



30 March 2015

Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange
3/F PSE Plaza
Ayala Triangle Plaza
Ayala Ave., Makati City

Dear *Ms. Encarnacion*:

We are herewith submitting the Corporate Governance Guidelines Disclosure Survey for 2014 pursuant to the PSE and SEC Directive.

Thank you and warm regards.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Socorro Ermac Cabreros".

Atty. Socorro Ermac Cabreros
Corporate Secretary

P-H-O-E-N-I-X Petroleum Philippines, Inc.
Corporate Governance Guidelines Disclosure Survey for 2014
March 30, 2015

	COMPLY	EXPLAIN
Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY		
1.1 Have a clearly defined vision, mission and core values.	Yes	Company pursues the same Vision, Mission and Core Values since 2012 when it first amended its Vision, Mission and Core Values
1.2 Have a well developed business strategy.	Yes	A good business strategy is clearly defined and developed as it is one of the vital factors to the success of the Company for the last 5 years since its listing
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	Yes	The company is attuned to industry developments and has the flexibility to adjust and seize opportunities. Regular performance monitoring and appraisal is conducted to ensure execution of strategies and goals.
1.4 Have its board continually engaged in discussions of strategic business issues.	Yes	The regular quarterly meetings of the Company's Board of Directors is the avenue for the regular discussions and reviews of the business strategies taken by the Company's management

Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD		
2.1. Have a board composed of directors of proven competence and integrity.	Yes	The Corporation is governed by the Board of Directors now composing of 11 members with a mix of executive and non-executive and having diversified experience in various fields
2.2. Be lead by a chairman who shall ensure that the board functions in an effective and collegial manner.	Yes	The Chairman is also a member of the Audit Committee and holds a quarterly meeting with the Internal audit group

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2.3	Have at least three (3) of thirty percent (30%) of its directors as independent directors.	No	The Company complies with the minimum requirement imposed by the Securities and Exchange Commission that publicly listed companies should have at least 2 independent directors or about 20% of its board size, whichever is lesser.
2.4	Have in place written manuals, guidelines and issuances that outline procedures and processes.	Yes	The Enterprise Resource Planning has been effected in the Company since October 2013. The system has addressed proper procedures and requirements for business processes and facilitate transactions and procedures for the good of the business. A handbook of operating guidelines and processes for each BU was completed in 2014.
2.5	Have Audit, Risk, Governance and Nomination & Election Committees of the board.	Yes	Except for risk, the Company established the various committees such as Nomination, Compensation, Executive and Audit committees in accordance with the Company's By-laws.
2.6	Have its Chairman and CEO positions held separately by individuals who are not related to each other.	No	Currently, the CEO and Chairman positions are held separately by individuals though closely related with each other.
2.7	Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.	Yes	Aside from the Company's nomination committee which screens the nomination and election of its directors, in accordance with the Company's By-laws, shareholders are given equal opportunity under the Company's By-laws to nominate individuals based on the number of shares voted provided such nomination is submitted before the Definitive Information Statement is filed with the SEC
2.8	Have in place a formal board and director development program.	No	There is no clear and established policy on board and directors development program although all are encouraged to attend trainings and seminars that are offered to the Company from time to time by respectable and reputable institutions. For 2014, pursuant to SEC Memo Circular No. 20 Series of 2013, the Company was able to arrange with and conduct through a SEC-accredited provider for an in-house Corporate Governance

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		training for its members of the Board of Directors and senior management. So far the Company has engaged the services of an accredited provider to give out and conduct a Corp. Governance Seminar not only among members of the Board of Directors but including senior and middle management. This year it was conducted on March 11, 2015
2.9	Have a corporate secretary.	Yes The Company has an appointed Corporate Secretary who is also a member of the Board of Directors and part of its management team.
2.10	Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	None The Company has no restrictions on director's ability to vote independently.
Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM		
3.1	Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	Yes The Company has an established internal audit unit and submits reports, pursuant to its Audit Charter, to the Audit Committee of the Company's Board of Directors.
3.2	Have a comprehensive enterprise-wide compliance program that is annually reviewed.	Yes The Company since December 31, 2013, the Company has issued several policies for compliance by the Employees which include new Code of Conduct, grievance procedure, fraud detection and prevention policies, and such others for better order and compliance. The Company is still in the process of drafting and evaluating a new compliance manual to complete the business processes of the Company.
3.3	Institutionalize quality service programs for the internal audit function.	Yes The internal audit committee conducts annual audit of various business units in the Company and reports the same to the internal audit. It also make recommendation how the current processes of each business unit to improve control and balances.
3.4	Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	Yes Implemented through the Human Resources Division of the Company under a newly issued and implemented Grievance and Resolution Policy and

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		Procedure which took effect last December 10, 2013
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	None The annual certification by the CEO and the Chief Audit Executive has yet to be incorporated once the comprehensive compliance program is in place and functional.
Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS		
4.1	Have its board oversee the company's risk management function.	Yes There are no projects implemented without proper disclosure and assessment by the proponent to the Board of Director on the risks. The Board of Directors makes the proper evaluation and deliberation before approving any project or action for implementation.
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	None Risk management is currently undertaken by each business unit or project proponent.
4.3	Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.	None Risk management is currently undertaken by each business unit or project proponent.
4.4	Have a unit at the management level, headed by a Risk Management Officer (RMO).	None The Company has recently assigned a team to evaluate the risks taken and involved in the Company and will be mandated to make the proper recommendation with the hope of institutionalizing risk management in the Company
4.5	Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	None Risk management is managed on a case to case basis by each business unit concerned. The Company has yet to establish and institutionalize the procedures and processes.
4.6	Seek external technical support in risk management when such competence is not available internally.	Yes Case to Case Insurance Coverage Consultancy

Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION		
5.1	Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	Yes, qualified Management presents the Audited Financial Statements to the Board of Directors which approves the same The Audit Committee is currently regularizing its meetings and processes to evaluate and review the audit functions of internal and external auditors in the Company
5.2	Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Yes
5.3	Ensure that the external auditor has adequate quality control procedures.	Yes
5.4	Disclose relevant information on the external auditors.	Yes
5.5	Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	Yes
5.6	Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	Yes Recently, the Audit Committee has started to regularize its meetings with plans to conduct and regularize meetings with External auditor of the Company
5.7	Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	Yes
5.8	Have a policy of rotating the lead audit partner every five years.	Yes The External Auditor of the Company has ensured that managing partners are rotated every 5 years.

Guideline No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON- CONTROLLING GROUP		
6.1	Adopt the principle of "one share, one vote."	No Voting is based on cumulative voting in accordance with the Corporation Code of the Philippines.

6.2	Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Yes	Company in close coordination with its Stock Transfer Agent keeps a record of its stockholders considering they are still in manageable number
6.3	Have an effective, secure and efficient voting system.	Yes	Voting system and procedure is provided in the By-laws and discussed in the Definite Information Statement before the annual stockholders' meeting. Nonetheless, the Company has efficiently created a template and system to efficiently record and register the voting of each stockholders. The external auditor certifies the results of these votes.
6.4	Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Yes	If the voting calls for it, the Company has created a system and template to record the voting of the majority of the minority. The external auditor of the Company witnesses and certifies the results of the voting.
6.5	Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	Yes	The Company send out by courier notices and agenda to all stockholders of record for annual and special stockholder's meeting. Moreover, the Company also provides for the agenda as well as minutes of the meetings on the day of the general, annual or special, meeting.
6.6	Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	Yes	
6.7	Ensure that all relevant questions during the AGM are answered.	Yes	
6.8	Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	Yes	
6.9	Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	Yes	

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6.10	Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	Yes	
6.11	Have a communications strategy to promote effective communication with shareholders.	Yes	
6.12	Have at least thirty percent (30%) public float to increase liquidity in the market.	Yes	Currently the Company has a public float of 32% float which is more than the regulatory requirement of 10%
6.13	Have a transparent dividend policy.	Yes	By practice, the Company gives out dividends every year specially since it listed in 2007, either stock or cash dividend or combination of both

Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME			
7.1	Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	None	Together with the drafting of the Compliance Manual, the Company will be drafting a clear policy and procedure for the reportorial compliance with PSE and SEC. Currently, the Corporate Secretary is tasks to make the disclosures to PSE and SEC
7.2	Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc.)
7.3	Disclose its director and executive compensation policy.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc.)
7.4	Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc)

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7.5	Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45 days from the end of the reporting period.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc.)
7.6	Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc.)
7.7	Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc.)
7.8	Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc)
7.9	Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc.)

Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS			
8.1	Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc)
8.2	Have in place a workplace development program.	Yes	The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc.)
8.3	Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	Yes	The Company annually evaluates the performance of each employees through the Performance and Career Development Program (Pace-Pro) and

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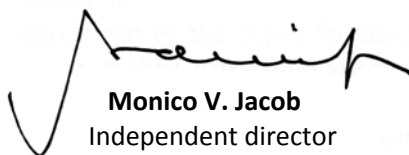
		gives and recognizes corresponding good performance. Currently, the Company is about to implement its approved ESOP
8.4	Have in place a community involvement program.	Yes The Company practices its Corporate Social Responsibility to adopted communities through the Company's Foundation
8.5	Have in place an environment-related program.	Yes The Company practices its Corporate Social Responsibility through the Company's Foundation, environment-related projects such as maintenance of watersheds, adopting Philippine Eagle, Pawikan Conservation Program, tree-planting, and coastal clean-ups
8.6	Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	Yes The Company has a comprehensive Purchasing Policy and Ethics.


Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING		
9.1	Develop and disclose a policy governing the company's transactions with related parties.	Yes The Company disclosed this in Notes to Financial Statements
9.2	Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Yes The Company is currently practicing this guideline and may be found in its other reportorial documents and submissions to SEC and PSE (e.g. SEC Form 17-A, SEC Form 20-IS,etc.
9.3	Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	Yes
9.4	Have its independent directors or audit committee play an important role in reviewing significant RPTs.	Yes
9.5	Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	Yes
9.6	Have a clear policy in dealing with material non-public information by company insiders.	Yes
9.7	Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or	Yes

	management.		
	Guideline No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, & ENFORCEMENT		
10.1	Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	Yes	
10.2	Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Yes	
10.3	Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	Yes	
10.4	Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	Yes	
10.5	Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	Yes	
10.6	Respect intellectual property rights.	Yes	
10.7	Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	Yes	

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this 30th day in March 2015 in Taguig City, Metro Manila, Philippines.


Monico V. Jacob
Independent director


Dennis A. Uy
President & CEO