

 PHILEX MINING CORPORATION	HUMAN RESOURCES	EFFECTIVE DATE:	VERSION:
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Succession Planning Policy			

I. PURPOSE

Philex Mining Corporation (PMC or the Company) shall implement a Succession Planning program to promote constant employee development and advancement as well as ensure the organization's readiness to replace key positions, in the event such roles and functions are vacated due to retirement¹, resignations, and other unforeseen circumstances.

II. COVERAGE AND APPLICABILITY

These guidelines shall cover and be applicable to the President/Chief Executive Officer, Executive Officers (ManCom), and Middle Management (up to the rank of Division Manager).

III. OBJECTIVES

1. Ensure sustainability of a competent, experienced, and committed PMC Group business leadership.
2. Align the current and future leadership competencies with the Company's short- and long-term business strategies and goals.
3. Strengthen the leadership pool through balancing of capabilities and ensure readiness of the external bench, in cases these are not available internally.
4. Strengthen and promote the Company's commitment to Diversity and Inclusion ensuring equal opportunity in the workplace.

IV. GUIDELINES

1. Succession planning shall be anchored on the Group's short- and long-term corporate goals and objectives, vis-à-vis the areas of competencies for key leadership positions, to ensure the continuity of an effective organizational performance and attainment of business objectives and targets.
2. The Group's Succession Planning Policy shall be implemented by the Board of Directors, the Group's Management Committee (ManCom) and Human Resources Department (HRD) through these programs:

2.1 Succession Planning

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- 2.2 Leadership Development
- 2.3 Talent Acquisition and Management

Succession Planning:

Key functions and positions included under the Succession Planning phase shall be identified for key positions, in consultation with all units/departments concerned, and shall be based on:

- I. Areas of competencies:
 - Person of the leader
 - Drive
 - Strategy
 - Engagement
 - Next gen mindset
- II. Criticality – positions which, if removed, will cause a significant loss to the Company or have a critical impact on the Company’s ability to conduct normal business; and
- III. Retention – functions that represent the highest retention risk.

Classifications 1 and 2, which involves the possible replacement of President/CEO and his/her direct reports (ManCom), respectively, shall be handled and executed by the Company’s Board of Directors, through the assistance of First Pacific Leadership Academy (FPLA), due to its highly confidential nature.

Classification 3, which involves Middle Management (Division Managers) positions, shall be handled by the President/CEO, Group HRD and Senior Vice Presidents.

Leadership Development:

The Leadership Development Stage aims to develop current leaders and successors through various programs offered by different institutions such as the Asian Institute of Management, FPLA, and the likes. The ManCom and Group HRD shall be responsible for implementing this program through the following:

- Learning and Development (L & D) Plan – to ensure candidates will be provided with focused and structured learning and given access to advancement opportunities to allow them to reach their full potentials, and

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- Performance Management System – to provide a mechanism for measuring performance, identify areas for improvement, provide feedback, and implement mentoring, when necessary, to eliminate gaps between required competencies and current level of knowledge, skills and abilities.

Talent Acquisition and Management:

Talent Acquisition and Management involves engaging top executive search firms for market scan and research of high potential individuals. This process also allows the Group to develop its bench and external pipeline of talents. It also helps to identify and assess potential candidates, vis-à-vis the areas of competencies outlined above.

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Annex A

1. Retirement Age for Executive Directors and Key Officers

The Company adopts the Retirement Age provided in the Company's Retirement Trust Plan (Sec 4c) (Sec5 a, b and c).

Provided as follows:

- 1) At the Company's option, retirable employees can be retired upon, or after, reaching age sixty (60).
- 2) Retirable employees can retire at their option upon reaching age of fifty five (55), or after twenty five (25) years of service, which shall hereinafter be called Optional Retirement Age. The Company has the option to retire any employee who has reached the age sixty (60) years of age.
- 3) The Company allow any employee to defer his retirement up to a specified age beyond Optional Retirement Age (hereinafter called Deferment Period), but not beyond age sixty-five 65 when retirement becomes compulsory.
- 4) All salaried officers of the Company shall be deemed employees for the purposes of this plan, and they shall be entitled to retirement gratuities provided they have been elected to any office on salaried basis by the Board of Directors for at least ten (10) years prior to actual retirement at or after reaching age fifty (50). The continuity of the service shall not be deemed interrupted by a period during which they have not acted as such officer; but the period shall be deducted from the totality of service years. Service as an employee, aside from service as an officer, shall be counted in the computation of a total year of service. After age fifty (50), any such officer, if not re-elected in any year, may be retired as at the end of his last term.



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2. Disclosure of this Policy

This Policy will be published in the Corporate Governance section of the Company's website for public information.

3. Approval

<i>Endorsed For Board Approval By:</i>	<i>Endorsed For Board Approval By:</i>	<i>Endorsed For Board Approval By:</i>
<i>(Original Signed)</i>	<i>(Original Signed)</i>	<i>(Original Signed)</i>
Danny Y. Yu Compliance Officer & Chief Finance Officer (CFO)	Eulalio B. Austin, Jr. President & Chief Executive Officer (CEO)	Manuel V. Pangilinan Chairman, Nominations Committee

**APPROVED BY THE BOARD OF DIRECTORS
ON June 27, 2018**