



RELATED PARTY TRANSACTIONS COMMITTEE CHARTER

This Charter establishes the purpose, composition, duties and responsibilities, reporting process, and structure and operations of the Related Party Transactions 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 be primarily tasked to review all material related party transactions (RPTs) of the Company and ensure that said transactions are conducted at arms' length, or at terms no less favorable than the terms offered by unrelated third parties; sufficiently documented; and appropriately disclosed to all regulating authorities.

2. COMPOSITION

The Committee shall be composed of at least three (3) non-executive directors, two (2) of whom, including the Chairperson, shall be Independent.

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 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. Any vacancy shall be filled up during any meeting of the Board of Directors.

3. DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

- 3.1. Evaluate on an on-going basis the existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships

shall be reflected in the relevant reports to the Board of Directors, regulators and other monitoring agencies. All RPTs entered into by the Company shall at all times comply with the requirements of the regulating agencies, the Company Articles of Incorporation and By-Laws, the Manual of Corporate Governance and this Committee Charter;

- 3.2 Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied. Determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:
- i. The related party's relationship to the Company and interest in the transaction;
 - ii. The material facts of the proposed RPT, including the proposed aggregate value of the transaction;
 - iii. The benefits to the Company of the proposed RPT;
 - iv. The availability of other sources of comparable products or services; and,
 - v. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- 3.3. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the conflict of interest or potential conflicts of interest that could arise as a result of the Company's affiliation or transaction with related parties. The disclosure shall include information on the approach to managing the conflict of interest;
- 3.4. Report to the Board of Directors on a regular basis, the status and aggregate exposure to each related party, as well as the total amount of exposure to all related parties;

- 3.5. Ensure that transactions with related parties, including the write-off of exposure are subject to a periodic independent review or audit process; and,
- 3.6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting material RPTs, including a periodic review of RPT policies and procedures.

4. REPORTING PROCESS

The Committee Chairperson shall report to the Board of Directors on the issues that arise with respect to related party transactions and the decisions and recommendations made by the Committee during its convened meeting.

The Committee shall review all reports that the Company issues that relate to the Committee responsibilities on RPTs. The Company shall disclose its policies on RPTs and other unusual or infrequently occurring transaction in the Manual on Corporate Governance while the material or significant RPTs which were reviewed and approved during the year shall be disclosed as required by the Securities and Exchange Commission and/or the Philippine Stock Exchange.

5. STRUCTURE AND OPERATIONS

The Committee shall meet when necessary but at least once a year. Special meetings of the Committee may be held from time to time, as required, or called by the Committee's Chairperson.

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 Corporate Secretary 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 Committee Secretary shall also record the full minutes of the meeting. 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.

6. 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.

7. 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.