

COMPANY POLICIES

- **Conflict of Interest**

All officers and employees covered under this Policy are prohibited from actively engaging in activities, transactions or negotiations that would result to a conflict of interest or a mere appearance of it. In the event that a potential or actual conflict of interest is encountered by any employee or officer, he is required to disclose the same and refrain from taking part in the conduct, discussion, negotiation and decision-making that might be associated with the matter.

Employees must immediately report any offer or gift of any value given to them or their immediate family to get favors or to influence business recommendations, proposals or decisions affecting the Company or any of its subsidiaries.

Failure to do so shall constitute violations of these provisions and shall subject the employee to disciplinary measures.

- **Insider Trading**

Except as otherwise provided, Company directors, officers and employees who from time to time have knowledge of and access to material information about the Company not disclosed to the public are strictly prohibited from trading Company securities.

Material information includes, but is not limited to: financial results; projections of future earning or losses; news of a pending or proposed merger; change in the corporate structure such as re-organization; acquisitions/divestitures/joint ventures; dividend declaration and changes in dividend policy; stock splits; new significant equity investments or debt offerings; significant litigation exposure; major changes in key senior management positions; public or private sale of Company securities.

- **Environment, Health and Safety Policy**

Phoenix believes that it is in the best interest of all to promote and preserve the safety of the community where Phoenix operates, Phoenix employees, contractors, customers, the environment, and its facilities. Implementation of effective safety and environmental protection programs is a function of the management. Proper management can lessen the potential hazards associated with the production, manufacture, marketing, distribution & transport, and use of products.

Consistent with the foregoing, PPPI's Health, Safety and Environmental Policy is:

To make environmental protection, health, fire and safety considerations an integral part of all business planning and of equal importance with other key operational, business, and strategic objectives;

To comply with all applicable health, environment, and safety laws and regulations;

To conduct business according to recognized standards of the industry, including those related to the environment, occupational health, personnel and product safety, and fire protection;

To design, build, operate, and maintain a safe working environment;

To manufacture, and market products which are safe and effective for their intended use when handled and used according to recommended guidelines and procedures;

To educate all employees on an ongoing basis with respect to environmental and safety hazards, programs, rules and practices, and to foster employee involvement in improving environmental and safety performance; and

To hold each employee responsible and accountable for his (her) environment, health and safety-related performance, as well as for that of personnel and facilities under his (her) responsibility or supervision.

- **Whistle-Blowing Policy**

The company is in the process of drafting the Whistle-Blowing Policy and will be subject to the company's board approval once completed and the proper disclosure made at the appropriate time.

- **Related Party Transaction**

The company is in the process of drafting the Related Party Transaction and will be subject to the company's board approval once completed and the proper disclosure made at the appropriate time.

- **Confidentiality of Information**

Employees are required to respect the right to privacy of an individual and must maintain the integrity, confidentiality and privacy of any information provided to them in the course of their employment concerning other employees and the Company. Accessing, collecting or disclosing confidential information are only allowed where the disclosure is authorized by an appropriate officer of the Company or required by law.

Employees must protect Company information and avoid discussing or disclosing Company information, purposefully or inadvertently (through casual conversation), to any unauthorized person inside or outside the Company. Furthermore, staff may not share confidential Company information with anyone, except where required for a legitimate business purpose or accomplished in the performance of official functions. Employees should be aware that the obligations placed on them not to disclose confidential information continue to apply to them following the termination of their employment with the Company.

Confidential information includes not only information about the people that the Company deals with but also non-public information about the

Company that may be of use to the Company's competitors or harmful to the Company or its customers if released.

- **Computer and Internet Usage**

Company employees are expected to use the Internet responsibly and productively. Internet access is limited to job-related activities only and only limited personal use is permitted so long as it does not impact greatly the resources of Phoenix (such as downloading large files or viewing large media files from the Internet).

If an employee is unsure about what constituted acceptable Internet usage, prohibited e-mail and communication activity, then he/she should ask his/her supervisor for further guidance and clarification or call the IT Department or seek the help of Phoenix Legal Counsel

- **Substance Abuse**

Phoenix is committed to maintaining a substance abuse free workplace. To protect the best interests of its employees and the public, the Company may take necessary measures to determine if dangerous, prohibited or regulated drugs, drug-use-related paraphernalia, alcohol or prohibited substances are located or are being used on Company time, property, or at any Company business or social function. Phoenix or its agents, may collect body fluid (blood, urine, saliva, etc.) samples from any employee and may test such specimens for alcohol, controlled substances, drugs, narcotics, or any intoxicant, or their metabolites. An employee's or applicant's consent to submit to such testing is required as a condition of employment. Refusal to consent to testing will lead to termination of employment.

The unlawful manufacture, distribution, dispensing, possession, use of, or being under the influence of alcohol, controlled substances, drugs, narcotics, or any intoxicant is prohibited by any employee of Phoenix, any of its subsidiaries, or any individual on any company premise, or while conducting company business off premise. Any employee violating any part of this policy is subject to serious disciplinary action, up to and

including termination of employment.

Off premises involvement with illegal drugs may have an adverse affect on an employee's on-the-job performance. The unlawful involvement with illegal substances outside company premises will constitute grounds for severe disciplinary action, up to and including termination of employment.

- **Sexual Harassment Cases or Other Forms of Sexual Misconduct**

These Rules shall apply to administrative cases involving acts of sexual harassment filed against any officer or employee of PHOENIX PETROLEUM PHILIPPINES, INC. (PHOENIX). As used in these Rules, "officer or employee" shall refer to officers and employees of Phoenix whether holding positions under permanent, temporary or confidential status.

Jurisdiction. The PHOENIX COMMITTEE ON DECORUM AND INVESTIGATION OF SEXUAL HARASSMENT (PNX-CODISH) shall exercise exclusive jurisdiction over acts of any officer or employee constituting sexual harassment or other forms of sexual misconduct.

- **Employees' Grievance and Resolution**

PHOENIX expects its employees to behave in a professional manner. Any employee who has a grievance relating to another employee or the Company has the right to express it. This grievance policy is intended for this purpose.

The aim of this policy is to provide a framework to bring grievances to light in a positive manner and to a fair conclusion as soon as possible. It is in the interest of the employee and the Company that grievances are dealt with quickly and fairly.

It is very important that every effort is made to resolve the grievance in the early stages of this procedure. Many routine complaints and grievances can be resolved informally without recourse to this procedure, and a quiet word is often all that is required to resolve an issue.

Managers hearing grievances from staff are reminded that grievance hearings are not matters of discipline and therefore all hearings must be handled sensitively.

The focus should be resolving the disagreements and not apportioning blame or proving guilt or innocence. This policy does not deal with dismissals due to redundancy or the non-renewal of fixed term contracts on their expiry. The procedure may be altered from time to time as appropriate and any changes agreed with employees.

If the employee is unsure of how to proceed with a complaint or which procedure to follow, he/she should discuss his/her concern with the immediate supervisor. If the employee has concerns about raising the issue with his/her immediate supervisor, assistance should be sought from the next most senior staff member in the line of management responsibility.