li>To determine the remaining allotted ore reserve to be extracted and determine efficiency of extraction methods.</li> <li>To monitor volume of tails deposited in the Tailings Pond.</li> <li>To institute revisions/improvements in the operation/processes in cases where there are significant</li> </ul>
2. Waste dumps	<ul style="list-style-type: none"> <li>Mine wastes</li> </ul>	<ul style="list-style-type: none"> <li>Volume of wastes</li> </ul>	<ul style="list-style-type: none"> <li>Ocular inspections</li> </ul>		





Barrick Gold Corp.

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SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
	disposal system	produced, especially on the manner of disposal should be monitored. Disposal or piling of mine wastes should be regulated, that is mine wastes can be utilized as backfill material on underground voids.	on roads and buildings.	government agencies concerned such as EMB and MGB.	deviations and corrections from the planned operation activities. • To anticipate any problems that may occur during the operation and prevent/mitigate any adverse consequences. • To inform the management and concerned regulatory agencies on the status of the operation primarily as compliance / responsibility to the ECC issued on December 12, 2010
3. Tailings Storage Facility conditions	• Discharge of mill wastes towards the Tailings Storage Facility	• Volume of tailings produced from the mill plant should be contained / impounded in the Tailings Pond.			
4. Road network conditions	• Moving vehicles on roads to and from the minesite	• Road condition or damages should be immediately repaired whenever mining operation has caused such.			
5. Buildings	• Damage on buildings due to mine and office operations	• Stability			



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## B. WATER RESOURCES

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
1. Pollution or contamination of water-bodies-as-a result of discharge of effluent into the receiving water bodies.	<ul style="list-style-type: none"> <li>Any spill-over of contaminated wastewater generated from mill plant operation.</li> </ul>	<ul style="list-style-type: none"> <li>Total dissolved and suspended solids, chemical content and flow measurement of the catchment basins (Batuang and Ambalanga River).</li> </ul>	<ul style="list-style-type: none"> <li>Water sampling along river bodies, flow measurement and water quality analysis will be conducted monthly or as deemed necessary by the DENR-CAR Office.</li> </ul>	<ul style="list-style-type: none"> <li>Water samples will be collected and flow measurements will be done along the receiving body, Ambalanga and Batuang River.</li> </ul>	<ul style="list-style-type: none"> <li>To determine any spillage of wastewater-on-river bodies.</li> <li>To determine efficiency of treatment process on effluent resulting from the mill plant operation if it is within the standard limits set under DAO 35, Revised Effluent Regulations of 1990, series of 1990</li> </ul>
2. Siltation effect, if any, caused by the project operation.	<ul style="list-style-type: none"> <li>Waste materials from underground extraction activities which may be carried by surface run-off discharged on river bodies.</li> </ul>	<ul style="list-style-type: none"> <li>Date and time of monitoring should also be indicated. Also, the atmospheric condition should also be recorded.</li> </ul>		<ul style="list-style-type: none"> <li>Water and effluent sampling will be done monthly. In-house laboratory analysis is rendered by the Company's laboratory.</li> </ul>	<ul style="list-style-type: none"> <li>To determine if receiving water body are contaminated or affected by siltation and other pollutant due to the extraction and processing of gold-bearing ore.</li> <li>To make necessary remedial / mitigating</li> </ul>
3. Effluent quality especially on cyanide content as it is the critical compound utilized by the operation.	<ul style="list-style-type: none"> <li>Use of cyanide by mill operations in the extraction of gold.</li> </ul>	<ul style="list-style-type: none"> <li>Measure of the free cyanide content of effluent contained wastewater along the mouth of the penstock of the Tailings Pond.</li> </ul>	<ul style="list-style-type: none"> <li>Effluent sampling discharged (if any) from the Tailings Pond thru the penstock contained wastewater at the mouth of the penstock and Filter Drain</li> </ul>	<ul style="list-style-type: none"> <li>Effluent samples will be collected at the penstock of Phase II Tailings Pond.</li> </ul>	



SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
4. Damage on diversion-tunnels.	<ul style="list-style-type: none"> <li>Strong current, boulders, and/or natural calamities that may be incurred causing damages on flooring or walls of the diversion tunnels.</li> </ul>	<ul style="list-style-type: none"> <li>Any damage on floor-and-walls, inlet and outlet portions of the diversion tunnel.</li> </ul>	<ul style="list-style-type: none"> <li>Field inspection on structures on the stability and efficiency of the diversion tunnels on a quarterly basis or as deemed necessary by the government concerned.</li> </ul>	<ul style="list-style-type: none"> <li>Diversion tunnels situated at Batung will be monitored on any damage incurred by the said structures and</li> <li>Ocular and underground inspections on diversion tunnels should be done quarterly or may be daily especially during typhoons.</li> </ul>	<ul style="list-style-type: none"> <li>measures</li> <li>contaminations are detected or effluent quality exceeds standard limits.</li> <li>Determine any damage, as much as possible at its minor stage, of diversion structures and plan for remedy to avoid any possible collapse of the diversion tunnels.</li> </ul>

### C. NOISE

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
1. Workers impairment of hearing facilities.	<ul style="list-style-type: none"> <li>Explosives utilized in the underground workings.</li> </ul>	<ul style="list-style-type: none"> <li>Decibel / noise level.</li> </ul>	<ul style="list-style-type: none"> <li>Usual method used in monitoring noise level is audiometers. However, workers exposed to such</li> </ul>	<ul style="list-style-type: none"> <li>Underground working areas where blasting activities are done.</li> <li>Crushing and milling area.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring is done to determine if noise level is within the standards as prescribed under the Environmental</li> </ul>
2. Complaints of high level of noise	<ul style="list-style-type: none"> <li>Crushing and mill plant operations.</li> </ul>				



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SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
within the mill plant	• Noise emitted by vehicles and trucks.		noise emission can be interviewed on any adverse effect noise exposure.	• Surrounding communities, if any are affected.	Quality Standards for Noise in general areas (maximum allowable noise levels in general cases) Maximum Noise for Standards construction activities and allowable working hours per area. • To determine if workers are well protected from noise pollution. • To formulate remedial / mitigating measures to address any issue that may arise due to high noise level



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#### D. AIR QUALITY

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS/ FREQUENCY	PURPOSE OF MONITORING
1. Air quality alteration. 2. Any adverse impact on the health of workers exposed to any air pollutant.	<ul style="list-style-type: none"> <li>Exhaust emission from diesel engine equipment used in the mining operation.</li> <li>Transportation vehicles of project staffs, hauling trucks can also be a significant source of air pollutant in the mine camp.</li> <li>Milling processes, such as generation of acid fumes from the treatment area is also a possible source of gas concentration in the atmosphere.</li> <li>Dust generation from extraction and related activities during dry season.</li> </ul>	<ul style="list-style-type: none"> <li>Total Suspended Particulates within the mine camp.</li> </ul>	<ul style="list-style-type: none"> <li>Total Suspended Particulates within the mine camp.</li> </ul>	<ul style="list-style-type: none"> <li>Sampling location will be within the vicinity of the mill plant and roads.</li> <li>Monitoring will be conducted quarterly.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring will help in the determination if air quality it falls within the standards prescribed under DENR Administrative Order No. 14 - Revised Air Quality Standards of 1993, Series of 1993 Revising and Amending Air Quality Standards for Pollutants from Stationary and Exhaust Emission Standards for Vehicles.</li> <li>Regular monitoring will help the management evaluate efficiency of protective equipment provided to workers.</li> <li>To make necessary remedial /</li> </ul>



Bengaluru Corp

2018 Annual Environmental Protection and Enhancement Program

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
					mitigating measures contaminations are detected or effluent quality exceeds standard limits.

E. CONSERVATION VALUES

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
1. Reduction in the ore reserves. 2. Disturbance in vegetation due to mining operation, if any	<ul style="list-style-type: none"><li>Underground mining / ore extraction activities</li></ul>	<ul style="list-style-type: none"><li>Quantity and grade of gold ore mined and milled.</li><li>Area and species of cleared vegetation.</li></ul>	<ul style="list-style-type: none"><li>Regular updating of ore reserve, quantity and grade of gold ore mined and milled including plant recovery.</li><li>Documentation of any area that may be cleared due to mining activities such as the development of the mill tailings disposal system.</li></ul>	<ul style="list-style-type: none"><li>Ore reserve monitoring will be on specific ore vein levels actively mined by the operation.</li><li>Ore reserves will be updated semi-annually</li><li>Any alteration in the vegetative cover along the mill tailings disposal area will be properly monitored.</li></ul>	<ul style="list-style-type: none"><li>To determine extent of ore reserve depletion with respect to the mining method employed.</li><li>To monitor and identify species to be planted on areas that will be cleared, if any, due to mining operations.</li><li>To determine any necessary adjustments and improvement on mining plans.</li></ul>



Bergueta

## F. HERITAGE AND CULTURAL VALUES

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
1. Incidence of cultural rivalry or conflicts especially of contractors to belonging different ethnic groups. 2. It is also important to monitor if traditional practices, such as cañao, is still practiced by the members of the community.	• Influence of contractors and community members of different ethnic groups.	• Number of incidences of conflicts. • Number of complaints and issues raised.	• Actual survey and assessment of records the Company's security department, barangay tanods and council.	• Entire mine camp vicinity including areas within the barangay where contractors and employees are housed. • To carry out efficient monitoring, daily assessment of records will be done.	• To determine issues and assist security and barangay council to resolve any cultural conflicts. • To impose peace and order procedures to see to it that the surrounding community is not disturbed. • To preserve cultural values, especially of highland groups and indigenous practices in the community.

## G. SOCIAL ISSUES

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
1. Complaints from community members that are adversely affected by the mining	• Residents of the host community and neighboring areas.	• Number of complaints received. • Number of	• Assessment and actual field survey of socio-economic conditions of the host communities.	• Daily monitoring will enable the Company to immediately gather any issue that	• To determine if stakeholders are not adversely affected by the mining operation.



Boracay Corp

2018 Annual Environmental Protection and Enhancement Program

SIGNIFICANT IMPACT TO BE MONITORED	SOURCE OF IMPACT	PARAMETERS TO BE MONITORED	MONITORING METHODS	MONITORING LOCATIONS / FREQUENCY	PURPOSE OF MONITORING
operations such as noise disturbance, respiratory irritation. 2. Benefits derived from the project through compliments given to the Company		compliments received by the Company from the community.	<ul style="list-style-type: none"><li>Survey questionnaires can also be used as a tool to gather social issues brought about by the project.</li><li>Open suggestion box may also be placed in a designated area within the camp or barangay hall to gather other issues of the community.</li></ul>	needs to be resolved.	<ul style="list-style-type: none"><li>To determine policies on how to resolve such issue raised.</li><li>To make sure that the stakeholders are well given attention.</li></ul>



#### 4.2 . REPORTING

Various reports area being prepared relative to the status and monitoring activities of AEPEP projects. These reports includes the Quarterly Compliance Monitoring and Validation Report (CMVR), Self - Monitoring Report, Compliance Monitoring Report and Accomplishment Reports which are submitted to MGB-CAR and EMB-CAR.

#### 5. BUDGETARY SUMMARY – BC-ACMP AEPEP FOR CALENDAR YEAR 2018

ACTIVITY / PROJECT	BRIEF DESCRIPTION	BUDGET ALLOCATION (Php)	SCHEDULE OF IMPLEMENTATION
<b>I. LAND RESOURCES</b>			
<b>CARRY-OVER PROJECTS</b>			
1. Old Diversion Tunnel #1			
a. Repair of Scoured Flooring	530.0 meters	1,234,000.00	1 <sup>st</sup> Quarter
2. Restoration of Protection Wall of ODT 1 & 2	2.0mx30.0 m x 0.60m	180,000.00	2 <sup>nd</sup> Quarter
3. New Diversion Tunnel #2			
a. Floor Concreting	Length-476 m. Width-3.10 m. Height (ave.)-0.60 m	6,700,000.00	1 <sup>st</sup> Quarter to 2 <sup>nd</sup> Quarter
4. Tailings Storage Facility #2			
a. Tailings Storage Facility II Dam Crest Raising	Final Dam Crest Elevation- 775 meters Remaining volume to be filled – 16,605 cu.m.	9,200,000.00	2 <sup>nd</sup> to 3 <sup>rd</sup> Quarter
b. Construction of TSF II Spillway (Phase 2)	Length – 48 meters Width – 14 meters	1,400,000.00	1 <sup>st</sup> Quarter
5. Rehabilitation of Ambalanga Spillway	Total volume (concreting) = 515 cu.m. Void to be backfilled with grouted boulders=105 cu.m.	3,306,771.00	1 <sup>st</sup> Quarter
<b>SUB-TOTAL</b>		<b>22,020,771.00</b>	
<b>NEW PROJECTS</b>			
1. Old Diversion Tunnel #1			
a. Repair of Outlet	Repair of Spillway	474,194.00	2 <sup>nd</sup> Quarter
2. Old Diversion Tunnel #2			
a. Repair of Outlet	L- 21 m. & 13 m H-5.20 m	2,843,885.00	2 <sup>nd</sup> Quarter
3. New Diversion Tunnel #2			
a. Installation of Stopperboard Guide	Height (ave.)- 3.5 m Length- 2.5 m; 1.0 m.	234,610.00	2 <sup>nd</sup> Quarter
4. Tailings Storage Facility #2			



ACTIVITY / PROJECT	BRIEF DESCRIPTION	BUDGET ALLOCATION (Php)	SCHEDULE OF IMPLEMENTATION
a. <i>Concreting of TSF 2 Embankment Spillway</i>	Length – 15 meters	1,350,000.00	2 <sup>nd</sup> to 3 <sup>rd</sup> Quarter
b. <i>TSF II Maintenance</i>		240,000.00	1 <sup>st</sup> to 4 <sup>th</sup> Quarter
c. <i>Grouting of TSF 2 Penstock Run-off Tunnel</i>	10 Holes	441,500.00	3 <sup>rd</sup> Quarter
d. <i>Diversion of Tailings Deposition</i>	3 pipelines – 400 meters each Diameter – 4"	685,500.00	2 <sup>nd</sup> Quarter
5. Reinforcement of Vegas Tunnel	10.0 meters relining within the raise	490,000.00	3 <sup>rd</sup> Quarter
6. Hazardous Wastes Management		200,000.00	2 <sup>nd</sup> Quarter & 4 <sup>th</sup> Quarter
7. Solid Wastes Management		840,000.00	1 <sup>st</sup> to 4 <sup>th</sup> Quarter
<b>SUB-TOTAL</b>		<b>7,799,539.00</b>	
<b>TOTAL</b>		<b>29,820,460.00</b>	
<b>II. WATER RESOURCES</b>			
1. Water Quality Monitoring			
a. <i>Water Sampling and Analysis</i>		120,000.00	1 <sup>st</sup> to 4 <sup>th</sup> Quarter
2. Partial desilting of Ambalanga River	100m X 5 m X 0.60 m	500,000.00	1 <sup>st</sup> Quarter
3. Desilting of NDT Approach		1,500,000.00	1 <sup>st</sup> Quarter
<b>TOTAL</b>		<b>2,120,000.00</b>	
<b>III. NOISE QUALITY</b>			
1. Noise Level Monitoring	Quarterly		1 <sup>st</sup> to 4 <sup>th</sup> Quarter
<b>TOTAL</b>			
<b>IV. AIR QUALITY</b>			
1. Stack Emission Test			
a. <i>Assay Laboratory's Thermo Digestion Chambers with Acid Fume Scrubber</i>	Annual	45,000.00	1 <sup>st</sup> Quarter
b. <i>Electric Cupellation Furnaces with Lead Fume Scrubber</i>	Annual	30,000.00	2 <sup>nd</sup> Quarter
c. <i>Refinery Acid Fume Scrubber</i>	Annual	100,000.00	3 <sup>rd</sup> Quarter
2. Ambient Air Quality Monitoring	Quarterly	125,000.00	1 <sup>st</sup> to 4 <sup>th</sup> Quarter
3. Purchase and Installation of Assay Dust Scrubber with Work Station		1,400,000.00	1 <sup>st</sup> Quarter
<b>TOTAL</b>		<b>1,700,000.00</b>	



ACTIVITY / PROJECT	BRIEF DESCRIPTION	BUDGET ALLOCATION (Php)	SCHEDULE OF IMPLEMENTATION
<b>V. CONSERVATION VALUES</b>			
1. National Greening Program			
a. Seedling Production and Maintenance	10,000 Benguet Pine Seedlings	76,371.00	1 <sup>st</sup> to 4 <sup>th</sup> Quarter
b. Reforestation Maintenance	2.0 has.	24,726.63	1 <sup>st</sup> to 4 <sup>th</sup> Quarter
<b>TOTAL</b>		<b>101,097.63</b>	
<b>VI. REGULATORY AGENCIES MONITORING ACTIVITIES</b>			
1. Monitoring and Validation		600,000.00	1 <sup>st</sup> to 4 <sup>th</sup> Quarter
2. Regular Meetings			1 <sup>st</sup> to 4 <sup>th</sup> Quarter
<b>TOTAL</b>		<b>600,000.00</b>	
<b>GRAND TOTAL 2018 AEPEP BUDGET</b>		<b>34,341,557.63</b>	

Note: Attached as Annex "D" is the 5-year Development Plan for Old Diversion Tunnels 1& 2 and New Diversion Tunnels 1, 2 & 3.

6. NAME & SIGNATURE OF APPLICANT OR PERSON(S) PREPARING THE AEPEP

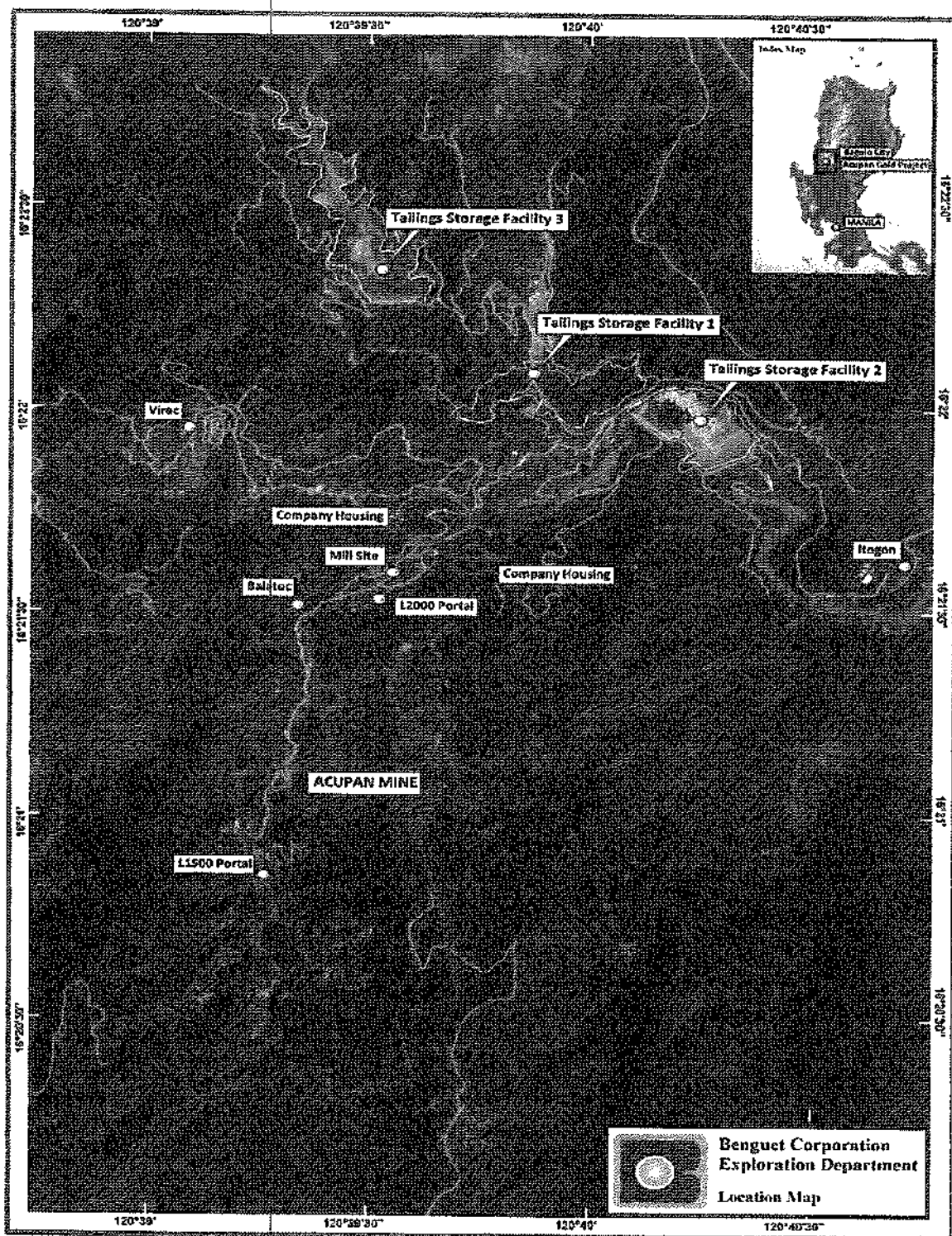
PREPARED BY:

JEMIMAH R. SALAYOG  
MEPEO

APPROVED BY:

ANTONIO L. BUENAVISTA  
AVP / OIC - Resident Manager  
Benguet Gold Operations

7. PLAN(S) MAPS OF THE PROPOSED OPERATIONS SHOWING LOCATION OF WORKS AND ROADS, WATER COURSES, WORKING AREAS, CAMPS AND OTHER SURFACES



Map showing the Working areas and Camp

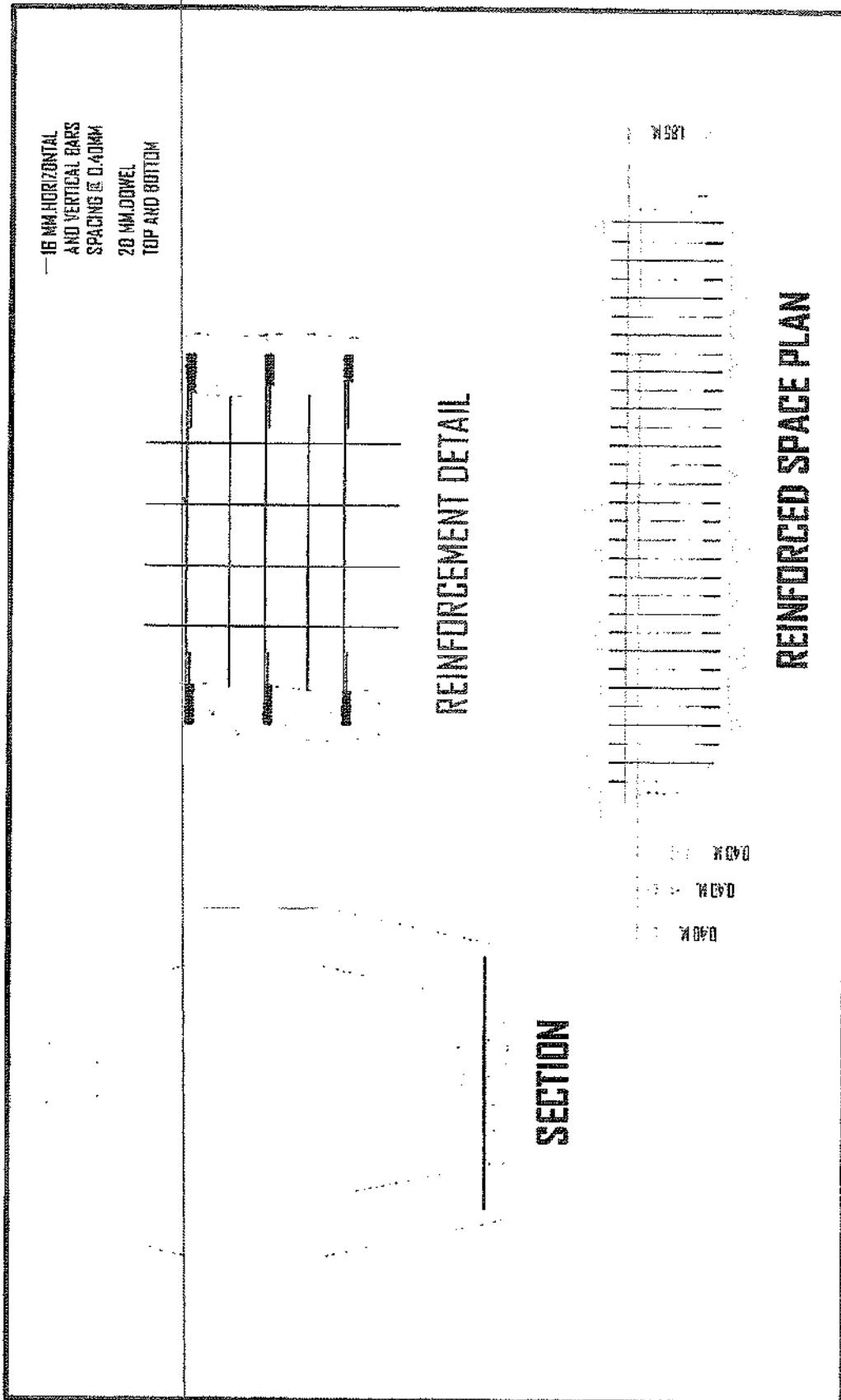


Bragg & Co.

## 2018 Annual Environmental Protection and Enhancement Program



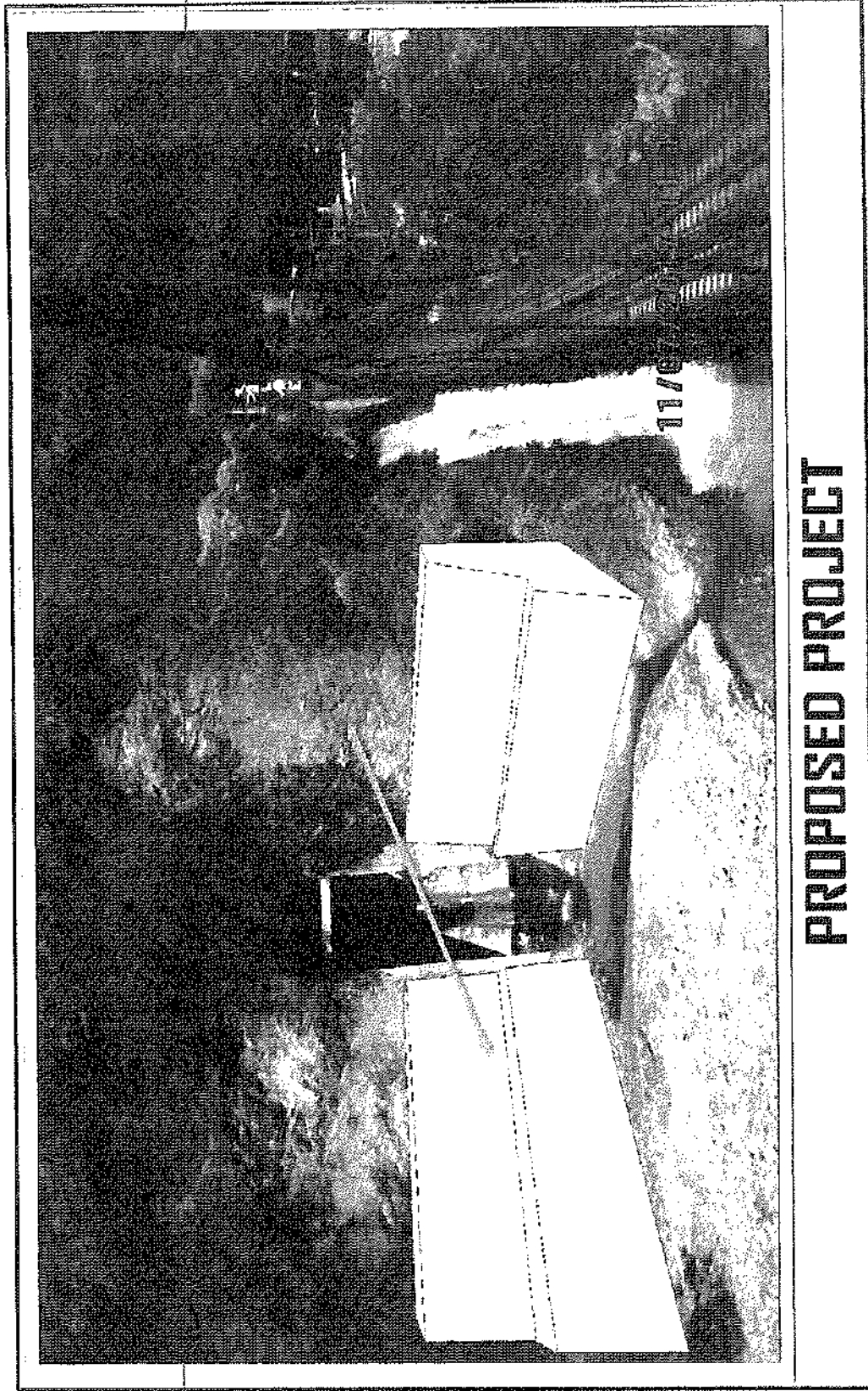
Map showing the Industrial Area







## REPAIR OF ODT #2 OUTLET (21 METERS)

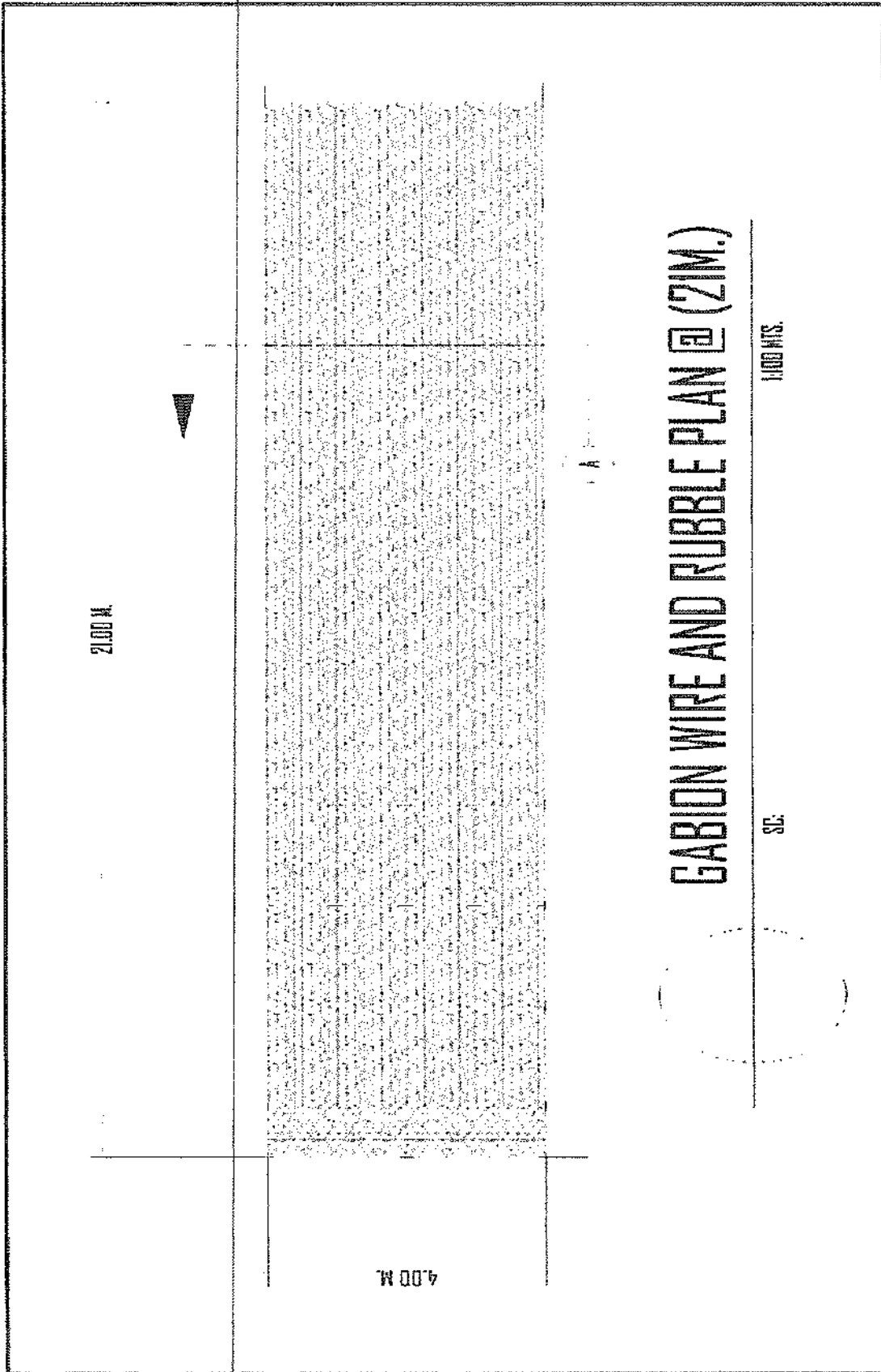


**PROPOSED PROJECT**

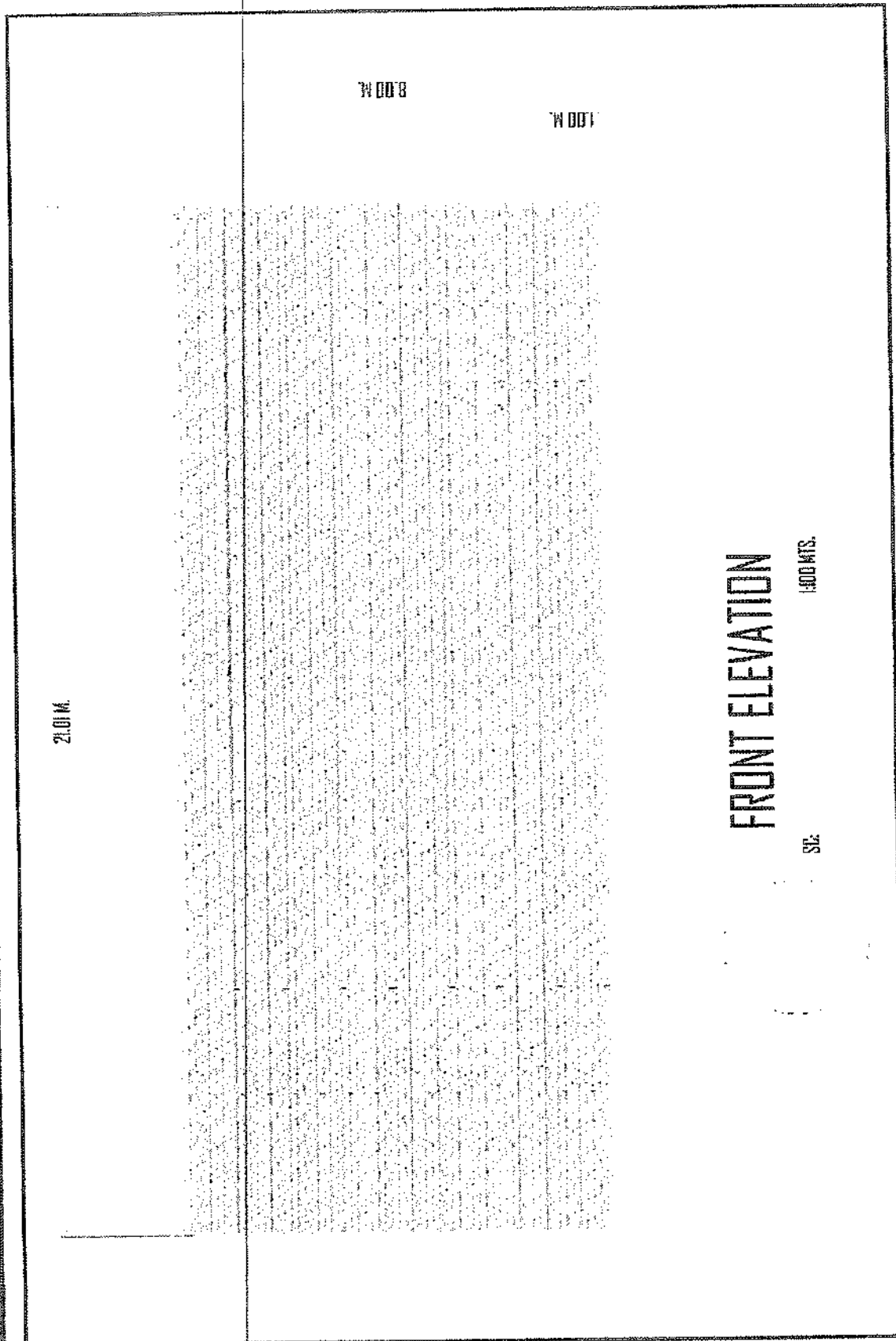


Benquest Corp

2018 Annual Environmental Protection and Enhancement Program

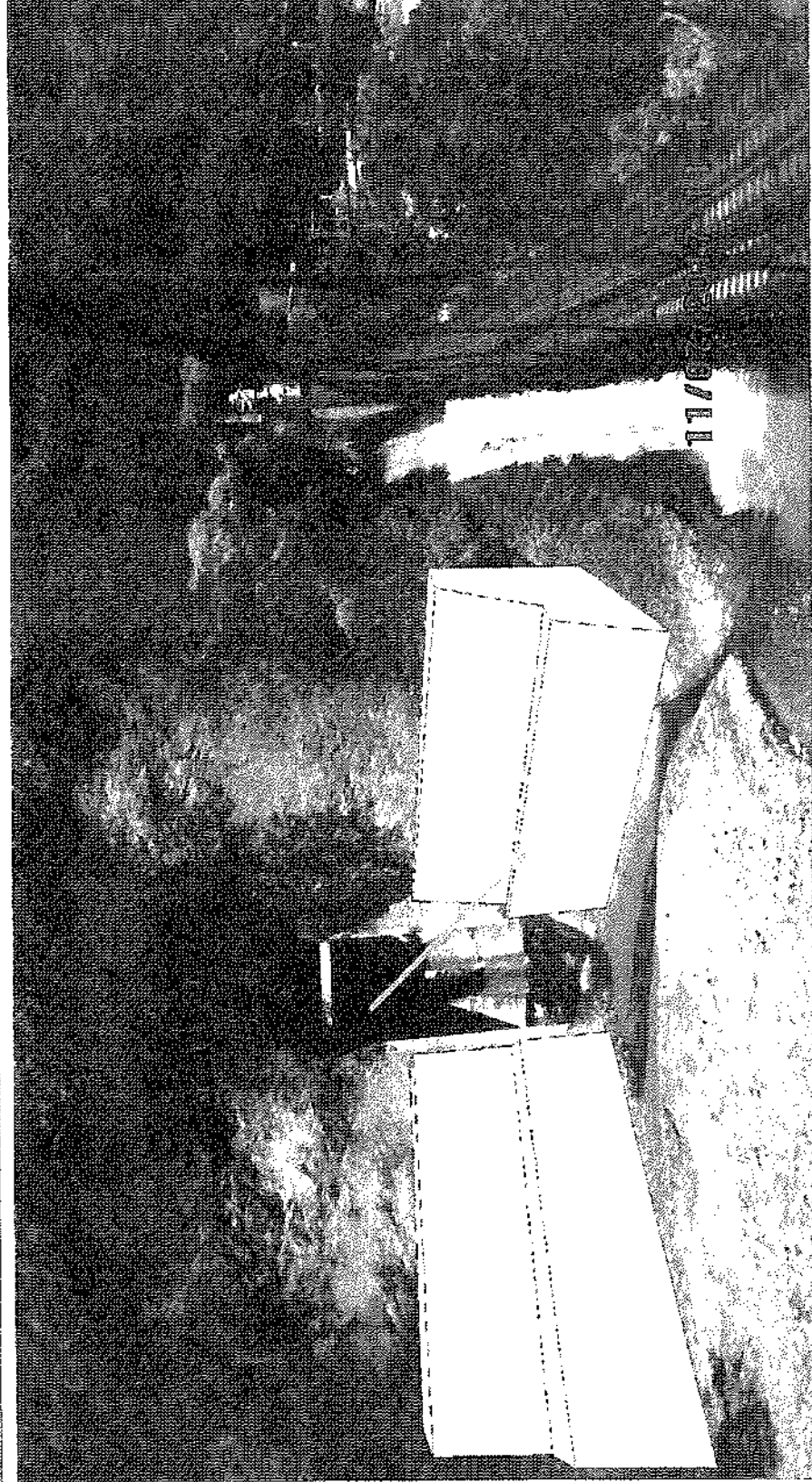








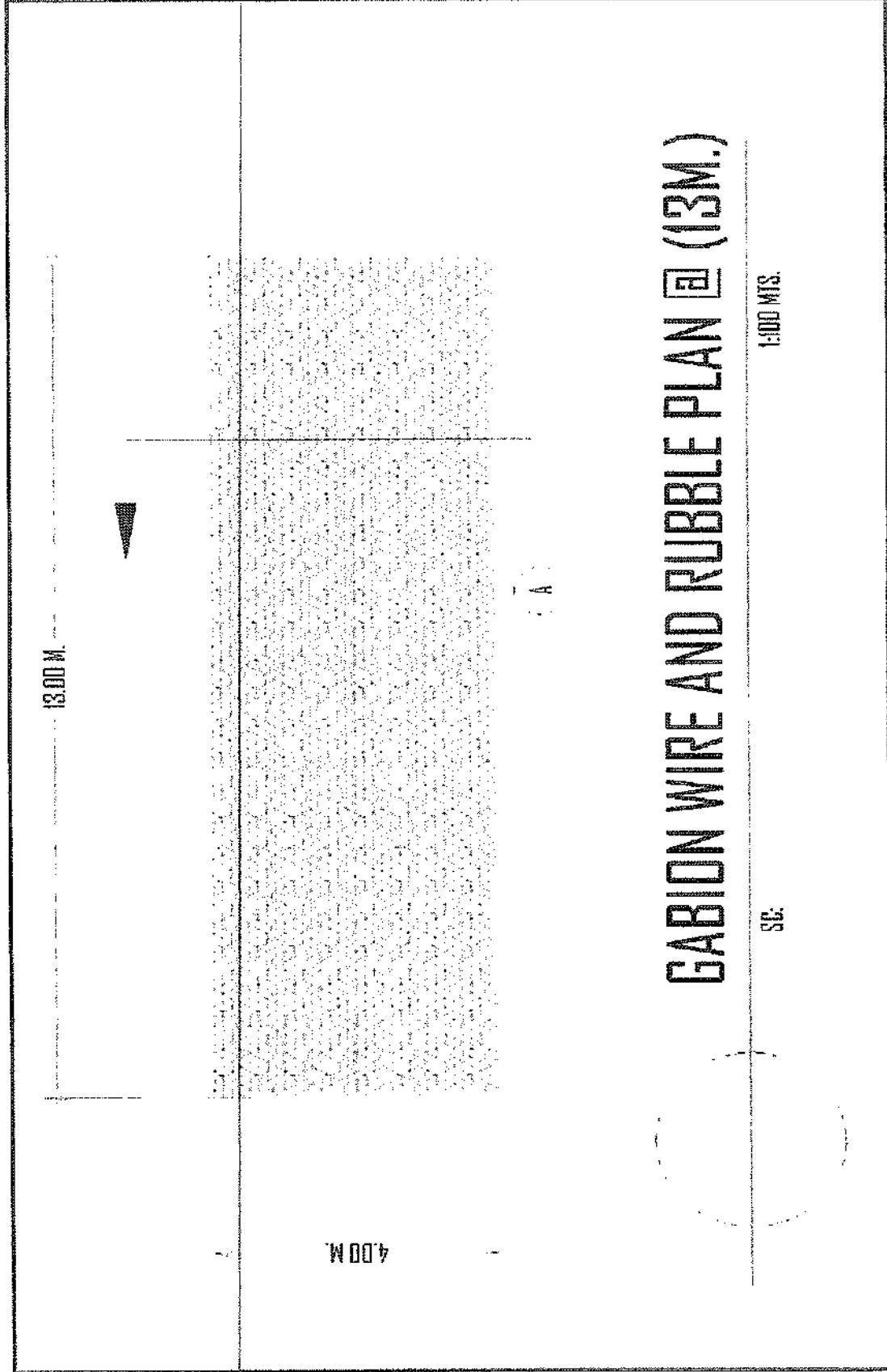
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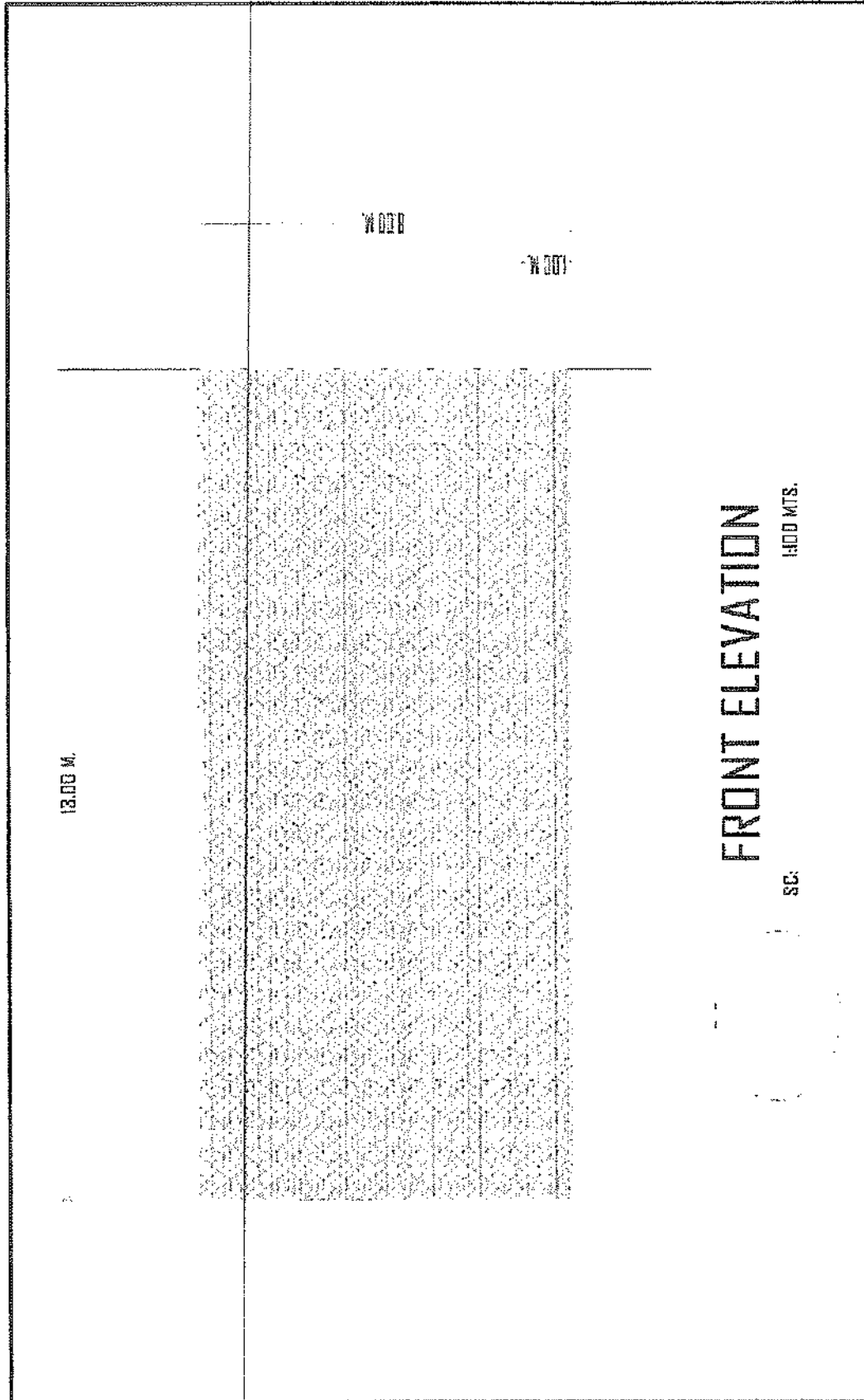


**PROPOSED PROJECT**



Bentley Corp



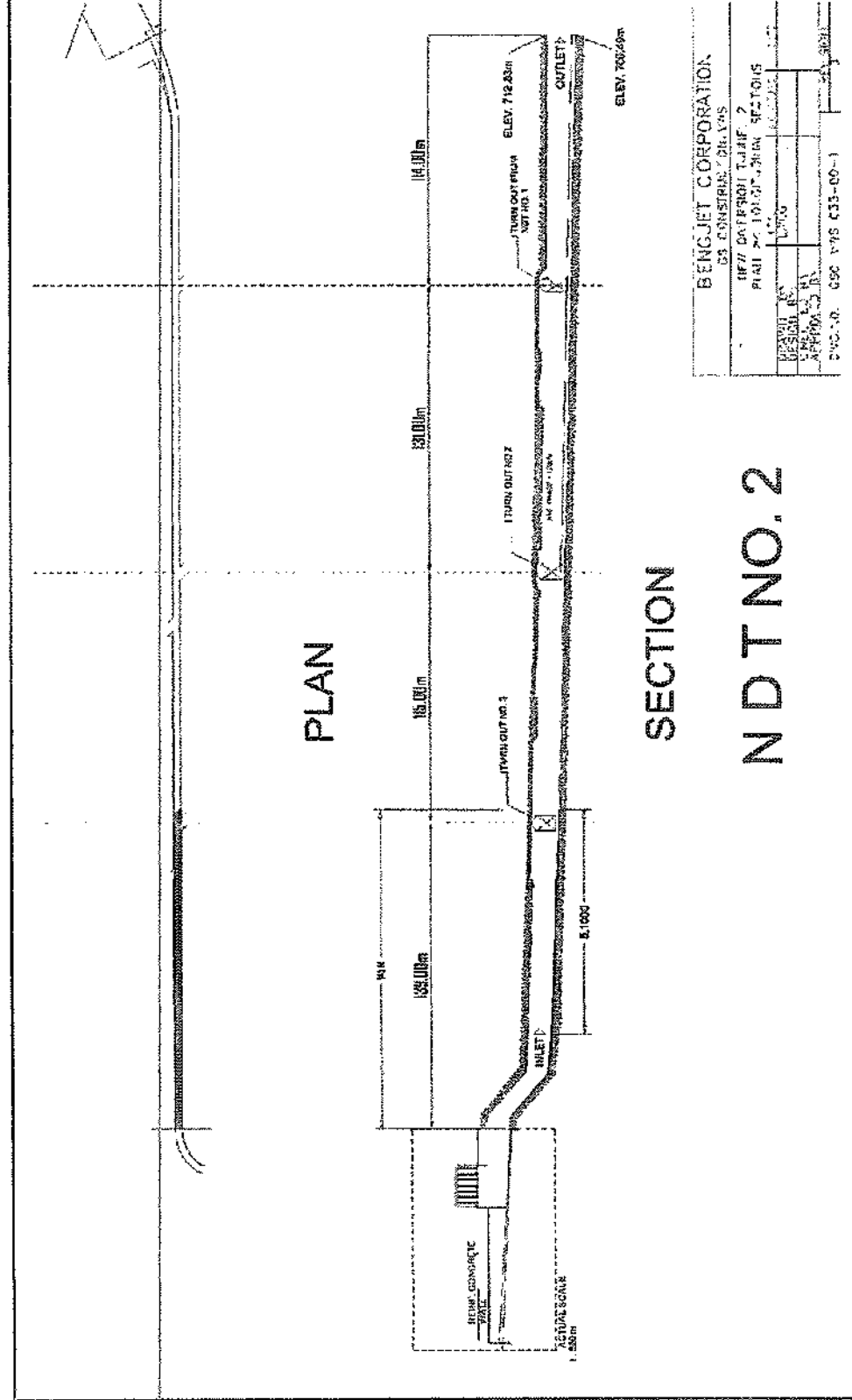


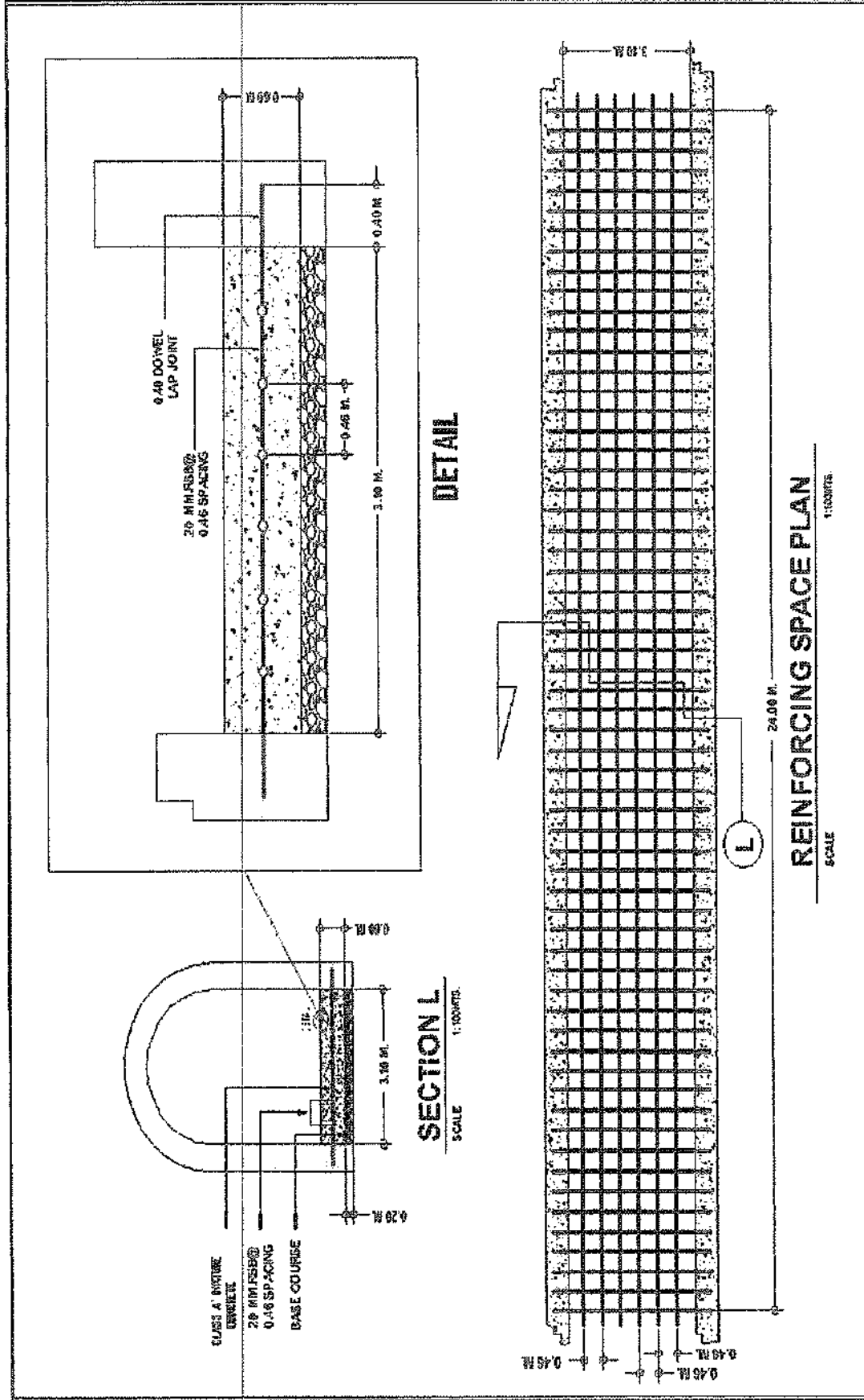


Bengel Corp

2018 Annual Environmental Protection and Enhancement Program

## NEW DIVERSION TUNNEL #2 (FLOOR CONCRETING)

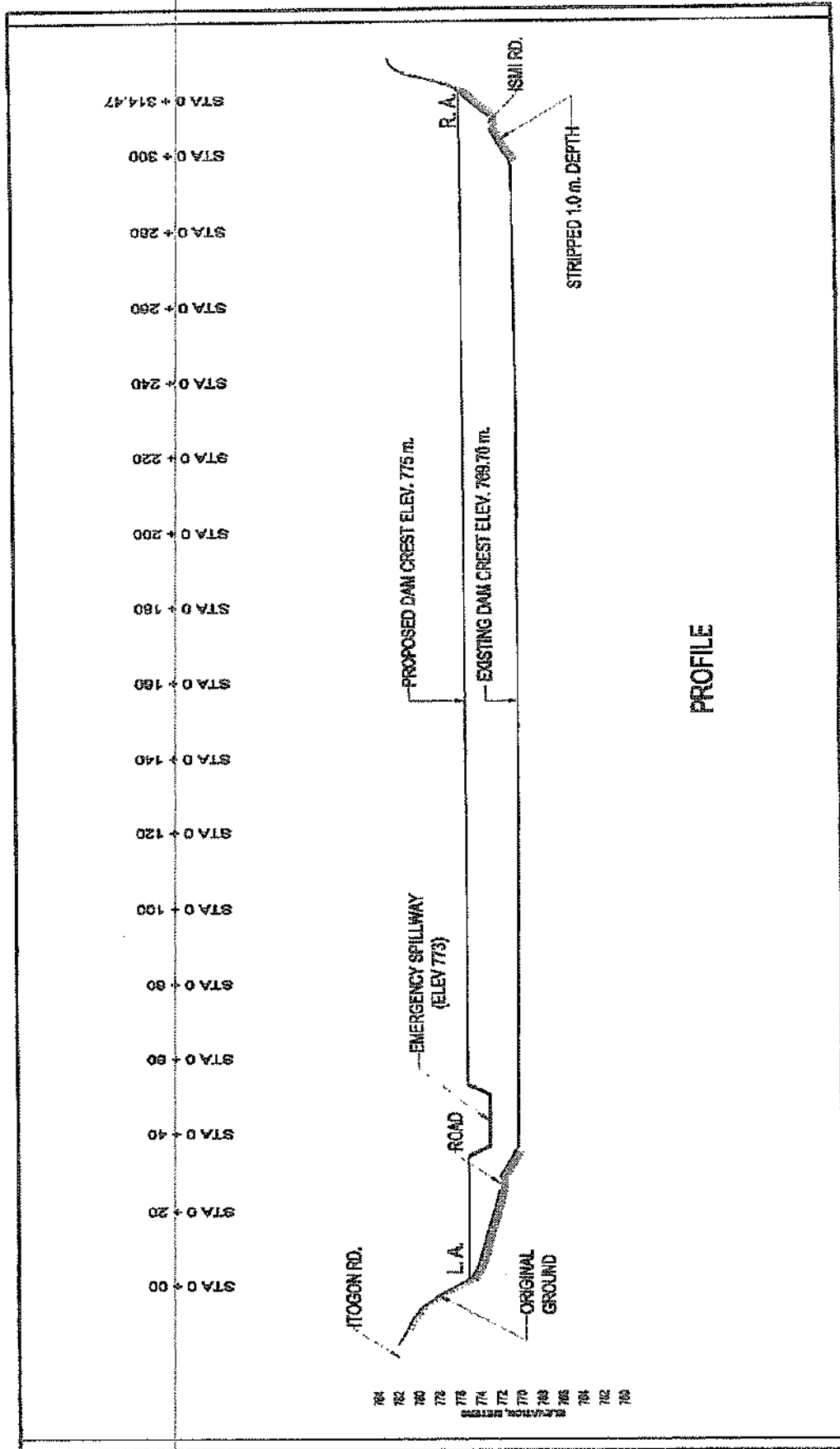






DesignCo

## TSP #2 DAM CREST RAISING

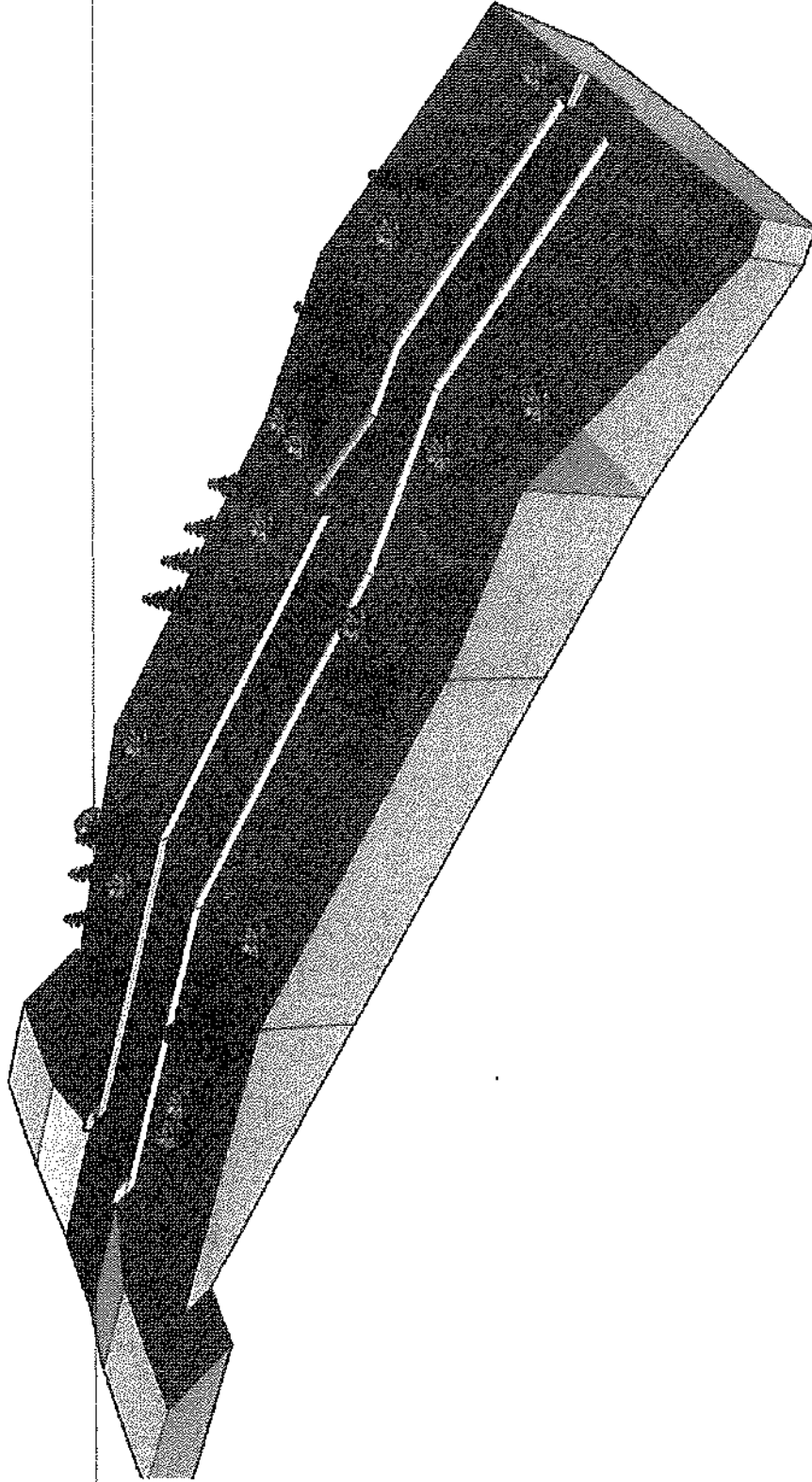




Bergus Corp

2018 Annual Environmental Protection and Enhancement Program

## CONSTRUCTION OF TSF #2 SPILLWAY (PHASE 2)



Engineering & Construction Services, Inc.

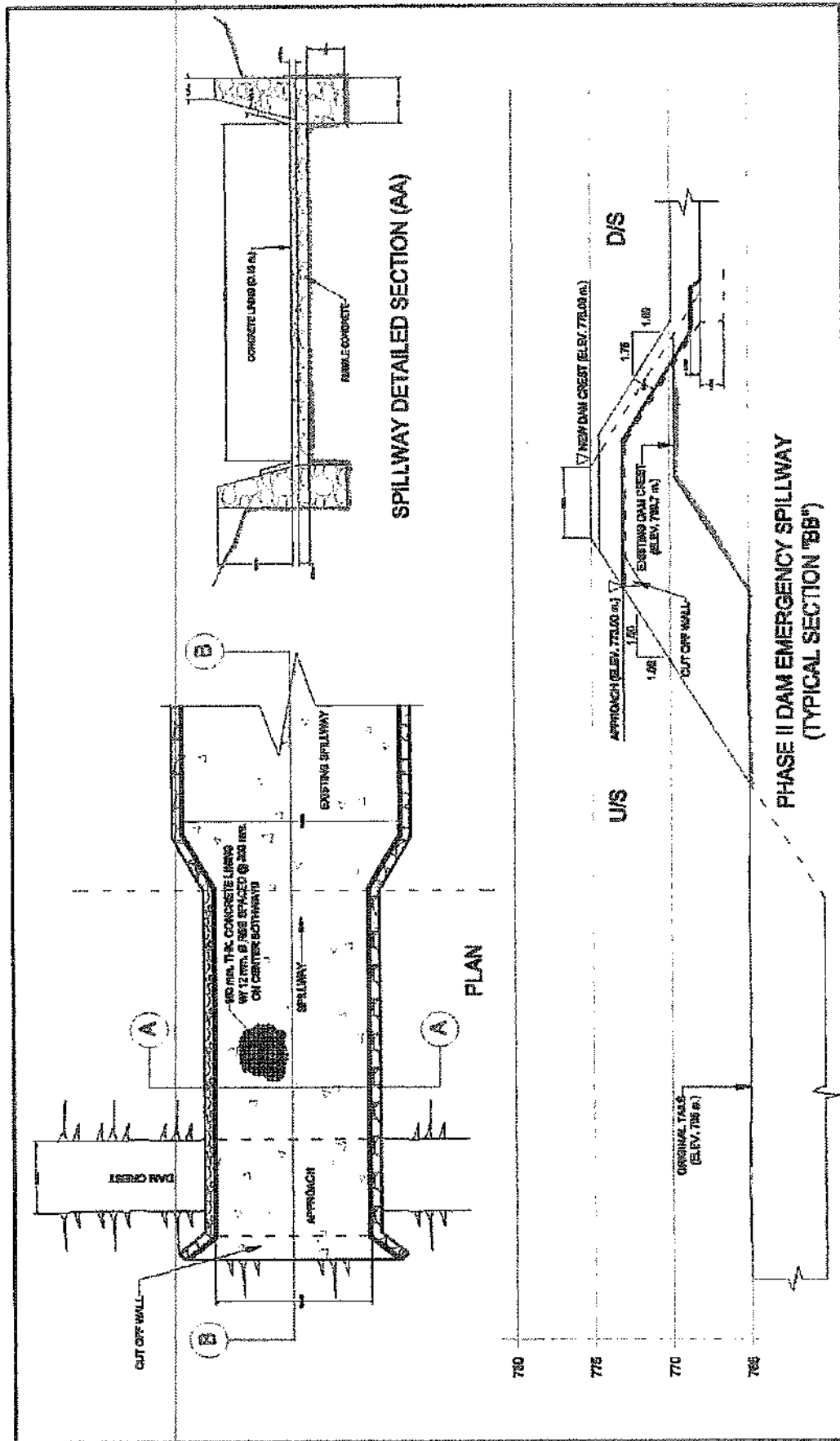








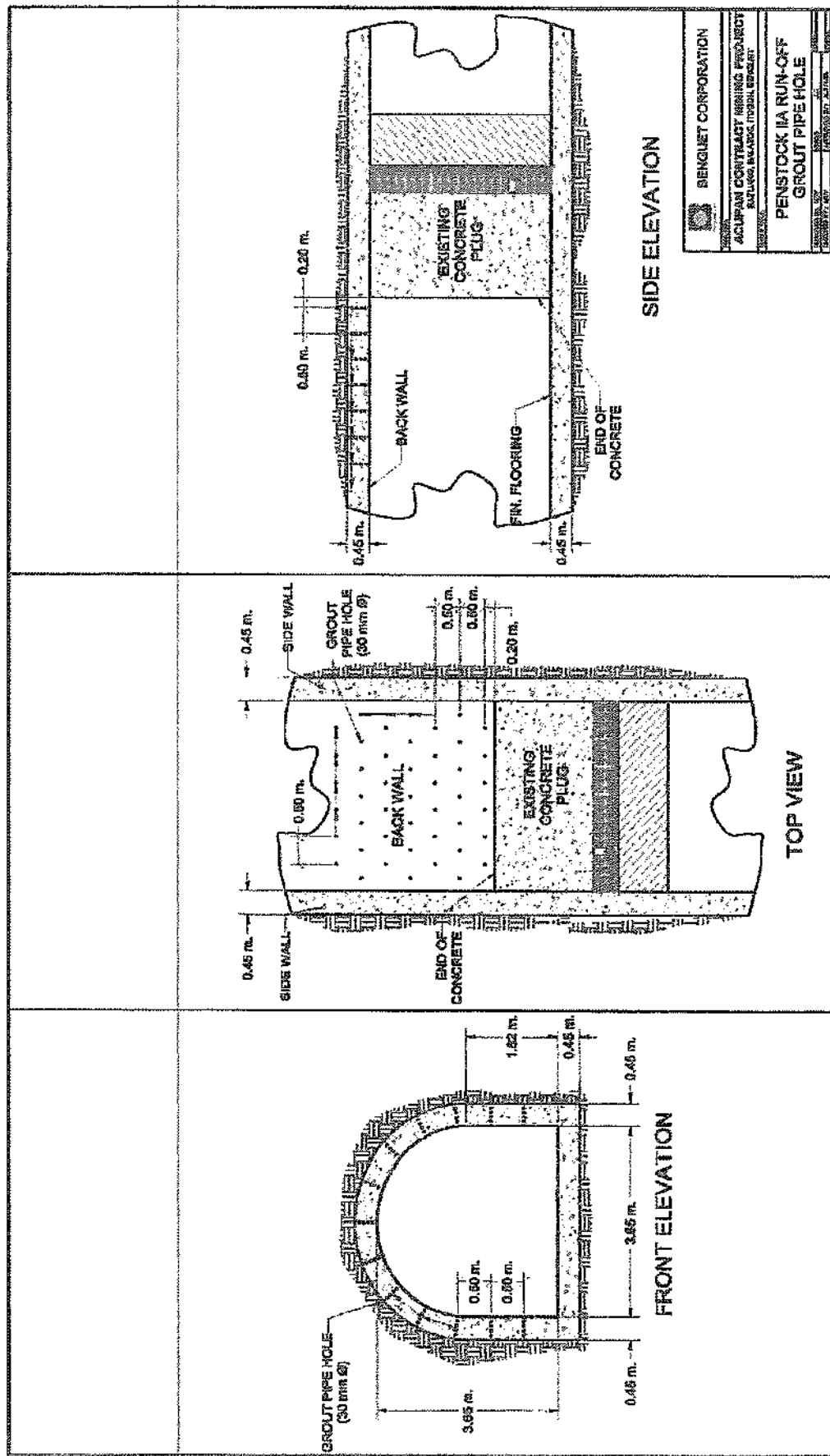
## CONCRETING OF TSE 2 EMBANKMENT SPILLWAY (15 METERS)

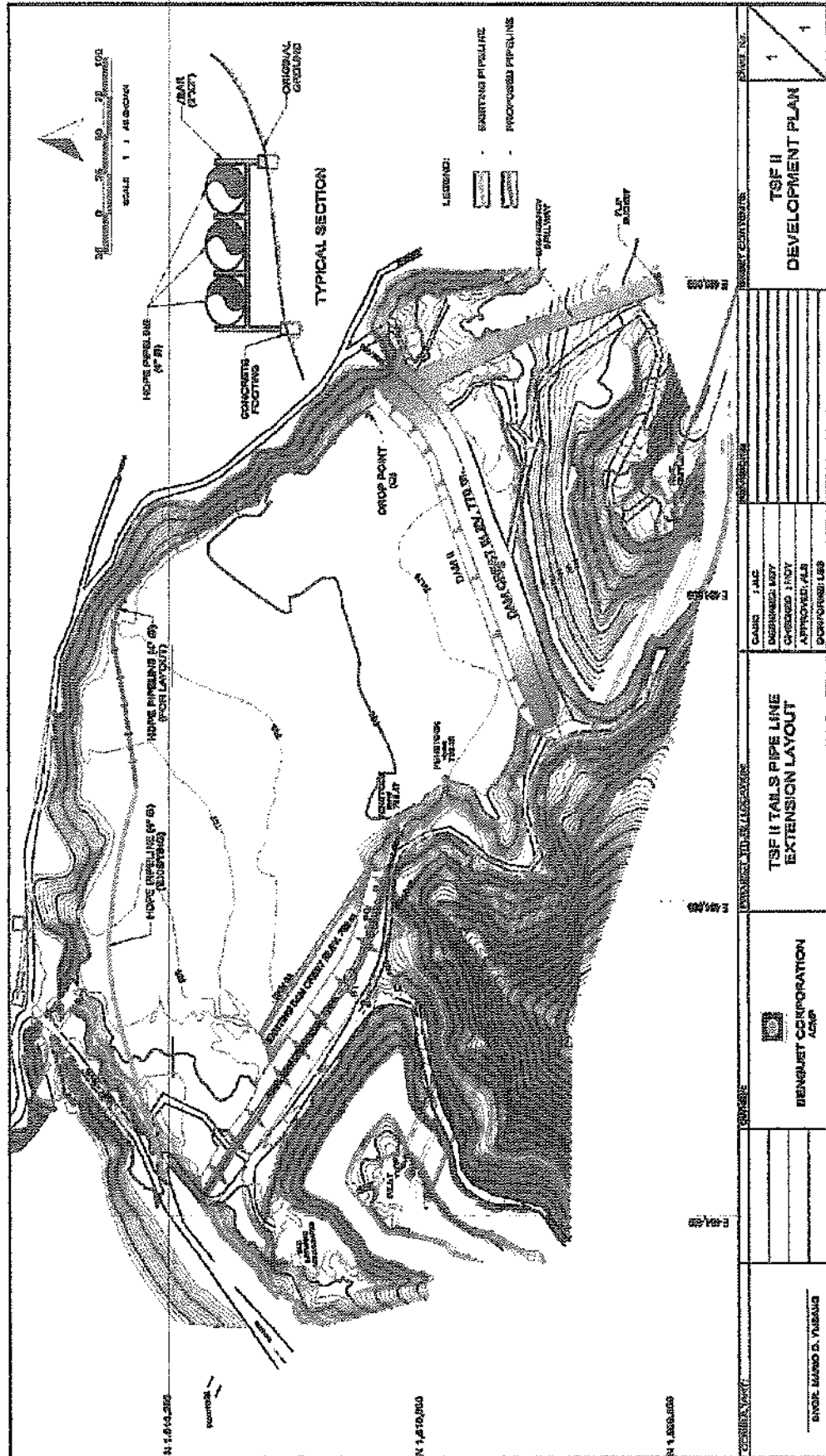




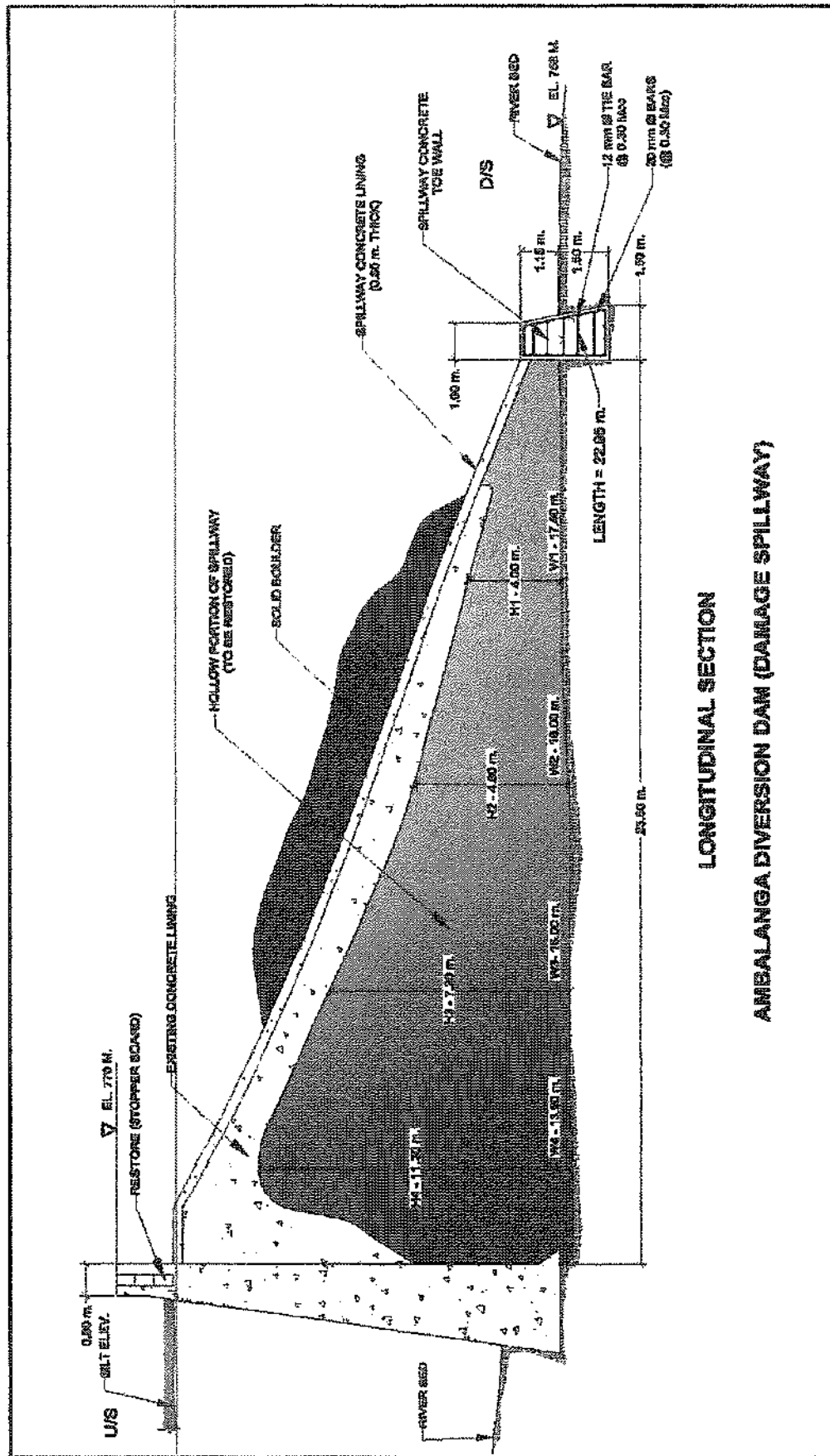
Benguet Corp.

## GROUTING OF TSF 2 PENSTOCK RUN-OFF TUNNEL





# REHABILITATION OF AMBALANGA SPILLWAY

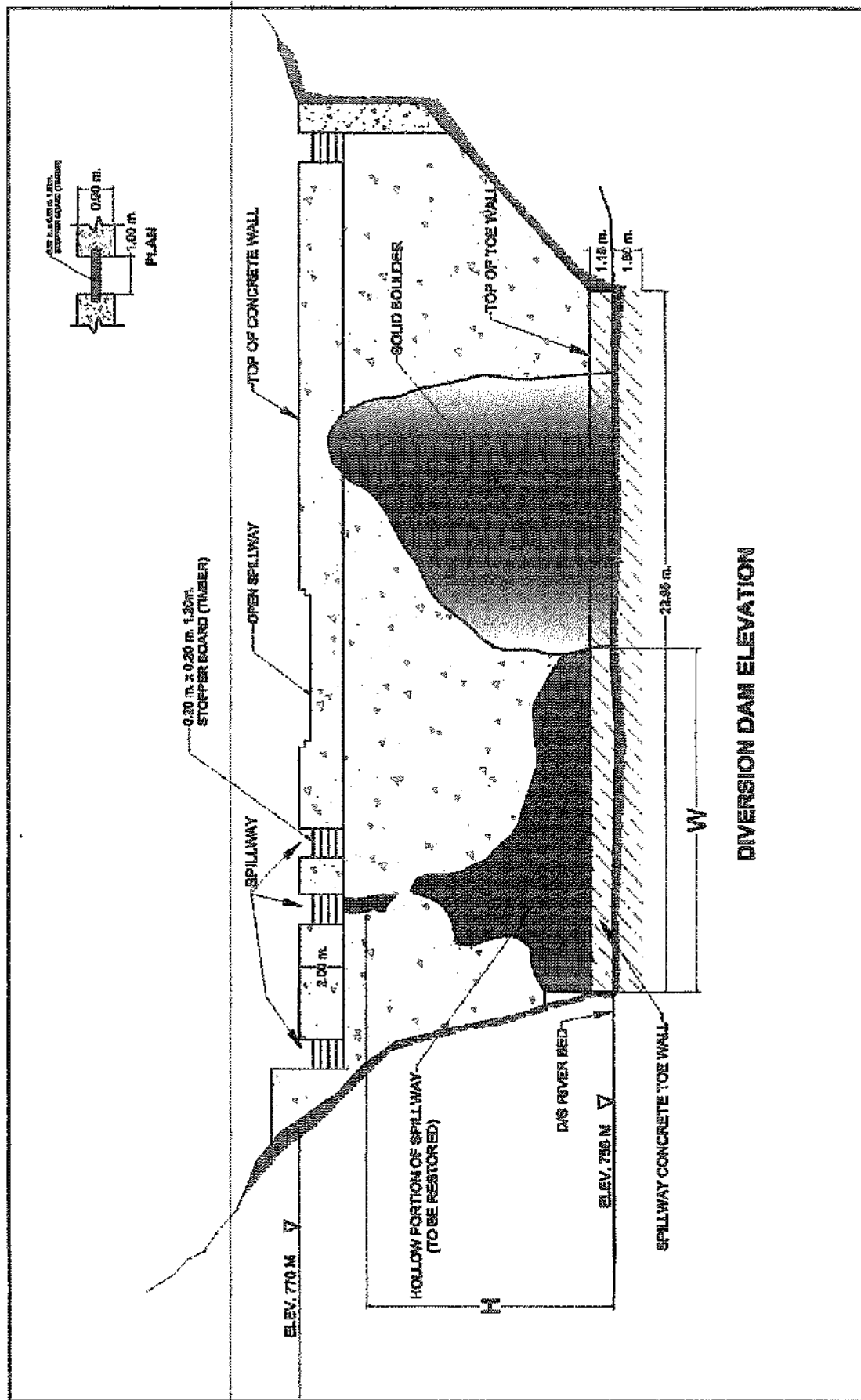


LONGITUDINAL SECTION  
AMBALANGA DIVERSION DAM (DAMAGE SPILLWAY)



Barquisima

## 2018 Annual Environmental Protection and Enhancement Program



DIVERSION DAM ELEVATION



**List of Annexes:**

1. Annex "A" – 2018 AEPEP Monthly Budget and Schedule of Implementation
2. Annex "B" – 2018 AEPEP Gantt Chart
3. Annex "C" – Batch Process Flow Diagram
4. Annex "D" – 5-year Development Plan for ODT & NDT



**Annual Environmental Protection and Enhancement Program for 2016**  
**Benguet Corporation - Acupan Contract Mining Project**  
**Monthly Budget and Schedule of Implementation**

PROJECT ACTIVITIES	BRIEF DESCRIPTION	BUDGET	January	February	March	April	May	June	July	August	September	October	November	December
<b>I. LAND RESOURCES</b>														
<b>CARRY-OVER PROJECTS</b>														
1. Old Diversion Tunnel #1	530.00 m.	1,234,000.00		617,000.00	617,000.00									
a. Repair of Scoured Flooring				617,000.00	617,000.00									
2. Restoration of Protection Wall of ODT #1 & 2	2.0 m X 30 m. X 0.60 m.	180,000.00				180,000.00								
3. Rehabilitation of Ambatanga Sillway	Total volume (concreting) = 516 cu.m. Void to be backfilled with grouted boulders = 105 cu.m.	3,308,771.00		1,102,257.00	1,102,257.00	1,102,257.00								
4. New Diversion Tunnel #2														
a. Floor concreting	Length - 478 meters ; Width - 3.10 meters ; Height (Ave) 0.60 mtrs.	6,700,000.00		2,233,333.33	2,233,333.33	2,233,333.33								
5. Tailings Storage Facility #2														
a. Tailings Storage Facility II Dam Crest Raising	Final Dam Crest Elevation = 775 meters. Remaining volume to be filled : 13,605 cu.m.	\$,260,000.00			3,068,666.67	3,068,666.67	3,068,666.67							
b. Construction of TSF II Sillway	Length - 48 meters ; Width - 14 meters	1,400,000.00		456,666.67	456,666.67	456,666.67								
<b>SUB-TOTAL</b>		<b>22,020,771.00</b>												
<b>NEW PROJECTS</b>														
1. Old Diversion Tunnel #1														
a. Repair of Outlet	Repair of Sillway	474,194.00				237,097.00	237,097.00							
2. Old Diversion Tunnel #2														
a. Repair of Outlet		2,843,886.00				947,961.67	947,961.67	947,961.67						
3. New Diversion Tunnel #2														
a. Installation of Stopper board	Height - 3.5 meters ; Length - 2.5 m ; 1.0 m.	234,610.00				234,610.00								
4. Tailings Storage Facility #2														
a. Concreting of TSF Enhancement Sillway	Length - 15 meters	1,350,000.00						675,000.00	675,000.00					
b. TSF2 Maintenance		240,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
c. Grouting of TSF 2 Run-off Tunnel	10 holes	441,500.00						220,750.00	220,750.00					
d. Diversion of TSF 2 Tailings Deposition	3 pipelines- 400 m. each diameter - 4"	684,600.00			342,750.00	342,750.00								
5. Reinforcement of Vegetation	10 meters regrading within the table	480,000.00				240,000.00	240,000.00							
6. Hazardous Wastes Management	Semi-Annual	200,000.00					100,000.00						100,000.00	

PROJECT / ACTIVITIES	BRIEF DESCRIPTION	BUDGET	January	February	March	April	May	June	July	August	September	October	November	December
7. Solid Wastes Management		640,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00
		7,788,688.00					6,852,475.33	1,935,711.67	88,900.00		99,000.00	90,000.00	190,000.00	90,000.00
<b>TOTAL</b>		28,820,000.00	90,000.00	4,500,257.00	7,519,573.67	9,146,542.33	6,852,475.33	1,935,711.67	88,900.00	90,000.00	99,000.00	90,000.00	190,000.00	90,000.00
<b>III. WATER RESOURCES</b>														
1. Water Quality														
- Water Sampling and Analysis	Monthly	120,000.00	9,000.00	12,000.00	9,000.00	9,000.00	12,000.00	9,000.00	9,000.00	12,000.00	9,000.00	9,000.00	12,000.00	9,000.00
2. Partial Desilting of Ambalanga Silt Dam	100 m X 5 m X 2 m	500,000.00		250,000.00										
3. Desilting of NDT Approach		1,500,000.00		300,000.00	300,000.00	300,000.00	300,000.00	300,000.00						
<b>TOTAL</b>		2,720,000.00	9,000.00	552,000.00	599,000.00	599,000.00	599,000.00	599,000.00		12,000.00	9,000.00	9,000.00	12,000.00	9,000.00
<b>III. NOISE QUALITY</b>														
1. Noise Level Monitoring	Quarterly (Packaged with Ambient Air Quality Monitoring)													
<b>TOTAL</b>														
<b>IV. AIR QUALITY</b>														
1. Stack Emission Test														
a. Assay Laboratory's Thermo Digestion Chamber with Acid Fume Scrubber	Annual	45,000.00	45,000.00											
b. Electric Dustation Furnaces with Lead Fume Scrubber	Annual	30,000.00					30,000.00							
c. Refractory Acid Furnace Scrubber	Annual	100,000.00									100,000.00			
2. Ambient Air Quality Monitoring	Quarterly	31,250.00	31,250.00				31,250.00				31,250.00			31,250.00
3. Purchase and Installation of Assay Dust Scrubber with Wastewater		1,400,000.00			1,400,000.00									
<b>TOTAL</b>		570,000.00	76,250.00		1,400,000.00		61,250.00				131,250.00			31,250.00
<b>V. CONSERVATION VALUES</b>														
1. Seeding Production and Maintenance	10,000 Benguet Pine seedlings	76,371.00	19,092.75		19,092.75			19,092.75			19,092.75			
2. Reforestation Program														
a. Maintenance of Reforestation Plantation	2.0 hectares	24,726.63						12,363.32					12,363.32	
<b>TOTAL</b>		101,097.63	19,092.75		19,092.75			31,456.07			19,092.75		12,363.32	
<b>VI. REGULATORY AGENCIES MONITORING ACTIVITIES</b>														
1. Inspections/audits														
2. Meetings		600,000.00			150,000.00			150,000.00			150,000.00			150,000.00
3. Regular reporting/ reportorial requirements														
<b>TOTAL</b>		600,000.00			150,000.00			150,000.00			150,000.00			150,000.00
<b>GRAND TOTAL</b>		34,344,687.63	194,342.75	5,971,257.00	8,149,785.42	8,452,342.33	6,855,725.33	2,434,187.73	99,000.00	102,000.00	399,242.75	99,000.00	274,363.32	290,359.00

**Annual Environmental Protection and Enhancement Program for 2018  
Benguet Corporation - Acupan Contract Mining Project  
Gantt Chart**

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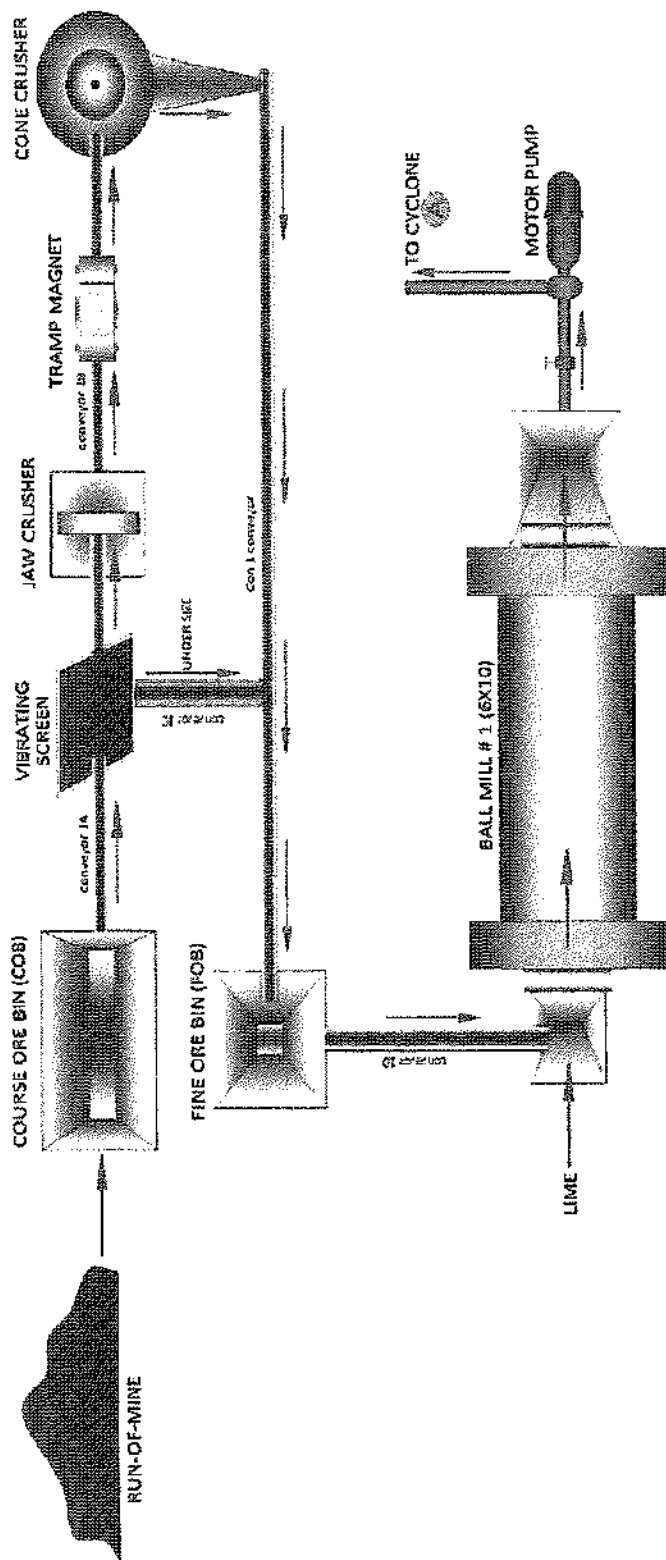
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# BATCH PROCESS FLOW DIAGRAM

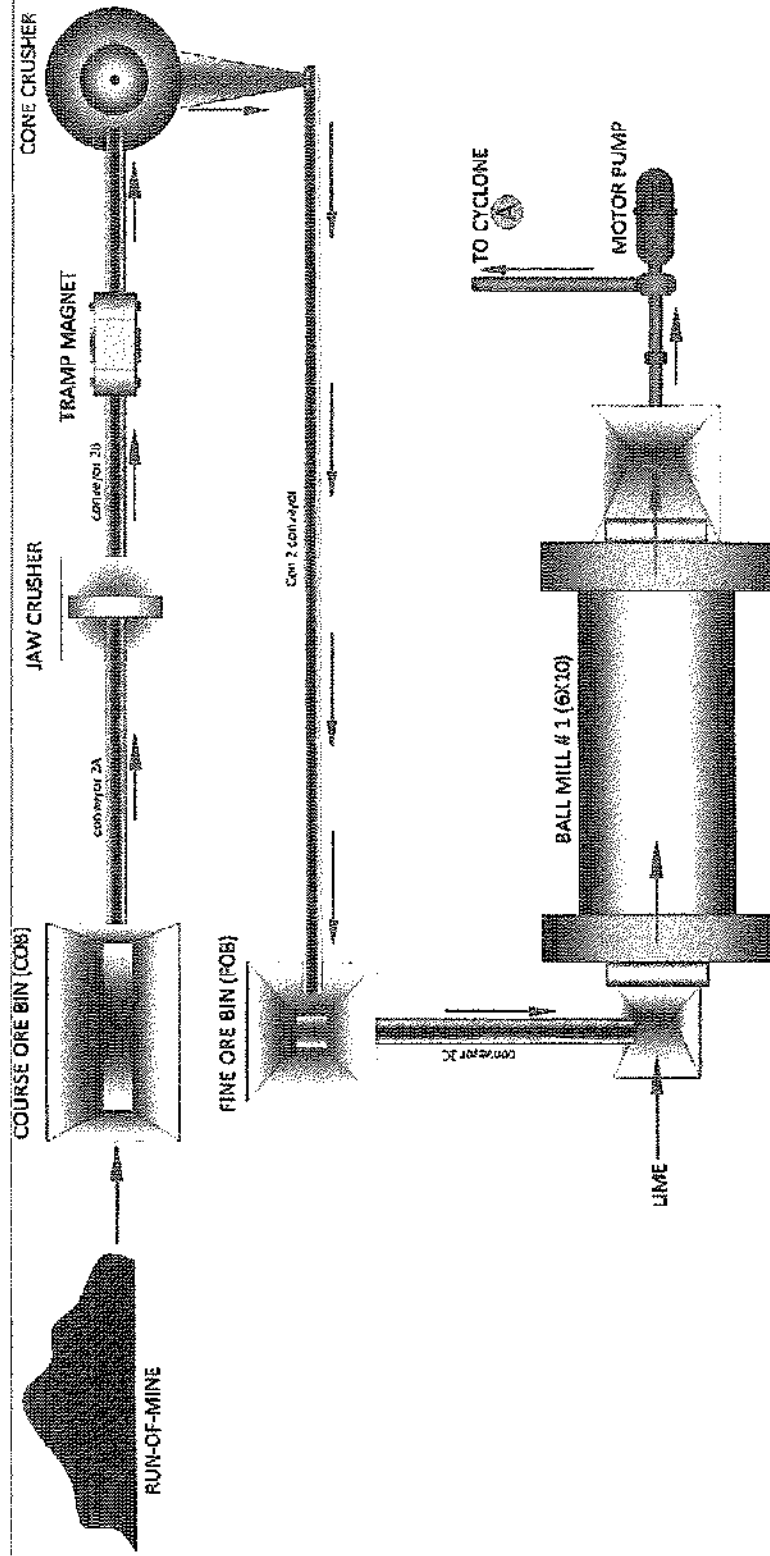
## BATCH PROCESS FLOW DIAGRAM

LINE: 6-X-10-BALL-MILL

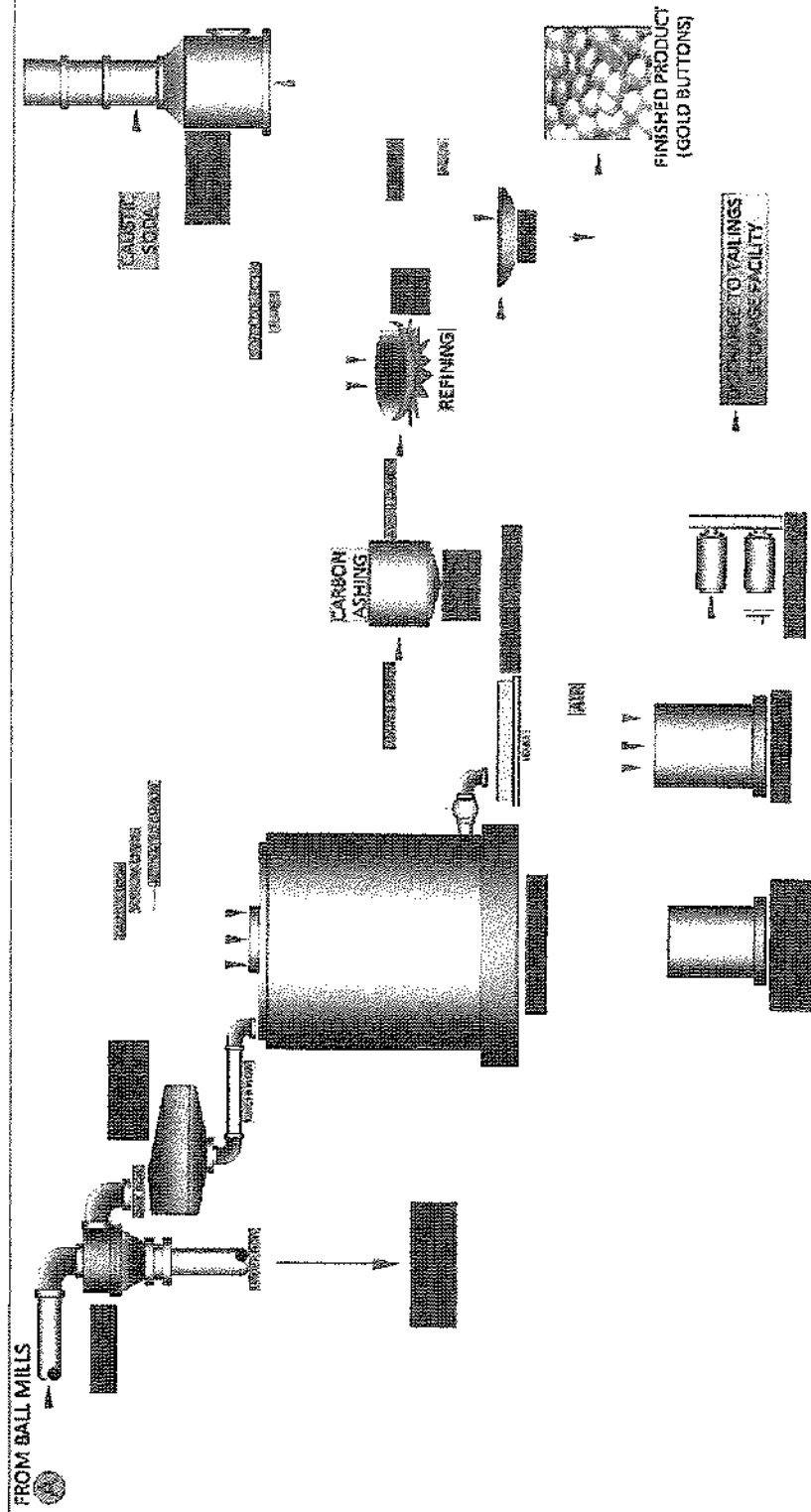


# BATCH PROCESS FLOW DIAGRAM

## LINE: 6 x 6 BALL MILL



# BATCH PROCESS FLOW DIAGRAM

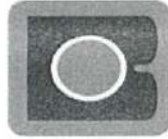




**5- YEAR WORK DEVELOPMENT PLAN FOR ODT & NDT**  
 Benguet Corporation  
 Acupan Contract Mining Project

AREAS	2019	2020	2021	2022	2023
1. Old Diversion Tunnels # 1	a. Continuing repair of scoured flooring	a. Maintenance of flooring, outlets and inlets	a. Maintenance of flooring, outlets and inlets	a. Maintenance of flooring, outlets and inlets	a. Maintenance of flooring, outlets and inlets
2. Old Diversion Tunnel # 2	a. Re-lining of tunnel's wall and back b. Continuing repair of scoured flooring	a. Maintenance of flooring, outlets and inlets	a. Maintenance of flooring, outlets and inlets	a. Maintenance of flooring, outlets and inlets	a. Maintenance of flooring, outlets and inlets
3. Ambalanga Spillway	a. Desilting activity	a. Desilting activity a. Installation of Stopperboard guide b. Construction of Silt-dam for NDT 1, 2 & 3	b. Desilting activity a. Desilting activity b. Installation of Boulder Traps (NDT 1, 2 & 3 Inlet portion) c. Extension of TSF 2 Toe-line near NDT #1	b. Desilting activity	b. Desilting activity
4. New Diversion Tunnel # 1	a. Desilting of NDT Inlet approach Extension of Outlet Spillway			a. Desilting activity	a. Desilting activity
5. New Diversion Tunnel # 2	a. Desilting of NDT Inlet approach	a. Desilting of NDT Inlet approach b. Construction of Silt-dam for NDT 1, 2 & 3	a. Desilting of NDT Inlet approach b. Installation of Boulder Traps (NDT 1, 2 & 3 Inlet portion)	a. Desilting of NDT Inlet approach	a. Desilting of NDT Inlet approach
6. New Diversion Tunnel # 3	a. Installation of Stopperboard guide b. Desilting of NDT Inlet approach	a. Desilting of NDT Inlet approach b. Construction of Silt-dam for NDT 1, 2 & 3	a. Desilting of NDT Inlet approach b. Installation of Boulder Traps (NDT 1, 2 & 3 Inlet portion)	a. Desilting of NDT Inlet approach	a. Desilting of NDT Inlet approach

*Note : As part of the value chain for the desilting activity of NDTs 1 to 3 areas, the Revival of the Aggregate Plant is being considered for the year 2019. Produced aggregates shall be used in various infrastructure repairs / rehabilitation programmed by the company.*




BenguetCorp

## ATTESTATION

That we, **LINA G. FERNANDEZ**, **REYNALDO P. MENDOZA** and **DALE A. TONGCO**, with business address at 7/F, Universal-Re Building, 106 Paseo de Roxas, Makati City, Metro Manila, hereby state:

- (1) We are the Officers-In-Charge and Assistant Vice President – Audit and Risk, respectively, of BENGUET CORPORATION, a corporation registered under Philippine laws, with principal office at 7/F, Universal-Re Building, 106 Paseo de Roxas, Makati City;
- (2) Benguet Corporation is a mining company registered in the Securities and Exchange Commission (SEC) and its shares are listed in the Philippine Stock Exchange (PSE);
- (3) To our knowledge, a sound internal audit, control and compliance system is in place in the Company and working effectively for the covered reporting period January to December 2018.
- (4) This attestation is made in compliance with the Integrated Annual Corporate Governance Report of the PSE and SEC.

  
**LINA G. FERNANDEZ**  
 Officer-In-Charge

  
**REYNALDO P. MENDOZA**  
 Officer-in-Charge

  
**DALE A. TONGCO**  
 Asst. Vice President- Audit and Risk


REPUBLIC OF THE PHILIPPINES )  
 MAKATI CITY ) S.S.

MAY 30 2019

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of May, 2019 at Makati City, Metro Manila, affiants exhibited to me their competent proof of identification as follows:

REYNALDO P. MENDOZA	SSS No. 03-3865936-9	Office of the Philippine Social Security System (SSS)
LINA G. FERNANDEZ	SSS No. 03-7537025-8	Office of the Philippine Social Security System (SSS)
DALE A. TONGCO	SSS No. 09-1082299-6	Office of the Philippine Social Security System (SSS)

Doc. No. BF;  
 Page No. 58;  
 Book No. 37;  
 Series of 2019.

  
**NOTARY PUBLIC**  
 NOTARY PUBLIC FOR MAKATI CITY  
 APPT. NO. M-87- UNTIL DEC. 31, 2020  
 ROLL OF ATTY. NO. 48348  
 MCLE COMPLIANCE NO. V-0026676/4-11-2018  
 IBP O.R. No. 706762-LIFETIME MEMBER JAN. 29, 2007  
 PTR No. 7333020- JAN 03, 2019- MAKATI CITY  
 EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST.  
 MAKATI CITY

The Company rewards and recognizes outstanding performance and/or promotions to employees who exerted exceptional efforts in the attainment of the Company's plans and objectives. On top of this, the following benefits are being extended to employees:

- **Birthday Leave** – enables employee to celebrate their natal day with love ones, the Company provide a paid leave one-day birthday leave.
- **Vacation Leave** – an employee shall be entitled to 15 day Vacation Leave Pay for the number of days earned as vacation leave in an amount equal to his/her Daily Basic Rate.
- **Sick Leave** – an employee is entitled to a 15-days Sick Leave for the number of days earned as sick leave in an amount equal to Daily Basic Rate.

Management has been compliant with government mandated Special Leaves on top of the 15 days Sick Leave benefit as follows:

1. **Magna Carta for women** (maximum of 2 months with pay) in accordance with the provisions of the Magna Carta for Women, to its female employees who have undergone treatment due to gynecological disorder.
2. **Paternity Leave** – Company grants Paternity Leave of seven days with full pay to all married male employees subject to implementing rules and regulations
3. **Parental Leave (Solo Parent)** – Provides additional Leave privileges of not more that 7 working days every year to a solo parent who has rendered at least one year of service based on the implementing rules and regulations

Aside for mandatory 13<sup>th</sup> month pay for the non-managerial (RF) employees, the Company gives Christmas Cash gifts to Managers and Consultants as approved by the Board of Directors.

The Company provides Subsidy on Tuition Fees for dependents attending primary and secondary education equivalent to 80% of Basic Salary.

Transportation and Travel Allowance is given to employees who are residing outside the camp site.

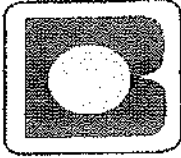
Company assistance for Board Review. Oath Taking and annual registration fees. – The Company will grant assistance to employees taking the board/bar examination and annual registration fee of professions

The Company also provides De Minimis benefit to the employees such as

- (1. **Basic and Major Medical Benefits** – It is the policy of the Company to ensure the physical well being of its employees by providing them with medical, dental and hospitalization benefits.

2. Medicine Allowance – to cover medicines not covered by Philhealth

3. Meal Subsidy – for Managerial employees who are residing outside the camp site
4. Loyalty Awards – cash gift given to employees as token of Management's gratitude for their continuous service to the company. This is not formalized in the policy, but it has been a practice to recognize the invaluable service and loyalty of the employee.

	BENGUET CORPORATION	Document No : _____
	SICK LEAVE/VACATION LEAVE POLICY	Date Prepared : May 2014
Distribution Copies: Internal Control Distribution Files/Original	Issued by:	Revision No : 02
	ROLAND P. DE JESUS/CHUCHI C. DEL PRADO Vice President, Corporate HRA	Approved by: <i>Renato A. Claravall</i> RENATO A. CLARAVALL President/OIC

### I. PURPOSE

Benguet Corporation respects each employee's right to enjoy a work-life balance. Work-life balance includes proper prioritizing between career or ambition, pleasure, leisure, family and spiritual development. A good work-life balance condition promotes retention, increases productivity, and reduces absenteeism.

In view of this belief, the company provides the following leaves with pay to all eligible employees to allow them to take some time off from work either for health reasons, emergency situations or even for relaxation purposes and enjoyment of a well-balanced life.

This policy will also define the proper procedures and guidelines to be followed in the application, availment, and accumulation of vacation leave and sick leave.

### II. COVERAGE

This policy shall be applicable to all Managers (Assistant Unit Managers and Up).  
For non-managerial employees, a separate policy on SL/VL shall apply.

### III. GUIDELINES

#### VACATION LEAVE (VL)

##### 1. Eligibility

A Manager who has completed one year of service with the Company inclusive of probationary period shall be entitled to avail of the vacation leave with pay under this policy. Hence, vacation leave filed during the first year of employment shall be without pay.

##### 2. Vacation Leave Credits

A Manager shall earn 1.25 days VL credits for each month or a total of 15 days a year.

3. Computation of Vacation Leave Credits

VL credits shall be computed as follows;

VL credits earned on the employee's 1 <sup>st</sup> year	15 days
Add: VL credits earned on the employee's 2 <sup>nd</sup> year	15 days
Less: VL used	xx days
Total VL credits available	xx days

4. Commutation of unused VL credits

4.1 Unused VL credits shall be commutable to cash when a Manager is separated from the Company for whatever reasons except when separated for just cause as defined by the Labor Code.

4.2 If, for justifiable reasons, the Manager is unable to take the full 15 days leave during the year, the unused balance maybe carried over/rolled-out within 2 years; and the remaining balance must be utilized on or before the Manager's anniversary/hiring date.

4.3 If the remaining VL balance is not utilized during the prescribed period due to exigencies, the Manager may request for a commutation of VL which is subject to approval of the Head of Operating Unit (for minesites) or Division Head (for CHQ).

Illustration:

Employee "A" was hired in May 16, 2011

May 16, 2012 VL credits	=	15 days
May 16, 2013 VL credits	=	15 days
		=====
Total VL credits	=	30 days
Less: VL used	=	(15) days
		=====
VL Commutable to cash	=	15 days
(subject to approval)		

4.4 A Manager requesting for cash communication must submit a written request, endorsed by his immediate superior, stating the exigency/ies and the period of his scheduled leave. Approved request for commutation shall be forwarded to Human Resources for processing.

4.5 The cash equivalent of the commutable VL credits shall be computed by multiplying the Manager's daily rate to the number of unused VL.

4.6 VL credits not used/availed within the two (2) years prescribed period (ie after the Manager's anniversary/hiring date) shall be forfeited.

5. Vacation Leave Without Pay

5.1 When all VL credits for the year have been used/availed and a Manager went on leave, the aggregate amount based employee's daily rate multiplied by the number of days leave shall be deducted from the Manager's salary.

SICK LEAVE (SL)

1. Eligibility

A Manager who has completed one year of service with the company inclusive of probationary period shall be entitled to avail of the sick leave with pay under this policy. Hence, sick leave filed during the first year of employment shall be without pay.

2. Sick Leave Credits

A Manager shall earn 1.25 days SL credit for each month or a total of 15 days a year.

3. Computation of Sick Leave Credits

On the Manager's anniversary or hiring date, the SL credits shall be computed as follows:

Illustration:

Employee "A" was hired in May 16, 2011

May 16, 2012 SL credits	=	15 days
Less SL used	=	(5) days
SL credits commutable to cash	=	10 days

4. All unused SL credits shall be commutable to cash after the Manager's 1<sup>st</sup> year with the Company. The cash equivalent of the commutable SL credits shall be computed by multiplying the Manager's daily rate to the number of unused SL.

5. Sick Leave Without Pay

5.1 When all SL credits for the year have been used/availed and a Manager went on SL, the aggregate amount based on employee's daily rate multiplied by the number of days leave shall be deducted from the Manager's salary.

OTHER GUIDELINES

1. All of these leaves serve a particular purpose. Under no circumstance shall one leave be applied in lieu of another.
2. All leave applications is subjected to approval of the Immediate Superior and/or Division/Department Head and shall be filed to Human Resources.
3. Leave taken without permission or approval is subject to disciplinary action.

4. Management reserves the right to require employees who to report to work due to business exigencies specifically when a Manager is on vacation leave.
5. An employee who is resigning from the Company may opt to apply the remaining vacation leave credits up to the last working day of his/her employment. However, terminal leaves may be taken but with no prejudice to the thirty (30) day advance notice that the Company requires.
6. All emergency leaves shall be charged to VL credits. Circumstances that would qualify as emergency are those unplanned, unforeseen and unwanted situations.
7. To allow sufficient time for scheduling of work, filing of vacation leave shall be based on the schedule below:
  - One half ( $\frac{1}{2}$ ) day to two (2) days – one day advance notice
  - Three (3) days to one (1) week or five working days leave – one week advance notice.
  - Two (2) weeks and above – one month advance notice\
8. All Managers are encouraged to prepare a vacation leave plan within the next 6 months. This is to allow them to take time-off and manage their vacation leave accordingly.
9. A Manager may be separated from the Company when his SL without pay exceeds 180 days in a year. However, depending on the situation, this period shall be dealt with accordingly based on the agreed arrangement between the employee and the Company.
10. If a Manager did not report for work due to work-related injury or illness, he shall be paid accordingly and the number of days leave shall not be deducted from his SL credits.
11. Human Resources shall inform Managers of their available VL/SL credits every six (6) months. This is to manage their leave to avoid forfeiture (for VL).

#### IV. EXCEPTIONS

Exceptions to the policy must be approved by the President/OIC

#### V. ADMINISTRATION

CHQ-HR shall administer this policy

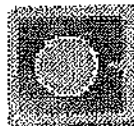
#### VI. EFFECTIVITY

This policy will take effect upon approval

#### REVIEW AND POLICY UPDATE

This policy is effective upon approval of President/OIC and will be reviewed/updated by CHQ-HR as maybe necessary. *The Company reserves the right to revise and/or revoke this policy as it deems fit or warranted.*





Benguet Corporation

6-1  
**ANNEX "Q-1"**

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Internal Memorandum

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**TO :** All BC Employees  
**FROM :** BPG ROMUALDEZ  
**SUBJECT :** BIRTHDAY LEAVE  
**CC :** File

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**DATE:** 14 August 2001

As an additional benefit, and to enable our employees to celebrate their natal day with their loved ones, the Company will provide a paid one-day Birthday Leave. This is not commutable to cash and must be taken to be enjoyed. It is non-cumulative and must be used within the year. The celebrant may reschedule the day of availment if operational exigencies will not allow the employee to use the leave on the actual birthday or if it falls on a non-working day or holiday. The prescribed leave form must be filed and carry prior approval of the applicant's immediate superior.

This becomes effective 15 August 2001 and will cover all regular employees of BC.

**BENJAMIN PHILIP G. ROMUALDEZ**

# ANNEX "Q-2"

## BENGUET CORPORATION

### STOCK OPTION PLAN (Amended – as of 8 November 2018)

#### 1. PURPOSE OF THE PLAN

The purpose of the Stock Option Plan (hereinafter referred to as the "Plan") is to encourage stock ownership in Benguet Corporation (hereinafter referred to as the "Company") by granting options to selected staff employees, directors and consultants of the Company and its subsidiaries in order to provide them with greater incentive not only to promote the Company's and its subsidiaries' interest but also to remain in their employ.

#### 2. ADMINISTRATION OF THE PLAN

The Plan shall be administered by a Stock Option Committee (hereinafter referred to as the "Committee") to be appointed by the Board of Directors of the Company. The Committee shall be composed of three directors, one of whom shall be its Chairman, and shall hold meetings at such time and place as it shall deem advisable. This Committee shall have the power to grant stock options under this Plan. Members of the Stock Option Committee **are eligible to receive any options granted under this Plan provided their individual grants will not exceed those of other directors**<sup>1</sup>.

A majority of the Committee shall constitute a quorum at all meetings, and all actions of the Committee shall be made by a majority of its members. A decision or determination reduced to writing and signed by the majority of the Committee shall be as fully effective as if made by a majority vote at a meeting duly called and held.

The interpretation and construction by the Committee of any provision of the Plan and of the options granted thereunder shall, unless otherwise determined by the Board of Directors, be final and conclusive.

#### 3. ELIGIBILITY

Options shall be granted only to staff employees, directors or consultants of the Company or its subsidiaries and others, who, in the judgment discretion of the Stock Option Committee as approved by the Board of Directors are qualified and responsible for the management of the enterprise or have contributed in an

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<sup>1</sup> By amendment approved by the stockholders on May 30, 2013. (The amendment is in pursuance to SEC Memorandum Circular No. 5 dated July 13, 2012, allowing the award of stock option grants to regular and independent directors of the Company.)

important measure to the success of the Company or its subsidiaries. The term "staff employees" shall mean the officers and other "key" employees of the Company or its subsidiaries, including those who are concurrently directors of the Company or its subsidiaries. No employee, director or consultant shall be granted an option to purchase more than 1,500,000<sup>2</sup> shares per grant.

#### 4. SHARES SUBJECT TO THE PLAN

The Board of Directors has authorized 22,000,000<sup>3</sup> common stock to be granted under the Plan. Only shares of Class B Common Stock shall be granted to optionees not eligible to own shares of Class A Common Stock, provided, that optionees who have been previously awarded under this Plan. Option share of Class A Common Stock may exercise such options awarded as follows: **to the extent of 25% thereof in the form of Class B shares<sup>4</sup>; the remaining 75% in the form of 60% Class A and 40% Class B shares, provided, further, that any new options to be granted hereafter to Filipino optionees may be in the form of 60% Class A and 40% Class B shares<sup>5</sup>, provided however, that no option can be exercised in the form of Class B Shares unless the optionee has previously or will simultaneously exercise enough options in the form of Class A shares such that at any time there shall be at least 1.5 Class A shares exercised for every 1 Class B Share to be exercised<sup>6</sup>.** These shares shall come either from the authorized but unissued shares and/or from issued shares reacquired or repurchased by the Company. If an option granted under the Plan shall terminate or expire without having been exercised in full, new options may be granted under the Plan for the unexercised shares. The Company shall not be required, upon the exercise of any option, to issue or deliver any shares of stock prior to (a) the admission of such shares to listing on any stock exchange on which the Company's Common Stock may then be listed, and (b) the completion of such registration or ~~(licensing of such shares as may be required by the by the U.S. Securities Act or)~~<sup>7</sup> undertakings by the optionee which obviate the necessity for such registration.

<sup>2</sup> By amendment approved by the stockholders on May 29, 2012 (from 200,000 shares to 500,000 shares); and on November 8, 2018 (from 500,000 shares to 1,500,000 shares).

<sup>3</sup> By amendment approved by the stockholders in May 1980 (from 1 million to 2 million); on May 31, 1988 (from 2 million to 4 million); and on May 29, 2012 (from 4 million to 22 million).

<sup>4</sup> By amendment approved by the Board of Directors on January 15, 1980.

<sup>5</sup> By amendment approved by the Board of Directors on October 14, 1986.

<sup>6</sup> By amendment approved by the Board of Directors on February 15, 1983.

<sup>7</sup> The Company ceased to be registered in the U.S. Securities and Exchange Commission in August 2008.

## 5. PRICE

The Option under the Plan shall be for a price which shall not be less than 100% of the fair market price of the shares on the date of the grant made by the Committee as quoted in the ~~New York Stock Exchange~~<sup>8</sup> or the ~~Manila Stock Exchange~~<sup>9</sup> Philippine Stock Exchange minus discount of up to 25%<sup>10</sup> of market price as determined by the Committee at date of grant and approved by the Board of Directors. In no case shall the option price be less than the par value of the stock.

## 6. PERIOD OF OPTION

The Options authorized under this Plan shall be valid for a period of ten (10) years from the date of the grant.

An Option may be exercised by the optionee to the extent of 30% after one year from the grant, 60% after two years from the grant, and 100% after three years from the grant.<sup>11</sup> Shares included in each installment may be exercised in whole at any time, or in part from time to time, until the expiration of the option. The shares purchased may be paid in full and in cash or installment over three years, at the time of the exercise of the option, provided that the stock certificate shall be issued only upon full payment of the option price.<sup>12</sup>

## 7. RIGHTS TO EXERCISE OF OPTION

Each optionee must remain in the continuous employ of, or retain his directorship or consultancy with the Company or its subsidiaries from the date

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<sup>8</sup> The Company ceased to be listed in the New York Stock Exchange in June 2000 and in National Association of Securities Dealers in August 2008.

<sup>9</sup> Now Philippine Stock Exchange.

<sup>10</sup> By amendment approved by the stockholders on May 29, 2012.

<sup>11</sup> By amendment approved by the stockholders on May 29, 2012 (from 20% after one year from the grant, 40% after two years from the grant, 60% after three years from the grant and 100% after four years from the grant to 30% after one year from the grant, 60% after two years from the grant, and 100% after three years from the grant)

<sup>12</sup> By amendment approved by the stockholders on May 29, 2012 (from — all shares purchased shall be paid in full, in cash, at the time of the exercise of the option, to - the shares purchased may be paid in full and in cash or installment over three years, at the time of the exercise of the option, provided that the stock certificate shall be issued only upon full payment of the option price.)

of the grant of the Option and during his exercise of any part thereof. However, an optionee who leaves the employ of, or terminates his directorship or consultancy with the Company or its subsidiaries, whether voluntarily or involuntarily, must exercise any outstanding option to which he was entitled on the date of the cessation of his employment, directorship or consultancy within three (3) months from the date of such cessation. If the optionee dies, his heirs, executors or administrators shall have the right to exercise the balance of the unexercised option within twelve (12) months after his death, but nevertheless, within the ten (10) year period within which the option could be exercised.

In no case, can an Option be exercised by the optionee or by his heirs, executors or administrators after ten (10) years from the date of the grant of the option.

**8. NON-TRANSFERABILITY OF OPTION**

Options granted under the Plan shall not be transferable except that within twelve (12) months from an optionee's death and within the original term of the option, his heirs, executors or administrators may exercise the Option to the extent of the balance of the unexercised Option.

**9. ADJUSTMENT IN SHARES SUBJECT TO PLAN**

The Options granted under the Plan shall contain such provisions as the Committee may determine with respect to adjustments to be made in the number and kind of shares covered by such Options and in the Option Price in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Company. In the event of any such change, the aggregate number and kind of shares available under the Plan and the maximum number of shares as to which Options may be granted to any individual shall be appropriately adjusted.

**10. RIGHT TO TERMINATE EMPLOYMENT**

The grant of an Option to an employee, director or consultant shall not affect the right of the Company or its subsidiaries to terminate his employment or appointment as provided by law.

**11. TERMINATION OF THE PLAN**

This Plan shall terminate after all the Options granted have been exercised or have expired without having been exercised unless the Board of Directors of

the Company shall decide otherwise. No Option shall be granted hereunder after May 31, 2023<sup>13</sup> but the termination of this Plan shall not affect any previously granted Options.

## 12. AMENDMENT OF THE PLAN

The Board of Directors of the Company may make changes in or additions to the Plan as it shall deem proper, or to the best interest of the Company or any of its subsidiaries without any action on the part of the stockholders. However, no change or addition shall (a) impair an optionee's rights without his consent or deprive him of any shares which he has already acquired under the Plan, (b) increase the maximum number of shares which may be purchased by an optionee under the Plan, (c) change the minimum purchase price of the shares, (d) extend the period during which the Option may be granted or exercised, or (e) withdraw the administration of the Plan from the Committee.

## 13. EFFECTIVE DATE OF THE PLAN

Options may be granted hereunder upon the adoption of the Plan by the Board of Directors of the Company, but neither the Plan nor any Option granted thereunder shall become effective unless the Plan is approved by ~~(the New York Stock Exchange and)~~<sup>14</sup> the stockholders holding at least a majority of the outstanding voting shares of the Company, in which event, the effectivity of the Plan shall be retroactive to the date of its adoption by the Board of Directors.

\*\*\*\*\*

<sup>13</sup> By amendment approved by the stockholders in May 1983 (from Sept. 12, 1984 to May 31, 1990); on May 31, 1988 (from May 31, 1990 to May 31, 1998); on August 26, 1999 (from May 31, 1998 to May 31, 2003); on December 18, 2002 (from May 31, 2003 to May 31, 2008); on December 18, 2007 (May 31, 2008 to May 31, 2013); on May 29, 2012 (from May 31, 2013 to May 31, 2018); and on November 8, 2018 (from May 31, 2018 to May 31, 2023).

<sup>14</sup> The Company ceased to be listed and registered in the New York Stock Exchange and U.S. Securities and Exchange Commission in June 2000 and August 2008, respectively.

## 2018 BC INTEGRATED REPORTS-BNMI

Protecting the environment is one of BNMI's core values and is central to the way the Company do business. BNMI's commitment to the environment and to its communities is evident on all of the Company's projects as the Company adheres to the strict environmental policies ensuring compliance with local and international environmental laws and regulations. The Company's environmental and social performance are key components of its sustainable strategies of continuous improvement in all aspects of the Company's operations, environmental and social endeavors..

The Company continuous to implement all activities embodied under the Annual Environmental Protection and Enhancement Program (AEPEP) and meet the conditions on land, water and air quality standards set forth under the Environmental Compliance Certificates (ECCs) issued for its mining, stockyard and port operations. All the approved programs, projects and activities in the AEPEP,SDMP and ECCs are regularly monitored by the Multi-Partite Monitoring Team (MMT) for Mining and Port Operations and validated on a quarterly basis by the Mine Rehabilitation Fund Committee (MRFC) headed by the Directors of MGB and EMB. Together with the MGB, EMB Teams are the Local Government Units (LGUs), Municipal Agriculture, Fisheries and Engineering Offices, Dept of Public Works and Highways Zambales 1<sup>st</sup> District Office and concerned non-government organizations e.g. Farmers' Irrigators Association.

In 2018, BNMI spent a total of PhP 21,650,685.66, 186 % increased from the approved budget of PhP 11,649,760.00 million on the implementation of the various environmental mitigation and enhancement measures, not only to meet compliance requirements but also to address community environmental issues, environmental protection and sustainability.

BNMI also manifested its commitment on the continuous protection and management of concerned river systems and water tributaries adjacent to its operational areas. In 2018, BNMI desilted Bangkay Creek (450 meters); Manok Creek (300 meters); Likewise repairs of Manok, Bangkay Creeks Spillway. Embankment Stabilization were also undertaken. In order to maintain a clean water that flows along the farmlands areas along Tubo-Tubo South, desilting of the Cabaluan River (184 meters) near the Bayto Irrigation Dam of NIA was carried-out. Continuous desilting and clean-up of the Gala-Gala River, river tributary to the port stockpile areas had also been undertaken.

Regular quarterly air and water sampling with concerned agencies were also conducted supervised by an accredited third party environmental service provider and member of the Multipartite Monitoring Team (MMT) . All water and ambient air and noise quality measurements within the DENR set standards. Indeed, BNMI has proven time and again that it will goes out its way to ensure the welfare of its stakeholders and the quality of environment where it operates.

BNMI continuously carry out its ecological responsibilities through the active supports on the Mining Forest Program of MGB and National Greening Program of the Department of Environment and Natural Resources (DENR).

BNMI planted a total of 333.652 seedlings of mixed species of Acacia mangium, Acacia auriculiformis, Agoho, Atis, Bagak, Dulag, Guyabano, Ipil-Ipil, Mahogany, Narra species within the company's tenement area covering an approximately 133.03 hectares against the target of 65 hectares for 2018. Of the total seedlings out-planted in 2018, BNMI attained a 95% Survival rate equivalent to 316,969 seedlings survived.

In 2018, BNMI also implements Progressive Rehabilitation of disturbed areas to equate its responsible mining adherence and in keeping with the environmental policy embodied in RA 7942. BNMI concentrated its reforestation and rehabilitation efforts at the identified Disturbed Areas under Department Administrative Order (DAO) 2018-19 which covers the 64.22 hectares declared mined-out areas, other inactive mining areas of 94.33 hectares. On the other hand BNMI also did some re-vegetation efforts on the Disturbed areas outside the DAO 2018-19 specifically on open areas and slopes.

Of the declared mined-out areas of 64.22, an approximate 28.22 hectares were fully planted and rehabilitated in 2018. More or less 70,550 seedlings of mixed species of Acacia auriculiformis, mangium, Agoho, Ipil-Ipil, Narra were planted on such areas. Napier, Bayto and Vetiver grass species were used along slopes to serve as soil protection measures against erosion. The first 36 hectares declared mined-out areas, rehabilitation were completed in 2017 was validated by CENRO in January 2018. This area also undergone the application of an Activated Bio-Char Technology introduced by the Philippine Biochar Association (PBiA). The use of Biochar Technology is in line with BNMI's Environmental Program on its Mined-out areas and on its Social Development and Management Program (SDMP) on Livelihood assistance to



its host Communities. The rehabilitation of the declared mined-out areas of 64.22, were almost completed in 2018.

Likewise, the Inactive Mining Areas, Disturbed areas under DAO 2018-19 comprised a total area of 94.33 hectares. Of the total area, BNMI reforested and re-vegetated this year a total of 44.48 hectares. The remaining 49.45 hectares will be subjected to Temporary Re-Vegetation Plan (TRP) as per DAO 2018-19.

BNMI continue implements its National Greening Program-Outside the Tenement in Sitio Butili, Brgy. Guinabon, Sta. Cruz, Zambales. BNMI targeted an area of 10 hectares for reforestation in 2018. Of the total targeted areas, BNMI reforested a total area of 24 hectares in 2018 with a total number of seedlings planted of 12,000 (500 seedlings per hectare). The area has been validated by the Provincial Environment and Natural Resources Office (PENRO-Iba, Zambales) on May 4, 2018. BNMI was commended by the DENR as one of the Company's in Region 3 to attain high survival of seedlings with a 95% survival rate under the National Greening Program of the Philippines.

To effectively manage solid and hazardous wastes, BNMI enhanced and rehabilitate its Material Recovery Facility (MRF). BNMI acquired new and additional containers for the temporary storage of its hazardous wastes materials, rehabilitate segregation, solid and hazardous wastes buildings and landscape its surroundings in order to provide clean and orderly environment around the area. This year BNMI was able to recycle a total of 439.67 kilos of various recyclable wastes materials –e.g. cans, scrap steel, aluminum, pet bottles, cartons, scrap galvanize iron, etc.

Likewise, Solid and Hazardous Wastes related orientations have been continuously conducted for BNMI Managers and Employees for their awareness, skills and capability enhancement on wastes handling, storage, disposal and recycling.

Continuous implementation of the Luntian and Malinis na Kapaligiran Program has been continuously undertaken through conduct of Oplan Linis Kalsada, installation of waste recycling bins and flowering plants boxes along major streets and highways of Sta. Cruz, and Candelaria, Zambales.

Regular housekeeping, sanitation, waste collection, segregation, disposal and transport in all BNMI's operational areas have been regularly conducted and form part of the Waste Management Program Component.

Quarterly Multipartite Monitoring Team (MMT) inspection of the environmental programs, projects and activities indicated on the AEPEP had been conducted. Likewise the verification of the monitored activities had been quarterly undertaken by the Mine Rehabilitation Fund Committee (MRFC).

This year visitation and conduct of the Mineral Industry Coordinating Council (MICC) mine visitation and audit; DENR-R3 site reforestation inspection; DENR-CENRO 36 hectares declared mined-out areas validation were conducted.

On October 4, 2018, DENR Regional Executive Director for Region 3, Paquito Moreno, Provincial Environment And Natural Resources Officer (PENRO) Raymond Rivera, Community Environment and Natural Resources Officer (CENRO) Ariel Mendoza, DENR Official Fred Sadueste and associated regional staff conducted BNMI mine site visit. RED Moreno commended on the rehabilitation efforts made by BNMI and commented that BNMI Rehabilitation Program will be featured and showcased in Region 3's Mine Rehabilitation and Reforestation Program Accomplishments.

BNMI is also committed on the continuous implementation of coastal protection and management. Regular coastal clean-up activities being undertaken at the Binabalian Port, Candelaria, Zambales and Sabangan, Sta. Cruz, Zambales.

In April of this year, BNMI conducted coastal-clean up along the coastal areas of Sitio Sabangan, Brgy Lipay, Sta. Cruz, Zambales while in September BNMI participated on the Celebration of the International Coastal Clean-Up along the coastal areas of Brgy Binabalian, Candelaria, Zambales.

During the coastal clean-up, Brgy Residents and LGUs of Brgys Lipay and Binabalian, and children around the area joined hands with the BNMI employees to collect various forms of solid wastes scattered along the shores of Sitio Sabangan and Binabalian Port/ coastal areas. These activities had taught the communities and children that house wastes shall not be thrown back to the sea while instilling to their minds the importance of coastal areas protection.

BNMI also recognized that, wherever the company operates, the Company considered guests of the local community and it endeavours to minimize the impact of its activities on local residents and their environment. BNMI encourages communication and consultation with local communities and operate with a strong focus on corporate social responsibility to have a positive community impact. By prioritizing the employment of local residents on identified projects, providing scholarship programs to students of impact communities and providing trainings/seminars on livelihood, building infrastructures to hosts communities, BNMI aims to directly benefit and uplift the socio-economic conditions of the Company's local workers, their families and the community.

BNMI adheres to move beyond Compliance and conformity in its pursuit to undertake business with standards, protect the environment and its stakeholders. To achieve such goal, BNMI after the rigorous and hardships preparations and undertakings, passed the 2<sup>nd</sup> Surveillance Audit conducted by TUV Rhineland on June 6 to 7, 2018. Again BNMI obtained its ISO 90015 Environment Management System Certification. This is a reflection that BNMI aims to raise the standard of its operation, quality and betterment in terms of operational efficiency, environment, health and safety performances.

As part of BNMI's obligations to take care of the environment and ensure the safeness of the community, it is notable that BNMI made its environmental trust funds intact and maintained.

# ANNEX "R-1"

ANNEX ~~R~~-1"

	POLICY	ACTIVITIES
Environmentally friendly value-chain	Realizing that the Company is using to important degree the nation's resources, the Company shall pay proper regard to the environmental and social consequences of business activity, with special attention to sustainable development – that is, renewing resources where possible and minimizing waste and pollution, and not sacrifice safety or efficiency in the interest of short-term profitability.	The Company continues to fulfill its environmental, reforestation and Agro-forestry development obligations through the implementation of its Annual Environmental Protection and Enhancement Program, reforestation and agro-forestry activities in support to the government's National Greening Program, Environmental Management System, continuous employee development and awareness on environmental aspects,
	<p>The Company has the following Environmental Policy:</p> <ul style="list-style-type: none"> <li>Protection and care for the environment shall be the principle consideration in every stage of Company's existing and future projects;</li> </ul>	During operation it has its Environmental Protection and Enhancement Program. Though the progressive rehabilitation is being implemented during operation, we have also submitted FMRDP for approval by CLRFC. This will handle all rehabilitation programs after the mine life of the operation.
	<ul style="list-style-type: none"> <li>Compliance to government environmental laws, rules and regulations;</li> </ul>	Acquired ECC and complying with its conditions such as the installation of Piezometers, TSF 2 and its appurtenances enhancement and maintenance. Acquired necessary permits such as Discharge Permit for the TSF 2 and for the existing Oil-Water Separators, Permit to Operate scrubbers, Hazardous Waste Generator ID and Chemical Control Order (CCO) for Cyanide and Cyanide Compounds, Lead and Lead Compounds and Polychlorinated Biphenyls (PCB).
	<ul style="list-style-type: none"> <li>Prudent utilization of all Company resources such as regulated use of electricity;</li> </ul>	The Company is implementing energy conservation and use of recyclable papers and other materials

	POLICY	ACTIVITIES
	<ul style="list-style-type: none"> <li>• Instill proper waste management not only among employees, but also among our sub-contractors and suppliers</li> </ul>	<p>In the implementation of RA 9003 or the Solid Wastes Management Act, the company is implementing proper wastes segregation in the industrial area and its company housing. Further, 5S activity every 1<sup>st</sup> and 3<sup>rd</sup> Saturdays of the month is also being done.</p> <p>In compliance to RA 6969 otherwise known as the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, all generated hazardous wastes are being hauled and treated by an EMB Accredited Third Party Hauler and Treater.</p>
	<ul style="list-style-type: none"> <li>• Continual improvement of our environmental management system and its performance;</li> </ul>	<p>Employees are being sent to seminars and forums like pollution control seminars and ecological forums. ISO Awareness for all employees are also being conducted</p>
	<ul style="list-style-type: none"> <li>• Support and protect the ecological integrity of areas affected by the company operations, including biodiversity resources and micro-ecosystems to promote public welfare, safety and environmental quality;</li> </ul>	<p>Regular water, air and noise quality monitoring is being conducted to insure compliance to government standards and safety of its employees and communities.</p>
	<ul style="list-style-type: none"> <li>• Adopt technologies that will contribute to the advancement of the Company processing procedures that will lead to enhancement and preservation of the environment.</li> </ul>	<p>The company is continuously improving its mill facility and pollution control devices such as installation of acid fume scrubbers, Lead Fume scrubber and Dust Collection System and implementation of detoxification programs.</p>
	<ul style="list-style-type: none"> <li>• Strengthening the harmonious relationship with the communities surrounding the industry and creating an open communication process to allow dynamic and responsive interactions among stakeholders and the company</li> </ul>	<p>In partnership with the community, the company is engaging community residents to in the implementation of the National Greening Program activities. They are tapped as contractors in the seedling propagation and maintenance as well as on the establishment and maintenance of</p>

	POLICY	ACTIVITIES
		<p>reforestation and agroforestry areas.</p> <p>Further, the company, in partnership with the contractors' miners and community residents and members of the local government unit, also conduct clean-up drive of water bodies in the community.</p> <p>Recently, the company donated area in Antamok where Minahang Bayan be implemented.</p>