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31 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.19, Series of 2016 and Circular No. 8, Series of 2017, please find attached our Company's Code on Corporate Governance (CCG).

This CCG supersedes the Corporation's Revised Corporate Governance Manual adopted last 28 January 2011 as amended on 31 July 2014.

We trust that you find the foregoing in order.

Best regards.

Very truly yours,

ATTY. SOCORRO ERMAC CABREROS
Acting Compliance Officer

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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CODE OF CORPORATE GOVERNANCE
P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.

The Board of Directors, officers, management, executives and employees of **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** (the "Corporation") hereby commit themselves to comply and observe the fundamental principles of sound corporate governance and best practices contained in this Code of Corporate Governance ("CCG")which are necessary components in the attainment of its corporate goals and enhancing the value of the Corporation to all its stakeholders.

This CCG is adopted pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 19, Series of 2016 issued on 22 November 2016. It supersedes the Corporation's Revised Corporate Governance Manual adopted last 28 January 2011 as amended on 31 July 2014.

DECLARATION OF CORPORATE PRINCIPLES

The Corporation adheres to the highest standards and principles of Integrity, Excellence, Service, Innovation, Teamwork and Stewardship to serve the best interest of its stakeholders.

This Code of Corporate Governance reflects that commitment of the Board of Directors ("the Board") of the Corporation to guide and assist them including management in effectively performing of its duties and responsibilities in order to achieve and enhance long-term success of the Corporation and shareholder value.

As the Corporation progresses, the CCG shall be kept under constant review and revision to keep up with the recent and emerging standards of good corporate governance.

CORPORATE GOVERNANCE RULES AND PRINCIPLES

PRINCIPLE 1: THE CORPORATION SHALL BE GOVERNED BY A WORKING, COMPETENT, AND EFFECTIVE BOARD OF DIRECTORS

The Corporation shall be headed by a competent, working Board of Directors ("the Board") to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objective and the long-term best interest of its shareholders and other stakeholders.

1.1 The Board of Directors (the "Board") of the Corporation shall be primarily responsible for the governance of the Corporation. It shall independently act and make its decision with full knowledge of the facts on the objective of enhancing shareholder value.

1.2 It shall be composed of directors possessing expertise and/or experience in their respective fields or sectors that may be relevant to the industry of the Corporation in order to properly fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

1.3 Directors shall be pre-qualified before they are nominated to the Board. Nominations may be made by any member of the Board, stockholder, officer or employee in accordance with the By-laws to ensure the qualification of the nominee and enable them to effectively participate in the deliberations of the Board and carry out their roles and responsibilities.

1.4 The Corporation shall ensure to formulate a policy on regular training of its directors, including orientation program for first time directors particularly on corporate governance to ensure compliance and adherence to standards.

1.5 The Board shall be assisted by its duly elected or appointed, as the case may be, Corporate Secretary who should be a separate individual from the Compliance Officer. The Corporate Secretary shall not be a member of the Board and shall likewise comply with the trainings for corporate governance.

1.6 The Board shall ensure that is is assisted in its duties by a Compliance Officer who shall be part of management in charge of compliance function. The Compliance Officer shall be primarily liable to the Corporation and its shareholders.

PRINCIPLE 2: ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the Corporation's articles and by-laws and other legal pronouncements and guidelines should be clearly made known to all directors as

well as to shareholders and other stakeholders.

2.1 It is imperative that each of the director or member of the Board shall observe two key elements of the fiduciary duty: ***the duty of care*** and ***duty of loyalty***.

2.1.a ***Duty of Care*** - each director shall be required to act on a fully informed basis, in good faith, with due diligence and care.

2.1.b ***Duty of Loyalty*** - each director is expected to act in the interest of the Corporation and all its shareholders. Hence, it is imperative that directors shall have no conflicting businesses or interest inimical to the interest of the Corporation.

2.2 The Board shall oversee, monitor and approve the development of the Corporation's business objectives, plans of action, policies and procedures, annual budgets and business strategies and monitor their implementation and corporate performance, capital expenditures in order to sustain the Corporation's viability and strength.

2.3 The Board shall be headed by a competent and qualified Chairperson who shall be elected among the members of the Board in accordance with the Corporation's By-laws. The Chairperson's role and responsibilities shall include among others:

2.3.a Ensures that agendas during regular and special meetings involve strategic matters which shall include and discuss risks, governance concerns, issues, environmental effects.

2.3.b Ensures that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions.

2.3.c Facilitates healthy, relevant and constructive discussion on key issues to aid the Board in reaching a sound decision.

2.3.d Ensures periodic or regular evaluation of the performance of the Board.

2.4 The Board shall be responsible in adopting an reasonable and viable succession plan program for the directors, key officers and management to ensure growth, continuous and smooth operation of business at the same enhance shareholders' value. To maintain dynamism and adaptability to change and development, the Board shall likewise adopt a policy on retirement for directors and key officers as part of the management succession.

2.5 The Board shall set and approve remuneration or compensation plan of key officers including directors based on performance. However, no director should participate in discussions or deliberations involving his own remuneration.

2.6 The Board shall have sufficient disclosure on the procedure or process of

nomination as well as election policy which shall include nominations from minority shareholders. The policy should include an assessment of the effectiveness of the Board's processes and procedures in nominations, elections and replacement of a director as well as process of identifying quality directors which should be aligned with strategic direction of the Corporation.

2.7 The Board shall be responsible for ensuring an approved group-wide policy and system governing Related-Party Transactions (RPT) and other unusual and infrequently occurring transactions, particularly those which pass certain thresholds of materiality. It shall be imperative that a potential RPT must at all times guarantee fairness valuation and transparency of transaction such as risk profile, complexity of operations and structure.

2.8 The Board shall be primarily responsible for approving the selection and performance of management led by the Chief Executive Officer (CEO) and other control function such as Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive.

2.9 The Board shall establish an effective performance management framework to ensure that management including its key officers such as the CEO is at part with the standards set by the Board.

2.10 The Board shall set in place, oversee and establish the appropriate internal control system in the Corporation in order to monitor and manage potential conflicts of interest of management, the Board and shareholders. It shall approve upon recommendation of the audit committee an Internal Audit Charter.

2.11 The Board shall set in place, establish and oversee a sound Enterprise Risk Management (ERM) framework to effectively identify, monitor, assess and manage key business risks.

2.12 The Board shall likewise establish and formulate a Board Charter that will state, formalize and define its roles, responsibilities and accountabilities in carrying out fiduciary duties. The Board Charter shall guide the directors in the performance of their functions and should be publicly available and posted on the Company's website.

PRINCIPLE 3: ESTABLISHING BOARD COMMITTEES

Board Committees are set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns. Each committee shall have its respective Committee Charter.

3.1 There shall establish committees within the Board such as (a) Audit Committee (AC), (b) Corporate Governance Committee (CGC), © Board Risk

Oversight Committee (BROC) and (d) Related Party Transaction Committee (RPTC) to support the Board in the effective performance of its functions. The establishment of the BROC and RPTC shall be duly assessed and evaluated by the Board depending on the Corporation's size, risk profile, complexity of operations and its necessity.

3.2 The Audit Committee shall have oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Committee shall be composed of at least three (3) appropriately qualified non-executive directors, preferably majority of whom are independent. All members must have relevant background, knowledge and experience in areas of accounting, finance and audit. The Chairman of the Audit Committee shall not be chairman of any other committees or the Board.

3.3 The Corporate Governance Committee shall have the responsibility in assisting the Board in the performance of and compliance with corporate governance responsibilities including the functions that formerly belongs to Nominations and Remuneration Committee. The Committee shall be composed of at least three (3) members, all of whom preferably independent directors, including the Chairperson.

3.4 Subject to the assessment and approval of the Board on its establishment depending on Corporation's size, risk profile and complexity of operations, the Board Risk Oversight Committee (BROC) shall be responsible for the oversight of the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness. The BROC shall be composed of at least three (3) members, majority of whom shall be independent directors, including the Chairman. The Chairman shall not be a Chairman of the Board or of any other committee. At least one member of the committee must have relevant knowledge and/or experience on risk and risk management.

3.5 Subject to the assessment and approval of the Board on its establishment depending on Corporation's size, risk profile and complexity of operations, the Related Party Transaction (RPT) Committee shall be primarily tasked to review all material related party transactions of the Corporation. The RPTC shall be composed of at least three (3) non-executive directors, two of whom shall be independent directors including the Chairman.

3.6 All established committee shall have their respective Committee Charters stating in plain terms their purpose, memberships, structures, operations, reporting processes, resources and other relevant information. Each Charter shall include and provide standards for evaluating the performance of the Committees and shall be fully disclosed in the Corporation's website.

PRINCIPLE 4: FOSTERING COMMITMENT

The directors must devote time and attention necessary to properly and effectively perform their duties and responsibilities in order to show their commitment to the Corporation and to be familiar with the Corporation's business.

4.1 The directors shall attend and actively participate in all meetings of the Board, Committees and Shareholders in person in a manner acceptable to the Corporation in accordance with the rule of the Commission except on justifiable causes. It shall be the duty of the directors to review meeting materials and if called for, ask necessary relevant questions or clarifications and explanation.

4.2 The non-executive directors may concurrently serve as directors of other publicly-listed companies (PLC) up to a maximum number of five (5) PLCs to ensure sufficient time to prepare and attend meetings and fully oversee and monitor its long term strategy.

4.3 It is incumbent upon each director to notify the Board before accepting a directorship in other Corporation.

PRINCIPLE 5: REINFORCING BOARD INDEPENDENCE

The Board should endeavor at all times to exercise an objective and independent judgment on all corporate affairs.

5.1 The Board shall have at least three (3) independent directors or such number as to constitute at least one-third of the members of the Board, whichever is higher.

5.2 The Board shall ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.

5.3 Independent directors shall serve for a maximum cumulative term of nine years. After serving the maximum term, the director shall be perpetually barred from re-election as independent director of the Corporation. In the event, the Corporation decides to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual stockholders' meeting.

5.4 The Chairman of the Board as well as the Chief Executive Officer shall be held separately by individuals with their respective roles and responsibilities clearly defined.

5.5 The Board shall designate a "lead director" among the independent directors

if the Chairman of the Board is not independent and in cases where the Chairman and the CEO are held by one person.

5.6 The director with a material interest in any transaction affecting the Corporation shall abstain from taking part in the deliberations of the transaction or corporate affair.

5.7 The non-executive directors shall have separate meetings with the external auditor and heads of internal audit, compliance and risk functions, without any executive directors present to ensure proper checks and balances within the Corporation. The lead independent director shall chair the meetings.

PRINCIPLE 6: ASSESSING BOARD PERFORMANCE

The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

6.1 The Board shall conduct an annual self-assessment of its performance including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment should be supported by an external facilitator.

6.2 The Board shall establish a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system that will allow feedback mechanism from the shareholders.

PRINCIPLE 7: STRENGTHENING BOARD ETHICS

Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

7.1 The Board shall adopt a Code of Business Conduct and Ethics which shall provide and set the standards for professional and ethical behavior, as well as regulate and define acceptable conducts and practices in internal and external dealings. The Code shall be disclosed and made available to the public through the Corporation's website.

7.2 The Board shall monitor proper and efficient implementation and compliance with the Code of Business Ethics and internal policies.

PRINCIPLE 8: ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Corporation should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

8.1 The Board shall establish corporate disclosure policies and procedures to ensure comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of the Corporation's financial condition, results and business operations.

8.2 All directors and key officers shall disclose/report to the Corporation through the Corporate Secretary or Compliance Officer any dealings of the Company's shares within three (3) business days.

8.3 The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflict of interest that might affect their judgment.

8.4 A clear disclosure of its policies and procedures for the setting or establishment of the remuneration of the Board and executive as well as level and mix of the same shall be made in the Annual Corporate Governance Report.

8.5 Policies on Related Party Transactions and other unusual or infrequently occurring transaction shall be disclosed in their Manual on Corporate Governance while the material or significant RPTs which were reviewed and approved during the year shall be disclosed in the Annual Corporate Governance Report.

8.6 There shall be a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. An independent third party shall be engaged to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

8.7 Corporate Governance policies, programs and procedures of the Corproation should be contained in its Manual on Corporate Governance, which should be submitted to the regulators and posted on the Corporation's website.

PRINCIPLE 9: STRENGTHENING THE EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

The Corporation shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

9.1 The Audit Committee shall establish a process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures.

9.2 The Audit Committee Charter shall include the Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.

9.3 There shall be a disclosure on the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.

PRINCIPLE 10: INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

The Corporation shall ensure that the material and reportable non-financial and sustainability issues are disclosed.

10.1 The Board should have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. Companies should adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

PRINCIPLE 11: PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The Corporation shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

11.1 Media and analysts' briefings shall be deemed acceptable channels of

communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.

PRINCIPLE 12: STRENGTHENING THE INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Corporation shall have a strong and effective internal control system and enterprise risk management framework to ensure the integrity, transparency and proper governance in the conducts of its business and affairs.

12.1 Subject to the assessment and approval of the Board as it may deem necessary taking into consideration the Corporation's size, risk profile and complexity of operations, the Corporation shall have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business.

12.2 The Board shall set in place an independent internal audit function for the Corporation that will provide an independent and objective assurance, and consulting services designed to add value and improve the Corporation's operations.

12.3 Subject to a company's size, risk profile and complexity of operations upon assessment and approval by the Board, the Corporation shall have a qualified Chief Audit Executive (CAE) appointed by the Board to oversee for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.

12.4 Subject to its size, risk profile and complexity of operations upon assessment and approval by the Board, the Corporation shall have a separate risk management function to identify, assess and monitor key risk exposures.

12.5 In managing the company's Risk Management System, the company should have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations.

PRINCIPLE 13: CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

The Corporation shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

13.1 The Board shall ensure that basic shareholder rights are disclosed in the Manual on Corporate Governance and on the Corporation's website.

13.2 The Board shall encourage active shareholder participation by sending the

Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.

13.3 The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the Corporation's website within five business days from the end of the meeting.

13.4 The Board shall make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. This shall be included in the Corporation's Manual on Corporate Governance.

13.5 The Board should establish an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. The IRO should be present at every shareholders' meeting.

PRINCIPLE 14: RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDERS RIGHTS

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. The stakeholders shall have the opportunity to obtain prompt effective redress for the violation of their rights.

14.1 The Board shall identify the Corporation's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability.

14.2 The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

14.3 The Board shall adopt a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.

PRINCIPLE 15: ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation shall be developed to create a symbiotic environment, realize the Corporation's goals and participate in its corporate governance processes.

15.1 The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in its governance.

15.2 The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the Corporation's culture.

15.3 The Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

PRINCIPLE 16: ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Corporation shall be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

16.1 The Corporation recognizes and places importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Corporation to grow its business, while contributing to the advancement of the society where it operates.

EFFECTIVITY

This Code of Corporate Governance is approved and adopted this 31st day of May 2017 by the Board of Directors. It supersedes the previous Manual on Corporate Governance that was approved and adopted by the Corporation on 28 January 2011 as amended on 31 July 2014.

Signed:

DOMINGO T. UY
Chairman of the Board

SOCORRO ERMAC CABREROS
Acting Compliance Officer