

30 May 2017

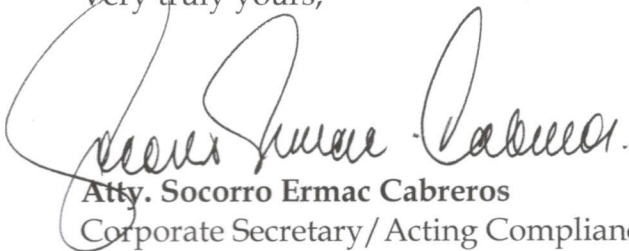
Mr. Jose Valeriano B. Zuño III
OIC-Head, Disclosure Department
Philippine Stock Exchange
PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Dear Mr. Zuño:

In compliance to SEC Memorandum Circular No. 5, Series of 2013 and SEC Memorandum Circular No. 12, Series of 2014, we would like to submit herein the Annual Corporate Governance Report for 2016 of our company.

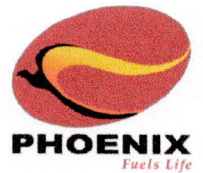
Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary / Acting Compliance Officer

To be an indispensable partner in the journey of everyone
whose life we touch.



30 May 2017

Ms. Justina F. Callangan
Director,
Corporate Governance and Finance Department
Securities & Exchange Commission
EDSA, Greenhills
Mandaluyong City

Dear Dir. Callangan:

In compliance to SEC Memorandum Circular No. 5, Series of 2013 and SEC Memorandum Circular No. 12, Series of 2014, we would like to submit herein the Annual Corporate Governance Report for 2016 of our company.

Thank you and best regards.

Very truly yours,

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

ATTY. SOCORRO ERMAC CABREROS
Corporate Secretary / Acting Compliance Officer

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17 MAY 30 / 8:33

cc: **HON. VICENTE GRACIANO P. FELIZMENIO**
Director
Markets and Securities Regulation Department
Securities and Exchange Commission
Greenhills, Mandaluyong City
Metro Manila

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM - ACGR
ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year**2016**.....

2. Exact Name of Registrant as Specified in its Charter **P-H-O-E-N-I-X PETROLEUM
PHILIPPINES, INC.**

3. **Stella Hizon Reyes Rd., Bo. Pampanga, Lanang, Davao City****8000**.....
Address of Principal Office Postal Code

4. SEC Identification Number**A200207283**.....

5. (SEC Use only)

Industry Classification Code

6. BIR Tax Identification Number **TIN 006-036-274 V**

7. **(082) 235-8888**
Issuer's Telephone number, including area code

8.**N/A**
Former name or former address, if changed from the last report

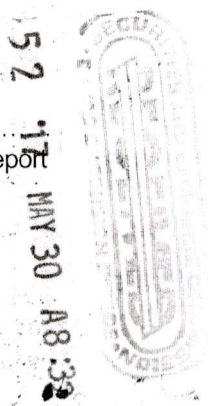


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**ANNUAL CORPORATE GOVERNANCE REPORT
P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**

This ACGR is adopted pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 5, Series of 2013 issued on March 20, 2013.

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	11
Number of Directors per Amended AI on Nov. 2012	11

Actual number of Directors for the year 2017-2018	11
---	----

a) Composition of the Board

Director's Name	Type [Executive (ED), Non-Executive (NED), Independent (ID)]	If nominee, Identify the principal	Nominator in the last election (If ID, state the relationship with the nominator)	Date first elected	Date last elected (If ID, state the number of years served as ID)	Elected when (Annual/Special Meeting)	Number of years served as director
Domingo T. Uy	ED				March 15, 2017 Annual Stockholders' Meeting		Since incorporation to present
Dennis A. Uy	ED				March 15, 2017 Annual Stockholders' Meeting		Since incorporation to present
Carolina Inez Angela S. Reyes	ID				March 15, 2017 Annual Stockholders' Meeting (2 years ID)		2016 to present
Romeo B. De Guzman	ED				March 15, 2017 Annual Stockholders' Meeting		Since 2009 to present
Socorro T. Ermacabreros	ED				March 15, 2017 Annual Stockholders' Meeting		2006 to present (except 2009, 2010)
J.V. Emmanuel A. de Dios	NED				March 15, 2017 Annual Stockholders' Meeting		2007 to present
Paul G. Dominguez	NED				March 15, 2017 Annual Stockholders' Meeting	March 8, 2013 Annual Stockholders' Meeting	2013 to present
Cherylyn C. Uy	NED				March 15, 2017 Annual Stockholders' Meeting	March 8, 2013 Annual Stockholders' Meeting	2013 to present
Joseph John L. Ong	ED				March 15, 2017 Annual Stockholders' Meeting	March 8, 2013 Annual Stockholders' Meeting	2013 to present
Justice (Ret.) Consuelo	ID				March 15, 2017 Annual	March 8, 2013 Annual	2013 to present

Ynares-Santiago					Stockholders' Meeting (4 years ID)	Stockholders' Meeting	
Monico V. Jacob	NED				March 15, 2017 Annual Stockholders' Meeting	March 8, 2013, Annual Stockholders' Meeting	2008 to present

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

Disclosure and transparency to promote equitable treatment of shareholders and the rights and interests of other stakeholders are among the fundamental corporate governance policies that the Board has adopted and strictly adhere to.

(c) How often does the Board review and approve the vision and mission?

Every five (5) years

(d) Directorship in Other Companies

(i) Directorship in the Company's Group

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Name of Director	Name of Reporting Company	Position Held
Consuelo Ynares Santiago	.n/a	
Monico S. Jacob	2Go Group, Inc.	Independent Director

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Name of Director	Name of Reporting Company	Position Held
Consuelo Ynares Santiago	Top Frontier Investment Corp.	Independent Director
Monico S. Jacob	Jollibee Foods Corporation	Independent Director
	STI Education System Holdings, Inc.	President/Stockholder
	2Go Group, Inc.	Independent Director
	Rockwell Land Corp.	Independent Director

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Domingo T. Uy	Dennis A. Uy	By consanguinity within the first civil degree
Dennis A. Uy	Cherylyn Uy	Spouses

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? **None.**

In particular, is the limit of five board seats in other publicly listed companies imposed and observed? **No.**

	Guidelines	Maximum Number of Directorship in other Companies
Executive Director		
Non-Executive Director		
CEO		

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Members of the Board of Directors as of 2016-2017

Name of Director	Number of Direct Shares	Number of Indirect Shares/ (name of record owner)	% of Capital Stock
Dennis A. Uy	3,991,811		0.28%
Dennis A. Uy &/or Cherylyn C. Uy	1,098,099		0.08%
Domingo T. Uy	645,919		0.05%
Romeo B. De Guzman	1,592,746		0.12%
Socorro T. Ermac-Cabreros	103,316		0.01%
J.V. Emmanuel De Dios	1,300,819		0.09%
Paul G. Dominguez	1		0.00%
Monico V. Jacob	1		0.00%
Joseph John L. Ong	431,836		0.03%
Justice (Ret.) Consuelo Ynares-Santiago	1		0.00%
Carolina Inez Angela S. Reyes	1		0.00%
TOTAL:	9,164,550		0.66%

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes

Identify the Chair and CEO:

Chairman of the Board	Domingo T. Uy
CEO	Dennis A. Uy

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Roles	<ul style="list-style-type: none"> Presides at the meetings of the stockholders Receives the nominations for the vacant seats of the board 	<ul style="list-style-type: none"> Initiator and developer of corporate objectives Supervisor and manager of corporate business operations, affairs and properties of the corporation Corporate representative in all functions and proceedings Signatory of certificates of stocks
Accountabilities	<ul style="list-style-type: none"> Facilitation of all meetings of stockholders 	<ul style="list-style-type: none"> Implementation of the administrative and operational policies of the corporation Preparation of the budgets and statements of accounts of the corporation Execution of all contracts, agreements and other instruments entered into by the board Organizational procedural controls of the corporation
Deliverables	<ul style="list-style-type: none"> Agenda of the meetings of stockholders Election of Independent Directors at the stockholders' meeting Qualitative and timely lines of communication and information between the Board and Management 	<ul style="list-style-type: none"> Reports to the Board and to the stockholders

- 3) Explain how the Board of Directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

Aside from the Company's Nomination Committee which screens the nomination and election of its directors, the shareholders are given equal opportunity under the By-Laws to nominate individuals based on the number of shares voted.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

None. The By-Laws does not impose additional qualifications for directorship other than the basic citizenship, residency and share requirements. This setup is consistent with the Board's intent to open its membership to every shareholder regardless of background or expertise. Currently, however, the membership of the Board is characterized by the diverse background, professional experience and expertise of individuals comprising it.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

No. There is no express policy for non-executive directors to possess requisite experience from any particular sector or industry, but there is an apparent preference for those with relevant exposure and/or experience in the same sector or industry the Company belongs to.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	The executive directors are directly involved in the management of the Company such as the day to day operations necessary and incidental to the operations.	Provide guidance and assists in the directions and objectives of the Company	Reviews significant related party transactions
Accountabilities	Has more accountabilities in the Board due to their functions in the Company. They monitor the operations and implement the directions and objective of the Company		
Deliverables	Implement the projected targets set the start of the year		

Provide the company's definition of "independence" and describe the company's compliance to the definition.

In terms of directorship, the By-Laws define "independence" in negatives as follows:

- (a) Not being a director, officer or substantial stockholder of the Corporation or of its related companies or any of its substantial shareholders***
- (b) Not being a relative of any director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders.***
- (c) Not acting as nominee or representative of a substantial shareholder of the***

- Corporation, any of its related companies or any of its substantial shareholders;***
- (d) ***Has not been employed in any executive capacity by the Corporation, any of its related companies or by any of its substantial shareholders within the last five (5) years;***
- (e) ***Not retained professional adviser by the Corporation, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through his firm; and***
- (f) ***Has not engaged or does not engage in any transaction with the Corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a Corporation of which he is a director or a substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.***

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Company follows the minimum requirement imposed by SEC. The independent director has a term of 5 years after which the Company appoints another independent director. Should the independent director be re-appointed, it is the rule of the Company that after one year of hiatus, he may be appointed for another 2 years which should be the last and final term.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	Nomination Committee procedure is followed	Professional background, work performance provided the nominee has none of the disqualification
(ii) Non-Executive Directors	Nomination Committee is followed	Professional background, work

		performance provided the nominee has none of the disqualification
(iii)Independent Directors	Nomination Committee procedure is followed	Professional background, work performance provided the nominee has none of the disqualification
b. Re-appointment	Same	Same
(i)Executive Directors		
(ii)Non-Executive Directors		
(iii)Independent Directors		
c. Permanent Disqualification		
(i)Executive Directors		
(ii)Non-Executive Directors		
(iii)Independent Directors		
c. Temporary Disqualification		
(i)Executive Directors		
(ii)Non-Executive Directors		
(iii)Independent Directors		
d. Removal		
(i)Executive Directors		
(ii)Non-Executive Directors		
(iii)Independent Directors		
e. Re-instatement		
(i)Executive Directors		
(ii)Non-Executive Directors		
(iii)Independent Directors		
f. Suspension		
(i)Executive Directors		
(ii)Non-Executive Directors		
(iii)Independent Directors		

Voting Result of the last Annual Stokholders/General Meeting

Name of Director	Votes Received
Domingo T. Uy	1,018,027,199 (75%)
Dennis A. Uy	1,018,027,199 (75%)
Carolina Inez Angela S. Reyes	1,018,027,199 (75%)
Romeo B. De Guzman	1,018,027,199 (75%)
Socorro T. Ermac Cabreros	1,018,027,199 (75%)
J.V. Emmanuel A. de Dios	1,018,027,199 (75%)
Paul G. Dominguez	1,018,027,199 (75%)
Cherylyn C. Uy	1,018,027,199 (75%)
Joseph John L. Ong	1,018,027,199 (75%)
Justice (Ret.) Consuelo Ynares-Santiago	1,018,027,199 (75%)
Monico V. Jacob	1,018,027,199 (75%)

6) Orientation and Education Program

- a) Disclose details of the company's orientation program for new directors, if any.

There is no clear and established policy on board and directors development program although all directors are encouraged to attend trainings and seminars that are offered to the Company from time to time by respectable and reputable institutions.

b) State any in-house training and external courses attended by Directors and Senior Management for the past three (3) years:

1. ***Annual disclosure programs by the Securities Exchange Commission and Philippine Stock Exchange;***
2. ***Annual Corporate Governance Seminar***

c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training/Institution
Domingo T. Uy	March 18, 2016		Corporate Gov. Seminar/RISK
Dennis A. Uy	March 18, 2016		Corporate Gov. Seminar/RISK
Carolina Inez Angela S. Reyes	March 18, 2016		Corporate Gov. Seminar/RISK
Romeo B. De Guzman	March 18, 2016		Corporate Gov. Seminar/RISK
Socorro T. Ermac Cabreros	March 18, 2016		Corporate Gov. Seminar/RISK
J.V. Emmanuel A. de Dios	March 18, 2016		Corporate Gov. Seminar/RISK
Paul G. Dominguez	March 18, 2016		Corporate Gov. Seminar/RISK
Cherylyn C. Uy	March 18, 2016		Corporate Gov. Seminar/RISK
Joseph John L. Ong	March 18, 2016		Corporate Gov. Seminar/RISK
Justice (Ret.) Consuelo Ynares-Santiago	March 18, 2016		Corporate Gov. Seminar/RISK
Monico V. Jacob	March 18, 2016		Corporate Gov. Seminar/RISK

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Although the Company develops and nurtures a culture of ethics, the Company has yet to establish a Code of Business Conduct & Ethics for its directors.

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest			
(b) Conduct of Business & Fair Dealings			
(c) Receipt of gifts from third parties			
(d) Compliance with Laws & Regulations			
(e) Respect for Trade Secrets/Use of Non-Public Information			
(f) Use of Company Funds, Assets & Information			
(g) Employment & Labor Laws & Policies			
(h) Disciplinary action			
(i) Whistle Blower			
(j) Conflict Resolution			

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

N/A

- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

N/A

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	<p>Develop and disclose a policy governing the company's transactions with related parties</p> <p>Define the thresholds for disclosure and approval of RPTs and categorize 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 shareholder approval. Aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p> <p>Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings</p> <p>Independent Directors or audit committee review significant RPTs</p> <p>Transparent and consistent in reporting RPTs such that summary of such transactions are published in the company's annual report</p> <p>Full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management</p>
(2) Joint Ventures	None
(3) Subsidiaries	<p>Independent Directors or audit committee review significant RPTs</p> <p>Transparent and consistent in reporting RPTs such that summary of such transactions are published in the company's annual report</p> <p>Full and timely disclosure to shareholders of all material</p>

	transactions with affiliates of the controlling shareholders, directors or management
(4) Entities Under Common Control	<p>Independent Directors or audit committee review significant RPTs</p> <p>Transparent and consistent in reporting RPTs such that summary of such transactions are published in the company's annual report</p> <p>Full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management</p>
(5) Substantial Stockholders	<p>Transparent and consistent in reporting RPTs such that summary of such transactions are published in the company's annual report</p> <p>Full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management</p>
(6) Officers including spouse/children/siblings/parents	<p>Transparent and consistent in reporting RPTs such that summary of such transactions are published in the company's annual report</p> <p>Full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management</p>
(7) Directors including spouse/children/siblings/parents	<p>Transparent and consistent in reporting RPTs such that summary of such transactions are published in the company's annual report</p> <p>Full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management</p>
(8) Interlocking director relationship of Board of Directors	<p>Transparent and consistent in reporting RPTs such that summary of such transactions are published in the company's annual report</p> <p>Full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management</p>

(b) Conflict of Interest - **NONE**

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

N/A

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	<p>Develop and disclose a policy governing the company's transactions with related parties</p> <p>Define the thresholds for disclosure and approval of RPTs and categorize 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 shareholder approval. Aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p> <p>Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings</p> <p>Independent Directors or audit committee review significant RPTs</p> <p>Transparent and consistent in reporting RPTs such that summary of such transactions are published in the company's annual report</p> <p>Full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management</p>
Group	

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family, commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Phoenix Petroleum Holdings, Inc.	Majority Shareholder	
Udenna Management & Resources Corp.	Shareholder	
PPCD Nominee Corporation	Shareholder	
Udenna Corporation	Shareholder	

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

n/a

Name of Shareholders	Type of Relationship	Brief Description

--	--	--

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock Affected (Parties)	Brief Description of the Transaction
Phoenix Petroleum Holdings, Inc.	17.5604%	Subscription of 193,000,000 common shares of Phoenix Petroleum Philippines, Inc.

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

The Board has yet to establish and maintain an alternative dispute resolution system in the corporation. So far there are no known conflict that exist or has ever existed and experienced with the Company and stockholders.

For conflict with third parties, conflicts are privately and amicably resolved at the first level and those that cannot be resolved, the Company observes the judicial arbitration procedure that follows after all extrajudicial means are exhausted.

	Alternative Dispute Resolution System
Corporation & Stockholders	
Corporation & Third Parties	
Corporation & Regulatory Offices	

C. BOARD MEETINGS & ATTENDANCE

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

Yes, Board of Directors' meetings are scheduled at the beginning of the year, before the Annual Stockholders meeting.

- 2) Attendance of Directors

Board	Name	Date of Election	Number of Meetings Held During the Year	Number of Meetings Attended	%
Chairman	Domingo T. Uy	15 Mar 2017	4	4	100%
President	Dennis A. Uy	15 Mar 2017	4	4	100%

Independent Director	Carolina Inez Angela S. Reyes	15 Mar 2017	4	2	50%
COO	Romeo B. De Guzman	15 Mar 2017	4	4	100%
Corp. Sec.	Socorro T. Ermac Cabreros	15 Mar 2017	4	4	100%
Member	J.V. Emmanuel A. de Dios	15 Mar 2017	4	4	100%
Member	Paul G. Dominguez	15 Mar 2017	4	4	100%
Member	Cherylyn C. Uy	15 Mar 2017	4	4	100%
CFO	Joseph John L. Ong	15 Mar 2017	4	4	100%
Independent Director	Justice (Ret.) Consuelo Ynares-Santiago	15 Mar 2017	4	4	100%
Member	Monico V. Jacob	15 Mar 2017	4	3	75%

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? *If yes, how many times?*

No

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

Yes for those corporate actions that need 2/3 vote but for quorum most, majority rules.

5) Access to Information

- (a) How many days in advance are board papers for board of directors meetings provided to the board?

Five days before

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

Yes. The corporate secretary is an officer of the corporation, a member of the Board of Directors and part of its management team.

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ☒

No

As a practice, it is the Corporate Secretary who furnishes them with the information pertaining to the meeting and the Company. Any special requests for any other information needed is still coursed through the Corp. Sec. and it is the latter who facilitates the acquisition of such information.

Committee	Details of the Procedures
Executive	
Audit	
Nomination	
Remuneration	
Others (specify)	

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details: **None**

Procedures	Details

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

None

Existing Policies	Changes	Reason

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed Remuneration	Industry standard but on the low	Industry standard but on the low up to mid
(2) Variable Remuneration	N/A	N/A
(3) Per diem allowance	Standard Company Travel Policy	Standard Company Travel Policy
(4) Bonus	Aligned with Company Performance Bonus Policy which multiple is the same as that of any other Company Officers and Staff	Aligned with Company Performance Bonus Policy which multiple is the same as that of any other Company Officers and Staff
(5) Stock options and other financial instruments	Aligned with Company Performance Bonus Policy which multiple is the same as that of any other Company Officers and Staff	Same application as that of other officers and rank and file under the ESOP policy
(6) Others (specify)	Same application as that of other officers and rank and file under the ESOP policy	Same application as that of other officers and rank and file under the ESOP policy

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The Company's executives are regular employees and are paid a compensation	The Company's executives are regular employees and are paid a compensation	

	package of twelve (12) months pay. They also receive performance bonuses similarly to those of the managerial, supervisory and technical employees.	package of twelve (12) months pay. They also receive performance bonuses similarly to those of the managerial, supervisory and technical employees.	
Non-Executive Directors	Member of the Board of Director who are not employees of the Company are elected for a period of one (1) year. They receive a reasonable per diem on a per meeting participation.	Member of the Board of Director who are not employees of the Company are elected for a period of one (1) year. They receive a reasonable per diem on a per meeting participation.	

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
(a) Fixed Remuneration	24,313,247.00	3,411,764.90	
(b) Variable Remuneration		223,529.41	164,705.88
(c) Per Diem Allowance			
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (specify)			
Total:			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
a) Advances			
b) Credit granted			
c) Pension Plans/Contributions			
d) Pension Plans, Obligations incurred			
e) Life Insurance Premium	27,600	9,200	
f) Hospitalization Plan	23,667.87	7,889.29	
g) Car Plan			
h) Others (specify)			
Total:			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

None. The Company has an approved Employees' Stock Option Plan (ESOP).

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

N/A

Incentive Program	Amendments	Date of Stockholders' Approval

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Alan Raymond T. Zorrilla	Php5,843,049.68
Chryss Alfonsus V. Damuy	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
Executive	3	2				Act on such specific matters within the competence of, and as may be delegated by, the Board of Directors Report to the Board in summary form all matters acted upon by it	
Audit	1	1	1			Financial Reporting Internal Control Internal Audit External Audit Compliance	

						Regular Reports to the Board	
Nomination		2	1			Review and evaluation of the qualifications of all persons nominated to the Board of Directors Recommend qualified nominees for election to the Board	
Remuneration	2	1	1			Establish a procedure for development of executive remuneration packages Provide oversight over remuneration of senior management and other key personnel	
Others (specify)							

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Dennis A. Uy	18 March 2016	4	4	100%	
Member (ED)	Romeo B. de Guzman	18 March 2016	4	4	100%	
Member (ED)	Joseph John L. Ong	18 March 2016	4	4	100%	
Member (NED)	Chryss Alfonsus V. Damuy	18 March 2016	4	4	100%	
Member (NED)	Raymond T. Zorrilla	18 March 2016	4	4	100%	

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

Chairman (ID)	Monico Jacob	18 March 2016	4	4	100%	
Member (ED)	Domingo T. Uy	18 March 2016	5	5	100%	
Member (NED)	Paul G. Dominguez	18 March 2016	5	5	100%	

Disclose the profile or qualifications of the Audit Committee members.

All members of the Audit Committee have significant experience and knowledge in business, audit and finance.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee ensures the integrity of the external auditor. It discloses all relevant information to it and makes certain that external auditor has adequate quality controls.

(c) Nominations Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Consuelo Ynares Santiago	18 Mar 16	4	4	100%	
Member (NED)	JV Emmanuel de Dios	18 Mar 16	4	4	100%	
Member (NED)	Cherylyn C. Uy	18 Mar 16	4	4	100%	

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Consuelo Yanares Santiago	18 mar 16	4	4	100%	
Member (ED)	Dennis A. Uy	18 Mar 16	4	4	100%	
Member (ED)	Romeo B. De Guzman	18 Mar 16	4	4	100%	
Member (NED)	Carolina Inez Reyes	18 Mar 16	4	4	100%	

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

N/A

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	none	none
Audit	Cherylyn C. Uy	Election last March 16, 2016
Nomination	Cherylyn C. Uy Romeo B. De Guzman Jose Manuel R. Quimson	Election last March 16, 2016
Remuneration	Romeo B. De Guzman Inez Reyes	Election last March 16, 2016
Others (specify)		

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	Directed the day-to-day significant operations of the Company	
Audit	Reviewed the results of the internal audit unit	
Nomination	Selected new sets of directors	
Remuneration	Reviewed remuneration packages	
Others (specify)		

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

None

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Plans for potential expansion and improvement of performance	
Audit	Ensure accuracy of internal audit	
Nomination	Screen nominees for Board of Directors and other significant officers	
Remuneration	review remuneration packages	
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

None. Risk management is currently undertaken by each business unit. The Company has yet to establish and institutionalize each internal procedures and processes. To deter, mitigate and essentially manage potential risks, the Company strictly requires transparency in all its affairs and dealings by making the following imperative before any corporate project or action obtains Board approval: full disclosure, assessment and evaluation through extensive deliberation.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

Not Applicable

(c) Period covered by the review;

Not Applicable

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

Not Applicable

(e) Where no review was conducted during the year, an explanation why not.

Not Applicable

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out

and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Not applicable

Risk Exposure	Risk Management Policy	Objective

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Not applicable

Risk Exposure	Risk Management Policy	Objective

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
Share dilution

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring & Measurement Process)	Risk Management & Control (Structures, Procedures, Actions Taken)
Market Risk	Monitoring of non-Philippine peso cash flows Monitoring the daily movement of the	Manage the fluctuation of the fuel price

	market price of fuels and to some extent, using forward and other similar contracts	
Credit Risk		Deal only with creditworthy counterparts
Liquidity Risk	Monitoring of scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business.	Maintain cash and cash equivalents Investment of excess cash in time deposits

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring & Measurement Process)	Risk Management & Control (Structures, Procedures, Actions Taken)
Market Risk	Monitoring of non-Philippine peso cash flows Monitoring the daily movement of the market price of fuels and to some extent, using forward and other similar contracts	Manage the fluctuation of the fuel price
Credit Risk		Deal only with creditworthy counterparts
Liquidity Risk	Monitoring of scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business.	Maintain cash and cash equivalents Investment of excess cash in time deposits

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Internal Control	<ul style="list-style-type: none"> • Provide oversight over management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation • Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security • Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses
	Internal Audit	<ul style="list-style-type: none"> • Review and approval of the Internal Audit Charter and

		<p>subsequent revisions thereto</p> <ul style="list-style-type: none"> • Organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal • Review the annual internal audit plan to ensure its conformity with the objective of the Corporation • Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities • Perform oversight functions over its internal and external auditors • Review of reports of the Internal Auditors and regulatory agencies • Review the effectiveness of internal audit function, including compliance with <i>The Institute of Internal Auditors' International Professional Practices Framework for Internal Auditing consisting of the Definition of Internal Auditing, Code of Ethics and the Standards</i>
	External Audit	<ul style="list-style-type: none"> • Recommend the appointment of External Auditor duly accredited by the SEC • Evaluate and determine the non-audit work, if any, of the External Auditor and review periodically the non-audit fees paid to the External Auditor and to the Corporation's overall consultancy expenses • Review of reports of the External Auditors and regulatory agencies, where applicable, ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues • Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit • Review the performance of the external auditors and exercise final approval on the appointment or discharge of the auditors • Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships

		between the auditors and the company, including non-audit services, and discussing the relationships with the auditors <ul style="list-style-type: none"> • Ensure that the corporation's External Auditor should be rotated or the handling partner should be changed every five (5) years or earlier
	Compliance	<ul style="list-style-type: none"> • Coordinate, monitor and facilitate compliance with laws, rules and regulations • Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of compliance • Review the findings of any examinations by regulatory agencies and any auditor observations • Review the process for communicating the code of conduct to company personnel and for monitoring compliance therewith • Obtain regular updates from management and company legal counsel regarding compliance matters

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

Internal control refers to the processes designed to provide reasonable assurance about the realization of the following objectives of the Company:

- ***Reliability and Integrity of financial reporting;***
- ***Accomplishment of established goals and targets for Operations;***
- ***Effective and efficient use of resources;***
- ***Safeguarding of assets;***
- ***Compliance with relevant policies, procedures, laws and regulations.***

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The internal audit has reviewed the risk management as well as internal control of the corporation. The same is still pending discussion and review with internal audit of the corporation.

(c) Period covered by the review;

n/a

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

n/a

(e) Where no review was conducted during the year, an explanation why not.

n/a

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/auditing Firm	Reporting Process
<ul style="list-style-type: none"> Evaluating the Company's governance processes including ethics-related programs; 	Company and subsidiaries	In-house	Audit Manager	Audit Committee
<ul style="list-style-type: none"> Performing an objective assessment of the effectiveness of risk management and internal control framework, identifying risk exposures and recommending strategies to control them; 	Company and subsidiaries	In-house	Audit Manager	Audit Committee
<ul style="list-style-type: none"> Systematically analyzing and evaluating business processes and associated controls; 	Per business unit	In-house	Audit Manager	Reports sent to BU Head, CEO, Audit Committee
<ul style="list-style-type: none"> Providing information, as appropriate, regarding instances of fraud, corruption, unethical behavior and irregularities 	Per case	In-house	Audit Manager	Report sent to HR, Legal and BU Head

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting/auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes. The Audit Committee Charter clearly states that it is the responsibility of the Audit Committee to organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal.

- (c) Discuss the internal auditor's reporting relationship with the audit committee.
Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

Yes. The Audit Committee Charter also states that the Audit Committee has the responsibility to establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Internal Audit functionally reports directly to the Audit Committee. The Audit Committee also ensures that, in performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
Kharen Husain	transferred to UDENNA Corp

- (e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	Generally, audit activities are aligned with the plans set at the beginning of the fiscal year.
Issues	Major issue noted is that most of the company's business operations lack standard policies or manuals that would serve as guidelines in the day-to-day business operations
Findings	Some key controls or processes are not properly documented which sometimes led to the difficulty in validating if the controls are in place and was consistently applied.
Examination Trends	Recommendations were generally accepted with sufficient priority.

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.)

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
Annual Audit Plan and Risk Assessment	Implemented
Audit Process -Planning -Fieldwork -Reporting -Follow-up	Implemented
Governance and consulting Activities	For Implementation
Quality Assurance and Improvement Program -Quality Assurance Procedures -Professional Development -Administrative duties regarding records maintenance and retention	For implementation

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The Audit Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose threat to his independence			
The Audit Committee shall review and confirm the independence			

of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors			
Internal Auditor shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.			
<p>An Internal Auditor must not perform audits under the following instances:</p> <ul style="list-style-type: none"> -Any situation that involves a member of the auditor's immediate family - Any activity that the auditor previously performed or supervised unless a reasonable period (at least 1 year) has elapsed. - Any activity to which the auditor previously provided advisory services unless a reasonable period (at least 1 year) has elapsed. - Any activity that the auditor has authority over or has responsibility for any situation in which other conflict of interest or bias is present or may reasonably be inferred. 			

- (h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

H. ROLE OF STAKEHOLDERS

- 1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	Company has comprehensive Customer Service Policy and Ethics	
Supplier/contractor selection practice	Company has a comprehensive Purchasing Policy and Ethics	
Environmentally-friendly value chain	The Company practices its Corporate Social Responsibility to adopted communities through the Company's Foundation	
Community interaction	<p>Phoenix Philippines Foundation, Inc. works with communities to enhance their education, environment, well being, and dignity. We have initiated and supported programs that, in small but meaningful steps, improve the lives of people and preserve our natural resources.</p> <p>This commitment to fueling people's lives for better futures is exemplified through our programs that empower people, protect the environment, improve health, and reduce suffering. These initiatives, as well as future ones, are built on our vision to be an indispensable partner to everyone whose lives we touch.</p>	<p>EDUCATION:</p> <ul style="list-style-type: none"> a. Adopt-a-School b. Phoenix Livelihood Training Program (ALS) c. Book Donations/Phoenix Library d. Scholarships to Phoenix Employees <p>HEALTH & SAFETY:</p> <ul style="list-style-type: none"> a. Blood-Letting b. Medical and Dental Missions c. Mindanao Heart Fund d. Donation to St. Luke's Medical Center e. Children's Ward and Phoenix Children's Play Corner f. Donation of Traffic Vests
Anti-corruption programmes and procedures	Company has in place a workplace development program that may deter possible corruption among stakeholders	
Safeguarding creditors' rights		

- 2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

Yes

- 3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

The company provides HMO card for health benefits, annual sports fest, zumba/energy dance twice a week, basketball games every week, anti-flu vaccination every year, annual physical exam and drug testing. There are random blood sugar tests done quarterly and regular blood pressure monitoring for employees daily.

(b) Show data relating to health, safety and welfare of its employees.

(c) State the company's training and development programmes for its employees.

TRAINING PROGRAMS

Technical	No. of Hours	No. of Participants	Period
1. CIA Certification Seminar	8	1	Jan-16
2. Credit Analysis Training	16	2	Jan-16
3. Enterprise-wide Risk Management	8	3	Jan-16
4. Internation Course on Marine Insurance	8	3	Feb-16
5. Mandatory Payroll and Benefits Administration	8	3	Feb-16
6. Marine & Power Technical Workshop	16	4	Feb-16
7. Recent Dev't in Taxation	8	4	Feb-16
8. Right Talent Course Training	16	2	Mar-16
9. Seminar on Driven Result	8	2	Mar-16
10. Strategic & Criticl Financial mgt for CPA's	16	4	Mar-16
11. Taxation Updates	8	2	Mar-16
12. Marine&Power Technical Workshop	16	6	Aug-16
13. Computer Asst. Auditing Tech	16	1	Oct-16
14. HR Day -	8	2	Oct-16

Jobstreet Training			
15. PNK Technical Industry Workshop	8	3	Dec-16
16. "Effective Purchasing Skills"	16	4	Dec-16
Total:	184	46	

Safety	No. of Hours	No. of Participants	Period
1. Pollution Control Seminar	8	6	Feb 2015
2. Work Place Safety	8	15	May 2016
3. BOSH Training	16	5	Apr 2016
4. Safety & Health Course Training	8	4	Jun 2016
5. Occupational First Aid and Basic Life Support	16	20	Jun 2016
Total:	56	95	

Management	No. of Hours	No. of Participants	Period
1. Conflict Management Seminar	8	12	Jan 2016
2. Essential Supervision Seminar	16	18	Mar 2016
3. 7 Habits Applications Training	16	14	Aug 2016
4. Problem Solving and Decision Making Seminar	8	6	Aug 2016
Total:	48	50	

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The company grants Christmas bonus when company's performance is very good. In 2013, there was initial offer of stock options for all regular employees as of March 1, 2013. Full implementation will be on 2017.

- 3) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

Whenever an employee complains of illegal and unethical behavior, due process is followed by PPPI. A notice to explain is served to the concerned person and sufficient period is given for him/her to reply. Once the explanation is submitted, HR will schedule an admin hearing. The committee that will hear the case is composed of 3 Business Unit Heads (with rights to decide) and the presence of the concerned person's BU Head will also be there to validate or enlighten facts/documents. The complainant will be scheduled first and then the concerned employee later. Based on the merits of the case, the committee will endeavor to make a decision after the meeting. Once a decision is made, the committee will explain to the accused that PPPI will protect the complainant from his/her retaliation by closely monitoring the work environment and random interviews.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Phoenix Petroleum Holdings, Inc.	588,945,630	42.85%	Phoenix Petroleum Holdings Inc.
Udenna Management & Resources Corp.	260,421,743	18.95%	Udenna Management & Resources Corp.
PCD Nominee Corp (Fil)	239,293,883	17.41%	PCD Nominee Corp (Fil)
Udenna Corporation	127,568,767	9.28%	Udenna Corporation

Name of Senior Management	Number of Direct Shares	Number of Indirect shares/through name of record owner	% of Capital Stock
Joseph John L. Ong	431,836		0.03%
Chryss Alfonsus V. Damuy	70,980		0.01%
Gigi Q. Fuensalida	70,980		0.01%
Reynaldo A. Phala	24,830		0.00%
TOTAL			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each	Yes

director/commissioner in respect of meetings held	
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the nondisclosure.

3) External Auditor's fee

The following table sets out the aggregate fees billed for each of the last three (3) fiscal years for professional services rendered by the Company's external auditors:

Audit and Related Fees				
		Amount in Thousands Php		
Particulars	Nature	2014	2015	2016
Punongbayan and Araullo	Audit of FS for the year 2008 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2009 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2010 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2011 - Parent and Subsidiaries			
Punongbayan and Araullo	Audit of FS for the year 2012 - Parent and Subsidiaries	60		
Punongbayan and Araullo	Audit of FS for the year 2013- Parent and Subsidiaries	2,526.95		
Punongbayan and Araullo	Audit of FS for the year 2014- Parent and Subsidiaries	3,266.38	3,064.46	
Punongbayan and Araullo	Audit of FS for the year 2015- Parent and Subsidiaries		2,107.17	1,638.18
Punongbayan and Araullo	Audit of FS for the year 2016- Parent and Subsidiaries			2,608.84
Sub-total		5,863.33	5,171.63	4,247.02

Tax Advisory Services				
Sycip, Gorres and Velayo	Tax Consultancy	144.76	138.36	155.07
Sub-total		144.76	138.36	155.07
All Other Fees				
Entia Accounting Office	Professional Fee for BOI Registration of Depot Facilities			187.5
Sub-total			-	187.5
GRAND TOTAL		6,008.09	5,309.99	4,589.59

4) Medium of Communication

List down the *modes* of communication that the company is using for disseminating information.

The Company has a communications strategy to promote effective communication with shareholders. We have our company website: www.phoenixfuels.ph wherein Our stockholders can view disclosures, annual and quarterly reports, list of stations, events, products, management teams and CSR activities.

5) Date of release of audited financial report: ***April 11, 2017 for AAFS of 2016***

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business Operations	Yes
Financial statements/reports (current & prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of ASM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	No

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

We are currently upgrading our system and such information are still in the process of being added to the website.

7) Disclosure of RPT

RPT	Relationship	Nature	Value

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

- ***The Company develops and discloses a policy governing the company's transactions with related parties in the Notes to Financial Statements.***
- ***The Company established a voting system whereby a majority of non-related party shareholders approves specific types of related party transactions in shareholders meetings.***
- ***There is transparency and consistency in reporting its RPTs, the summary of which are published in the company's annual report***
- ***There is a clear policy in dealing with material non-public information by company insiders.***
- ***The Independent Directors play an important role in reviewing significant related party transactions.***
- ***Full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management***

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Majority of the outstanding capital stock must be present or represented

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Voting in person or in proxy
Description	

- Under the rule, voting may be done by ballots or viva voce.
- In both procedures, we have made the proper arrangement.
- Ballots are ready in case voting by ballots is necessary. Ballots shall be distributed upon registration.
- We used ID's with control numbers during voting instead of hand raising. Upon registration, all stockholders shall register their name and the votes they represent. They will be given IDs with control number. By the time the meeting starts, we shall have determined the number of shares present and being represented either personally or by proxy.
- During the voting, stockholders will be asked to raise their ID's instead of hands. **Only negative votes and abstain votes shall be counted. External Audit will determine and take note of the control numbers who voted No and Abstained.** These votes shall be entered in a prepared template that automatically deducts the negative and abstain votes to get the positive votes.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

None

Stockholders' Rights under The Corporation Code	Stockholders' Rights NOT under The Corporation Code

Dividends

Dividend	Declaration Date	Record Date	Payment Date
Php 0.10 Cash Div.	February 8, 2012	March 23, 2012	April 23, 2012
50% Stock Div	February 8, 2012	March 26, 2012	April 26, 2013

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:

Any changes in the matters below are taken up during the Annual Stockholders' Meeting. The changes in these matters are made known ahead of time through notices of agenda specifying the changes and sent individually via postage to each of the stockholder.

- a. Amendments to the company's constitution
- b. Authorization of additional shares
- c. Transfer of all or substantially all assets, which in effect results in the sale of the company

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

Yes.

- a. Date of sending out notices: Feb. 26, 2016
- b. Date of the Annual Stockholders' Meeting: March 18, 2016

4. State, if any, questions and answers during the Annual Stockholders' Meeting.(last 18 March 2016)

- A Stockholder inquired what is the financial effect of the fuel price drop in Phoenix' margin and what is the company doing to mitigate or effect boost in those areas. CFO John Joseph Ong, pointed out that the drop in the fuel prices may bring down the margins since Phoenix is selling more expensive inventory and that the drop is continuous and that is the effect on margins as a whole. Since the drop of fuel prices is a market-driven and the operations are generally trading in nature which the Company does not do refining, the company try to match the reckoning of buying price and the selling price at the same time. It takes 30 days to offload an inventory to the extent that the company will try to negotiate with the suppliers to price the products. As soon as price is stabilized, normally the margins can back
- The Stockholder asked if the company's aim to becoming the number 3 is still achievable or what's the plan of the company to intend to do this to achieve it. Mr. Chairman referred the question to COO Romeo B. De Guzman who answered that the company can achieve being at number 3 in the position in 2017. The core business of the company which is the retail business, the structural strength of the business, and adding more direct accounts. The The pressure of the excellence that the Company would like to impose in this particular business and by putting our acts together, we would be able to achieve our objective to becoming number 3 in 2017.
- A Stockholder inquired if there are other fund raising activities for this year 2016. CFO Joseph John Ongon answered that the company have not yet decided if there will be any capital raising exercises for 2016. The Company's capital line continues to grow and that the former still welcoming banks to open lines with them which is not an issue. The Company may consider getting a long term debt but the company.
- A stockholder asked for an update for the fire incident in Calaca, Batangas. Gen. Manager of the Industrial Park Chryss Alfonsus V. Damuy clarified that the fire is in one of the locators , the SPI, which operates LPG terminal in our facility owned owned by the subsidiary of Phoenix Petroleum which is PPIPC. The type of fire is LPG fire. According to experts, the way of managing LPG fire is to let it continue burning until all the fuel is exhausted or consumed. Finally, the fire was put out and it was managed well. No casualty or

even some explosion.

5. Result of Annual/Special Stockholders' Meeting's Resolutions

12. Resolution	13. Approving	14. Dissenting	15. Abstaining
a. Election of the Board of Directors	1,036,354,267 shares or 100% of present and entitled to vote	none	none
b. Stockholder's approval of the Minutes of the Previous ASM on March 11, 2015	1,036,354,267 shares or 100% of present and entitled to vote	none	none
c. Approval on the 2015 Annual Audited FS and 2015 Annual Report	1,036,354,267 shares or 100% of present and entitled to vote	none	none
d. Ratification and confirmation of all acts and resolutions of the Board of Directors and Management covering the period from 01 Feb 2015 to 31 Jan 2016..	1,036,354,267 shares or 100% of present and entitled to vote		
e. Appointment of P & A as PPPI's external auditor for the ensuing year.	1,036,354,267 shares or 100% of present and entitled to vote	none	none

6. Date of publishing of the result of the votes taken during the most recent ASM for all resolutions:

March 18, 2016

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason of Modification
None	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual Stockholders' Meeting Held:

Type of Meeting	Names of Board Members/ Officers Present	Date of Meeting	Voting Procedure(by poll, show of hands, etc.)	% of SH Attending in Person	% of SH Attending in Proxy	Total % of SH attendance
Annual Stockholders Meeting	10	18 March 2016	Stockholders are given IDS with control numbers. The control			72.5%

			numbers per ID has a corresponding entry in the database. Each ID are color coded: blue fonts represent the minority common and preferred shareholders while the red fonts represent the major stockholders, affiliates, directors and officers. Thus, when a motion is under votation, the Chairman shall be asking the stockholders/proxies to raise the IDs and the external auditor, Punongbayan and Araullo shall be tasked to record the votes and count them.			

- (ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM?

YES

- (iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

No. Stockholders are given IDS with control numbers. The control numbers per ID has a corresponding entry in the database. Each ID are color coded: blue fonts represent the minority common and preferred shareholders while the red fonts represent the major stockholders, affiliates, directors and officers. Thus, when a motion is under votation, the Chairman shall be asking the stockholders/proxies to raise the IDs and the external auditor, The external auditor shall be tasked to record the votes and count them. Only negative votes and abstain votes shall be counted. External Audit will determine and take note of the control numbers who voted No and Abstained. These votes shall be entered in a prepared template that automatically deducts the negative and abstain votes to get the positive votes.

The stockholders of the Corporation shall have no pre-emptive right to subscribe to any issues or dispositions of shares of any class.

The new class of PREFERRED SHARES shall have the following features:

- i) ***Non-convertible into common shares;***
- ii) ***Non participating in any other corporate activities or other further dividends, non-voting except in cases specified by law;***

- iii) ***No pre-emptive rights to any issue of the Company's share but shall enjoy preference over the holders of common shares as to distribution of net assets in the event of dissolution or liquidation and in the payment of dividends at a specified rate. The Board of Directors shall determine its issued value at the time of issuance and shall determine its dividend rates and the dividends shall be paid cumulatively;***
- iv) ***The preferred shares shall be redeemable at the Company's option under such terms as the Board of Directors may provide at the time of issuance. It shall also be re-issuable when fully redeemed.***

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	
Notary	Not required to be notarized
Submission of Notary	Not required
Several Proxies	
Validity of Proxy	
Proxies executed abroad	
Invalidated Proxy	Invalidated when revoked by the stockholder at any time before the right granted is exercised or if the stockholder attends the meeting in person and expresses intention to vote in person.
Validation of Proxy	A forum for the validation of proxies chaired by the Secretary or Assistant Secretary and attended by the Stock Transfer Agent convened at least five (5) days before any meetings.
Violation of Proxy	

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Timely sending out of notices to stockholders	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

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	173 including beneficial owners
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	February 26, 2016
Date of Actual Distribution of Definitive Information Statement and Management Report	February 26, 2016

held by Stockholders	
State whether CD format or hard copies were distributed	Yes
If yes, indicate whether requesting stockholders were provided hard copies	Yes

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/ re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
One share, one vote principle	Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights
Effective, secure and efficient voting system	

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed.

The Company maintains a communications strategy promoting effective communication with all its stakeholders that is reviewed on a regular basis.

Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Company has an External Corporate Affairs unit that reviews and approves all company announcements.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

Investor relations are usually coursed through the finance department particularly under the Office of the Chief Finance Officer. The CFO schedules a regular investors' briefing to update investors on the latest projects of the Company and these are usually disclosed ahead of time for the information of the investors and stakeholders.

	Details
(1) Objectives	
(2) Principles	
(3) Modes of Communication	
(4) Investors Relations Officer	

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

The company is guided by the provisions of the corporation code and laws pertaining to acquisition, taking into consideration corporate governance. In the past 2 years, the company has consistently engaged the services of a duly accredited third party to evaluate a fairness opinion on the valuation particularly in cases of mergers and acquisitions.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price:

**Penta Capital and Investment Corporation
Multinational Investment Bancorporation**

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Held the following CSR activities for 2016/Initiatives with the following beneficiaries:

Particulars	School	Location
Basketball Training Camp	San Roque. Elem. School	University of Southeastern Phil. Gym, Davao City
Basketball Training Camp	Davao City Special School	University of Southeastern Phil. Gym, Davao City

Basketball Training Camp	Lapu-lapu Elem. School	University of Southeastern Phil. Gym, Davao City
Basketball Training Camp	Paaralang Elem. Ng Vicente Hizon Sr	University of Southeastern Phil. Gym, Davao City
Basketball Training Camp	Paaralang Elem. Ng Dona Asuncion Hizon	University of Southeastern Phil. Gym, Davao City
Basketball Training Camp	F. Bangoy Elem. School	University of Southeastern Phil. Gym, Davao City
Basketball Training Camp	Lapu-lapu Elem. School	University of Southeastern Phil. Gym, Davao City
Blood Letting	Abreeza Ayala Mall- by Phil. Red Cross	J.P. Laurel Ave., Davao City
Blood Letting	Barangay Hall Barangay Katipunan - by the Punong Barangay	Villanueva, Misamis Oriental
Blood Letting	Limketkai Mall - by Phil. Red Cross	Cagayan de Oro City
Blood Letting	VMA Global College and 602nd Coast Guard Auxiliary Squadron	Sum-ag Bacolod City
Blood Letting -Lapu Lapu Award	Phil. Blood Center	Dept. Of Health
Brigada Eskwela	Maguikay Elem. School	Maguikay Mandaue , Cebu
Brigada Eskwela	Sawang Calero Elem. School	Brgy. Sawang Calero, Cebu
Brigada Eskwela	Tayud Elem. School	Tayud, Cebu
Brigada Eskwela	Tabucan Elem. School	Tabucan, Mandurriao, Iloilo
Brigada Eskwela	Talisayan Elem. School	Talisayan, Zamboanga City
Brigada Eskwela	Davao City Special School	Bangkal, Davao City
Brigada Eskwela	San Roque. Elem. School	Bangkal, Davao City
Brigada Eskwela	Paaralang Elem. Ng Dona Asuncion Hizon	Bangoy District , Davao City
Brigada Eskwela	Dumaguait Elem. School	Dumaguait, New Washington, Aklan
Brigada Eskwela	Paaralang Elem. Ng Vicente Hizon Sr	Bgy Vicente Hizon, Davao City
Brigada Eskwela	Rafael Palma Elem. School	Dominga St., Pasay City
Brigada Eskwela	Kauswagan Central School	Kauswagan, Cagayan de Oro City
Brigada Eskwela	Salong Elem. School	Calaca, Batangas
Brigada Eskwela	Lumbang Calzada Elem. School	Calaca, Batangas
Brigada Eskwela	Lapu-lapu Elem. School	Brgy Lapu-lapu, Davao City
Christmas Gift Giving	Talisayan Elem. School	Talisayan, Zamboanga City
Christmas Gift Giving	Kauswagan Central School	Kauswagan, Cagayan de Oro City
Christmas Gift Giving	Barangay Katipunan Day Care Center	Villanueva, Misamis Oriental
Christmas Gift Giving	Maguikay Elem. School	Maguikay Mandaue , Cebu
Christmas Gift Giving	Dumaguait Elem. School	Dumaguait, New Washington, Aklan
Christmas Gift Giving	Salong Elem. School	Calaca, Batangas
Christmas Gift Giving	Lumbang Calzada Elem. School	Calaca, Batangas
Christmas Gift Giving	Lazareto Elem. School	Calapan City
Christmas Gift Giving	Rafael Palma Elem. School	Dominga St., Pasay City
Christmas Gift Giving	Indigent Kids Sitio Parola Compound- by the Coastguard Auxiliary	Km 10, Sasa, Davao City
Christmas Gift Giving	Indigent Kids Brgy Sta Ana- by the Coastguard Auxiliary	Sta. Ana Pier, Davao City
Christmas Gift Giving	Tayud Elem. School	Tayud, Cebu
Clean up Activity	Phil. Environment Month	Suqui, Calapan City

Clean up Activity	National Cleanup Day	Brgy Tayud, Consolacion Cebu
Clean up Activity	International Coastal Cleanup	Suqui, Calapan City
Clean up Activity	National Cleanup Day	Brgy. Dumaguít, New Washington, Aklan
Clean up Activity	Coastal Cleanup	Coaco Shoreline, Brgy. Pampanga, Davao City
Donation of Books	Dumaguít Elem. School	Dumaguít, New Washington, Aklan
Donation of Books	Kauswagan Central School	Kauswagan, Cagayan de Oro City
Kinder Moving Up Ceremony	Paaralang Elem. Ng Vicente Hizon Sr	Bgy Vicente Hizon, Davao City
Kinder Moving Up Ceremony	San Roque. Elem. School	Brgy 20-B, Davao City
Kinder Moving Up Ceremony	Paaralang Elem. Ng Dona Asuncion Hizon	Bangoy District , Davao City
Kinder Moving Up Ceremony	Lapu-lapu Elem. School	Brgy Lapu-lapu, Davao City
Kinder Moving Up Ceremony	Tayud Elem. School	Tayud, Cebu
Medical and Dental Mission	Barangay Hall Barangay Tumbler - by the Punong Barangay	General Santos Ctiy
Medical and Dental Mission	Barangay F.S. Catanico Covered Court - by the Punong Barangay	Cagayan de Oro City
Operation TULI	Barangay Hall Barangay Pampanga - by the Punong Barangay	Buhangin, Davao City
Operation TULI	Talaban Elem. School - by Rotaract Club	Himamaylan City, Negros Occidental
Operation TULI	Barangay Tayud Gym- by the Punong Barangay	Consolacion, Cebu
Operation TULI	Barangay Hall Barangay Buhangin - by the Punong Barangay	Buhangin Proper , Davao City
Tree Growing	Barangay Dumaguít	Dumaguít, New Washington, Aklan
Tree Growing	Galicia Watershed Rehabilitation Program - by Kalibo Water District	Kalibo, Aklan
Tree Growing	General Santos City Water District	Sitio Tinefulan, Brgy. Maligo, Polomolok
Tree Growing	Barangay Inuboran, City of Naga - by the Phil. Coastguard	Cebu City
Tree Growing	Upper Caliban Imbang Watershed	Bacolod City
Tree Growing	Lusaran Watershed - by Cebu Water District	Lusaran, Davao City
Tree Growing	Malagos Watershed Reservation - by Davao City Water District	Davao City
Tree Growing	Butuan City Water District-Taguibo River Watershed Forest Reserve	Bargy. Anticala, Butuan City
Tree Growing	Mahugano Watershed Forest Reserve - by CDO Water District	Cagayan de Oro City
Tree Growing	Maasin Watershed Barangay Daja - by Metro Iloilo Water District	Iloilo City
Turnover donations	Tayud Elem. School	Tayud, Cebu
Turnover donations - aircon units	Toddlers Room Reception and Study Center -by DSWD	DSWD Ofc XI , Friendship Road, SPMC Compound, Bajada , Davao City
Turnover donations - aircon units	General Pediatric Surgery Ward	Southeastern Phil. Medical Center, Davao Ctiy
Turnover donations - stand fans	Dumaguít Elem. School	Dumaguít, New Washington, Aklan

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	Director's Score Card	Performance based on the Company's business targets
Board of Committees	Selection procedure of the Nomination Committee	Criteria set by the committee
Individual Directors	Corporate Governance Scorecard	Performance based on the Company's business targets
CEO/President	Corporate Governance Scorecard	Performance based on the Company's business targets

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

Violations	Sanctions
<i>NONE</i>	<i>NONE</i>

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Davao on **30 May 2017**.

SIGNATURES



DOMINGO T. UY
Chairman of the Board



DENNIS A. UY
Chief Executive Officer



MONICO V. JACOB
Independent Director



CONSUELO YNARES-SANTIAGO
Independent Director

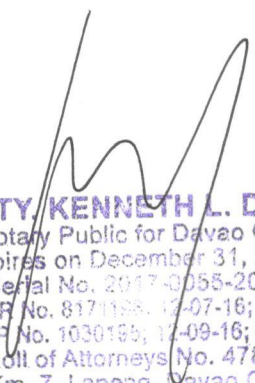
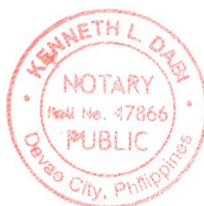


SOCORRO ERMAC CABREROS
Corporate Secretary
(in lieu of Compliance Officer)

SUBSCRIBED AND SWORN to before me no **30 May 2017**, affiant(s) exhibiting to me their TIN as follows:

NAME	ID NO./DATE OF ISSUE	PLACE OF ISSUE
DOMINGO T. UY	140-162-193	
DENNIS A. UY	172-020-135	
MONICO V. JACOB	123-030-879	
CONSUELO YNARES-SANTIAGO	118-014-893	
SOCORRO ERMAC CABREROS	111-790-618	

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Series of 2017



ATTY. KENNETH L. DABI
Notary Public for Davao City
Expires on December 31, 2018
Serial No. 2017-0055-2018
PTR No. 8171188, 12-07-16; D.C.
IBF No. 1030185, 12-09-16; D.C.
Roll of Attorneys No. 47866
Km. 7, Lanang, Davao City