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**SECURITIES AND EXCHANGE COMMISSION**

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(Company's Full Name)

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

C E C I L L E A R E N I L L O

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Company Telephone Number

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Day
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TRANS-ASIA
OIL & ENERGY DEVELOPMENT
A PHINMA Company

26 August 2015

SECURITIES AND EXCHANGE COMMISSION

Attention: DIR. JUSTINA F. CALLANGAN
CORPORATION AND FINANCE DEPARTMENT
SEC Bldg., EDSA
Greenhills, Mandaluyong City

Dear Dir. Callangan:

In compliance with the Commission's requirements under SEC Memorandum Circular No. 12, Series of 2014 to send an advisement letter for updates and changes in the Annual Corporate Governance Report (ACGR) that are not reportable under Section 17 of the Securities Regulation Code, please be informed that Trans-Asia Oil and Energy Development Corporation has made updates and changes in the ACGR as of 25 August 2015 as follows:

1. Shareholding in the Company under BOARD MATTERS
2. Policies under CODE OF BUSINESS CONDUCT AND ETHICS
3. Compliance to the Code under CODE OF BUSINESS CONDUCT AND ETHICS
4. Policies and Procedures under RELATED PARTY TRANSACTIONS
5. Work done and Issues Addressed under BOARD COMMITTEES
6. Policies under ROLE OF STAKEHOLDERS
7. Disclosure of related party transactions under DISCLOSURE AND TRANSPARENCY
8. Dividend Policy under RIGHTS OF STOCKHOLDERS
9. Stockholders' Attendance under RIGHTS OF STOCKHOLDERS
10. Mergers and Acquisitions under INVESTOR RELATIONS PROGRAM

We trust the above submission is in full compliance with the SEC requirement.

Thank you.

Very truly yours,


CECILLE B. ARENILLO
Compliance Officer


JUAN J. DIAZ
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year 2012.

2. Exact Name of Registrant as Specified in its Charter

TRANS ASIA OIL AND ENERGY DEVELOPMENT CORPORATION

3. 11F Phinma Plaza, 39 Plaza Drive Rockwell Center, Makati City 1200
Address of Principal Office Postal Code

4. SEC Identification Number 069039274 5. (SEC Use Only)
Industry Classification Code

6. BIR Tax Identification Number 000-506-020-000

7. 632 8700100
Issuer's Telephone number, including area code

8.
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	11
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Actual number of Directors for the year	11
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Oscar J. Hilado	NED	Phinma	Ramon R. del Rosario	Sept 1969	April 7, 2015	Annual Meeting	45
Ramon R. del Rosario, Jr.	NED	Phinma	Oscar Hilado	April 2002	April 7, 2015	Annual Meeting	12
Magdaleno B. Albarracin, Jr	NED	Phinma	Oscar Hilado	1986	April 7, 2015	Annual Meeting	29
Francisco L. Viray	ED	Phinma	Oscar Hilado	Jan 2000	April 7, 2015	Annual Meeting	15
Roberto M. Laviña	ED	Phinma	Oscar Hilado	April 12, 2005	April 7, 2015	Annual Meeting	10
Victor J. del Rosario	NED	Phinma	Oscar Hilado	Sept. 15, 2008	April 7, 2015	Annual Meeting	7
Pythagoras L. Brion, Jr.	ED	Phinma	Oscar Hilado	March 24, 2014	April 7, 2015	Annual Meeting	2
Raymundo O. Feliciano	ID		Oscar Hilado (None)	Sept 1969	April 7, 2015	Annual Meeting	45
Ricardo V. Camua	ID		Oscar Hilado (None)	1996	April 7, 2015	Annual Meeting	18
David L. Balangue	ID		Ramon del Rosario (None)	March 24, 2010	April 7, 2015	Annual Meeting	5
Guillermo D. Luchangco	ID		Ramon del Rosario (None)	April 22, 2013	April 7, 2015	Annual Meeting	2

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

In the Revised Manual on Good Corporate Governance which the Board approved on March 3, 2011, the Board of Directors and Management of the company committed themselves to the principles and best practices of good corporate governance and acknowledged that the same will serve as guide in the attainment of our corporate goals. The manual shall institutionalize the principles of good corporate governance in the entire organization. The Board of Directors and Management, employees and

¹ Reckoned from the election immediately following January 2, 2012.

shareholders, believe that corporate governance is a necessary component to what constitutes sound strategic business management and will therefore undertake every effort necessary to create and sustain awareness within the organization.

The Board of Directors recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the Board of Directors believes that the following shareholder rights should be extended to all shareholders of the Company:

- Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
- Cumulative voting shall be used in the election of directors.
- A director shall not be removed without cause if it will deny minority shareholders representation in the Board.
- All shareholders shall have pre-emptive rights in accordance with law, unless the same is denied in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.
- All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished annual reports, including financial statements, without cost or restrictions.
- All shareholders shall be provided, upon request, periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.
- The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda, provided the items are for legitimate business purposes, and in accordance with law, jurisprudence and best practice.
- The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose such matters in the agenda of the shareholders' meeting, being within the definition of "legitimate purposes", and in accordance with law, jurisprudence and best practice.
- Shareholders shall have the right to receive dividends subject to the discretion of the Board.
- All shareholders shall have appraisal rights as provided under the Code.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholder rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the bylaws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

(c) How often does the Board review and approve the vision and mission?

The Board, upon the recommendation of senior management, reviews the vision and mission of the Company as it deems appropriate. The Board ensures that the plans and actions of the Company are

aligned with its vision and mission. This exercise was done last June 2015. On the other hand, corporate strategies are reviewed and discussed semi-annually as part of the Group planning meetings. The last planning meeting was held June 2015.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Oscar J. Hilado	Phinma, Inc. Phinma Corporation Phinma Property Holdings Corporation Union Galvasteel Corporation Trans-Asia Power Generation Corporation Araullo University Cagayan de Oro College University of Pangasinan University of Iloilo Microtel Inns & Suites (Pilipinas), Inc. Trans-Asia Renewable Energy Corporation Asian Plaza, Inc. Trans-Asia Gold and Minerals Trans Asia Petroleum Corp Palawan 55 Exploration and Production Corp. One Subic Power Generation Corp.	Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive
Magdaleno B. Albarracin, Jr.	Phinma, Inc. Phinma Corporation Phinma Property Holdings Corporation Union Galvasteel Corporation Trans-Asia Power Generation Corporation Trans-Asia Petroleum Corp. Palawan 55 Exploration and Production Corp. Araullo University Cagayan de Oro College University of Pangasinan University of Iloilo Asian Plaza, Inc Fuld & Company, Inc. Fuld & Company (Philippines), Inc One Subic Power Generation Corp.	Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive
Ramon R. del Rosario, Jr.	Phinma, Inc. Phinma Corp. Phinma Property Holdings Corporation Union Galvasteel Corporation Trans-Asia Power Generation Corporation Araullo University Cagayan de Oro College University of Pangasinan University of Iloilo	Executive Executive Non-Executive Non-Executive Non-Executive Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman)

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

	Microtel Inns & Suites (Pilipinas), Inc. Trans-Asia Renewable Energy Corporation Asian Plaza, Inc Microtel Development Corp. Fuld & Company, Inc. Fuld & Company (Philippines), Inc. South Luzon Thermal Energy Corp. CIP II Power Corporation Trans Asia Petroleum Corp. One Subic Power Generation Corp.	Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman) Non-Executive (Chairman)
Francisco L. Viray	Trans-Asia Power Generation Corp. South Luzon Thermal Energy Corp. CIP II Power Corporation Trans-Asia Petroleum Corp. Palawan 55 Exploration and Production Corp. Trans-Asia Renewable Energy Corp. Maibarara Geothermal Inc. Phinma Corp. One Subic Power Generation Corp.	Executive Executive Executive Executive Non-Executive (Chairman) Executive Non-Executive Non-Executive Non-Executive
Victor J. del Rosario	Phinma, Inc. Phinma Corporation Phinma Property Holdings Corporation Union Galvasteel Corporation Trans-Asia Power Generation Corporation Trans-Asia Renewable Energy Corp. Araullo University Cagayan de Oro College University of Pangasinan University of Iloilo Asian Plaza, Inc. Microtel Development Corporation Microtel Inns & Suites Fuld & Company, Inc. Fuld & Company (Philippines), Inc. CIP II Power Corporation T-O Insurance Brokers, Inc.	Executive Executive Non-Executive Non-Executive Non-Executive Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive
Roberto M. Laviña	Phinma, Inc. Phinma Corporation Phinma Property Holdings Corporation Union Galvasteel Corporation Trans-Asia Power Generation Corporation Araullo University Cagayan de Oro College University of Pangasinan University of Iloilo Microtel Inns & Suites (Pilipinas), Inc. Trans-Asia Renewable Energy Corporation Asian Plaza, Inc Microtel Development Corp. Fuld & Company, Inc. Fuld & Company (Philippines), Inc. T-O Insurance Brokers, Inc. CIP II Power Corp	Executive Executive Executive Non-Executive Non-Executive Executive Executive Executive Executive Executive Executive Non-Executive Executive Non-Executive Non-Executive Non-Executive Non-Executive Executive
David L. Balangue	Trans-Asia Power Generation Corp.	Independent
Guillermo D. Luchangco	Phinma Corporation Fuld & Company (Philippines), Inc.	Independent Independent
Pythagoras L. Brion, Jr.	Phinma, Inc. Phinma Corp.	Executive Executive

	Asian Plaza, Inc.	Executive
	CIP II Power Corporation	Executive
	Trans-Asia Petroleum Corp.	Executive
	Phinma Property Holdings Corp.	Executive
	Union Galvasteel Corporation	Executive
	Cagayan de Oro College	Executive
	Araullo University	Executive
	University of Pangasinan	Executive
	University of Iloilo	Executive
	Trans-Asia Renewable Energy Corp.	Executive
	Trans-Asia Power Generation Corp.	Executive
	Palawan 55 Exploration and Production Corp.	Executive
	One Subic Power Generation Corp.	Executive
	Coral Way City Hotel Corp.	Non-Executive
	Microtel Development Corp.	Executive

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Oscar J. Hilado	First Philippine Holdings Corporation Philex Mining Corporation	Non-Executive Non-Executive
Ramon R. del Rosario, Jr.	Ayala Corporation	Non-Executive
Guillermo D. Luchangco	Roxas & Co., Inc. Ionics, Inc.	Independent Non-Executive
David L. Balangue	Manufacturers Life Insurance (Phils.), Inc. Manulife Financial Plans, Inc. Roxas Holdings, Inc.	Non-executive Non-executive Independent

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Oscar J. Hilado	Phinma, Inc.	Chairman of the Board, director and shareholder.
	Phinma Corp.	Chairman of the Board and shareholder
Magdaleno B. Albarracin, Jr.	Phinma, Inc.	Director and shareholder
	Phinma Corp.	Director and shareholder
Ramon R. del Rosario, Jr.	Phinma, Inc.	Director, President and shareholder
	Phinma Corp.	President & Vice Chairman
Victor J. del Rosario	Phinma, Inc.	Director, Executive Vice President, and shareholder
	Phinma Corp.	Director, Senior Executive Vice President and COO, and shareholder
Roberto M. Lavina	Phinma, Inc.	Director, Senior Executive Vice President and COO,

		and shareholder
	Phinma Corp.	Director, Senior Executive Vice President and COO and shareholder
Francisco L. Viray	Phinma Corp.	Director
Pythagoras L. Brion, Jr.	Phinma, Inc.	EVP/CFO
	Phinma Corp.	SVP-Treasurer
Guillermo D. Luchangco	Phinma Corp.	Independent Director

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines: No.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations.	
Non-Executive Director	As above	
CEO	As above	

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares (as of December 31 , 2014	Number of Direct shares (as of June 30, 2015	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Oscar J. Hilado (Chairman)	4,500,000	4,500,000		.09%
Ramon R. del Rosario Jr. (Vice Chairman)	16,633,513	16,633,513	26,704,008 (thru Emar Corp)	.34%
Francisco L. Viray (President and CEO)	9,429,730	9,429,730		.19%
Roberto M. Laviña (SEVP/Treasurer)	3,069,887	3,297,887		.07%
Guillermo D. Luchangco	1	1		
Magdaleno B. Albarracin Jr.	10,307,926	11,057,926		.23%
Raymundo O. Feliciano	1,154,017	1,154,017		.02%
Ricardo V. Camua	1,225,000	1,225,000		.03%
Victor J. del Rosario	3,620,362	3,620,362	26,704,008 (thru Emar Corp)	.07%
David L. Balangue	1,610,001	1,610,001		.03%
Pythagoras L. Brion, Jr.	400,013	400,013		.01%
TOTAL	52,050,450	51,304,662.00	53,408,016.00	1.07%

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of

independent views.

Yes ☒

No ☐

Identify the Chair and CEO:

Chairman of the Board	Oscar J. Hilado
CEO/President	Francisco L. Viray

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	<p>Presides at all meetings of the Board of Directors and stockholders. Responsible for leadership in the Board.</p> <p>Chair of Nominations Committee.</p>	<p>General supervision of the company's business, properties and affairs and managing it within the authorities delegated by the Board.</p> <p>Presides over all meetings of the board in the absence of the Chairman.</p>
Accountabilities/ Deliverables	<p>Efficient operation of the Board and its committees in conformity with the highest standards of corporate governance.</p> <p>Effective communication and harmonious working relationship with shareholders, other stakeholders, non-executive directors and Excom.</p> <p>Promotion of effective communication with shareholders and other stakeholders</p> <p>Constructive debate and effective decision-making.</p> <p>Spearhead a board that initiates change and planning succession on Board and Group Executive appointments.</p> <p>Properly established Board committees which are composed suitably to operate efficiently.</p> <p>Provision of sound business support and advice to the CEO in strategy development.</p> <p>Promotion of effective working relationship and communications between executive and non-executive directors and Excom</p>	<p>Development of annual plans, consistent with agreed strategies, for presentation to the Board for support.</p> <p>Ensure that an organizational structure is in place including processes and systems to guarantee the efficient deployment of resources.</p> <p>Responsible to the Board for the performance of the business, consistent with the mission and vision of the Company.</p> <p>Timely communication of financial results, milestones, etc. to the investing public.</p> <p>Effective communication and harmonious working relationship with shareholders, other stakeholders, non-executive directors and Excom.</p> <p>Warrant management succession and development plans.</p> <p>Thorough review of capital investment proposals and efficient</p>

	Well-established open relationship with the Chief Executive.	<p>identification and management of risks</p> <p>An effective framework of internal controls over risk in relation to all business activities is in place.</p> <p>Close relationship anchored on trust with the Chairman.</p>
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3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Nominations Committee shall pre-screen and short list all candidates nominated to become members of the Board of Directors in accordance to a set of pre-selected criteria as stated in the Manual on Good Corporate Governance. This shall then be presented to the Board wherein not only the current skills of officers but also their potential are taken into consideration, keeping in mind business continuity and alignment with the company's vision and mission. Moreover, the CEO regularly monitors performance of each individual officer and plans for their future. The Human Resources' leadership programs also aid in identifying potentials for leadership position among the employees and officers. Under these programs, high potential officers and employees undergo rigorous training and exposure.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

Yes. The company's Manual on Good Corp Governance states that the board members shall be a combination executive, non-executive and independent directors to ensure that no director or small group of directors dominate the decision-making process. The board shall be comprised of a good mix of directors with varying backgrounds, whose business experience shall allow them to participate actively in the deliberations.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes, criteria for the nomination/election of a non-executive director are 1) a practical understanding of the business of the company, 2) should possess previous business experience, 3) should have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies and 4) shall be a member of good standing in a relevant industry, business or professional organization.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness and profitability in a manner consistent with its corporate objectives and fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders.

As stated in the company's Manual on Good Corporate Governance Section 2.2.1.3, the following are the duties and responsibilities of a director:

- To exercise that degree of skill, diligence and care that a reasonably prudent person would exercise in

similar circumstances. It shall be sufficient for a director to act on an informed basis in good faith and in an honest belief that the action was taken in the best interest of the Company.

- To devote time and attention necessary to properly discharge his duties and responsibilities
- To act judiciously
- To exercise independent judgment
- To have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies.
- To observe confidentiality
- To ensure the continuing soundness, effectiveness and adequacy of the Company's control environment.
- To conduct business transactions with the Company, if any, in a manner that is fair and ensures that personal interest does not bias Board decisions.

The following are the board of directors' deliverables:

- Install a process of selection to ensure a mix of competent directors and officers.
- Determine the Company's purpose, its vision and mission and strategies to carry out its objectives.
- Provide sound strategic policies and guidelines to the Company on major capital expenditures.
- Establish programs that can sustain its long-term viability and strength and periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- Require that the Corporation comply with all relevant laws, regulations and codes of best business practices.
- Identify the Corporation's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective communications program, which shall be under the supervision of the Chief Executive Officer.
- Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- Adopt a system of internal checks and balances including a continuing review of the corporation's internal control systems.
- Formulate policies and procedures that will ensure the integrity and transparency of related party transactions.
- Establish and maintain an alternative dispute resolution system for the amicable settlement of conflicts and differences among all stakeholders including the regulatory authorities.
- Appoint a Compliance Officer. In the absence of such appointment, the Corporate Secretary shall act as Compliance Officer.
- Identify key risk areas and key performance indicators and monitor these factors with due diligence.
- Properly discharge Board functions by meeting regularly. Independent directors shall, as much as possible, attend all Board meetings. The Board may also require the presence of at least one independent director in its meetings to promote transparency.
- Independent views during Board meetings shall be given due consideration and all meetings shall be duly minuted.
- Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and existing laws, rules and regulation.
- Define the clear delineation of roles, duties, and responsibilities of the Chair and the Chief Executive Officer as necessary, integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times. Proper checks and balances shall be laid down to ensure that the Board gets the benefit of independent views and perspectives if the positions of Chair and CEO are unified.
- Require Management to provide the Board with complete, adequate and timely information about the matters to be taken in their meetings to enable the Board to properly fulfill their duties and responsibilities. The board shall also have independent access to Management and the Corporate

Secretary including access to independent professional advice at the corporation's expense in furtherance of their duties and responsibilities.

- Make available to the company's stockholders, via multiple channels, a balanced and comprehensible assessment of the corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Provide the company's definition of "independence" and describe the company's compliance to the definition.

The Nomination Committee pre-screens nominees for independent director using the guidelines under Section 38 of the SRC and the provisions assessing independence under the Revised Manual on Good Corporate Governance. On this basis, Messrs. Raymundo O. Feliciano, Ricardo V. Camua, David L. Balangue and Guillermo D. Luchangco have been elected as independent directors.

A Director who is neither an officer nor a substantial shareholder is considered to be independent. Those identified above are qualified to be independent Directors.

In assessing the independence of the Directors, the Nomination Committee has examined the different relationships enumerated under SRC Rule 38.1 of the SRC IRR that may impair the directors' independence and objectivity, and affirms that the above-mentioned directors are able to act with independent judgment.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

In compliance with SEC Circular No. 9 Series, of 2011, the company has a term limit of five consecutive years for independent directors. After the required cooling-off period of two years, the director can return as independent director for another term of five years.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Antonio V. Del Rosario	Non-executive Director	April 22, 2013	Resignation
Alfredo M. Velayo	Independent Director	August 19, 2013	Resignation

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	The Nomination Committee pre-screens and short-lists all candidates in accordance with	<ul style="list-style-type: none"> Educational Background or extensive business
(ii) Non-Executive Directors		

(iii) Independent Directors	the list of qualifications and disqualifications in the Manual of Corporate Governance	<ul style="list-style-type: none">experienceIntegrity and probityDiligenceOwnership of at least one shareNature of Corporations of which he is a directorAgeNumber of directorshipsNo Conflict of InterestExperience in other boardsExperience as CEO or COOKnowledge of finance/accountingKnowledge of industryKnowledge of Local and international market and strategic visionContacts of value
b. Re-appointment		
(i) Executive Directors	The Nomination Committee pre-screens and short-lists all candidates in accordance with the list of qualifications and disqualifications in the Manual of Corporate Governance	
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	The findings and recommendations of the Nomination Committee shall be submitted to the Board for approval; a director whose qualifications are at issue shall not have right to vote when the Board considers his case.	<ul style="list-style-type: none">Final conviction of offense involving moral turpitude or fraudFinally found to have violated SRC, Corporation Code, BSP RulesJudicially declared insolvent
(ii) Non-Executive Directors		<ul style="list-style-type: none">Same as aboveBecomes officer/regular director of any of the companies of the Phinma GroupBeneficial security ownership exceeds 2% of the outstanding shares of the CompanyFails, without any justifiable cause, to attend at least 50% of the total number of Board meetings
(iii) Independent Directors		
d. Temporary Disqualification		
(i) Executive Directors	The findings and recommendations of the Nomination Committee shall be submitted to the Board for approval; a director whose qualifications are at issue shall not have right to vote when the Board considers his case.	<ul style="list-style-type: none">Refusal to disclose business interestsAbsence in more than 50% of all meetingsDismissal/termination from directorship in other listed corporation for causeNon-final confiscation for (c) above
(ii) Non-Executive Directors		
(iii) Independent Directors		

e. Removal		
(i) Executive Directors	The findings and recommendations of the Nomination Committee shall be submitted to the Board for approval; a director whose qualifications are at issue shall not have right to vote when the Board considers his case.	<ul style="list-style-type: none">• See (c) above
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors	The findings and recommendations of the Nomination Committee shall be submitted to the Board for approval; a director whose qualifications are at issue shall not have right to vote when the Board considers his case.	<ul style="list-style-type: none">• Disclosure of business interest (after refusal)• Exoneration from Charges
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	The findings and recommendations of the Nomination Committee shall be submitted to the Board for approval; a director whose qualifications are at issue shall not have right to vote when the Board considers his case.	<ul style="list-style-type: none">• See (d) above

Voting Result of the last Annual General Meeting (April 7, 2015)

Name of Director	Votes Received
Oscar J. Hilado (Chairman)	67.01%
Ramon R. del Rosario, Jr.	67.01%
Francisco L. Viray (President)	67.01%
Roberto M. Laviña	67.01%
Magdaleno B. Albarracin, Jr.	67.01%
Victor J. del Rosario	67.01%
Pythagoras L. Brion, Jr.	67.01%
Raymundo O. Feliciano (Independent)	67.01%
Ricardo V. Camua (Independent; Audit Committee Vice Chairman)	67.01%
David L. Balangue (Independent; Audit Committee Chairman)	67.01%
Guillermo D. Luchangco (Independent)	67.01%

6. Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

The new director attends a briefing, during which various operating heads present the nature of their respective departments and their plans for the future. The new director is also provided a copy of the Manual on Good Corp Governance and advised of company policies pertaining to directors.

(b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Audit Committee members	Sept 19, 2013	PHINMA Audit Committee Forum – “Audit Committee Roles, Functions and Best Practices”	PHINMA In-house Speaker: Mr. Juan Carlos Robles of Punongbayan & Araullo (P&A)
All directors	July 28, 2014	Corp Governance Program	SGV
All directors and Senior Management	20 June 2013	Business Continuity Management Training	Sycip, Gorres, Velayo and Company
Roberto M. Laviña	26 September 2014	Crisis Communication Forum	Jose Avellana
	19 March 2015	Crisis Management & Communication Planning Forum	Andrew Thomas
	29 April 2015	Executive Coaching Champions to Drive Business Impact	DDI
Ramon R. del Rosario	4 February 2014	Ayala Group Corporate Governance and Risk Management Summit	Ayala Group
	28 February 2015	Ayala Group Corporate Governance and Risk Management Summit	Ayala Group
Guillermo Luchangco	March 27-28, 2012	Euromoney Philippine Investment Forum 2012	Euromoney
	June 7, 2012	Insight into the US Rebalancing to the Asia-Pacific & Implication for the US Philippines Alliance	Center for Strategic and International Studies

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

	October 2, 2013	Invest Philippines : Trade and Investment Opportunities Conference	Invest Philippines
	June 26-27, 2014	2 nd Asian Business Conference 2014	Asian Institute of Management
Cecille B. Arenillo	19 September 2013	Phinma Group Audit Committee Forum	Juan Carlos Robles
	11 June 2014	Integrity Assurance Programs	Messrs. Peter Perfecto, Lilian Linsangan and Francisco Roman
	11 June 2014	ASEAN ACGS Workshops	Institute of Corporate Directors
	28 August 2014	Annual Phinma Disaster Preparedness Forum	In-house Program
	19 March 2015	Crisis Management and Communication Planning	Andrew Thomas, Ogilvy
	14 May 2015	Strategic Negotiations	In-house Program
Danielle R. del Rosario	01 August 2013	Building a Disaster Resilient Organization	In-house Program
	6 September 2013	NG-LGU Joint Energy Forum	Department of Energy & Department of Interior & Local Government
	5-27 September 2013	Power Trends Energy Forum	Leverage International , Manila
	30 September 2013	Philippine Mid-year Economic Briefing	Philippine Investor Relations Office, NEDA
	17 October 2013	Rising stars of the Philippine Investment Forum	Asian Investor/ Finance Asia
	25-27 October 2013	ASEAN Forum on Corporate Social Responsibility	Asian Institute of Management-RVR Center
	January-March	Managerial Accounting	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	January-March	Management Dynamics	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	April-June	Human Resource Management	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	April-June	Managing Concepts for Information Technology	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	July-August	Financial Management	Ateneo Graduate School of

			Business-University of Regis Joint MBA Program
	September- October	The Call to Leadership	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	September- October	Marketing Management	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	November- January	Quantitative Methods for Manager	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	13 January 2014	Balanced Scorecard	Ateneo de Manila University
	10-11 March 2014	Crisis Communication Planner	Apex Global (An ECCI Venture)
	12-13 March 2014	Natural Gas Summit	Leverage International
	15-16 March 2014	Records and Documents Management Systems	Lane Archive Technologies Corp.
	18-19 August 2014	Art of Successful Crisis Management	Uni Strategic
	3-4 September 2014	Asean Forum on Corporate Social Responsibility	Asian Institute of Management- RVR
	26 September 2014	Crisis Communication Forum	Trans-Asia in House
	01 December 2014	Phinma Group Enterprise Risk Management Workshop	In-house Project
	January-March	Operations Management	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	April-June	Leading, Organizational Change	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	July-August	Marketing Warfare	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	September- October	Economics for Managers	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	3 March 2015	WESM Dispatch Protocol	In house Project
	5-6 March 2015	Natural Gas Summit	Leverage International
	19 March 2015	Crisis Management and Communication Forum	Ogilvy
	28-29 April 2015	Basic WESM Training	Wholesale Electricity Spot Market, PEMC
	19 June 2015	International CSR Summit/ Area Award Ceremony	Enterprise Asia/ Asia Responsible Entrepreneurship Award
	26 June 2015	The Future of the ASEAN Tourism Industry	Center for Philippine Futuristic Studies and Management

(c) Continuing education programs for directors: programs and seminars and roundtables

attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
All directors	July 28, 2014	Corp Governance Program	SGV
Roberto M. Laviña	19 March 2015	Crisis Management & Communication Planning Forum	Andrew Thomas
	29 April 2015	Executive Coaching Champions to Drive Business Impact	DDI
Ramon R. del Rosario	4 February 2014	Ayala Group Corporate Governance and Risk Management Summit	Ayala Group
	28 February 2015	Ayala Group Corporate Governance and Risk Management Summit	Ayala Group
	June 26-27, 2014	2 nd Asian Business Conference 2014	Asian Institute of Management
Guillermo Luchangco	June 26-27, 2014	2 nd Asian Business Conference 2014	Asian Institute of Management
Cecille B. Arenillo	11 June 2014	Integrity Assurance Programs	Messrs. Peter Perfecto, Lilian Linsangan and Francisco Roman
	11 June 2014	ASEAN ACGS Workshops	Institute of Corporate Directors
	28 August 2014	Annual Phinma Disaster Preparedness Forum	In-house Program
Danielle R. del Rosario	19 March 2015	Crisis Management and Communication Planning	Andrew Thomas, Ogilvy
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	18-19 August 2014	Art of Successful Crisis Management	Uni Strategic
	3-4 September 2014	Asean Forum on Corporate Social Responsibility	Asian Institute of Management- RVR
	26 September 2014	Crisis Communication Forum	Trans-Asia in House
	01 December 2014	Phinma Group Enterprise Risk Management Workshop	In-house Project
	January-March	Operations Management	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	April-June	Leading, Organizational Change	Ateneo Graduate School of Business-University of Regis Joint MBA Program

	July-August	Marketing Warfare	Ateneo Graduate School of Business-University of Regis Joint MBA Program
	September-October	Economics for Managers	Ateneo Graduate School of Business-University of Regis Joint MBA Program
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	19 June 2015	International CSR Summit/ Area Award Ceremony	Enterprise Asia/ Asia Responsible Entrepreneurship Award
	26 June 2015	The Future of the ASEAN Tourism Industry	Center for Philippine Futuristic Studies and Management

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management and Employees
(a) Conflict of Interest	The Manual on Good Corporate Governance serves as the Code of Conduct for all directors of the Company.	No officer or employee may engage in any business or undertaking that is directly or indirectly in competition with or pre judicial to the interests of that of any company to the PHINMA Group, or to the performance of his job or work assignments. If an employee faces a situation that may involve or lead to a conflict of interest, the employee is required to disclose such information and seek appropriate guidance.
(b) Conduct of Business and Fair Dealings		With the launch of the PHINMA Integrity Assurance Program, wherein everyone is required to accomplish a disclosure form (on a yearly basis or as needed) detailing possible involvements which may create conflict of interest, the company is assured more than ever that the highest standards of ethics are being lived out throughout the company.
(c) Receipt of gifts from third parties		Officers and employees are expected to practice the highest standards of business conduct in every business relationship - with each other and with the customers, business partners, and competitors.
		PHINMA prohibits its employees from accepting and/or offering inappropriate gifts and gratuities that may impair or appear to impair the

		<p>recipient's objectivity and may affect their ability to properly perform their job and responsibilities.</p> <p>Cash- accepting, offering or giving in any amount is prohibited.</p> <p>Gifts/Gratuities- accepting, offering or giving is prohibited if it is (a) beyond nominal value and (b) offered, given or accepted in exchange for an official act or an act under the employee's official responsibilities. All gifts and gratuities worth beyond the nominal value which are offered to the employees must be disclosed to the immediate superior, with a copy furnished to the Integrity Officer, and is subject to the discretion of the immediate superior whether this will be accepted, donated or declined.</p> <p>Loans- all loans acquired from related parties should be properly disclosed with the following information:</p> <ul style="list-style-type: none"> - Related party involved - Amount of loan - Interest rate - Term - Other pertinent information <p>Officers and employees are required to disclose these incidents within 30 days via email to their immediate superior who shall review the disclosure together with the Integrity Officer and advise on the decision and course of action that should be taken.</p>
(d) Compliance with Laws & Regulations		<p>All officers and employees shall proceed with the conduct of their business in a manner that is compliant with applicable Philippine laws and regulations. The code of business conduct as well as the Employee's Handbook shall serve as a guide should there be any need for clarification.</p> <p>All officers and employees should work in a clean, orderly and safe environment. The Company requires full compliance with applicable workplace safety and industrial hygiene standards mandated by law.</p>
(e) Respect for Trade Secrets/Use of Non-public Information		<p>No director, officer nor employee may use confidential company information for personal gain.</p> <p>Phinma also abides by an Insider Trading Policy which states that purchase and sale of Phinma shares or securities on the basis of potentially share price sensitive information that is not yet</p>

		<p>public is prohibited. Black-out periods provide specific guidelines for insider-trading regulations. Officers and employees of publicly-listed companies of PHINMA, together with their relatives, are strictly prohibited from trading shares of their respective companies.</p> <p>In a memo dated 31 August of 2010, the Compliance Officer detailed the guidelines and procedures for directors and officers during black out notices stated here as follows:</p> <ol style="list-style-type: none"> 1. Officers authorized to submit disclosures shall promptly inform the Finance Department c/o Office of the Comptroller as soon as a disclosure has been made. 2. As soon as the notice of a disclosure is received by Finance, Finance will send an email or a fax (if the fax is the preferred means) to all directors and officers advising them of the disclosed data and the inclusive dates of the blackout period of 2 full trading days after the disclosure has been made. 3. All directors and officers are enjoined to observe said blackout period and refrain from buying AND/OR selling the Issuer's securities. 4. In instances when Finance, for one reason or another, cannot make the disclosure, the officer or department that made the disclosure shall also handle the required email or fax advice to all directors and officers. 5. For directors and officers who do not have regular access to email, it is advised that they check with the Issuer's Finance Dept., c/o the Office of the Comptroller, before dealing in the Issuer's securities.
(f) Use of Company Funds, Assets and Information		<p>Employees, Officers and Directors are expected to use company resources wisely and legitimately.</p> <p>Malversation of Funds and other company assets for personal gain is strictly prohibited and is considered a very serious offense as stated in the Employee Handbook. Commission of the same on its first offense is punishable by dismissal.</p> <p>Using of company's time, materials and equipment or other property to do unauthorized work is considered a Less Serious Offense and is punishable with suspension of at least 3 days to one month.</p>
(g) Employment & Labor		Using official position in order to secure

Laws & Policies		employment for relatives, except if such hiring is with written consent of functional head, who will ascertain and corroborate that the relative employed is the most qualified among applicants.
(h) Disciplinary action		Employees are given full notice and a chance to explain his side before any disciplinary action is imposed.
(i) Whistle Blower		<p>Phinma, through its Whistleblowing and Non-Retaliation Policy under the Integrity Assurance Program, provides for a mechanism for reporting perceived and actual irregularities that are contrary to PHINMA's Core Values while providing appropriate protection for whistleblowers from possible retaliation.</p> <p>An Integrity Hotline has been launched which is an independent, dedicated email facility provided by the Company for receiving Whistleblower reports. All reports submitted through this facility shall be received by the Integrity Officer and the PHINMA GIA Head.</p> <p>All reports shall be investigated according to the PHINMA Response Plan.</p> <p>In the event that a whistleblowing report was made in bad faith, appropriate disciplinary or legal action shall be meted pursuant to the policies and procedures of PHINMA, and any applicable laws or regulations.</p>
(j) Conflict Resolution		Installation of committee to handle and resolve conflict.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes, the Company has a Manual on Good Corp Governance as well as an Employee Handbook and both are provided to directors and officers & employees respectively. The Phinma Integrity Assurance Program that was launched in June 2014 is now fully implemented and covers the following policies:

- Policy on Insider Trading
- Policy on Whistleblowing
- Policy on Sexual Harassment
- Policy on Conflict of Interest
- Policy on Gifts & Gratuities
- Anti-Fraud Policy

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

Covered officers and employees are required to fill-up and submit the Confidential Disclosure Form and Conflict of Interest Certification upon employment and every year thereafter. In instances when any of the information disclosed has changed, the covered officer or employee has the obligation to amend his Confidential Disclosure Form accordingly.

In light of the implementation of the Integrity Assurance Program, all directors, officers and employees are required to submit the Integrity Assurance Disclosure Form annually. The form details information regarding aspects of an employee's personal and/or professional dealings that may be in conflict with the said program.

The Company's Code of Conduct includes policies on Insider Trading which contains procedures for the implementation of the blackout period. The blackout period prohibits directors, officers and employees of the company to deal in the company's securities two days before and two days after the release of structured reports and two days after the release of unstructured reports.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	Phinma has set a universal policy for all Related Party Transactions. The policy provides for fairness and transparency in related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associate, affiliates, major stockholders officers and directors, including their spouses, children, and dependent siblings and parents and of interlocking director relationships by members of the Board.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	<p>The terms of any transaction involving related parties must be done at a fair and at arm's length basis with the best interest of both parties in mind.</p> <p>The Board with the Audit Committee and PHINMA Management shall determine and provide pre-approved RPTs and thresholds subject for their review and approval.</p> <p>Any transaction that exceeds the threshold shall be subject to review and approval.</p> <p>Further, transactions that will need to be disclosed to appropriate governing agencies shall be complied with.</p>
(8) Interlocking director relationship of Board of Directors	Directors currently serve as directors of subsidiaries and affiliates.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None

Name of Officer/s	None
Name of Significant Shareholders	None

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	There have been no conflicts of interest between the company, its directors, officers and significant shareholders. In the event that one should arise, all diplomatic means will be exhausted in order to resolve the same prior to resorting to legally available measures.
Group	

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
PHINMA, Inc.	Ultimate Parent	Management contract with TA Oil; Share of expenses
PHINMA Corp	Significant shareholder	Share of expenses; TA Oil owns shares of PHINMA Corp

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
PHINMA, Inc.	Ultimate Parent	Management contract with TA Oil; Share of expenses
PHINMA Corp	Significant shareholder	Share of expenses; TA Oil owns shares of PHINMA Corp

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None		

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.