

30 May 2023

Securities & Exchange Commission

7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209

Philippine Stock Exchange

Disclosure Department
6/F PSE Tower, 28th Street corner 5th Avenue,
BGC, Taguig City, Metro Manila

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Market and Securities Regulation Department
Securities & Exchange Commission


Ms. Alexandra D. Tom Wong
Officer-in-Charge, Disclosure Department
Philippine Stock Exchange

Sir and Madam:

We are herewith submitting the Company's Integrated Annual Corporate Governance Report for the year 2022.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

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P	H	I	L	I	P	P	I	N	E	S		I	N	C	.				

P-H-O-E-N-I-X Petroleum Philippines, Inc.
(Company's Full Name)

S	T	E	L	L	A		H	I	Z	O	N		R	E	Y	E	S		R	D.
B	O.		P	A	M	P	A	N	G	A		L	A	N	A	N	G			
D	A	V	A	O		C	I	T	Y											

(Business Address: No. Street City / Town / Province)

Socorro Ermac Cabrerros	(082) 235-8888
Contact Person	Company Telephone Number

1	2	3	1	2022 I-ACGR	4	XX
Month		Day		FORM TYPE	Month	Day
Fiscal Year Ending					Annual Meeting last Friday	

CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE
Secondary License Type, if applicable

	N/A
Dept. Requiring this Doc	Amended Articles Number/Section

68	Total Amount of Borrowings		
Total No. of Stockholders			
	Domestic	Foreign	

To be accomplished by SEC Personnel Concerned

File Number							

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Document I.D.							

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Remarks = pls. use black ink for scanning purposes

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended2022.....
2. SEC Identification NumberA200207283.....
3. BIR Tax Identification No. 006-036-274 V
4. Exact name of issuer as specified in its charter **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**
5.Philippines..... 6. (SEC Use Only)
Province, Country or other Industry Classification Code:
jurisdiction of incorporation or
organization
7. Stella Hizon Reyes Road, Bo. Pampanga, Davao City.8000.....
Address of principal office Postal Code
8. (082) 235-8888.....
Issuer's telephone number, including area code
9.N/A.....
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Principle 1: The Corporation shall be governed by a working, competent and effective Board of Directors			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the Company's industry/sector	Compliant	All members of the Corporation's Board of Directors possess substantial experience and knowledge in their respective fields, namely: Fuel, Finance, Food, Energy, Law and Education Please refer to the Part IV of the latest Annual Report on the respective working knowledge and experience of the members of the BOD, which is relevant to the company's industry	
2. Board has an appropriate mix of competence and expertise.	Compliant		

<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfil their roles and responsibilities and respond to the needs of the organization</p>	<p>Compliant</p>	<p>https://www.phoenixfuels.ph/pdf/2021phoenixannualreport.pdf</p> <p>See also the company's Code of Corporate Governance: https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf (principle 2-Roles and Responsibilities), providing qualifications standards.</p> <p>The Company submits an updated Certificate of Qualification for all its independent directors pursuant to the Notice of the Commission before the distribution of the company's Definitive Information Statement.</p>	
<p>Recommendation 1.2</p>			

1. Board is composed of a majority of non-executive directors	Compliant	<p>There are 3 members who are part of the management in the Company namely: Dennis A. Uy, Domingo T. Uy and Henry Albert R. Fadullon</p> <p>Non-Management members of the Board are as follows:</p> <p>Cherylyn C. Uy, Romeo B. De Guzman, Monico V. Jacob, J.V. Emmanuel A. De Dios, Stephen CuUnjieng, Consuelo Ynares Santiago, Nicasio I. Alcantara, Minoru Takeda</p>	
Recommendation 1.3			
1. Company provide in its Charter and Manual on Corporate Governance a policy on training of director	Compliant	<p>Principle 1 Section 1.4 of the Company's Corporate Governance Rules and Principles</p> <p>By practice, Company gives an Annual Corporate Governance Seminar attended by all the directors of the Corporation including key management personnel conducted by a SEC-accredited training provider</p>	
2. Company has an orientation program for first time directors	Compliant	<p>The annual seminar is usually conducted just before the start of the term of the Board of Directors. Nominees to the Board of Directors are constantly invited and hence, this serves as the orientation for new directors</p>	

3. Company has relevant annual continuing training for all directors	Compliant		
Recommendation 1.4			
1. Board has a policy on board diversity	Compliant	There is no express policy on board diversity but, in practice, members of the board come from various fields and backgrounds.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary	Compliant	The current Corporate Secretary is Atty. Socorro Ermac Cabreros. Please refer to Part IV of the Company's 2022 Annual Report :	
2. Corporate Secretary is a separate individual from the Compliance Officer	Compliant	The Company's Compliance Officer is Atty. Leandro E. Abarquez.	
3. Corporate Secretary is not a member of the Board of Directors	Compliant	The Corporate Secretary is Atty. Socorro Ermac Cabreros . She is a member of the Bar and has been the Company's corporate secretary since 2006. She does not possess any of the disqualifications for the position.	
4. Corporate Secretary attends training/s on corporate governance	Compliant	The Corporate Secretary attends an Annual Seminars on Corporate Governance, the latest one was on 14 October 2022 provided by a SEC-accredited provider, ROAM Inc.	

Recommendation 1.6			
1. Board is assisted by a Compliance Officer	Compliant	The Company's Compliance Officer is Atty. Leandro E. Abarquez.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Corporation	Compliant	The Company's Compliance Officer has adequate stature and authority in the Corporation. He regularly attends the executive committee meetings to report and discuss compliance matters.	
3. Compliance officer is not a member of the Board	Compliant	Atty. Abarquez is not a member of the Board of Directors.	
4. Compliance Officer attends training/s on corporate governance	Compliant	Atty. Abarquez attended the Seminar on Corporate Governance conducted last 14 October 2022 provided by ROAM, Inc., a SEC-accredited provider. The topics discussed during the seminar are provided in Item 1.3.3 above.	
Principle 2: Establishing Clear Roles and Responsibilities of the Board			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the Company	Compliant	All corporate actions are approved on the basis of the Board Paper which must be presented to the Board by the proponent of the transaction. Furthermore, matters raised during the board meetings are thoroughly discussed and deliberated upon by the Board.	

Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy	Compliant	Members of the Board attend regular and special meetings and are compliant with Section 2.2. of its Revised code of Corporate Governance, see:	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The Board is fully aware of and guided by the Vision and Mission of the Company. Please refer to the corporate website particularly on the sections pertaining to Mission and Vision and Core Values. https://www.phoenixfuels.ph/vision-mission-and-values/	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment and culture	Compliant	The Board is aware of the different business units' annual corporate targets, which also serve as the basis for the performance evaluation of each employee and business unit.	
Recommendation 2.3			

1. Board is headed by a competent and qualified Chairperson	Compliant	The Chairman of the Board is Mr. Dennis Uy. Mr. Uy, Filipino, 49 years old, is the founder of the Company and has served as President and Chief Executive Officer since inception. He is the Chairman and President of Udenna Corporation, the Company's parent company, which also has businesses in the shipping, logistics, distribution, real estate, and service industries.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management	Non-compliant		In its first step in adopting an effective succession planning program for directors, key officer and management, the Board adopted the revised Code of Corporate Governance (CG) See Revised CG: https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf
2. Board adopts a policy on the retirement for directors and key officers	Compliant	The Board has approved a retirement program for its key officers but there are no retirement programs for directors as they are not receiving any regular compensation but honoraria.	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and	Compliant	Since the inception of the Corporation until the present, it has been the practice of the	

board members with long-term interests in the Company		<p>Corporation that members of the Board of Directors as well as key corporate officers do not receive regular compensation except honoraria which is given based on their attendance. Corporate key officers who are likewise employees and part of executive or senior management only receive their salaries. All of these practices are in place to ensure that the compensation given to directors and key officers are within the Company budget while taking to account the respective competencies of these individuals.</p>	
2. Board adopts a policy specifying the relationship between remuneration and performance	Compliant	<p>The system of Pacepro is an acceptable documentation of the policy. In practice, the Company has followed and observed through the years the said system, remuneration is given on a regular basis such as salaries and wages and benefits. The Board on the other hand has approved performance evaluation implemented in mid-year to evaluate performance of the previous year and the basis for paying out performance bonuses.</p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration	Compliant	<p>Since the inception of the Corporation until the present, it has been the practice of the Corporation that members of the Board of Directors as well as key corporate officers do</p>	

		not receive regular compensation except honoraria which is given based on their attendance. Corporate key officers who are likewise employees and part of executive or senior management only receive their salaries.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy	Compliant	<p>The nomination and election process of the Company is provided in the Company's By-Laws:</p> <p>https://www.phoenixfuels.ph/wp-content/uploads/2020/10/PPPI-Amended-By-Laws-Oct.-15-2020_compressed.pdf</p> <p>The Governance and Nominations Committee have the responsibility of assisting the Board in the performance of and compliance with corporate governance responsibilities. See https://www.phoenixfuels.ph/board-committees/</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders	Compliant		
4. Board nomination and policy includes how the board shortlists candidates	Compliant		

<p>5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director</p>	<p>Compliant</p>	<p>See https://www.phoenixfuels.ph/wp-content/uploads/2020/08/PPPI-Corporate-Governance-Committee-Charter.pdf</p> <p>Currently, the Corporation follows the procedure provided under the Company's Bylaws in receiving nomination and screened by the nominations committee regardless of the status or classification of the nominator.</p> <p>The name of the nominees and their respective nominators are likewise disclosed in the Corporation's DIS. The same procedure is adopted in instances involving replacement of directors.</p>	
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the Company.</p>	<p>Compliant</p>	<p>The nominations of members of the Board of Directors are referred and approved by the Nominations Committee that is aligned with the strategic direction of the company.</p>	
<p>Recommendation 2.7</p>			

<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>Compliant</p>	<p>The company's Revised Code of Corporate Governance (Sec 2.7) provides that the Board shall be responsible for ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p> <p>See https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf</p> <p>The Company's RPT committee, composed of members of the board, oversee matters relating to RPTs. See:</p> <p>https://www.phoenixfuels.ph/wp-content/uploads/2020/08/PPPI-Related-Party-Transactions-Committee-Charter.pdf</p>	
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<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>	<p>The Company's Related Party Transactions ("RPT") Policy provide that the Board of Directors and the Senior Management shall monitor material RPTs on a per transaction and aggregate basis, which includes regular monitoring of transactions with related parties.</p> <p>See: https://www.phoenixfuels.ph/wp-content/uploads/2019/10/Related-Party-Transactions-Policy.pdf</p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>The RPT policy of the Company has adequately delineated the coverage of the policy and defined who/ what entities are considered as related parties and affiliates, and are therefore covered by the RPT policy.</p>	

<p>4. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	Compliant	<p>The Company's RPT policy set the materiality threshold of any transaction or transactions, either individually or over a 12 month period, at 10% or higher of the Company's total assets. Once identified as a material RPT, a transaction must have the required approvals and must be timely and properly disclosed to the relevant entities.</p>	
<p>5. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	Compliant	<p>All acts and resolutions of the Board of Directors are presented for approval and ratification of all shareholders during the Company's ASM.</p> <p>For the latest version, see: https://www.phoenixfuels.ph/wp-content/uploads/2022/05/Minutes-of-PNX-ASM-April-30-2021_compressed.pdf</p>	
Recommendation 2.8			

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	The Board adopts Section 2.8 of its Code of Corporate Governance for approving and selection of Management led by the CEO and the heads of the other control functions. See https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant		
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Annually, the Company conducts the company-wide Performance And Career Development Program (PACEPro) on all employees including senior management. Each business unit sets their respective Key Results Area and Key Performance Indicators	

2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	based on the Corporate KRA and KPI as their targets. This will be the basis of their PACEPro the following year. This PACEPro will be the basis for grant of bonuses, among others.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The Company has a policy on Conflict of Interest ; https://www.phoenixfuels.ph/wp-content/uploads/2020/05/Conflict-of-Interest-Policy.pdf as well as an approved Internal Audit Charter .: https://www.phoenixfuels.ph/wp-content/uploads/2018/12/030614-PPPI-Audit-Committee-Charter001.pdf	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant		
Recommendation 2.11			

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Non-Compliant		The Company has yet to formulate and put in place an Enterprise Risk Management. Currently, each business unit handles respective risk which is evaluated by the Executive Committee
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Non-Compliant		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The members of the Board are fully aware of their roles, responsibilities and accountabilities. The Manual of Corporate Governance fully defines and clarifies their role in the Company and the same is posted in the Company's website	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf	

3. Board Charter is publicly available and posted on the company's website.	Compliant	Each board committee is also guided by a committee charter, which may be accessed at: https://www.phoenixfuels.ph/board-committees/	
4. The Board has a clear inside trading policy	Compliant	The Company has an existing Inside Trading Policy See https://www.phoenixfuels.ph/wp-content/uploads/2020/05/Insider-Trading-Policy.pdf	
Principle 3: Board committees should be 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, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	During the Board's organizational meeting held last 17 June 2022, the Board elected the members of the following committees: The complete list of the members of each committee may be accessed at: https://edge.pse.com.ph/openDiscViewer.do?edge_no=891709943112a3963470cea4b051ca8f	

Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	The Board has an existing audit committee which reviews the internal and external control audit processes as provided under the Audit Committee Charter.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	All members of the Audit Committee are non-executive directors, namely: Minoru Takeda Chairman Domingo T. Uy, Member Monico V. Jacob, Member Nicasio I. Alcantara, Member Justice Consuelo Ynares- Santiago, Member See: https://www.phoenixfuels.ph/board-committees/	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	The respective educational backgrounds and work experiences of the members demonstrate their substantial experience and knowledge in the areas of accounting, auditing and finance.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	The Committee's Chairman is Mr. Minoru Takeda does not chair any other board committee except for the Audit Committee.	

Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Audit approves and recommends for Board approval all non-audit services conducted by the external auditor	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The Audit Committee conducts a regular meeting every quarter with the Company's Internal Audit Team and twice a year with the External Audit Team without the presence of management in all instances.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Based on the organizational meeting of the Board of Directors on 17 June 2022, the following were elected as members of the Nomination and Governance Committee: Justice Consuelo Ynares-Santiago, Chairman Nicasio I. Alcantara, Member Cherylyn C. Uy, Member Romeo B. De Guzman, Member J.V. Emmanuel de Dios, Member	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non Compliant		The Company shall endeavor to reorganize its Governance Committee to comply with this requirement.

3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	The committee's chairperson, Justice Consuelo Ynares- Santiago is an independent director.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Based on the organizational meeting of the Board of Directors on 17 June 2022, the following were elected as members of the BROC: Nicasio I. Alcantara, Chairman Minoru Takeda, Member J.V. Emmanuel A. de Dios, Member Dennis A. Uy, Member	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non- Compliant		The BROC is composed of 4 members. Only two independent directors are part of the BROC, while Mr. De Dios and Mr. Dennis Uy fill in the positions as the 3 rd and 4 th members, respectively: Minoru Takeda, Chairman Nicasio I. Alcantara, Member J.V. Emmanuel A. de Dios, Member Dennis A. Uy, Member See: https://www.phoenixfuels.ph/board-committees/

3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	The Chairman of the BROC is independent Director Nicasio I. Alcantara and is not a chairman of any other committee.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	All members of the committee are knowledgeable and have relevant experience on risk and risk management	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The RPT committee is composed of the ff: Justice Consuelo Ynares-Santiago, Chairman, Nicasio I. Alcantara, Member, Stephen T. CuUnjieng, Member and Henry Albert R. Fadullon, Member	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	The chairman is an independent and non-executive director. Messrs. Alcantara and CuUnjieng are also non-executive directors. Only Mr. Fadullon is an executive director.	
Recommendation 3.6			

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	All established committees have a committee charter. Board Committees are set up to support effective performance of the board's functions. Please refer further to Section 3 of the Company's CG https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	Committee Charters are posted in the company's website: https://www.phoenixfuels.ph/board-committees/	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and	Compliant	All members of the Board attend majority of the board meetings, shareholders meetings conducted by the Company for the period covered. A record of the members' attendance in	

regulations of the Commission.		<p>meetings was disclosed through the Company's PSE edge page:</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=c997bd869cb3bba19e4dc6f6c9b6599</p> <p><u>5</u></p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>Minutes of the immediately preceding meeting and meeting materials are provided to the directors before the next scheduled meeting to give the directors ample time to review the said meeting materials.</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Before a transaction or corporate action is approved, a proponent is tasked to submit a board paper containing the executive summary, background, recommendation, level of risk, the corporate governance compliance which is submitted at least a week before the actual meeting.</p> <p>During the meeting, the proponent is tasked to present and discuss the matter before the board votes on the proposal. The members of the board are free to pose questions and make clarifications.</p>	

Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	All of the non-executive directors concurrently serve an average of 3 publicly listed companies	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Section 4.3 of the Company's CG Code provides that it is incumbent upon each director to notify the Board before accepting a directorship in another corporation.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The company has 3 independent directors, namely, Justice Consuelo Santiago, Nicasio Alcantara and Minoru Takeda https://www.phoenixfuels.ph/board-of-directors-management-team/	
Recommendation 5.2			
1. The independent directors possess all the qualifications and	Compliant	The qualifications for the Company's independent directors are listed in Section 1,	

none of the disqualifications to hold the positions.		Article III of the Company's By Laws. None of the current independent directors of the Company possess any of the disqualifications listed in the relevant provision of the By Laws. https://www.phoenixfuels.ph/wp-content/uploads/2020/10/PPPI-Amended-By-Laws-Oct.-15-2020_compressed.pdf	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	None of the current independent directors have been serving the Company for more than 9 years.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant		
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Last 15 March 2018, the Company has sought the approval of the stockholders to allow former independent director, Mr. Monico V. Jacob, to serve as regular director for 2018-2019 term. The stockholders approved the same during the annual meeting. For term 2019-to present, Mr. Jacob serves as a regular director.	

Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	The Company's Chairman of the Board is Mr. Dennis Uy, while the President is Mr. Henry Albert Fadullon. See: https://www.phoenixfuels.ph/board-of-directors-management-team/	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	The roles of Chairman and President are separate and distinct as provided under Sections 2 and 3 of the Company's By Laws.	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	Although the Company does not have any current policy regarding the designation of a lead independent director, as a matter of practice, the independent director with the longest tenure is considered the lead independent director.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Currently, there are no directors with material interest in any transaction. It is the procedure of the Company that in any material related party transactions, directors with interests do not vote or participate in the deliberations on the transactions.	

Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant	.	Currently, only the Audit Committee who are mostly non-executive members meet the external and internal auditors. But other non-executive directors are not precluded from meeting with the external and internal auditors should they request.
2. The meetings are chaired by the lead independent director.	Non-Compliant		
Principle 6: 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.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant		Although the Company's self assessment system is still in the pipeline, executive directors are also subjected to the PACEPRO evaluation system annually.

2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		The Company is in the process of implementing a self-assessment system which will allow the Chairman to evaluate his own performance regularly.
3. The individual members conduct a self-assessment of their performance.	Non-Compliant		The executive directors are also subjected to the PACEPRO evaluation system annually.
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		However, for non-executive directors, only the members of the Audit Committee conduct a regular self assessment.
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		The Board have yet to appoint a facilitator to assist in formulating an self-assessment process for the performance of each member of the Board including the entire Board itself.
Recommendation 6.2			

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-Compliant		<p>The Board is in the process of institutionalizing a formal annual self-assessment exercise to be based on a defined set of criteria and standards of key board functions.</p> <p>Shareholders, however, are free to give their feedback to the Board. The contact details of the Corporate Secretary are available to the public.</p>
2. The system allows for a feedback mechanism from the shareholders.	Non-Compliant		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>The Company has a Code of Conduct which prescribes the standard of conduct and ethics that all employees (including officers) must adhere to. Management ensures that the Code of Conduct is disseminated to all of its employees and that all employees are properly oriented on it. It is likewise made available in the Company's website https://www.phoenixfuels.ph/wp-</p>	

2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	content/uploads/2018/12/Phoenix-Code-of-Conduct.pdf	
3. The Code is disclosed and made available to the public through the company website.	Compliant		
4. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>The Company has an anti-corruption and bribery policy which enumerates punishable behavior and their corresponding penalties. This policy is also made available in the Company's website</p> <p>https://www.phoenixfuels.ph/wp-content/uploads/2020/05/AntiCorruption-and-Bribery-Policy.pdf</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Upon approval of the Board, the Company has an independent disciplinary committee that hears disciplinary cases filed against erring employees including members of the management	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>The Company is compliant with the implementing rules and regulations of the SEC's Securities and Regulation Code (SRC) and timely reports to shareholders. It regularly discloses annual and quarterly reports containing the Comprehensive Financial Statements of the Company for a particular period.</p>	
<p>2. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>All company disclosures are found in PSE Edge.</p>	

3. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant		
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	All disclosures pertaining to the Directors' respective transactions involving the Company including trading of company shares are coursed through the Office of the Corporate Counsel and the latter makes the disclosures in a timely manner.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Recommendation 8.3			

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Members of the Board of Directors of the Company are transparent in all dealings that will affect the Company.	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant		
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Non-Compliant		There are no clear policy setting Board remuneration because, as a matter of practice, there are is regular remuneration given to the directors except for honorarium based on attendance.

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Non-Compliant		
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	The Company has a standardized remuneration on an individual basis including retirement packages	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	The company's RPT Policy is published in its website. See https://www.phoenixfuels.ph/wp-content/uploads/2019/10/Related-Party-Transactions-Policy.pdf	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Further refer to Sections. 3.5 and 8 of the Code of CG https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf	
Recommendation 8.6			

1. Company makes 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.	Compliant	The Company timely discloses all material transactions to the PSE, SEC, and other relevant entities as required under the Disclosure Rules.. Disclosures contain the name of the parties, transaction price, rationale of the transaction and method of determining the consideration.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant		
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	All Manual on Corporate Governance including any revisions thereof, have been fully disclosed and submitted to the PSE and SEC https://www.phoenixfuels.ph/corporate-governance/	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		

3. Company's MCG is posted on its company website.	Compliant		
Principle 9: The company should 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.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Please refer to Section 6 of The Audit Committee Charter: https://www.phoenixfuels.ph/wp-content/uploads/2018/12/030614-PPPI-Audit-Committee-Charter001.pdf	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant		
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Removal of the external auditor and its reason is disclosed as part of the unstructured disclosure as well as of the corporate actions disclosed in the Definitive Information Sheet. Nonetheless, the company has no disclosures yet as it has not removed its external auditor	

		in the past years.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Part of the responsibilities of the Audit Committee is to ensure that the Corporation's External Auditor is rotated or that the handling partner is changed every five (5) years or earlier. See 6.1 page 3 of Audit Committee Charter https://www.phoenixfuels.ph/wp-content/uploads/2018/12/030614-PPPI-Audit-Committee-Charter001.pdf	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process,	Compliant	Please refer to Section 6 (6.4) of the Audit Committee Charter.	

taking into consideration relevant Philippine professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Please refer to Section Section 6 (6.5)of the Audit Committee Charter	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	The audit and other services performed by the external auditors are disclosed in the Annual report. See pages 46-47 of the latest Annual Report (SEC Form 17-A with SR)	
2. Audit Committee stays 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.	Compliant		

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has 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.	Compliant	<p>Please refer to the following:</p> <p>Integrated Management System Policy - https://www.phoenixfuels.ph/wp-content/uploads/2020/10/Integrated-Management-System-Policy.pdf</p> <p>Revised CG Manual - https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf</p> <p>Sustainability Section of the Corporation's Website - https://www.phoenixfuels.ph/environment/</p> <p>Sustainability Report as Exhibit 3 in the Company's latest Annual Report (SEC Form 17A)</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>The company followed Global Reporting Initiative (GRI) in identifying the material topics for the sustainability report.</p> <p>See Company's Latest Sustainability Report annexed to the Annual Report</p>	

Principle 11: The company should 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.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	The Company make regular press releases and allows media interviews pertaining to material and relevant information to the public and our investors. Analyst briefings are occasionally scheduled	
1. Company has a website disclosing up-to-date information on the following:	Compliant	Please refer to the company's website: https://www.phoenixfuels.ph/	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		https://www.phoenixfuels.ph/company-disclosures/
e. Minutes of ASM and/or	Compliant		

SSM		https://www.phoenixfuels.ph/company-disclosures/	
f. Company's Articles of Incorporation and By-Laws	Compliant	See: https://www.phoenixfuels.ph/articles-of-incorporation-and-by-laws/	
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	To ensure an adequate and effective internal control system within the organization, the company established a sound internal control through directed leadership, shared core values and an accountability centered culture . Top risks faced by the company are identified and assessed periodically at all levels and within all functions in the organization. Also, policies and processes are designed to address and mitigate the significant risks. Further, information critical to meeting the company's objectives is communicated through various media across the company. Lastly, the entire system of internal control is monitored continuously for effectiveness and efficiency.	

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Non-Compliant		The Company has yet to formulate and the board to approve a comprehensive ERM policy and framework. Currently the practice is that each business unit and the Executive Committee assess their respective risk and manage the same
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Non-Compliant		The Company's management has not yet established a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations. Nonetheless, the Company's compliance officer ensures that the Company is updated and compliant with relevant laws and regulations upon their issuance.
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	The Company has an established process on disruption and disaster recovery system, which can easily be triggered during emergency situations. Our IT system has also been designed to efficiently identify threats to cyber security.	
Recommendation 12.2			
1. Company has in place an	Compliant	The company has an internal audit group that	

independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.		reports directly to the Board of Directors, specifically, to the Audit Committee.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The company's Internal Audit is a functioning business unit headed by its Audit Head, VP Chonabeth Nazario. Ms. Nazario is a seasoned Finance Executive who has held different positions in the fields of Accounting and Audit. She was formerly the AVP for Controller of Fil-Estate Ecocentrum Corporation and Finance Head, Treasurer, and member of the Board of Directors of San Miguel Properties Inc. and its subsidiaries.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant		
Recommendation 12.4			

1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Company's Corporate Risk Officer and his team is responsible for the identification, assessment, and periodic monitoring of key risk exposures.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	The Company has announced the appointment of its Corporate Risk Officer, Hendra Nagunta. Please refer to disclosure below: https://www.phoenixfuels.ph/wp-content/uploads/2022/03/3-16-PNX_-_Appointment-of-Corporate-Risk-Officer_compressed.pdf	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	All shareholders in the Company have equal and equitable rights depending on their class of shares. They may easily access information regarding their rights shareholders through	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Section 13 of the CG Manual: https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf	
3. Company's common share has one vote for one share.	Compliant	https://www.phoenixfuels.ph/wp-content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf	
4. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant		
5. Board has an effective, secure, and efficient voting system.	Compliant	A discussion of the voting procedure of the Company is found on page 6 [Item 4 (c)] of the Definitive Information Statement https://www.phoenixfuels.ph/wp-content/uploads/2020/05/3-2020-SEC-FORM-20-IS-Definitive-Information-Statement_compressed.pdf	
6. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	The Company ensures that votes for matters requiring shareholder approval adhere to the required number of votes as provided in the Revised Corporation Code, SRC, and other applicable laws and regulations. Also see CG Manual, Principle 14.2 page 4, https://www.phoenixfuels.ph/wp-content/uploads/2020/05/3-2020-SEC-FORM-20-IS-Definitive-Information-Statement_compressed.pdf	

		content/uploads/2020/08/8-3-Revised-Code-of-Corporate-Governance-30Jul2020_compressed.pdf	
7. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Article II, Section 2 of the By-laws provides for such. Please refer to the company's By Laws: https://www.phoenixfuels.ph/wp-content/uploads/2020/10/PPPI-Amended-By-Laws-Oct.-15-2020_compressed.pdf	
8. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	The Company's Dividend policy is to declare Dividends of up to 20% of the company's net income of the previous year after appropriation https://www.phoenixfuels.ph/wp-content/uploads/2021/05/2021-SEC-Form-20-IS-Definitive-Information-Statement.pdf	
9. Company has a transparent and specific dividend policy.	Compliant	https://www.phoenixfuels.ph/wp-content/uploads/2021/05/2021-SEC-Form-20-IS-Definitive-Information-Statement.pdf	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information	Compliant	The Company posts a Notice of Annual Meeting to all shareholders either via registered mail, email or publication in Company's website and in 2 newspapers of general circulation in accordance with the	

at least 28 days before the meeting.		SRC and applicable SEC guidelines.	
Recommendation 13.3			
1. Board encourages 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.	Compliant	Please refer to Results of the Annual Stockholders' Meeting at: https://edge.pse.com.ph/openDiscViewer.do?edge_no=a0d9cc2ed1a079f63470cea4b051ca8f	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	and the Results of the Organizational Meeting of the Board of Directors: https://edge.pse.com.ph/openDiscViewer.do?edge_no=891709943112a3963470cea4b051ca8f	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Conflicts are usually resolved through mediation among the parties. A mediator will be selected by the parties to facilitate communication and negotiation and to assist them in reaching a voluntary agreement regarding the issue involved. The Board is responsible in handling the alternative dispute mechanism of the Company as per Section 13.14 of the CG Manual.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant		

Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Company has an active IRO which is under the Office of the Treasurer and Corporate Finance. IRO is always present in Company events relating to investors and shareholders meetings	
2. IRO is present at every shareholder's meeting.	Compliant		
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The Company is fully aware of its stakeholders. There are programs that ensure substantial communication and cooperation such as dealers' dialogues for its customers, funds managers and investors through regular road shows, etc.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Stakeholders of the Company are varied. For the dealers, contracts and policies are in place to assist them in the management of their stations. For employees, a code of conduct and other policies regulating acceptable behaviour are in place to guide them.	

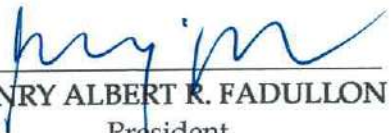
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	A Grievance Policy is in place for stakeholders to communicate with the Company. See Grievance policy under Other Company Policies .	
2. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	There are no applications for any exemptions lodged by the company to exempt the same from any rule or law particularly on Corporate Governance.	
3. Company respects intellectual property rights.	Compliant	The Company respects intellectual property rights.	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			

Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p>To work on one objective and direction, the Company sets its annual Corporate targets which serves as the basis for the annual targets of the BUs, which, in turn, also serves as the basis for the employees' individual targets. A regular town hall meeting is conducted to inform everyone about the organizational targets and it is in this town hall meetings that employees are informed if the corporate target is likewise achieved. The Company's annual targets serve as the guiding principle for its training and development as well as its rewards system for the year.</p> <p>One of the target common to all BUs is the Safety, health and development target of each BU. See https://www.phoenixfuels.ph/wp-content/uploads/2020/05/Health-Safety-Environment-Policy.pdf</p>	
2. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant		
3. Company has policies and practices on health, safety and welfare of its employees.	Compliant		
4. Company has policies and practices on training and development of its employees.	Compliant		
Recommendation 15.2			

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	The Company, led by its Board of Directors and senior management, ensures integrity and honesty in the performance of all functions. The Company has an existing Code of Conduct adhered to by all employees, regardless of status. The Code of Conduct helps management regulate behaviour and conduct in the performance of the employees' respective jobs. The code emphasizes honesty and integrity and prohibits any practice of corruption.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant		
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	The Company has an existing whistleblowing policy. https://www.phoenixfuels.ph/wp-content/uploads/2020/05/Whistleblowing-Policy.pdf Policies and the Code of Conduct are implemented and monitored by the Company's Human Resources Department (HR)	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	https://www.phoenixfuels.ph/wp-content/uploads/2018/12/Phoenix-Code-of-Conduct.pdf	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant		
Principle 16: The company should 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.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>The Company has a Foundation independent of the Company that serves as the Corporate Social Responsibilities (CSR) arm of the Company.</p> <p><i>please refer to</i></p> <p>https://www.phoenixfuels.ph/outreach-programs/</p> <p>https://www.phoenixfuels.ph/education/</p> <p>https://www.phoenixfuels.ph/environment/</p> <p>https://www.phoenixfuels.ph/health-drives-medical-dental-missions/</p>	

SIGNATURES

 <hr/> <p>DENNIS A. UY Chairman of the Board</p>	 <hr/> <p>HENRY ALBERT R. FADULLON President</p>
 <hr/> <p>LEANDRO E. ABAQUEZ Compliance Officer</p>	 <hr/> <p>CONSUELO YNARES-SANTIAGO Independent Director</p>
 <hr/> <p>NICASIO I. ALCANTARA Independent Director</p>	<hr/> <p>MINORU TAKEDA Independent Director</p>
 <hr/> <p>SOCORRO T. ERMAC-CABREROS Corporate Secretary</p>	

SIGNATURES

<p><u>DENNIS A. UY</u> Chairman of the Board</p>	<p><u>HENRY ALBERT R. FADULLON</u> President</p>
<p><u>LEANDRO E. ABARQUEZ</u> Compliance Officer</p>	<p><u>CONSUELO YNARES-SANTIAGO</u> Independent Director</p>
<p><u>NICASIO I. ALCANTARA</u> Independent Director</p>	<p> <u>MINORU TAKEDA</u> Independent Director</p>
<p><u>SOCORRO T. ERMAC-CABREROS</u> Corporate Secretary</p>	

SUBSCRIBED AND SWORN TO before me this MAY 16 2023, affiants exhibiting to me their government issued IDs as follows:

Name		
Dennis A. Uy		
Henry Albert R. Fadullon		
Leandro E. Abarquez		
Consuelo Ynares-Santiago		
Nicasio I. Alcantara		
Minoru Takeda		

Doc. No. 346
 Page No. 71;
 Book No. 44;
 Series of 2023.

ATTY. HENRY D. ADASH
 NOTARY PUBLIC CITY OF MANILA
 APPOINTMENT 097/12/31/2023 MANILA
 IBP NO. 181139 / 01/03/2023
 PTR N. 0661145 / 01/03/2023
 ROLL NO. 29679, TIN NO. 172-528-620
 NICLE COMP. NO. VII-0000165 VALID UNTIL APRIL 14, 2025
 1411 TAYUMAN ST., STA. CRUZ, MANILA