



CORPORATE GOVERNANCE COMMITTEE CHARTER

This Charter establishes the purpose, composition, duties and responsibilities, and structure and operations of the Corporate Governance Committee (the “Committee”) of the Board of Directors of P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (the “Company”); as required under Principle 3.6 of the Code on Corporate Governance dated May 31, 2017.

1. PURPOSE

The Committee shall have the responsibility in assisting the Board of Directors in the performance of and compliance with corporate governance responsibilities including the functions that formerly belongs to the Nominations and Remuneration Committees.

2. COMPOSITION

The Committee shall be composed of at least three (3) non-executive members of the Board; at least two (2) of whom, including the Chairperson, are Independent Directors, as described in the Company’s Amended By-Laws.

Committee members must represent a diverse background; with expertise and/or experience in their respective fields or sectors; preferably in the industries where the Company and its subsidiaries are invested in; to be able to respond to the needs of the Company based on the evolving business environment and strategic direction. Each member shall undergo periodic professional training on corporate governance, including an orientation program for first time Directors, to ensure compliance and adherence to standards.

The Chairperson and the members of the Committee shall be appointed by the majority vote of the members of the Board present during its meeting. Membership shall be reviewed every year. The Chairperson of the Corporate Governance Committee shall not be the Chairman of the Board or of any other Board Committee. All members may concurrently serve as Directors of a maximum of five (5) publicly-listed companies only, to ensure sufficient time to prepare and attend meetings and fully oversee and monitor the Company’s long term strategy.

Each member shall receive a reasonable per diem allowance for his/her attendance at each meeting of the Committee.

The resignation or removal from office of the Chairperson or any member of the Committee shall become effective upon acceptance or by the action of the Board of Directors. Any vacancy shall be filled by the vote of at least a majority of the remaining Board of Directors. The appointed member shall serve only for the unexpired term of his/her predecessor in office.

3. DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

- 3.1. Assist the Board in determining the appropriateness, adequacy, and efficiency of the Company's corporate governance structures and processes; including the adoption and efficient implementation of a Code of Business Conduct and Ethics and Manual on Corporate Governance;
- 3.2. Review, at least annually; and propose amendments, if necessary, the corporate governance framework; including the corporate governance policy statements, corporate governance practices and relevant documentation based on monitored recent and emerging corporate governance standards and developments locally and globally;
- 3.3. Ensure that the Company has elected or appointed a Compliance Officer, who shall be assisting the Board in implementing the Company's corporate governance policies and practices;
- 3.4. Oversee the implementation of the Company's Conflict of Interest Policy with respect to the Board of Directors. Each Director shall be expected to act in the interest of the Company and its shareholders, hence, shall have no conflicting businesses or interest inimical to the interest of the Company. A Director with a material interest in any transaction affecting the Company shall abstain from taking part in the deliberations of the transaction or corporate affair. All Directors shall disclose, through the Compliance Officer, any dealings of the Company's shares, within three (3) business days;
- 3.5. Review, at least annually, the Board Charter, to ensure that the Board overall fulfills its fiduciary roles, responsibilities and accountabilities as provided under the law, the Company's Articles of Incorporation and By-Laws and other legal pronouncements and guidelines;

- 3.6. Ensure that Board Committees are established to support the effective performance of the Board's functions and allow it to effectively handle any number of complex issues; particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns and that each Committee has its respective approved and updated Committee Charter. Review Board Committee memberships to ensure adequacy of structure, composition and mandate, with due regard to overall diversity. Consider in advance, scheduled retirements of Board members, alerting the Board as to which Committees will be affected;
- 3.7. Ensure the functional evaluation of the Board and each Board Committee and self assessment by the individual members; suggest or recommend professional training events for Board members specifically addressing areas that need improvement. Conduct an outside or independent evaluation, every three (3) years; and establish a system that will allow a feedback mechanism from the shareholders on Board performance;
- 3.8. Review and evaluate the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring appointment by the Board. Recommend to the Board the key attributes desirable in a Board member, considering the needs of individual Board Committees in terms of specific skills and the strategic Company directions. Oversee the conduct of any background check, interview or reference check. Promulgate the guidelines or criteria to govern the conduct of nominations, including the nominations from minority shareholders; and elections. Oversee the Board induction and appointment process, and review the adequacy of new Board member and new Board Committee member orientation programs;
- 3.9. Review or suggest appointments to any of the Boards of the Company's subsidiaries and affiliates and review and report any changes in the status or affiliation of current Board members; recommending, if necessary, action plans to be taken by the Board in such cases;
- 3.10. Review and recommend a reasonable and viable Succession Planning Program for the Directors, key officers, and Management to ensure growth, and continuous and smooth operation of the businesses. Establish Director and key officers' retirement policies to maintain dynamism and adaptability to change and development. Monitor succession planning for the CEO and Chairman of the Board. Ensure

that the non-executive and Independent members of the Board have periodic exposure to senior executives, who may ultimately be promoted to key officers of the Company;

- 3.11. Ensure that appropriate disclosure policies and procedures are established to ensure comprehensive, accurate, reliable and timely reports are provided to shareholders and other stakeholders; that will give a fair and complete picture of the Company's financial condition, results and business operations. There shall also be an annual report on Committee activities, including members, number of meetings, and attendance to meetings;
- 3.12. Ensure that the Board has promulgated and adopted a globally recognized framework in reporting sustainability and non-financial information, with emphasis on the management of environmental, social and governance issues;
- 3.13. Ensure fair and equitable treatment of all shareholders, recognize, protect and facilitate the exercise of their rights. Basic shareholder rights and an alternative dispute mechanism to resolve intra-corporate dispute, shall be disclosed in the Manual on Corporate Governance and on the Company website. Ensure the adequacy and efficiency of procedures to allow suggestions from shareholders and others as to ways of improving the Company's corporate governance;
- 3.14. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of Directors and key officers. This shall be clearly disclosed in the Annual Corporate Governance Report. Provide oversight over the remuneration of Senior Management ensuring that compensation packages are consistent with the Company's culture, strategy, and control environment. Suggest levels and form of Board fees, stipends, or meeting fees, and determine policies for expense reimbursement of Board members, if applicable. Monitor remuneration of Board members in other companies; and,
- 3.15. Establish policies, programs and procedures that will encourage employees to actively participate in the realization of the Company goals and its governance processes; including the adoption of Anti-Corruption and Bribery Policy and Whistle blowing Policy.

4. STRUCTURE AND OPERATIONS

The Committee shall meet when necessary but at least two (2) times a year. Special meetings of the Committee may be held from time to time, as required, or called by the Committee's Chairperson, or by any two (2) Committee members. Meetings may be in person, by telephone, web, or other electronic means acceptable to the Committee.

A majority of the Committee members shall constitute a quorum at any meeting. If a quorum is present, the Committee may take action through the vote of a majority of the members who are in attendance.

The Chairperson of the Committee shall preside in all meetings. In the absence of the Chairperson, the Committee members present shall elect one of their members to act as the Chairperson.

The Company's Compliance Officer shall be the Secretary of the Committee, who, under the direction of the Committee Chairperson, shall prepare the notice of the meeting and agenda and provide the Committee members with appropriate briefing materials. The Compliance Officer shall also record the full minutes of the meeting and furnish the Board with the written reports or minutes. It shall be the duty of each Committee member to review meeting materials, and if called for, ask necessary and relevant questions or clarifications and explanations.

As it deems necessary, the Committee may invite members of Management or other personnel to attend meetings and provide pertinent information or data on matters for discussion during the Committee meeting.

The Committee shall have full access to Company Management, personnel, and records for the purpose of performing its duties and responsibilities. The Committee may also obtain external legal counsel, consultant, or independent professional advice if it considers it necessary to fulfill its functions. The Committee shall be provided with sufficient resources by the Company to discharge its duties.

5. ANNUAL PERFORMANCE EVALUATION

The Committee shall review its performance annually with respect to the fulfillment of its functions and responsibilities as mandated in this Charter. It may also subject itself to an independent assessment by the Board of Directors. The results of the evaluation shall be fully disclosed in the Company's website.

6. REVIEW OF THE CHARTER

The Committee shall regularly review and assess the adequacy of this Charter and propose any changes, as necessary, for Board approval.