



SECURITIES AND EXCHANGE COMMISSION

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2019
2. SEC Identification Number **CS200719819** 3. BIR Tax Identification No. **006-940-588-000**
4. Exact name of issuer as specified in its charter **PXP ENERGY CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction
of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **2/F LaunchPad, Reliance cor. Sheridan St., Mandaluyong City** **1550**
Address of principal office Postal Code
8. **(632) 8631-1381**
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			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
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	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
2. Board has an appropriate mix of competence and expertise.	Compliant	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	The Company is led by a competent Board of Directors, composed of nine (9) Directors, majority of which are non-executive directors, duly elected by stockholders during the Annual General Stockholders' Meeting. Information on the age, date of first appointment, academic qualification, experience, continuing professional education & seminars attended for the year and directorship in other listed companies of each director is available at the link below: Profile: https://www.pxpenenergy.com.ph/home/our-company/board-directors	

		<p>Training of Directors may as well be found in the Company's Annual Report: https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p> <p>The Company's Revised Manual on Corporate Governance (RMCG) Principle 1.1 provides that: "The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company's industry/sector. The Board shall always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction."</p> <p>The RMCG may be accessed through this link: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>The Company's Nominations Committee is guided by the Nominations Committee Charter which may be accessed through this link: https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-nominations-committee-charter and Policy on the Board Nomination incorporated in the Charter. The Company adopts general guidelines to assist the Board and its Nominations Committee in the effective and efficient search, screening and selection of candidates for election/re-election as members of the Board.</p>	
--	--	---	--

		<p>Search, Screening and Selection of Directors may be accessed through this link: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter</p> <p>Annual training of the members of the Board and Company officers ensures that they are informed of the developments in the business and regulatory landscapes of the industry. With these trainings, it is the Company's belief that the Board and the Officers will enhance their effectiveness and competency in addressing the needs of the Company. http://www.pxpenenergy.com.ph/corporate-governance/company-policy/directors-officers-orientation-training-policy</p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>The Board of Directors is composed of nine (9) directors duly elected by the stockholders entitled to vote in accordance with the By-Laws, the Corporation Code, and the Securities Regulation Code.</p> <p>The Board is composed of 6 Non-Executive Directors, 2 Independent Directors, 1 Executive Director.</p> <p>Please see link for information: http://www.pxpenenergy.com.ph/home/our-company/board-directors</p> <p>Glossy Annual Report: https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p>	

Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i>	
2. Company has an orientation program for first time directors.	Compliant	<p>The RMCG of the Company includes in its Annex the Directors' and Officers' Orientation and Training Policy. Please see below links of the Company's RMCG, the Directors' and Officers' Orientation and Training Policy, and the Training, Seminars and External Courses Attended for 2019.</p> <p>RMCG: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Directors' and Officers' Orientation and Training Policy: http://www.pxpenenergy.com.ph/corporate-governance/company-policy/directors-officers-orientation-training-policy</p> <p>Training, Seminars and External Courses Attended for 2019: https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p>	
3. Company has relevant annual continuing training for all directors.	Compliant		

Recommendation 1.4

1. Board has a policy on board diversity.	Compliant	<p>The Company's Board Diversity Policy aims to ensure that optimal and sound decision-making is achieved by diversifying the composition of the Company's Board of Directors ("Board").</p> <p>Board Diversity Policy may be accessed through this link:</p>	
---	-----------	---	--

		http://www.pxpenenergy.com.ph/corporate-governance/company-policy/board-diversity-policy	
		<p>Currently, the Company's Board of Directors is composed of 3 female Directors (2 of whom are Non-Executive Directors and the other an Independent Director) and 6 Male Directors.</p>	
Optional: Recommendation 1.4			
<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	Compliant	<p>The Company's Board Diversity Policy aims to ensure that optimal and sound decision-making is achieved by diversifying the composition of the Company's Board of Directors ("Board").</p> <p>Board Diversity Policy: http://www.pxpenenergy.com.ph/corporate-governance/company-policy/board-diversity-policy </p> <p>Currently, the Company's Board of Directors is composed of 3 female Directors (2 of whom are Non-Executive Directors and the other an Independent Director) and 6 Male Directors.</p> <p>Currently the Board of Directors of the Company is composed of the following individuals, with ages ranging from 50-80 years old:</p> <ul style="list-style-type: none"> • A lawyer with experience and exposure to the oil and gas industry; • Three (3) financial experts in business, merger and acquisition, credit, capital market, derivatives, taxation and fund raising; 	

		<ul style="list-style-type: none"> • Three (3) female directors to promote gender equality; • Three (3) industry experts on the oil and gas industry; • All have sound Corporate Governance mind set, • More than half are incumbent or former CEOs of operating entities; and • Individuals with experience in environmental development. 	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	See profile of Atty. Barbara Anne C. Migallos, the Company's Corporate Secretary: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-15-2020/	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	The Company's Compliance Officer is Ms. Paraluman M. Navarro: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-15-2020/	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		<i>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</i> The Company regularly sends soft copies of the complete set of Board materials to directors via e-mail at least five days in advance. The hard	

		copies are physically distributed on the day of the Board meeting or earlier upon request of director/s.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p>See link: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-15-2020/</p> <p>See profile of Ms. Paraluman M. Navarro, Treasurer and Compliance Officer: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		Compliance officer has an equivalent rank of a Senior Vice President being a Treasurer of the Company.
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>CG training of Compliance Officer, Ms. Paraluman M. Navarro may be accessed through this link: https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p>	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the Company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</i></p> <p>Each director has a three-fold duty of obedience, diligence, and loyalty to the corporation s/he serves. The director shall:</p> <ul style="list-style-type: none"> a. Act within the scope of power and authority of the company and the Board as prescribed in the Articles of Incorporation, By- Laws, and in existing laws, rules and regulations; b. Exercise his/her best care-skill and judgment, and observe utmost good faith in the conduct and management of the business and affairs of the company; and c. Act in the best interests of the company and for the common benefit of the Company's shareholders and other stakeholders. <p>See Board Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter</p> <p>and Revised CG Manual: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p>	
---	------------------	---	--

Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</i>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>See Board Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter</p> <p>and Revised CG Manual: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p><i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</i></p> <p><i>Indicate frequency of review of business objectives and strategy</i></p>	
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 Company's Board Charter provides that "The Board shall exercise the corporate powers, conduct the business, and control the properties of the Company and shall be responsible for fostering the long-term success of the Company and securing its sustained competitiveness in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.	

		<p>See Board Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter</p> <p>and Revised CG Manual: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>The Company's objectives and strategy are disclosed in SEC Form 17-A : https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>See profile of Mr. Manuel V. Pangilinan, Chairman under SEC Form 201S and SEC Form 17A https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/ and https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p><i>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</i></p>	

		The Company's Succession Planning Policy was endorsed by the Corporate Governance Committee on May 29, 2018 and adopted for Board approval on June 27, 2018.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<i>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i> Compensation Committee Charter may be accessed through this link: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-compensation-committee-charter	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<i>Provide proof of board approval.</i> Duties and Responsibilities of the Compensation Committee under its Charter includes: Review and recommend, with delegated responsibility, the remuneration packages of directors and officers, keeping in mind the Board's corporate goals, objectives and strategies. This shall include, without limitation, basic salaries, deferred compensation, stock options and any benefits in kind, pension rights, incentive payments and any other compensation payments;	

		<p>Compensation Committee Charter</p> <p>http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-compensation-committee-charter</p>	
<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>		<p>As the Company is not yet earning, the President is the only executive director that receives compensation while only the Independent Directors receive per diem.</p>	

Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<i>Provide proof if minority shareholders have a right to nominate candidates to the board</i>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	PXP respects and recognizes the right of minority shareholders to nominate directors. This right is corollary to the right to vote, which is guaranteed under the Corporation Code of the Philippines and recognized in the Company's By-Laws and RMCG. Under the Company's By- Laws, shareholders may submit nominations to the Board of Directors' Nominations Committee. The deadline for submission of nominations is on the 23rd day of March of each year, or such other date as may be determined by the Board of Directors.	
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.	Compliant	Nominations Committee Charter: http://www.pxpenery.com.ph/corporate-governance/cg-manuals/pxp-nominations-committee-charter	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	RMCG:	

		http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017 Board Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant	Board Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter Nominations Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-nominations-committee-charter	
Recommendation 2.7			
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.	Compliant	<i>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs</i> Corporate Governance and Related Party Transactions Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-cg-rpt-committee-charter	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Related Party Transaction Policy:	

<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>http://www.pxpenenergy.com.ph/corporate-governance/company-policy/related-party-transaction-policy</p> <p><i>Identify transactions that were approved pursuant to the policy.</i></p> <p>Related party transactions approved by the board can be found at the following links:</p> <p>SEC Form 17 A, Audited Financial Statements Note 18 https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>	
<p>Supplement to Recommendations 2.7</p>			
<p>1. 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>	<p>Compliant</p>	<p><i>Provide information on a materiality threshold for RPT disclosure and approval, if any.</i></p> <p><i>Provide information on RPT categories</i></p> <p>For purposes of this Policy, a Material and/or Significant RPT is defined as those transactions with a Related Party which involve an aggregate amount or value equal to or greater than Fifty Million Pesos (P50Million) over a twelve (12) month calendar year period (“Material and/or Significant RPT”);</p> <p>Corporate Governance and Related Party Transactions Committee Charter:</p>	

		http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-cg-rpt-committee-charter Related Party Transaction Policy: http://www.pxpenenergy.com.ph/corporate-governance/company-policy/related-party-transaction-policy	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-Compliant	Provide information on voting system, if any.	<p>The Company a does not have a voting system whereby a majority of non-Related Party Shareholder approve specific RPT during shareholders' meetings.</p> <p>The Company however provides that all material RPT transactions must be approved by all independent</p>

			<p>Directors and provides for approval of the Shareholders in situations provided below:</p> <p>“The following Material and/or Significant RPT must be approved by the Board, and, as the Board deems necessary, it may be further submitted to the stockholders for ratification and final approval:</p> <p>i. contract between an officer under the By-Laws and the Company;</p> <p>ii. contract between a</p>
--	--	--	--

			<p>director and the Company when the presence of such director in the Board meeting in which the contract was approved was necessary to constitute a quorum and the vote of such director was necessary for the approval of the contract, approval by the Company's stockholders is required;</p> <p>iii. contract between the Company and another</p>
--	--	--	--

			<p>corporation with interlocking directors, if the interest of the interlocking director in the Company is nominal and his interest in the other corporation is substantial , and such director's presence in the Company's Board meeting in which the contract was approved was necessary to constitute a quorum and the vote of</p>
--	--	--	---

			<p>such director was necessary for the approval of the contract, approval by the Company's stockholders is also required; and,</p> <p>iv. management contract where the Company undertakes to manage or operate all or substantially all of the business of another corporation or vice versa."</p> <p>Corporate Governance and Related Party</p>
--	--	--	---

			<p>Transactions Committee Charter http://www.pxpe.com.ph/corporate-governance/cg-manuals/pxp-cg-rpt-committee-charter</p> <p>Related Party Transaction Policy http://www.pxpe.com.ph/corporate-governance/company-policy/related-party-transaction-policy</p>
Recommendation 2.8			

<p>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).</p>	<p>Compliant</p>	<p><i>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</i></p> <p><i>Identity the Management team appointed</i></p> <p>The Board is primarily responsible for approving the selection and assessing the performance of the Management led by the President, and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).</p> <p>RMCG (Principle 2.8) http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Specific Duties of the Board as stated in the Company's Board Charter includes the "selection and appointment of the President and other Senior Officers as defined under the Company's By-laws. Board Charter http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter</p> <p>Corporate Governance Officers: Paraluman M. Navarro - Chief Compliance Officer Geraldine Ateo-an - Chief Audit Executive Mark Raymond H. Rilles - Chief Risk Officer</p>	
--	------------------	---	--

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	<p><i>Provide information on or reference to a document containing the Board’s policy and responsibility for assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p> <p>The objective of this Policy, which was approved in April 2015, is to enable the Board to periodically identify overall strengths and specific areas for improvements based on the results of assessment, and to obtain important feedback and views from the members of the Board, which will collectively form part of the Company’s overall strategy, and/or its future directions or endeavors.</p> <p>Directors will be requested to complete a standard self-assessment annually, which will be evaluated as follows:</p> <table><tr><th>Performance Evaluation</th><th>Self Assessment</th><th>Evaluated By</th></tr><tr><td>Board of Directors</td><td>/</td><td>Individual Director/s</td></tr><tr><td>Director</td><td>/</td><td>Individual Director/s</td></tr><tr><td>Board Committees</td><td>/</td><td>Member of Committee</td></tr><tr><td>President</td><td>N/A</td><td>Individual Director/s</td></tr></table>	Performance Evaluation	Self Assessment	Evaluated By	Board of Directors	/	Individual Director/s	Director	/	Individual Director/s	Board Committees	/	Member of Committee	President	N/A	Individual Director/s	
Performance Evaluation	Self Assessment	Evaluated By																
Board of Directors	/	Individual Director/s																
Director	/	Individual Director/s																
Board Committees	/	Member of Committee																
President	N/A	Individual Director/s																

		<p>The Board Assessment of the CEO: http://www.pxpenenergy.com.ph/corporate-governance/company-policy/assessment-policy</p>	
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	<p><i>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</i></p> <p>The Company should be led by a competent Board of Directors, who has plenary powers over matters of governance and managing the regular and ordinary business of the Corporation. Within the Board's chartered authority, the directors, acting collectively as a Board, have the fullest powers to regulate the concerns of the Corporation and provide independent oversight on Management, according to their best judgment.</p> <p>Please see Board Committee Charter Specific Duties: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter</p>	
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		



Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<i>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</i>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>The Company has in place an internal control system whereby the internal audit can conduct independent and objective internal-audit activities designed to add value, improve the company's operations, and help it accomplish its objectives.</p> <p>The Company's Internal Control System</p> <p>The System provides for a risk-based approach for internal audit processes, by identifying possible risks and checking whether controls/mitigating processes are in place. This shall provide a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control, and governance processes through which the Board, management, and stockholders shall be provided with reasonable assurance that the company's key organizational and procedural controls are appropriate, adequate, effective and complied with. For this purpose, pertinent categories include the following:</p> <ul style="list-style-type: none"> i.effectiveness and efficiency of operations; ii.reliability of financial reporting; iii.compliance with applicable laws and regulations; and iv.safeguarding of assets. 	

		Internal Control System http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-management Board Risk and Resource Oversight Committee Charter http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-risk	
3. Board approves the Internal Audit Charter.	Compliant	Internal Audit Charter http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-managements/internal-audit-charter-july2012	
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.	Compliant	<i>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i>	
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.	Compliant	<i>Provide proof of effectiveness of risk management strategies, if any.</i> Review of Risk Management and Internal Control Systems The review of material controls, including financial, operational, and compliance controls, and risk management functions – including the identification, evaluation, and management of all material risks related to enterprise risk management (ERM) – are done twice a year and attested by the confirmation statements, signed by the Chairman of the Audit Committee, Internal Audit Head, the Chairman of the Board Risk and Resource Committee and the Chief Risk Officer, and submitted to First Pacific Company Limited based in Hong Kong.	

		<p>Risk Management Policy: http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-management</p> <p>Board Risk and Resource Oversight Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-risk</p>	
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	<p><i>Provide link to the company's website where the Board Charter is disclosed.</i></p> <p>The Company's Board Charter sets forth its purposes, authority, duties and responsibilities, structure and procedures in accordance with Securities and Exchange Commission Memorandum Circular No. 19, Series of 2016, otherwise known as the Revised Code of Corporate Governance for Publicly Listed Companies issued on November 22, 2016.</p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant	<p>Board Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter</p>	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p><i>Provide information on or link/reference to a document showing company's insider trading policy.</i></p> <p>Consistent with the Company's adherence to the principles of good</p>	

		<p>corporate governance, the Insider Trading Policy was issued to prohibit dealings by corporate insiders in Company shares of stock.</p> <p>Coverage This Policy applies to and shall be implemented by all members of the Board of Directors (each a “Director” and collectively, the “Directors”), Employees (each, an “Employee” and collectively, the “Employees”), and Consultant/s of PXP.</p> <p>Amended Policy on Dealings in Company Shares of Stock: http://www.pxpenenergy.com.ph/corporate-governance/company-policy/policy-on-dealings-in-company-shares</p>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm’s length basis and at market rates.	Compliant	<p><i>Provide information on or link/reference to a document showing company’s policy on granting loans to directors, if any.</i></p> <p>The Company has a policy forbidding the granting of loans to directors. The Company shall not, directly or indirectly through any subsidiary or affiliate, grant or arrange for any credit, or extensions thereof, in the form of personal loans to any directors or officers, unless allowed by applicable laws and regulations.</p> <p>Please see Code of Business Conduct and Ethics Under Conflict of Interest http://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics</p>	

<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>Compliant</p>	<p><i>Indicate the types of decision requiring board of directors' approval and where they are disclosed.</i></p> <p>Please see Board Charter Specific Duties of Directors:</p> <p>http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-charter</p> <p>The types of decisions requiring Board of Directors' approval are, but not limited to, the following:</p> <ol style="list-style-type: none"> 1. Approval of Dividends 2. Approval of Company Policies including Corporate Governance Policies 3. Appointment of New Director 4. Approval of Stockholders Meeting and Amendments to Articles of Incorporation or By Laws subject for approval of the Stockholder 5. Press Release on the Company's Operational and Financial Performance on Quarterly basis 6. Stock Option Plan 7. Borrowing or lending money; 8. Hiring or resignation of members of senior management 9. Appointment of a new Member of the Board 10. Sale or other distribution of all or substantially all of the assets of the company; 11. Dissolution or winding up of the company; and 	
---	------------------	--	--

		<p>12. Entering into any agreements that could be of material importance to the company or RPTs</p> <p>13. Annual Budget;</p>	
--	--	---	--

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	<p><i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i></p> <p>Board Committees</p> <p>Board Committees are set up, to the extent possible, to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established are detailed in their publicly-available Committee Charters.</p> <p>https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-15-2020/</p>	
---	-----------	--	--

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	Compliant	<p><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</i></p>	
--	-----------	--	--

processes, and compliance with applicable laws and regulations.		Audit Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/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	<p><i>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</i></p> <p>Audit Committee Emerlinda R. Roman – Independent Director, Chairman Joseph H.P. Ng – Non-Executive Director Benjamin S. Austria- Independent Director</p> <p>Please see profile of each director: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p>The Audit Committee Chairman is Dr. Emerlinda R. Roman. She received her Bachelor of Science degree in Agriculture at the University of the Philippines Los Baños in 1972. She earned her Master's Degree in Agribusiness Management in 1977 and her Doctor of Business Administration (DBA) degree in 1989 from the</p>	

		<p>College of Business Administration of the University of the Philippines Diliman. Business and Professional. Dr. Roman is the first woman president of the University of the Philippines where she is now Professor Emeritus at the Cesar E.A. Virata School of Business</p> <p>Mr. Ng received an MBA and a Professional Diploma in Accountancy from Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales.</p> <p>Dr. Austria received his Bachelor of Science degree in Geology from the University of the Philippines in 1965. He earned his Master and Doctorate degrees in Geology from Harvard University in 1968 and 1975, respectively. Dr. Austria retired in 2011 from the University of the Philippines (UP) as Professor of Geology after 45 years of service, teaching courses in Economic Geology, Geochemistry and Crystallography. The UP National Institute of Geological Sciences building was completed and inaugurated while he was Director of the Institute from 1987 to 1993.</p> <p>Please see full profile of each director: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/ </p>	
--	--	---	--

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</i></p> <p>A list of the Committees and their respective compositions may be accessed through this link: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-15-2020/</p>	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p><i>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</i></p> <p>The Audit Committee Charter provides that the Audit Committee shall:</p> <p>Review and approve in consultation with the Internal Audit Head and the head of the finance organization, all audit and non-audit services to be performed by the External Auditor and all fees to be paid to the External Auditor for such services; and ensure that non-audit services, if allowed or approved, are disclosed in the Company's annual report;</p> <p>Internal Audit Charter: http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-managements/internal-audit-charter-july2012</p>	

		<p>Audit Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/audit-committee-charter</p> <p>All audit and non-audit engagements were approved by the Company's Audit Committee.</p> <p>SEC 17-A (Under Audit Fees) https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p><i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</i></p> <p>Please see Secretary's Certification attached herewith as Annex "B"</p>	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	<p><i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</i></p> <p>The number and attendance of Directors in the Audit Committee Meetings can be found at page 43 of the following link https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p>	

2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <p>The Company's Audit Committee Charter provides that the Audit Committee shall:</p> <p>"...review the appointment, removal and replacement of the Internal Audit Head who shall be appointed by Management in accordance with the Company's employment policies but shall functionally report directly to the Committee, and ensure that the internal audit organization shall be free from interference by Management in the performance of its work;"</p> <p>Audit Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/audit-committee-charter</p>	
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	<p><i>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</i></p> <p><i>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</i></p> <p>The primary purpose of the Corporate Governance and Related Party Transaction Committee is to assist the Board in performing</p>	

		<p>the corporate governance duties as required under the RMCG, Code of Corporate Governance of the Securities and Exchange Commission (SEC), and the Corporate Governance Guidelines and the listing rules of the Philippine Stock Exchange (PSE).</p> <p>Corporate Governance and Related Party Transaction Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-cg-rpt-committee-charter</p> <p>The Company has separate Nominations and Compensation Committees:</p> <p>The Nominations Committee ensures that the selection process for directors is based on the competency and capability of nominees to evaluate, in accordance with the guidelines aligned with the Company's Mission/Vision and strategic directions, the soundness of the Company goals and objectives as well as the adequacy of the Board's duties and responsibilities.</p> <p>Nomination Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-nominations-committee-charter</p> <p>The Compensation Committee's purpose is to establish a formal and transparent procedure for recommending the appropriate remuneration of directors consistent with Corporation Code and officers (Vice President and above, as per the Company's By-Laws)</p>	
--	--	--	--

		<p>of the Company to ensure that their compensation is consistent with the Company's financial strategy, sound risk culture as well as the business environment in which it operates.</p> <p>Compensation Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-compensation-committee-charter </p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant	<p><i>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i></p> <p>Corporate Governance Committee:</p> <p>Marilyn A. Victorio-Aquino – Non-Executive Director, Chairman Emerlinda R. Roman – Independent Director Benjamin S. Austria - Independent Director</p>	The Corporate Governance Committee is composed of three members, majority of whom are Independent Directors.
3. Chairman of the Corporate Governance Committee is an independent director.	Non-Compliant	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</i></p> <p>The profile of the chairman of the corporate governance committee can be found at: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/ </p>	The Chairman of the Corporate Governance Committee is a non-executive director, bar second placer and with 32 year law practice at SyCip Salazar

			Hernandez Gatmaitan Law Offices.
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Non-Compliant	<i>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</i>	The number of meetings and attendance of directors in the Corporate Governance Committee can be found at page 43 of https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/
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	<p><i>Provide information or link/reference to a document containing information on the Board Risk and Resources Oversight Committee (BRROC), including its functions</i></p> <p>The primary purpose of the Committee is to assist the Board in assessing and managing enterprise risks, including financial, regulatory, strategic and operational risks, and ensuring that</p>	

		<p>there is an effective and integrated risk management process developed for the benefit of the Company and its shareholders.</p> <p>Board Risk and Resource Oversight Committee Charter http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-risk</p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Non-Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</i></p>	<p>The Company's Board Risk and Resource Oversight Committee is composed of 5 members, 3 Non-Executive Directors and 2 Independent Directors, the Chairman of which is an Independent Director.</p> <p>In addition, Ms. Diana Pardo V. Aguilar is an SSS nominee and a Non-Executive</p>

			Director who technically acts as an Independent Director.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Chairman of the BROC</i></p> <p>The list of Board Committees with their respective compositions may be accessed through: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.		<p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i></p> <p>The members of the BRROC are: Benjamin S. Austria - Chairman Emerlinda R. Roman - Member Diana Pardo V. Aguilar - Member Marilyn A. Victorio-Aquino - Member Eulalio B. Austin, Jr. - Member</p> <p>Their profiles can be found at the following link: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	

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	<p><i>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</i></p> <p>The primary purpose of the Committee is to assist the Board in reviewing all material related party transactions of the Company.</p> <p>Corporate Governance and Related Party Transactions Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-cg-rpt-committee-charter </p>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p>The members of the CG and RPT committee are as follows: Marilyn A. Victorio-Aquino – Chairman, Non-executive Director Benjamin S. Austria – Member, Independent Emerlinda R. Roman – Member, Independent</p> <p>Qualifications: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/ </p>	

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	<p><i>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i></p> <p>The Board Committees will monitor the activities and undertake a regular review of matters under their respective areas. The different Committee Charters set forth its purposes, authority, duties and responsibilities, structure and procedures in accordance with PXP's RMCG: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>The Company's evaluation of Committees is included in the Company's Board Performance, Appraisal and Assessment Policy, the basis of which are the individual Committee Charters.</p> <p>Board Performance, Appraisal and Assessment Policy http://www.pxpenenergy.com.ph/corporate-governance/company-policy/assessment-policy</p>	
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	<p><i>Provide link to company's website where the Committee Charters are disclosed.</i></p> <p>The different Board Committee Charters are disclosed in the link below:</p>	

<http://www.pxpenenergy.com.ph/corporate-governance/cg-manual>

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 regulations of the Commission.	Compliant	<p><i>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> <p>The Board has a pre-determined schedule of meetings at the beginning of each calendar year which allows members of the Board to maximize their attendance. Discussions during these meetings are open and independent views are given due consideration, and are reflected in the Minutes of meetings prepared by the Corporate Secretary. As necessary, the Board likewise holds meetings through the use of telecommunications or other electronic media.</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	The Company regularly sends soft copies of the complete set of Board materials to directors via e-mail at least five days in advance. The hard copies are physically distributed on the day of the Board meeting or earlier upon request of director/s.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</i>	

		<p>The Company's RMCG provides that:</p> <p>4.1 The Directors shall 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 regulations of the Commission, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the Director shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.</p> <p>RMCG (Principle 4.1) http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</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.	Non-Compliant	<p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</i></p>	The Company's Non-Executive Directors concurrently serve as Directors, as much as practicable, to a maximum of five publicly listed companies and

			<p>have sufficient time to fully prepare for meetings, challenge management's proposals/views, and oversee the long-term Corporate objectives.</p> <p>The Company believes that Directors who have more than 5 directorships have given sufficient time to the Company.</p>
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p><i>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p> <p>The Company's RMCG provides that: A Director shall notify the Board where s/he is an incumbent Director before accepting a directorship in another company.</p>	

		RMCG (Principle 4.4) http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	The Company's only Executive Director is Mr. Daniel Stephen P. Carlos. He does not have directorship in other boards of listed companies outside of the group. Please see full profile of Mr. Carlos : https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Board has a pre-determined schedule of meetings at the beginning of each calendar year. Discussions during these meetings are open and independent views are given due consideration. As necessary, the Board likewise holds meetings through the use of telecommunications or other electronic media.	
3. Board of directors meet at least six times during the year.	Compliant	Attendance and number of meetings can be found in page 43 in the following link: https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-Compliant	<i>Indicate the required minimum quorum for board decisions</i>	There is no rule requiring a two-

		<i>Required quorum is majority or more than 50% of the members.</i>	thirds vote for Board decisions. Effort is exerted for the Board to reach a consensus before a vote is taken. When a consensus is not reached, the vote may be deferred to allow more time for discussions.
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.	Non-Compliant	<i>Provide information or link/reference to a document containing information on the number of independent directors in the board</i>	<p>The Company complies with the Securities Regulation Code which requires at least two (2) independent directors.</p> <p>The Company has 2</p>

			independent Directors and 1 non-executive director nominated by SSS who acts independently.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p><i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i></p> <p>Please see full profile of each Director: https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/ </p>	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<p><i>Provide link/reference to a document containing information that directors are not constrained to vote independently.</i></p> <p>PXP shareholders have the right to participate effectively and vote in general shareholders' meetings. The Company ensures that shareholders are informed of the rules, including the voting procedures, that govern general shareholders' meetings.</p> <p>By-Laws: http://www.pxpenenergy.com.ph/home/our-company/articles </p>	

		<p>RMCG: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Definitive Information Statement (DIS): https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p><i>Provide information or link/reference to a document showing the years IDs have served as such.</i></p> <p>Definitive Information Statement (DIS): https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p><i>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</i></p> <p>Under RMCG Independent Directors shall serve for a maximum cumulative term of nine (9) years, reckoned in accordance with pertinent rules of the SEC after which the Independent Director shall be perpetually barred from re-election as such in the Company, but may continue to qualify for nomination and election as a Non-Independent Director. In the instance that the Company wants to retain an Independent Director who has served for nine (9) years beginning</p>	

		January 2012, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting. http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017	
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	<p><i>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</i></p> <p>Under RMCG Independent Directors shall serve for a maximum cumulative term of nine (9) years, reckoned in accordance with pertinent rules of the SEC after which the Independent Director shall be perpetually barred from re-election as such in the Company, but may continue to qualify for nomination and election as a Non-Independent Director. In the instance that the Company wants to retain an Independent Director who has served for nine (9) years beginning January 2012, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting. http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<i>Identify the company's Chairman of the Board and Chief Executive Officer</i>	

		The Chairman of the Board is Mr. Manuel V Pangilinan while the President is Mr. Daniel Stephen P. Carlos.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p> <p><i>Identify the relationship of Chairman and CEO.</i></p> <p>Chairman's Role The Chairman of the Board ensures that the Board functions effectively. He assists in ensuring compliance with best practices in corporate governance policies and practices. He provides leadership to the Board and ensures that the Board works effectively. He discusses key issues in a timely manner – taking into account proposals and recommendations of the CEO and management. In addition, the Chairman ensures that an open line of communication and a free flow of information between Management and the Board are maintained.</p> <p>The President The President shall be responsible for the general care, management, and administration of the business of the Company. He ensures that the operational and financial affairs of the Company are managed in a sound and prudent manner and those financial and internal controls are adequate and effective to ensure reliability integrity of financial and operational information.</p>	

		<p>Further, he oversees the effectiveness and efficiency of operations and safeguards assets in compliance with laws, rules and regulations. The President and CEO provides leadership to the management in developing and implementing business strategies, policies, processes and budgets to the extent approved by the Board and takes the lead in identifying and managing operational, financial, and other business risks.</p> <p>RMCG http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017 </p>	
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	<p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</i></p> <p><i>Indicate if Chairman is independent.</i></p> <p>The Chairman of the Board is not in independent director. Information of the roles and responsibilities of a lead independent director is in the Company's RMCG: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017 </p>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain	Compliant	<i>Provide proof of abstention, if this was the case</i>	

<p>from taking part in the deliberations on the transaction.</p>		<p>Transactions, which are or may have the potential of being deemed as Conflict of Interest transactions, are prohibited. All business decisions of the Directors, Employees and Consultants must be based on the best interest of PXP and its subsidiaries and affiliates and must not be motivated by personal considerations and other relationships that can interfere with their independent judgment.</p> <p>RMCG Principle 5.5 http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Code of Business Conduct and Ethics http://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics</p> <p>Conflict of Interest Policy http://www.pxpenenergy.com.ph/corporate-governance/company-policy/conflict-of-interest-policy</p>	
Recommendation 5.7			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide proof and details of said meeting, if any.</i></p> <p><i>Provide information on the frequency and attendees of meetings.</i></p> <p>Secretary's Certificate attached as Annex "B"</p>	

2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	<i>Provide name/s of company CEO for the past 2 years</i> The Company's President for the past 3 years is Mr. Daniel Stephen P. Carlos.	
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.	Compliant	<i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</i> <i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</i> Board Performance Appraisal/ Assessment Policy This policy enables the Board to annually identify overall strengths and specific areas for improvements based on results of assessment, and to obtain important feedback and views from the members of the Board which will collectively form part of Company's overall strategy, performance and/or future directions or endeavors.	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		

Performance Evaluation	Self Assessment	Evaluated By
Board of Directors	/	Individual Director/s
Director (including the Chairman)	/	Individual Director/s
Board Committees	/	Member of Committee
President	N/A	Individual Director/s

The Board conducted a performance evaluation last March 22, 2019 covering the year 2018 performance individually and as a Board.

Board Performance Appraisal/ Assessment Policy
<http://www.pxpenenergy.com.ph/corporate-governance/company-policy/assessment-policy>

5. Every three years, the assessments are supported by an external facilitator.	Compliant	<p><i>Identify the external facilitator and provide proof of use of an external facilitator.</i></p> <p>The Company plans to hire an external facilitator after the third year of assessment, reckoning the adoption of the Company's RMCG on May 30, 2017.</p> <p>6.1 The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, individual members and committees. Every three years, the assessment shall be supported by an external facilitator.</p> <p>RMCG Principle 6.1 http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017 </p>	
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.	Compliant	<p><i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders</i></p> <p>Board Performance Appraisal/ Assessment Policy</p>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<p>This policy enables the Board to annually identify overall strengths and specific areas for improvements based on results of assessment, and to obtain important feedback and views from the members of the Board which will collectively form part of</p>	

		<p>Company's overall strategy, performance and/or future directions or endeavors.</p> <p>Board Performance Appraisal/ Assessment Policy: http://www.pxpenenergy.com.ph/corporate-governance/company-policy/assessment-policy</p> <p>The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual Directors, committees and such system should allow for a feedback mechanism from the shareholders.</p> <p>RMCG (Principle 6.2) http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>To allow for a feedback mechanism from the shareholders for the performance of the Board, the individual Directors and committees, the Company shall provide shareholders a chance to comment on their performance in the ballot/voting forms.</p>	
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	Compliant	<p><i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p>Business Conduct and Ethics</p>	

conduct and practices in internal and external dealings of the company.		http://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p><i>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</i></p> <p>The Code of Business Conduct and Ethics was reviewed and approved by the Board of Directors on 24th April 2014, and disseminated to Senior Management and Employees. A copy of the policy is available in the Company website. http://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics</p> <p>The Company has been conducting Corporate Governance Training Seminar to increase awareness of employees of the Company's Corporate Governance Policies.</p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p> <p>A copy of the policy is available in the Company website. http://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics</p>	

Supplement to Recommendation 7.1

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</i></p> <p>The Company's Whistle Blowing Policy provides a system and venue for the proper submission, handling or resolution of employees' complaints or disclosures regarding violations of corporate governance rules, questionable accounting or auditing matters, and offenses covered by the Company's existing Code of Discipline or equivalent policy.</p> <p>Whistle Blowing Policy http://www.pxpenergy.com.ph/corporate-governance/company-policy/whistle-blowing</p> <p>Vendor Relations Policy Any Director, Employee and Consultant found to have violated this Policy shall be liable to the extent of the damage/loss suffered by PXP, and/or may be subject to penalties and sanctions as may be determined by the appropriate authorities, whether or not damage is actually suffered by PXP, in accordance with the law and existing company policies. These penalties range from reprimand to dismissal, depending on the gravity and frequency of the offense or violation)</p> <p>Suppliers who violate this policy shall also be penalized. Sanctions include but are not limited to termination of business relationship with the Company and blacklisting.</p>	
---	------------------	--	--

		http://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>The Corporate Governance Committee oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;</p> <p>Corporate Governance Committee Charter (Duties and Responsibilities item a)</p> <p>http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-cg-rpt-committee-charter</p> <p>All changes in the policies and all CG policies are endorsed by the CG Committee for Board Approval prior to dissemination to employees.</p> <p>The Corporate Governance Office reports any material issues regarding the compliance of all directors, officers and employees</p>	

		<p>regarding the Company's Code of Business Conduct and Ethics, the RMCg and other Corporate Governance Policies.</p> <p>The Code of Business Conduct and Ethics sets forth the Company's business principles and values which shall guide and govern all business relationships of the Company, its directors, officers and employees, including their decisions and actions when performing their respective duties and responsibilities.</p> <p>Code of Business Conduct and Ethics - Policy Statement http://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics </p>	
Disclosure and Transparency			
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			
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.	Compliant	<p><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</i></p> <p>The Company adheres to strict transparency and disclosure rules as well as investor communication and financial reporting standards, in line with global best practices in corporate governance.</p> <p>Website:</p>	

		<p>https://www.pxpenenergy.com.ph/investor-relations/investor-relation</p> <p>PSE/SEC General Disclosures: http://www.pxpenenergy.com.ph/company-disclosure/other-disclosures</p> <p>The following Disclosures were made and are available in the Company's Website:</p> <p>Financial Disclosures: (SEC Form 17A, SEC Form 17Q, Audited FS) https://www.pxpenenergy.com.ph/company-disclosure/sec-fillings/</p> <p>Notice of Annual Stockholders Meetings https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/feb-27-2020-notice-of-annual-stockholders-meeting/</p> <p>Minutes of Annual Stockholders Meetings https://www.pxpenenergy.com.ph/company-disclosure/minutes-of-agm/</p>	
Supplement to Recommendations 8.1			
1. 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	Compliant	<p><i>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</i></p>	

reports are published within forty-five (45) days from the end of the reporting period.		<p><i>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</i></p> <p>Please see table below comparison:</p> <table><tr><th>Report</th><th>Date of Disclosure SEC 17 A/ SEC 17Q</th><th>SEC Mandated Deadline</th></tr><tr><td>Audited Financial Statement 2019</td><td>February 28, 2020</td><td>June 15, 2020</td></tr><tr><td>FY 2019 Financial and Operating Results (SEC-17A)</td><td>May 27, 2020</td><td>June 15, 2020</td></tr><tr><td>Q1 2019 Results</td><td>May 15, 2019</td><td>May 15, 2019</td></tr><tr><td>1H 2019 Results</td><td>August 14, 2019</td><td>August 14, 2019</td></tr><tr><td>9M 2019 Results</td><td>November 14, 2019</td><td>November 15, 2019</td></tr></table>	Report	Date of Disclosure SEC 17 A/ SEC 17Q	SEC Mandated Deadline	Audited Financial Statement 2019	February 28, 2020	June 15, 2020	FY 2019 Financial and Operating Results (SEC-17A)	May 27, 2020	June 15, 2020	Q1 2019 Results	May 15, 2019	May 15, 2019	1H 2019 Results	August 14, 2019	August 14, 2019	9M 2019 Results	November 14, 2019	November 15, 2019	
Report	Date of Disclosure SEC 17 A/ SEC 17Q	SEC Mandated Deadline																			
Audited Financial Statement 2019	February 28, 2020	June 15, 2020																			
FY 2019 Financial and Operating Results (SEC-17A)	May 27, 2020	June 15, 2020																			
Q1 2019 Results	May 15, 2019	May 15, 2019																			
1H 2019 Results	August 14, 2019	August 14, 2019																			
9M 2019 Results	November 14, 2019	November 15, 2019																			
2. 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. 3.	Compliant	<p><i>Provide link or reference to the company’s annual report where the following are disclosed:</i></p> <ol style="list-style-type: none"><i>1. principal risks to minority shareholders associated with the identity of the company’s controlling shareholders;</i><i>2. cross-holdings among company affiliates; and</i><i>3. any imbalances between the controlling shareholders’ voting power and overall equity position in the company.</i> <p>17-A: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>																			

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	<i>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</i>	
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	https://www.pxpenenergy.com.ph/corporate-governance/company-policy/policy-on-dealings-in-company-shares/ <i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i> Page 37 of https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<i>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</i> https://edge.pse.com.ph/openDiscViewer.do?edge_no=c951b4f793e11be70de8473cebbd6407 <i>Provide link or reference to the company's Conglomerate Map.</i> https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	

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	<p><i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p>Pages 22-27 of the following link: https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/ </p>	
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	<p><i>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p>Pages 22-27 of the following link: https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/ </p>	
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.	Compliant	<p><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration</i></p> <p>https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017/</p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive	Compliant	<p><i>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</i></p>	

remuneration, including the level and mix of the same.		https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017/	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant	<i>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</i>	For reasons of safety and security, the Company does not disclose the remuneration of officers on an individual basis, The CEO's salary as an Executive Officer is included in the aggregated salary of the top officers as disclosed in the Company's Annual Report SEC 17-A and DIS.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring	Compliant	<i>Disclose or provide reference/link to company's RPT policies</i>	

transactions in their Manual on Corporate Governance.		<p><i>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</i></p> <p>https://www.pxpenenergy.com.ph/corporate-governance/company-policy/pxp-related-party-transactions-policy-2019/</p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p><i>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</i></p> <ol style="list-style-type: none"> <i>1. name of the related counterparty;</i> <i>2. relationship with the party;</i> <i>3. transaction date;</i> <i>4. type/nature of transaction;</i> <i>5. amount or contract price;</i> <i>6. terms of the transaction;</i> <i>7. rationale for entering into the transaction;</i> <i>8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</i> <i>9. other terms and conditions</i> <p>Please see Note 18 of the Audited Financial Statements https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p><i>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</i></p>	

		https://www.pxpenenergy.com.ph/corporate-governance/company-policy/pxp-related-party-transactions-policy-2019/	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<i>Provide link or reference where this is disclosed, if any</i> <i>Please see Note 18 of the Audited Financial Statements:</i> https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, 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	<i>Provide link or reference where this is disclosed</i> <i>Please see Note 18 of the Audited Financial Statements</i> https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<i>Identify independent party appointed to evaluate the fairness of the transaction price</i> <i>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</i> There was no transaction that required the appointment of an independent party for evaluation. In any event, the Company's	

		Independent Directors actively participate in discussions concerning the Company's dealings. https://www.pxpenenergy.com.ph/corporate-governance/company-policy/pxp-related-party-transactions-policy-2019/	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Provide link or reference where these are disclosed. There are no such agreements. Please see Note 18 of the Audited Financial Statements https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted. https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017/	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	<i>Provide proof of submission.</i> https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017/	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		<i>Provide link or reference to the company's Annual Report containing the said information.</i> https://www.pxpenenergy.com.ph/investor-relations/annual-reports	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant	https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant	http://www.pxpenenergy.com.ph/corporate-governance/company-policy/dividend-policy	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		

2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	<i>Provide link or reference to where this is contained in the Annual Report</i> https://www.pxpenenergy.com.ph/investor-relations/annual-reports https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	<i>Provide link or reference to where this is contained in the Annual Report</i> https://www.pxpenenergy.com.ph/investor-relations/annual-reports https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	<i>Provide link or reference to where this is contained in the Annual Report</i> https://www.pxpenenergy.com.ph/investor-relations/annual-reports https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial,	Compliant	<i>Provide link or reference to where these are contained in the Annual Report</i>	

operational including IT, environmental, social, economic).		https://www.pxpenenergy.com.ph/investor-relations/annual-reports	
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	<p><i>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i></p> <p>The Audit Committee has the direct responsibility for the appointment, setting of compensation, retention, removal and oversight of the work of the External Auditor, in a manner consistent with applicable laws, regulations and valid corporate practice.</p> <p>Audit Committee Charter: http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/audit-committee-charter</p>	
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	<p><i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i></p> <p>A Majority Vote is required for the Appointment of Independent Auditors: "The Audit Committee screened the nominees for</p>	

		<p>independent external auditor and endorsed the appointment of Sycip Gorres Velayo and Company (SGV) as the Company's independent external auditors for the year 2019. Resolution to be adopted: Shareholders will vote on a resolution for the appointment of said auditing firm as independent external auditor of the Company for 2020."</p> <p>Notice of Annual Stockholders Meeting/DIS: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-18-2020/ </p>	
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	<p><i>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</i></p> <p>There was no removal or change in external auditors since 2011. https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/ </p>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p><i>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</i></p> <p>The audit engagement partner, or the certifying partner, of the Company's independent external auditor is rotated at least once every five (5) years, with a two (2) year cooling off period as applicable, in accordance with SRC Rule 68, Part 3 (b)(iv)(ix).</p>	
Recommendation 9.2			

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> 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, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<p><i>Provide link/reference to the company's Audit Committee Charter</i></p> <p>The primary purpose of Company's Audit Committee is to assist the Board in its oversight of the following:</p> <ul style="list-style-type: none"> a) the integrity of the Company's accounting and financial reporting principles and policies, and system of internal controls, including the integrity of the Company's financial statements and the independent audit thereof; b) the Company's compliance with legal and regulatory requirements; c) the Company's audit process and the performance of the Company's internal audit organization and External Auditor, including the External Auditor's qualifications and independence and; <p>Audit Committee Charter: https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/audit-committee-charter </p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p><i>Provide link/reference to the company's Audit Committee Charter</i></p> <p>Audit Committee Charter https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/audit-committee-charter </p>	

Supplement to Recommendations 9.2

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	<p><i>Provide link/reference to the company's Audit Committee Charter</i></p> <p>The primary purpose of Company's Audit Committee is to assist the Board in its oversight of the following:</p> <p>a) the integrity of the Company's accounting and financial reporting principles and policies, and system of internal controls, including the integrity of the Company's financial statements and the independent audit thereof;</p> <p>b) the Company's compliance with legal and regulatory requirements;</p> <p>c) the Company's audit process and the performance of the Company's internal audit organization and External Auditor, including the External Auditor's qualifications and independence</p> <p>Audit Committee Charter</p> <p>https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/audit-committee-charter</p>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	<p>Audit Committee Charter:</p> <p>https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/audit-committee-charter</p>	
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	<p><i>Disclose the nature of non-audit services performed by the external auditor, if any.</i></p> <p>There were no non-audit fees paid to auditors.</p>	

		SEC 17-A: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/	
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	<p><i>Provide link or reference to guidelines or policies on non-audit services</i></p> <p>All audit and non-audit engagements by the external auditor were approved by the Company's Audit Committee.</p> <p>SEC 17-A https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<p><i>Provide information on audit and non-audit fees paid.</i></p> <p>Audit and Audit-Related Fees For 2019, 2018, and 2017, independent auditors were engaged to express an opinion on the consolidated and stand-alone financial statements of the Company and its Subsidiaries ("the Group"), and to review of income tax calculation in the income tax returns of the Group. A regular audit was carried out based on Philippine Standards on Auditing. The audit fees for these services were for P4.5 million for 2019, P4.3 million for 2018, and P4.3 million for 2017. There were no non-regular audit conducted during the years 2019, 2018, and 2017.</p>	

		<p>Tax Fees</p> <p>There were no tax-related services rendered by the independent auditors other than the assistance rendered in the preparation of the income tax returns which formed part of the regular audit engagement.</p> <p>All Other Fees There were no other professional services rendered by the independent accountants.</p> <p>SEC 17-A: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/ </p>	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; Alexis Benjamin C. Zaragosa 2. Accreditation number; 1627-A (Group A) 3. Date Accredited; April 4, 2017 4. Expiry date of accreditation; April 3, 2020 5. Name, address, contact number of the audit firm. Sycip Gorres Velayo & Co.; 6760 Ayala Avenue 1226 Makati City; (632) 8891 0307 	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program	Compliant	<p><i>Provide information on the following:</i></p> <ol style="list-style-type: none"> 1. <i>Date it was subjected to SOAR inspection, if subjected;</i> 2. <i>Name of the Audit firm; and</i> 	

conducted by the SEC's Office of the General Accountant (OGA).		<p>3. <i>Members of the engagement team inspected by the SEC.</i></p> <p>SGV is subjected to the SEC SOAR Program SyCip Gorres Velayo & Co.; 6760 Ayala Avenue 1226 Makati City; (632) 8891 0307</p>	
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><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p> <p>RMCG 10.1</p> <p>https://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p><i>Provide link to Sustainability Report, if any. Disclose the standards used.</i></p> <p>https://www.pxpenenergy.com.ph/corporate-governance/sustainability-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,	Compliant	<p><i>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.).</i></p>	

material and relevant information to its shareholders and other investors.		<p><i>Provide links, if any.</i></p> <p>In addition to the interim financial statements provided quarterly, operating statistics and other vital information are also disseminated to both equity and credit analysts, in a format that is convenient and handy, to aid in their analysis and valuation of the Company. Analyst briefings were conducted via teleconferences to be more convenient and easily accessible to both local and foreign analysts. In 2019, the Company held four (4) Analysts Briefings, via teleconferencing, during the following dates:</p> <table><tr><th>Report</th><th>Date of Briefing</th></tr><tr><td>FY 2018 Financial and Operating Results</td><td>25 March 2019</td></tr><tr><td>Q1 2019 Results</td><td>08 May 2019</td></tr><tr><td>1H 2019 Results</td><td>02 August 2019</td></tr><tr><td>9M 2019 Results</td><td>15 November 2019</td></tr></table> <p>Materials provided in briefings to analysts and media http://www.pxpenenergy.com.ph/press-materials/press-materials</p>	Report	Date of Briefing	FY 2018 Financial and Operating Results	25 March 2019	Q1 2019 Results	08 May 2019	1H 2019 Results	02 August 2019	9M 2019 Results	15 November 2019	
Report	Date of Briefing												
FY 2018 Financial and Operating Results	25 March 2019												
Q1 2019 Results	08 May 2019												
1H 2019 Results	02 August 2019												
9M 2019 Results	15 November 2019												
Supplemental to Principle 11													
1. Company has a website disclosing up-to-date information on the following:		<p><i>Provide link to company website:</i></p> <p>a.)Financial Statement : http://www.pxpenenergy.com.ph/company-disclosure/sec-fillings</p> <p>b.) Materials provided in briefings to analysts and media:</p>											
a. Financial statements/reports (latest quarterly)	Compliant												

b. Materials provided in briefings to analysts and media	Compliant	http://www.pxpenenergy.com.ph/press-materials/press-materials	
c. Downloadable annual report	Compliant	c.) Downloadable Annual Report: http://www.pxpenenergy.com.ph/investor-relations/annual-reports	
d. Notice of ASM and/or SSM	Compliant	and http://www.pxpenenergy.com.ph/company-disclosure/sec-fillings	
e. Minutes of ASM and/or SSM	Compliant	d.) Notice of ASM and/ or SSM : http://www.pxpenenergy.com.ph/companydisclosure/notice-of-agm	
f. Company's Articles of Incorporation and By-Laws	Compliant	e.) Minutes of ASM and/ SSM: http://www.pxpenenergy.com.ph/company-disclosure/notice-of-agm f.) Company's Article of Incorporation and By-Laws http://www.pxpenenergy.com.ph/home/our-company/articles	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	http://www.pxpenenergy.com.ph/	
Internal Control System and Risk Management Framework			
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			

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p><i>List quality service programs for the internal audit functions.</i></p> <p><i>Indicate frequency of review of the internal control system</i></p> <p>The Company place an internal control system whereby the internal audit can conduct independent and objective internal audit activities designed to add value, improve the company's operations, and help it accomplish its objectives. This shall provide a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control, and governance processes through which the Board, management, and stockholders shall be provided with reasonable assurance that the company's key organizational and procedural controls are appropriate, adequate, effective and complied with. For this purpose, pertinent categories include the following: (i) effectiveness and efficiency of operations; (ii) reliability of financial reporting; (iii) compliance with applicable laws and regulations; and (iv) safeguarding of assets.</p> <p>The Company's review of the internal control system is done semiannually and is being reported to First Pacific Company Limited, a publicly listed Corporation in Hong Kong.</p> <p>Enterprise Risk Management http://www.pxpenenergy.com.ph/corporategovernance/enterprise-risk-management</p>	
---	------------------	--	--

		<p>Internal Audit Charter https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-1-2018</p> <p>Board Risk and Resource Oversight Committee Charter http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-risk</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p><i>Identify international framework used for Enterprise Risk Management</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> <i>1. Company's risk management procedures and processes</i> <i>2. Key risks the company is currently facing</i> <i>3. How the company manages the key risks</i> <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p> <p>The Company has adopted a Risk Management Policy Manual, which encompasses the Enterprise Risk Management (ERM) framework for managing risk at an enterprise-wide level within the PXP Group. It contains the guidelines governing the risk management process of the Group, including the roles and responsibilities for its implementation. The policy aims to help the organization integrate risk management into business and strategic</p>	

		<p>planning by enabling operational units to identify significant risks and take appropriate decisions and actions to treat these risks.</p> <p>The Company's ERM activities is in accordance with internationally recognized frameworks, such as but not limited to COSO, or the Committee of Sponsoring Organizations of the Treadway Commission, I and II.</p> <p>The review of material controls, including financial, operational, and compliance controls and risk management functions; the identification, evaluation, and management of all material risks related to enterprise risk management (ERM) done twice a year and is evidenced by the confirmation statements submitted to First Pacific Company Limited based in Hong Kong. This is signed by the chairman of the Audit Committee and the head of Internal Audit Department, the Risk Committee and the Chief Risk Officer.</p> <p>Enterprise Risk Management http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-management</p> <p>Board Risk and Resource Oversight Committee Charter http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-board-risk</p>	
--	--	---	--

Supplement to Recommendations 12.1

<p>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.</p>	<p>Not Compliant</p>	<p><i>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</i></p> <p><i>Indicate frequency of review.</i></p>	<p>A discussion on the compliance on relevant laws and regulation is presented in the Company's SEC 17 A Annual Report, which is submitted annually to the SEC.</p> <p>Please see discussion on Item 1 page7 of SEC 17 A</p> <p>https://www.pxpeenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>
<p>Optional: Recommendation 12.1</p>			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide information on IT governance process</i></p> <p>IT Governance framework formulated by the Company's I.T Department, endorsed by the CG and RPT Committee on May 29, 2018.</p>	

Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i></p> <p>The Internal Audit Group (IAG) is an outsourced group from Philex Mining Corporation and is separate and independent unit, which directly reports to the Audit Committee. It is headed by Ms. Geraldine B. Ateo-an. In accordance with company's employment requirements and policies, the Chief Audit Executive functionally reports to the Audit Committee. The role of the internal auditor is to provide independent, objective assurance, and consulting services to the management designed to add value and improve the company's operations. The role also includes ensuring the adequacy of the network of risk management, control, and governance processes. As provided in the Audit Committee Charter, the IAG provides an annual report to the Audit Committee on the internal audit organization's activities, purposes, authorities, responsibilities, and performance relative to the audit plans and strategies approved by the Audit Committee. Such annual report shall include significant risk exposures and control issues, corporate governance issues, evaluation of compliance with the Code of Conduct for the management and other matters requested by the Committee or the Board.</p> <p>Internal Audit Charter</p>	

		http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-managements/internal-audit-charter-july2012	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p><i>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</i></p> <p>The Internal Audit Group (IAG) is a separate and independent unit, which directly reports to the Audit Committee, headed by Ms. Geraldine B. Ateo-an.</p> <p>RMCG http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Internal Audit Charter http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-managements/internal-audit-charter-july2012</p>	
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	<p>RMCG http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Internal Audit Charter</p>	

		http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-managements/internal-audit-charter-july2012	
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	<p><i>Identify qualified independent executive or senior management personnel, if applicable.</i></p> <p>The Internal Audit Group (IAG) is an outsourced group from Philex Mining Corporation and is separate and independent unit, which directly reports to the Audit Committee. It is headed by Ms. Geraldine B. Ateo-an. In accordance with company's employment requirements and policies, the Chief Audit Executive functionally reports to the Audit Committee. The role of the internal auditor is to provide independent, objective assurance, and consulting services to the management designed to add value and improve the company's operations. The role also includes ensuring the adequacy of the network of risk management, control, and governance processes.</p> <p>As provided in the Audit Committee Charter, the IAG provides an annual report to the Audit Committee on the internal audit organization's activities, purposes, authorities, responsibilities, and performance relative to the audit plans and strategies approved by the Audit Committee. Such annual report shall include significant risk exposures and control issues, corporate governance issues, evaluation of compliance with the Code of Conduct for the management and other matters requested by the Committee or the Board.</p>	

		<p>The Audit committee is chaired by Dr. Emerlinda R. Roman, Independent Director.</p> <p>RMCG http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Internal Audit Charter http://www.pxpenenergy.com.ph/corporate-governance/enterprise-risk-managements/internal-audit-charter-july2012</p>	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p><i>Provide information on company's risk management function.</i></p> <p>The risk management function is discussed in the Company's RMCG http://www.pxpenenergy.com.ph/corporate-governance/cgmanuals/pxp-corporate-governance-manual-2017</p>	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	<p><i>Identify source of external technical support, if any.</i></p> <p>ERM http://www.pxpenenergy.com.ph/corporategovernance/enterprise-risk-management</p>	
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	<p><i>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</i></p> <p>The Company's Chief Risk Officer is Mr. Mark Raymond H. Rilles, who is also the Company's Finance Controller.</p> <p>The CRO's Duties and Responsibilities is provided in the Company's RMCG http://www.pxpenenergy.com.ph/corporate-governance/cgmanuals/pxp-corporate-governance-manual-2017</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The Company's Chief Risk Officer in 2019 is Mr. Mark Raymond H. Rilles, who is also the Company's Finance Controller.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	<p>Provide link to CEO and CAE's attestation</p> <p>The Attestation is signed by the Chief Audit Executive and Chief Risk Officer and the Chairman of the Audit Committee and Risk Committee respectively</p> <p>See attached Annex "A"</p>	
Cultivating a Synergic Relationship with Shareholders			
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	<p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i></p> <p>http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p><i>Provide link to company's website</i></p> <p>Basic Shareholders Rights are disclosed in the Company's website in the Company's RMCG, DIS and By-Laws:</p> <p>By-Laws http://www.pxpenenergy.com.ph/home/our-company/articles</p> <p>RMCG (Principle 13) http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Definitive Information Statement (DIS) https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p>By-Laws http://www.pxpenenergy.com.ph/home/our-company/articles</p> <p>Definitive Information Statement (DIS) https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	

2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p><i>Provide information on all classes of shares, including their voting rights if any.</i></p> <p>The Company has only one class of shares (Common).</p> <p>SEC 17 A - Market Information</p> <p>https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p><i>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</i></p> <p>Voting is by poll.</p> <p>https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Non-compliant	<p><i>Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.</i></p>	As with any other corporation that has various shareholder groups with differing philosophies, concerns and interests, the

			<p>exercise by the major shareholder/s of voting power may place the minority shareholders at risk in that their concerns and interests may not be prioritized, or that the interests of the major shareholder/s may be given priority at the expense of the minority shareholders.</p> <p>To address this risk, policies are in place towards ensuring that the Board will, in all cases, consider</p>
--	--	--	---

			<p>the corporate interest as a whole among them:</p> <p>(i) emphasis on the fiduciary responsibilities of the Board and the officers to the Company and its shareholders and the duties of care and prudence;</p> <p>(ii) emphasis on the avoidance of conflicts of interest and on prompt disclosure of potential conflict;</p> <p>(iii) prompt, full and fair</p>
--	--	--	---

			<p>disclosure of material information;</p> <p>(iv) adoption of policies on related party transactions which requires approval of all independent directors; and</p> <p>(v) other policies towards avoidance of actions that will favor the major shareholder/s at the expense of the minority shareholder.</p> <p>(vi) No shareholder owning more than 50%</p>
--	--	--	--

			<p>(vii) Significant shareholder with 1 board seat which technically act as an independent director (SSS)</p> <p>(viii) Dividend Policy</p> <p>https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p> <p>Note: The Company has no controlling shareholders. The Company's major shareholders are as follows: Philex Mining Corporation thru</p>
--	--	--	--

			PCD - 30.4% First Pacific Company Limited Group – 7.1% Asia Link, B.V. – 14.5% Social Security System – 10.7% Two Rivers Pacific Holdings Corporation – 6.7%
5. 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	<p><i>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</i></p> <p>The Company, through its RMCG, allows Minority stockholders holding at least ten percent of the Company's shares the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company upon Board approval.</p> <p>RMCG http://www.pxpenenergy.com.ph/corporate-governance/cgmanuals/pxp-corporate-governance-manual-2017 </p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p><i>Provide information or link/reference to the policies on treatment of minority shareholders</i></p>	

		<p>PXP respects the rights of the minority shareholders and develops policies towards ensuring that the Board, in all cases, shall consider the corporate interest above all, as a whole. The key guidelines include:</p> <ol style="list-style-type: none"> 1. Emphasis on the fiduciary responsibilities of the Board, the officers to the Company and its shareholders as well as the duties of care and exercise of prudence; 2. Avoidance of conflicts of interest and prompt disclosure of potential conflict; 3. Prompt, full and fair disclosure of material information; 4. Formulation of other policies towards prevention of actions that will favor the controlling interest or major shareholder/s at the expense of the minority shareholders; and 5. Adoption of policies on RPTs which ensures that: a.) RPTs that can be classified as financial assistance to entities that are considered as Company's subsidiaries are all disclosed in the Company's financial statements; and b.) RPTs should be conducted in a way that ensures fair and at arm's length dealings and requires approval of all independent directors; 6. Adoption of policies towards avoidance of actions that will favor the major shareholder/s at the expense of the minority shareholder. 7. No shareholder owning more than 50%; 8. Significant shareholder with 1 board seat which technically act as an independent director 9. Dividend Policy 	
--	--	--	--

		<p>In 2019, the Company complied with all the key guidelines discussed above.</p> <p>RMCG Principle 13</p> <p>http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p> <p>Definitive Information Statement (DIS)</p> <p>https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
7. Company has a transparent and specific dividend policy.	Compliant	<p><i>Provide information on or link/reference to the company's dividend Policy.</i></p> <p><i>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</i></p> <p>The Company has not declared any cash or other dividends from the time of its incorporation. Apart from legal restrictions governing the declaration of dividends, the Company declares dividends, consistent with its dividend policy as stated in the Company By-Laws, and pays in an equitable and timely manner. The Company's dividend policy is to distribute up to 25% of core</p>	

		<p>net income and to pay cash dividends within thirty (30) calendar days to shareholders of record from date of declaration.</p> <p>SEC Form 17-A https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p> <p>Dividend Policy http://www.pxpenenergy.com.ph/corporate-governance/company-policy/dividend-policy</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p><i>Identify the independent party that counted/validated the votes at the ASM, if any.</i></p> <p>At the 2019 Annual Stockholders Meeting, the shareholders designated SGV and Co, Company's independent auditors, as Election Inspector to serve as such until the close of the annual meeting. The election Inspector, together with the Company's stock transfer agent, BDO Stock Transfer tabulated the proxies and the ballots.</p> <p>https://www.pxpenenergy.com.ph/company-disclosure/minutes-agm/2018</p>	
Recommendation 13.2			

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p>Compliant</p>	<p><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</i></p> <p>Disclosure and Release of Notice of ASM to Shareholders The Company disclosed to the PSE the Company's SEC Form 20IS Definitive Information Statement (DIS) on April 11, 2019. The Company likewise sent out the Notice of AGSM, which states the date, time and place of meeting, including the rationale and explanation for each item in the agenda that requires shareholders' approval, to shareholders on April 11, 2019, which is (28) days prior to May 21, 2018, the date of actual meeting.</p> <p>The ASM was announced months before the actual date of the meeting and was published in at least two major newspapers of general circulation on 08 May 2019.</p> <p>There were no changes in the remuneration of Directors that needs Shareholders approval.</p> <p>Notice of AGM</p>	
---	------------------	--	--

		http://www.pxpenenergy.com.ph/company-disclosure/notice-of-agm DIS https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		<i>Provide link or reference to the company's notice of Annual Shareholders' Meeting</i> http://www.pxpenenergy.com.ph/company-disclosure/notice-of-agm	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	DIS https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/	
b. Auditors seeking appointment/re-appointment	Compliant	DIS https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/	
c. Proxy documents	Compliant	DIS https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/	
Optional: Recommendation 13.2			

1. Company provides rationale for the agenda items for the annual stockholders meeting	Complaint	<p><i>Provide link or reference to the rationale for the agenda items</i></p> <p>DIS https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/ </p>	
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	<p><i>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i></p> <p>http://www.pxpenenergy.com.ph/company-disclosure/minutes-of-agm</p>	
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	<p><i>Provide link to minutes of meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p> <p><i>Indicate also if the voting on resolutions was by poll.</i></p> <p><i>Include whether there was opportunity to ask question and the answers given, if any</i></p> <p>http://www.pxpenenergy.com.ph/company-disclosure/minutes-of-agm</p>	

Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	<p><i>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</i></p> <p>http://www.pxpenenergy.com.ph/company-disclosure/minutes-of-agm</p>	
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.	Complaint	<p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</i></p> <p>RMCG Principle 13,4 Alternative Dispute Resolution System http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p><i>Provide link/reference to where it is found in the Manual on Corporate Governance</i></p> <p>RMCG Principle 13,4 Alternative Dispute Resolution System http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></p> <p><i>1. Name of the person</i></p>	

		<p>2. Telephone number 3. Fax number 4. E-mail address</p> <p>http://www.pxpenenergy.com.ph/investor-relations/investor-relation</p> <p>MR. MARK H. RILLES Finance Controller PXP Energy Corporation, 2nd Floor, LaunchPad, Reliance corner Sheridan Streets, Mandaluyong City 1550 Tel. No: +63 2 8631-1381</p>	
2. IRO is present at every shareholder's meeting.	Compliant	<p><i>Indicate if the IRO was present during the ASM.</i></p> <p>Mr. Mark H. Rilles, was present during the most recent ASM last July 15, 2020.</p> <p>https://www.pxpenenergy.com.ph/company-disclosure/minutes-of-agm/</p>	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	<p><i>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</i></p> <p>The Company has no anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.</p>	

<p>2. Company has at least thirty percent (30%) public float to increase liquidity in the market.</p>	<p>Compliant</p>	<p><i>Indicate the company's public float.</i></p> <p>The Company's Public Float as of December 31, 2019 is at 30.41%</p> <p>Public Ownership Report: http://www.pxpenenergy.com.ph/home/our-company/public-ownership-reports</p> <p>The Social Security System which owns 10.7% of the Company's shares acts independently.</p>	
<p>Optional: Principle 13</p>			
<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>Compliant</p>	<p><i>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</i></p> <p>The President, Treasurer, Controller and the Head of Investor Relations, make themselves available throughout the year for meetings with institutional investors and stock market analysts through pre-arranged company visits and teleconferences.</p> <p>The Investor Relations desk likewise directly communicates with these shareholders through calls and written communications.</p> <p>In addition to the interim financial statements provided quarterly, operating statistics and other vital information are also disseminated to both equity and credit analysts, in a format that is convenient and handy, to aid in their analysis and valuation of the</p>	

		<p>Company. Analyst briefings were conducted via teleconferences to be more convenient and easily accessible to both local and foreign analysts.</p> <p>Analyst Briefings http://www.pxpenenergy.com.ph/press-materials/press-materials </p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p><i>Disclose the process and procedure for secure electronic voting in absentia, if any.</i></p> <p>See Page 6: https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/june-24-20/</p>	
Duties to Stakeholders			
<p>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.</p>			
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	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p>Discussion of the on the Company stakeholders may be seen in the Company's Profile in the Company's SEC 17-A. https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/ </p>	

		<p>Further details may be seen in the Corporate Governance Section of the Company's Glossy Annual Report.</p> <p>https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/</p>	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p>Policies and programs to provide a mechanism on the fair treatment and protection of stakeholders are available through the Corporate Governance Section of the Company's Glossy Annual Report:</p> <p>https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p>	
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	<p><i>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</i></p> <p><i>Provide information on whistleblowing policy, practices and procedures for stakeholders</i></p>	

		<p>Address: 2nd Floor LaunchPad, Reliance Street corner Sheridan Street, Mandaluyong City, Metro Manila, Philippines Phone: 02-8631-1381 Email: admin@pxpenergy.com.ph Website: http://www.pxpenergy.com.ph</p> <p>INVESTOR RELATIONS Mr. Mark H. Rilles Finance Controller</p> <p>Telephone No.: (632) 8631-1381 Email: admin@pxpenergy.com.ph Website: http://www.pxpenergy.com.ph</p> <p>STOCK TRANSFER AGENT BDO Stock Transfer, Inc. 15th Floor, South Tower BDO Corporate Center 7899 Makati Avenue Makati City 0726 Philippines Email: bdo-stock-transfer@bdo.com.ph</p> <p>Whistleblowing Policy: http://www.pxpenergy.com.ph/corporate-governance/company-policy/whistle-blowing</p>	
Supplement to Recommendation 14.3			

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<p><i>Provide information on the alternative dispute resolution system established by the company.</i></p> <p>The Company's Alternative Dispute Resolution System is included in the RMCG.</p> <p>RMCG (Alternative Dispute Resolution System) http://www.pxpenenergy.com.ph/corporate-governance/cg-manuals/pxp-corporate-governance-manual-2017 </p>	
Additional Recommendations to Principle 14			
1. 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	<p><i>Disclose any requests for exemption by the company and the reason for the request.</i></p> <p>The Company did not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.</p>	
2. Company respects intellectual property rights.	Compliant	<p><i>Provide specific instances, if any.</i></p> <p>The Company currently has no registered patents, copyrights, licenses, and franchises. Service contracts are discussed under the heading "Interests in Petroleum Service Contracts" in the Company's SEC 17A https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/ </p>	

Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p><i>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</i></p> <p>In line with PXP's Code of Business Conduct and Code of Ethics ("Code"), the Company upholds fair and transparent dealings with its customers. All the transactions and business relationships with customers are covered by contracts and comply with existing laws and regulations in the country.</p> <p>Glossy Annual Report https://www.pxpenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		<p><i>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</i></p> <p>Suppliers/Contractors practice</p> <p>Under this policy, the Company shall promote and implement standards of relationships with suppliers that embody the code's principles and core values as defined in the code. Directors, employees and consultants shall maintain the Company's</p>	

		<p>reputation for equal opportunity and honest treatment of suppliers in all business transactions through the following guidelines:</p> <ol style="list-style-type: none"> 1. The Company shall seek and maintain mutually beneficial relationships with suppliers that uphold the Company's principles and core values; 2. The Company shall give qualified suppliers adequate, fair, and equal opportunity to bid on goods and services; 3. The Company shall accredit suppliers based on established criteria; and 4. As a general rule, the Company shall implement competitive bidding. <p>In the event that it will be for the best interest of the Company to enter into strategic partnerships with suppliers, the Company may apply the Negotiated Contract (NC) option. Transparency in all these transactions shall be maintained at all times.</p> <p>Vendor Relations Policy http://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation </p>	
<p>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.</p>			
<p>Recommendation 15.1</p>			
1. Board establishes policies, programs and procedures that encourage employees to	Compliant	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	

<p>actively participate in the realization of the company's goals and in its governance.</p>		<p><i>The Company establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</i></p> <p>In 2019, the Company conducted learning sessions and employee development programs. Each program is tailor fit for a specific audience within the organization to ensure focus and generate the best results.</p> <p>Glossy Annual Report https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p>	
Supplement to Recommendation 15.1			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Non-Compliant</p>	<p><i>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</i></p>	<p>The Compensation Philosophy/Principles of the Company are as follows:</p> <ol style="list-style-type: none"> 1. Pay for performance; 2. Pay for competencies and skills; 3. Pay competitively versus local competitors and other

			<p>comparative companies;</p> <p>4. Provide a total rewards package that includes pay, benefits, employee recognition, employee development and a work environment conducive to high performance; and</p> <p>5. Benchmark against an effective performance management process.</p> <p>The Company has not yet established an ESOP.</p>
--	--	--	--

2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p><i>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</i></p> <p>A commitment to undertake activities without endangering the environment and the health and safety of people is key to maintaining the Company's license to operate.</p> <p>No lost-time injuries, fatalities, or environmental-related incidents were recorded by the Company and its subsidiaries during the year.</p> <p>SEC Form 17-A https://www.pxpenenergy.com.ph/company-disclosure/other-disclosure/july-03-20/ </p>	
3. Company has policies and practices on training and development of its employees.	Compliant	<p><i>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</i></p> <p>The Company respects the dignity and human rights of its employees, including the rights guaranteed by existing labor laws. PXP promotes safety, non-discrimination, environmental awareness and commitment in the workplace, and supports programs that champion the engagement and development of employees.</p> <p>In 2019, page 34 of the Company's Annual report provides for the learning sessions and employee development programs conducted</p>	

		<p>by the Company. Each program is tailor fit for a specific audience within the organization to ensure focus and generate the best results.</p> <p>https://www.pxpenenergy.com.ph/investor-relations/annual-report/pxp-energy-2019/</p>	
Recommendation 15.2			
<p>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.</p>	Compliant	<p><i>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</i></p> <p>Anti-corruption Programs and Procedures</p> <p>The Company, as approved by the Board of Directors, formulated a Code of Business Conduct and Ethics, which upholds professionalism and ethics in business dealings and transactions. In relation to this, the Board of Directors likewise approved the following policies: Conflict of Interest Policy, Vendor Relations Policy and Policy on Gifts, Entertainment and Sponsored Travel.</p> <p>Code of Conduct and Ethics http://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics</p> <p>Policy on Gifts, Entertainment and Sponsored Travel http://www.pxpenenergy.com.ph/corporate-governance/company-policy/policy-on-gifts</p>	

		<p>Vendor Relations Policy http://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation</p> <p>Conflict of Interest Policy, http://www.pxpenenergy.com.ph/corporate-governance/company-policy/conflict-of-interest-policy</p> <p>Whistle Blowing Policy http://www.pxpenenergy.com.ph/corporate-governance/company-policy/whistle-blowing</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p><i>Identify how the board disseminated the policy and program to employees across the organization</i></p> <p>The Code of Business Conduct and Ethics, including other Corporate Governance Policies, was reviewed and approved by the Board of Directors on April 2014, and subsequently disseminated to Senior Management and Employees.</p> <p>http://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics</p>	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing	Compliant	<p><i>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</i></p>	

<p>employee involvement in offering, paying and receiving bribes.</p>		<p><i>Include any finding of violations of the company policy.</i></p> <p>Directors, Employees and Consultants are prohibited from the following actions: (a) soliciting, accepting, or attempting to accept any Bribe; (b) providing, attempting to provide, or offering to provide any Bribe; and (c) taking part in an illegal or unethical collusion or any other arrangement or agreement with bidders. Each functional group is responsible for detecting, reporting and preventing the offer or acceptance of a Bribe in exchange for being awarded a contract or the grant of any advantage given to Suppliers.</p> <p>Vendor Relations Policy</p> <p>Any Director, Employee and Consultant found to have violated this Policy shall be liable to the extent of the damage/loss suffered by PXP, and/or may be subject to penalties and sanctions as may be determined by the appropriate authorities, whether or not damage is actually suffered by PXP, in accordance with the law and existing company policies. Penalties range from reprimand to dismissal depending on the gravity and frequency of the offense or violation.</p> <p>Suppliers who violate this policy shall also be penalized, with sanctions include but are not limited to termination of business relationship with the Company and blacklisting.</p> <p>http://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation</p> <p>No violation has been reported.</p>	
---	--	---	--

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	<p><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</i></p> <p><i>Indicate if the framework includes procedures to protect the employees from retaliation.</i></p> <p><i>Provide contact details to report any illegal or unethical behavior.</i></p> <p>The Company's Whistleblowing Policy includes procedures to protect the employees from retaliation. Whistle Blowing Policy http://www.pxpenery.com.ph/corporate-governance/company-policy/whistle-blowing</p> <p>Contact details to report any illegal or unethical behavior: Ms. Geraldine Ateo-an gbateoan@philexmining.com.ph PXP - Chief Audit Executive</p>	
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	<p>The whistleblowing allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. Section 5.10 of the Whistle Blowing Policy handles Complaints cognizable by the Board"</p> <p>Whistle Blowing Policy</p>	

		http://www.pxpenenergy.com.ph/corporate-governance/company-policy/whistle-blowing	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p><i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i></p> <p>The CGO shall maintain a log of all (Whistleblower) Complaints received and shall submit a monthly report to the Board and Audit Committee on:</p> <ul style="list-style-type: none"> • all (Whistleblower) Complaints received; • the AIU to whom the case was referred; • the status of outstanding (Whistleblower) Complaints; • the final disposition or resolution of • (Whistleblower) Complaints. <p>Whistleblowing Policy http://www.pxpenenergy.com.ph/corporate-governance/company-policy/whistle-blowing</p>	
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	Compliant	<i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i>	

company to grow its business, while contributing to the advancement of the society where it operates.		<p>PXP's subsidiary, Forum Energy Philippines Corporation, has undertaken community assistance programs, through the SC 1C-1 Galoc consortium, to various areas in Palawan, its host province.</p> <p>The projects delivered by the Galoc consortium can be found at the following link in the Company's website: http://www.pxpenery.com.ph/corporate-governance/corporate-social-responsibility </p>	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	<p><i>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</i></p> <p>PXP's subsidiary, Forum Energy Philippines Corporation, has undertaken community assistance programs, through the SC 1C-1 Galoc consortium, to various areas in Palawan, its host province.</p> <p>The projects delivered by the Galoc consortium can be found at the following link in the Company's website: http://www.pxpenery.com.ph/corporate-governance/corporate-social-responsibility </p>	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p>	

		<p>PXP's subsidiary, Forum Energy Philippines Corporation, has undertaken community assistance programs, through the SC 1C-1 Galoc consortium, to various areas in Palawan, its host province.</p> <p>The projects delivered by the Galoc consortium can be found at the following link in the Company's website: http://www.pxpenery.com.ph/corporate-governance/corporate-social-responsibility</p>	
--	--	--	--

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of **PXP ENERGY CORPORATION** by the undersigned, thereunto duly authorized, in the City of Makati on 01 SEP 2020.



MANUEL V. PANGILINAN
Chairman



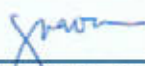
DANIEL STEPHEN P. CARLOS
President



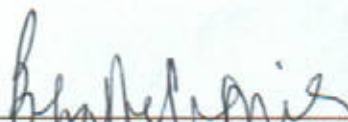
EMERLINDA R. ROMAN
Independent Director



BENJAMIN S. AUSTRIA
Independent Director



PARALUMAN M. NAVARRO
Chief Compliance Officer




BARBARA ANNE C. MIGALLOS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 1st day of September 2020, affiants exhibiting to me their competent evidence of identity as follows:

Name	Competent Evidence of Identity	Date of Issue	Place of Issue
MANUEL V. PANGILINAN	Passport No. P9969361A	18 Dec. 2018, expiring on 17 Dec. 2028	DFA NCR East
DANIEL STEPHEN P. CARLOS	Passport No. P5757485A	Issued on 25 January 2018 and valid until 24 January 2028	DFA NCR South
EMERLINA R. ROMAN	Passport No. P3457246B	Issued on 07 October 2019	DFA Manila
BENJAMIN S. AUSTRIA	GSIS ID No: 460129-0034-1		
PARALUMAN M. NAVARRO	Philippine Passport No. P1430237B	Issued on 11 April 2019 and valid until 10 April 2029	DFA NCR East
BARBARA ANNE C. MIGALLOS	Passport No. P7148981A	11 May 2018, expiring on 10 May 2028	DFA NCR South

bearing their photographs and signatures, in accordance with Rule II, Section 12 and Rule IV Section 2 (b) of the 2004 Rules on Notarial Practice.

Doc. No.: 455;
Page No.: 92;
Book No.: I;
Series of 2020.


SAMANTHA LOUISE B. BUGAY
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI
APPOINTMENT NO. M-561 (2019-2020)
COMMISSION EXPIRES ON DECEMBER 31, 2020
7th Floor, The PHINMA Plaza, 39 Plaza Drive
Rockwell Center, Makati City 1210
PTR No. 8117340; Makati City; 1/3/2020
IBP O.R. No. 100827; Makati City; 1/3/2020
TIN 355-207-180
Attorney's Roll No. 73688
Admitted to the Philippine Bar: 20 June 2019



PXP ENERGY CORPORATION
(formerly Philex Petroleum Corporation)
2/F LaunchPad
Reliance cor. Sheridan Sts.
Mandaluyong City 1550 Philippines
Tel.: (632) 8631-1381
Fax: (632) 8570-0686

Confirmation statement from PXP Energy's Audit Committee:

July 27, 2020

The Audit and Risk Management Committee
First Pacific Company Limited
24th Floor, Two Exchange Square
8 Connaught Place
Hong Kong

Dear Committee Members,

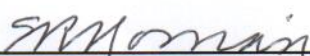
This is to inform you that the Audit Committee of PXP Energy Corporation ("PXP Energy") has conducted a review of the effectiveness of the PXP Energy Group's (including its subsidiaries, major associated companies and joint ventures) internal control systems for the six-month period ended 30 June 2020. The review covered all material controls, including financial, operational and compliance controls.

During the 1st Half of 2020, the Internal Audit Department has not identified any major internal control issues based on its review of the business process and system of internal control. The results of the business processes review were regularly reported to the Audit and Board Risk Oversight Committees. Based on our review of the internal audit reports, and discussions with the internal and external auditors and with management, we would like to confirm that the internal controls (including financial, operational and compliance controls) of PXP Energy are adequate and effective.

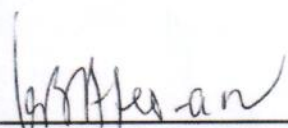
We have not noticed any material deviation from local as well as Hong Kong Listing Rules requirements, including Inside Information.

We hope that this letter is sufficient for your requirements.

Sincerely yours,



Emerlinda R. Roman
Chairman of the Audit Committee
PXP Energy Corporation



Geraldine B. Ateo-an
Chief Audit Executive
PXP Energy Corporation



PXP ENERGY CORPORATION
(formerly Philex Petroleum Corporation)
2/F LaunchPad
Reliance cor. Sheridan Sts.
Mandaluyong City 1550 Philippines
Tel.: (632) 631-1381 to 88
Fax: (632) 570-0686

ANNEX "A-1"

Confirmation Statement from PXP Energy's Board Risk and Resource Oversight Committee:

July 27, 2020

The Audit and Risk Management Committee
First Pacific Company Limited
24th Floor, Two Exchange Square
8 Connaught Place
Hong Kong

Dear Committee Members,

This is to inform you that the Board Risk and Resource Oversight Committee of PXP Energy Corporation ("PXP Energy") has conducted a review of the effectiveness of the PXP Energy Group's (including its subsidiaries, major associated companies and joint ventures) Enterprise Risk Management ("ERM") systems for the six-month period ended 30 June 2020. The review covered all material strategic, financial, operational and compliance risks.

Please refer to the attached summary report for the six-month period ended 30 June 2020 highlighting the key enterprise risks identified and the corresponding mitigation measures to address these risks.

Based on our evaluation of PXP Energy's ERM process, reviewing the periodic ERM report, and discussions with the Chief Risk Officer as well as the external auditor, we have assured ourselves that the material risks have been identified, evaluated, managed and reported appropriately.

We have not noticed any material deviation from local as well as Hong Kong Listing Rules requirements, including Inside Information.

We hope that this letter is sufficient for your requirements.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'B. S. Austria', written over a horizontal line.

Benjamin S. Austria
Chairman of the Board Risk and
Resource Oversight Committee
PXP Energy Corporation

A handwritten signature in blue ink, appearing to read 'Mark Riles', written over a horizontal line.

Mark Raymond H. Riles
Chief Risk Officer
PXP Energy Corporation

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SECRETARY'S CERTIFICATE

I, **BARBARA ANNE C. MIGALLOS**, of legal age, Filipino and with office address at 7th Floor, The PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City, Metro Manila, being the duly elected and incumbent Corporate Secretary of **PXP ENERGY CORPORATION** (the "**Company**"), a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines, and with principal office address at 2nd Floor LaunchPad, Reliance Street corner Sheridan Street, Mandaluyong City, Metro Manila, hereby state and certify under oath to the following:

1. The Company schedules Board meetings before the start of the financial year. At the regular meeting of the Board of Directors held on 28 November 2018, the Directors, upon the recommendation of management, set the schedule of Board meetings for 2019. The schedule of the meetings to be held in 2020 was approved by the Board in its meeting held on 5 December 2019, and was further adjusted in the meeting held on 27 February 2020.

2. It is the Company's policy that the Board of Directors meet at least six (6) times in a year. In 2019, the Board of Directors held six (6) meetings. The attendance details of each director in meetings held during 2019 is attached herewith.

3. It is the Company's policy to distribute materials for Board meetings at least five (5) business days before the scheduled meeting. This policy is generally followed except when there are delays in the consolidation of reports from the Company's various departments, including reports from the mine site. On such occasions, the materials were distributed no later than five (5) calendar days before the scheduled meeting. Hard copies of said Board meeting materials are also distributed on the day of the Board meeting, or earlier, upon request of the Directors.

4. The Company's Audit Committee openly communicates and holds dialogues with the external audit team of the Company, and conducts meetings on key audit items, when necessary.

5. The non-executive directors (NEDs) have separate periodic meetings, when necessary, with the external auditor and heads of the internal audit, compliance and risk functions, without any executive or member of management present. Said meetings were chaired by the lead independent Director.

This Certification is executed in support of the Company's Integrated Annual Corporate Governance Report, and for whatever legal purpose it may serve.


IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September 2020 at Makati City, Metro Manila, Philippines.

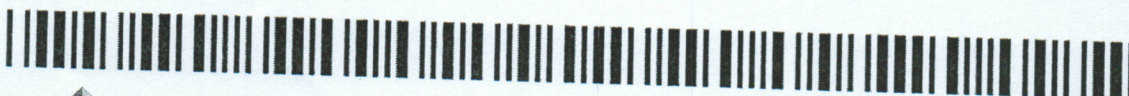

BARBARA ANNE C. MIGALLOS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 1st day of September 2020, affiant exhibiting to me her Community Tax Certificate No. 04346179 issued on 6 January 2020 at Makati City, and her Passport No. P7148981A issued on 11 May 2018 at DFA NCR South, expiring on 10 May 2028 bearing her photograph and signature, in accordance with Rule II, Section 12 and Rule IV Section 2 (b) of the 2004 Rules on Notarial Practice.

Dec. No.: 457
 Page No.: 33
 Book No.: 5
 Series of 2020.

R154 IACOR Censicalaw.com


SAMANTHA LOUISE B. BUGAY
 NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI
 APPOINTMENT NO. M-567 (2019-2020)
 COMMISSION EXPIRES ON DECEMBER 31, 2020
 7th Floor, The PHINMA Plaza, 39 Plaza Drive
 Rockwell Center, Makati City 1210
 PTR No. 8117340; Makati City; 1/3/2020
 IBP O.R. No. 100827; Makati City; 1/3/2020
 TIN 355-207-180
 Attorney's Roll No. 73688
 Admitted to the Philippine Bar: 20 June 2019



1579224152759

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Wendalyn Francisco
Receiving Branch: SEC Head Office
Receipt Date and Time: January 17, 2020 09:20:15 AM
Received From: Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. CS200719819
Company Name PXP ENERGY CORPORATION
Industry Classification NON-METALLIC MINING & QUARRYING
Company Type Stock Corporation

Document Information

Document ID 1579224152759
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered January 17, 2020
No. of Days Late
Department
Remarks DIRECTOR'S ATTENDANCE

COVER SHEET

C S 2 0 0 7 1 9 8 1 9

S.E.C. Registration Number

P X P E N E R G Y C O R P O R A T I O N

(Company's Full Name)

2 N D F L O O R L A U N C H P A D R E L I A N C E
C O R . S H E R I D A N S T S . ,
M A N D A L U Y O N G C I T Y , M E T R O M A N I L A

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

Atty. Barbara Anne C. Migallos

Contact Person

896-9357 to 59

Telephone Number of the Contact Person

1 2

Month
Fiscal Year

3 1

Day

Letter on Directors'
Attendance for 2019

FORM TYPE

Third Tuesday
of May

Month Day
Annual Meeting

N/A

Secondary license Type, If Applicable

C F D

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

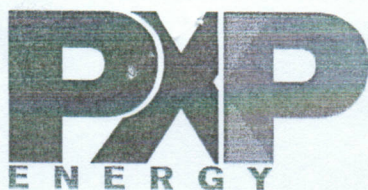
Document I.D.

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes

R329 Cover Sheet re Letter on Director's Attendance for 2019/dfp59-glen



PXP ENERGY CORPORATION
(formerly Philex Petroleum Corporation)
2nd Floor LaunchPad
Reliance corner Sheridan Streets
Mandaluyong City 1550 Philippines
Tel.: (632) 631-1381 to 88
Fax: (632) 570-0686

January 17, 2020

SECURITIES AND EXCHANGE COMMISSION

G/F Secretariat Building, PICC Complex
Roxas Boulevard, Manila

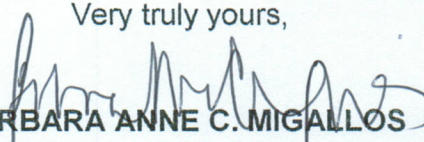
Attention: **ATTY. RACHEL ESTHER J. GUMTANG-REMALANTE**
Officer-In-Charge
Corporate Governance and Finance Department

Gentlemen:

PXP ENERGY CORPORATION (the "Company") respectfully submits the Attendance of the Company's Directors at Board Meetings for the year 2019.

Director	Regular Meeting 21 March 2019	Regular Meeting 07 May 2019	Regular Meeting 31 July 2019	Special Meeting 11 November 2019	Regular Meeting 13 November 2019	Regular Meeting 5 December 2019	No. of Meetings Attended	%
Manuel V. Pangilinan	✓	x	✓	✓	x	✓	4	66.67%
Daniel Stephen P. Carlos	✓	✓	✓	✓	✓	✓	6	100.00%
Eulalio B. Austin, Jr.	✓	✓	✓	✓	✓	✓	6	100.00%
Marilyn A. Victorio-Aquino	✓	✓	✓	✓	✓	✓	6	100.00%
Oscar S. Reyes	✓	✓	✓	✓	✓	✓	6	100.00%
Benjamin S. Austria	✓	✓	✓	✓	✓	✓	6	100.00%
Emerlinda R. Roman	✓	✓	✓	✓	✓	✓	6	100.00%
Diana V. Pardo Aguilar	✓	✓	✓	✓	✓	✓	6	100.00%
Joseph H. P. Ng	✓	✓	✓	✓	✓	✓	6	100.00%
TOTAL	9	8	9	9	8	9		

Very truly yours,


BARBARA ANNE C. MIGALLOS
Corporate Secretary