



**THE PHILIPPINE STOCK EXCHANGE, INC.**  
**Corporate Governance Guidelines for Listed Companies**  
**Disclosure Template for Year 2016**  
**(PHILEX MINING CORPORATION)**

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>Guidelines No.1:</b>		
<b>DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY</b>		
<b>1.1 Have a clearly defined vision, mission and core values.</b>	√	Reference: (1) Website a) <a href="http://www.philexmining.com.ph/about-us/our-company/vision-and-mission">http://www.philexmining.com.ph/about-us/our-company/vision-and-mission</a> b) <a href="http://www.philexmining.com.ph/about-us/our-company/core-values">http://www.philexmining.com.ph/about-us/our-company/core-values</a> (2) Code of Business Conduct & Ethics - <a href="http://www.philexmining.com.ph/userfiles/code%20of%20business%20conduct%20and%20ethics.pdf">http://www.philexmining.com.ph/userfiles/code%20of%20business%20conduct%20and%20ethics.pdf</a>
<b>1.2 Have a well developed business strategy.</b>	√	Company's performance targets and long-term business plans are included in the Annual Report Reference: Glossy Annual Report (pages 8-9) <a href="http://www.philexmining.com.ph/userfiles/annual_reports_2014/298-16%20Annual%20Report.pdf">http://www.philexmining.com.ph/userfiles/annual_reports_2014/298-16%20Annual%20Report.pdf</a>
<b>1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.</b>	√	Company thru Human Resource Division (HRD) implements the Key Results Area (KRA) system in performance evaluation and management, aligned with business environment, management style and culture. Reference: Website <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/management">http://www.philexmining.com.ph/corporate-governance/key-partners/management</a>
<b>1.4 Have its board continually engaged in discussions of strategic business issues.</b>	√	Reference: Website a) <a href="http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates">http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates</a> b) <a href="http://www.philexmining.com.ph/corporate-governance/governance-structure/attendance--appraisal">http://www.philexmining.com.ph/corporate-governance/governance-structure/attendance--appraisal</a>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
<b>Guidelines No.2:</b>		
<b>ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD</b>		
<b>2.1 Have a board composed of directors of proven competence and integrity.</b>	√	<p>Directors' profile are included in the, Glossy Annual Report and Notice of AGM (SEC20-IS) and posted in the Company's website.</p> <p>Reference :</p> <p>1.)Website <a href="http://www.philexmining.com.ph/corporate-governance/the-board-of-directors">http://www.philexmining.com.ph/corporate-governance/the-board-of-directors</a></p> <p>2.) Guidelines on Search, Screening and Selection of Directors <a href="http://www.philexmining.com.ph/userfiles/PX%20Guidelines%20on%20SearchScreening%20and%20Selection%20of%20Directors.pdf">http://www.philexmining.com.ph/userfiles/PX%20Guidelines%20on%20SearchScreening%20and%20Selection%20of%20Directors.pdf</a></p> <p>3.)Amended by Laws pages (9-10) Section 3 <a href="http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf">http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf</a></p> <p>4.) Revised CG Manual page (25) Annex B <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</a></p>
<b>2.2 Be led a chairman who shall ensure that the board functions in an effective and collegial manner.</b>	√	<p>Chairman shall ensure that the Board functions effectively, and shall provide leadership to the Board.</p> <p>Reference: <a href="http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates">http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates</a></p>
<b>2.3 Have at least three (3) or thirty percent (30%),whichever is higher, of its directors as independent directors.</b>	x	<p>Company complies with the requirements of the law. Under the Securities Regulation Code, "at least two (2) independent directors or such independent directors shall constitute at least (20%) of the members of such board, whichever is the lesser".</p> <p>References: Amended By Laws (Page 8); Annual Corporate Governance Report (or ACGR) (Page 4);</p> <p><a href="http://www.philexmining.com.ph/corporate-governance/governance-structure/the-board-and-committees">http://www.philexmining.com.ph/corporate-governance/governance-structure/the-board-and-committees</a></p>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>2.4 Have in place written manuals, guidelines and issuances that outlines procedures and processes.</b>	√	Reference: (1) Consolidated Changes in Corporate Governance Report for 2015 (ACGR 2015) (Pages 60-64 Part G.2.f); <a href="http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf">http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</a> (2) <a href="http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics">http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics</a> (3) <a href="http://www.philexmining.com.ph/corporate-governance/our-policies">http://www.philexmining.com.ph/corporate-governance/our-policies</a>
<b>2.5 Have Audit, Risk, Governance and Nomination and Election Committees.</b>	√	The Company has separate Audit, Risk, Corporate Governance and Nomination Committees Reference : <a href="http://www.philexmining.com.ph/corporate-governance/the-board-committees">http://www.philexmining.com.ph/corporate-governance/the-board-committees</a>
<b>2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.</b>	√	Chairman is Mr. Manuel V. Pangilinan. CEO is Mr. Eulalio B. Austin, Jr.. Chairman and CEO are not related to each other.
<b>2.7 Have a directors nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.</b>	√	Reference:  (1)Guidelines on the Search Screening and Selection of Directors <a href="http://www.philexmining.com.ph/userfiles/PX%20Guidelines%20on%20SearchScreening%20and%20Selection%20of%20Directors.pdf">http://www.philexmining.com.ph/userfiles/PX%20Guidelines%20on%20SearchScreening%20and%20Selection%20of%20Directors.pdf</a> (2)Amended By Laws page (8- 12) Article II-A <a href="http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf">http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf</a>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>2.8 Have in place a formal board and director development program.</b>	√	References: Directors' and Officers' Orientation and Training Policy <a href="http://www.philexmining.com.ph/userfiles/Directors%20and%20Officers'%20Orientation%20and%20Training%20Policy.pdf">http://www.philexmining.com.ph/userfiles/Directors%20and%20Officers'%20Orientation%20and%20Training%20Policy.pdf</a>
<b>2.9 Have a corporate secretary.</b>	√	Corporate Secretary is Atty. Barbara Ann C. Migallos. References: (1) Amended By Laws (Page 16-18) Section 6 <a href="http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf">http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf</a> ; (2) Revised CG Manual (Page 13) Section 2.5 <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</a> ; (3) ACGR 2015 (Page 34) Part C.5.(c) <a href="http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf">http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</a>
<b>2.10 Have no shareholder agreement, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.</b>	√	Each director exercises independent judgment in the performance of duties and responsibilities. Reference: (1) Revised CG Manual (Page 7) Section 2.5.a <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</a>
<b>Guidelines No. 3:</b>		
<b>MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM</b>		
<b>3.1 Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.</b>	√	References: (1) CG Manual Page 14 Section 2.6 <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</a> ; (2) Audit Committee Charter page 3 Section 3.2 <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a> (3) Website: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit</a>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>3.2 Have a comprehensive enterprise-wide compliance program that is annually reviewed.</b>	√	The Company has an Audit Committee, Risk Committee and Corporate Governance Committee reviews annual audit program, risk management and compliance plans and activities. Reference: (1) Audit Committee Charter <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a> ; (2) Risk Committee Charter <a href="http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf</a> (3) Corporate Governance Committee Charter <a href="http://www.philexmining.com.ph/userfiles/Corporate%20Governance%20Committee%20Charter%20(1)(1).pdf">http://www.philexmining.com.ph/userfiles/Corporate%20Governance%20Committee%20Charter%20(1)(1).pdf</a> (4) Internal Audit Charter <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit</a>
<b>3.3 Institutionalize quality service programs for the internal audit function.</b>	√	Activities and programs for internal audit function is included in the Internal Audit Charter. Reference: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit</a>
<b>3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.</b>	√	References: (1) CEO Hotline –available to employees (2) <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit</a> ; (3) Whistle-blowing Policy <a href="http://www.philexmining.com.ph/userfiles/WHISTLE%20BLOWING%20POLICY.pdf">http://www.philexmining.com.ph/userfiles/WHISTLE%20BLOWING%20POLICY.pdf</a> (4) Website (For investor relations, corporate affairs, trade creditors and suppliers and other stakeholders) <a href="http://www.philexmining.com.ph/talk-to-us/corporate-address">http://www.philexmining.com.ph/talk-to-us/corporate-address</a>
<b>3.5 Have the 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.</b>	√	References: (1) Internal Audit Charter as provided in <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit</a> ; (2) First Pacific CG Disclosure requirements <a href="http://www.philexmining.com.ph/userfiles/PMC%20(signed%20confirmation%20statement).pdf">http://www.philexmining.com.ph/userfiles/PMC%20(signed%20confirmation%20statement).pdf</a>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
<b>Guidelines No. 4:</b>		
<b>RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS</b>		
<b>4.1 Have its board oversee the company's risk management function.</b>	√	A separate Risk Committee Charter was established to assist the Board in such oversight and governance, in light of, and to timely and more adequately address, the evolving and attendant risks peculiar to the Company's business, and to align with the global best corporate governance practices References: Risk Committee Charter <a href="http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf</a>
<b>4.2 Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.</b>	√	References:  (1) Website: <a href="http://www.philexmining.com.ph/corporate-governance/risk-management">http://www.philexmining.com.ph/corporate-governance/risk-management</a>
<b>4.3 Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.</b>	√	Reference: (1) Website: <a href="http://www.philexmining.com.ph/corporate-governance/risk-management">http://www.philexmining.com.ph/corporate-governance/risk-management</a>
<b>4.4 Have a unit at the management level, headed by Risk Management Officer (RMO).</b>	√	Chief Risk Officer is Mr. Manuel A. Agcaoili and Risk Management Group is headed by Ms. Elisa R. Dungca.  (1) Website: <a href="http://www.philexmining.com.ph/corporate-governance/risk-management">http://www.philexmining.com.ph/corporate-governance/risk-management</a>
<b>4.5 Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.</b>	√	Reference: ACGR 2015 (Part F page 52-55) <a href="http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf">http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</a>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>4.6 Seek external technical support in risk management when such competence is not available internally.</b>	√	Reference: Risk Committee Charter (page1 Section 2.1) <a href="http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf</a>
<b>Guidelines No. 5:</b>		
<b>ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION</b>		
<b>5.1 Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.</b>	√	References: (1) Audit Committee Charter page 3 Section 3.1.4 <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a> ;  (2) Website: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</a>
<b>5.2 Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</b>	√	References: (1) Audit Committee Charter page 3 Section 3.1 <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a> ;  (2) Website: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</a>
<b>5.3 Ensure that the external auditor has adequate quality control procedures.</b>	√	References: (1) Audit Committee Charter page 3 Section 3.1.6 <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a> ;  (2) Website: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</a>



<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>5.4 Disclose relevant information on the external auditors.</b>	√	Reference: (1) ACGR 2015 Part E.2. Audit Committee's responsibility References: (1) ACGR 2015 Pages 64/ page76 <a href="http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf">http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</a> ;  (2) Website: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</a>
<b>5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.</b>	√	Reference: (1) Audit Committee Charter (Page 2-3) Section 3.1. <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a>
<b>5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.</b>	√	Reference: Audit Committee Charter (Page 6) Section 3.3.8 <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a>
<b>5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.</b>	√	Reference: Glossy Annual Report (page 57) <a href="http://www.philexmining.com.ph/userfiles/annual_reports_2014/298-16%20Annual%20Report.pdf">http://www.philexmining.com.ph/userfiles/annual_reports_2014/298-16%20Annual%20Report.pdf</a>
<b>5.8 Have a policy of rotating the lead audit partner every five years.</b>	√	References: (1) Revised CG Manual (Page 16) Sec.2.7.1.c <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</a> ; (2)Website <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit">http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</a>
<b>Guidelines No. 6:</b>		
<b>RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP</b>		

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>6.1 Adopt the principle of "one share, one vote."</b>	√	References: (1)Website <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a>
<b>6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</b>	√	References: (1) Revised CG Manual (Page 18-19) Section 4 <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</a> ;  (2)Website: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a>
<b>6.3 Have an effective, secure and efficient voting system.</b>	√	References: (1) Amended By Laws (Page 2) Section 7 <a href="http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf">http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf</a> ; (2)Website: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a>
<b>6.4 Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</b>	√	As the need arises, Company transactions that involve controlling shareholders need to pass thru an Ad Hoc Committee of four (4) members consisting of: two (2) independent directors, one (1) minority director, and one (1) majority director.
<b>6.5 Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting</b>	√	Date of AGM last year is 29 June 2016, and SEC Form SEC 20-IS Definitive Information Statement (Notice of Annual Stockholders 'Meeting) was released in 29 May 2016 (or 30 days prior the AGM. Reference: (1) Website: <a href="http://www.philexmining.com.ph/investor-relations/calendar-events/annual-stockholders-meeting">http://www.philexmining.com.ph/investor-relations/calendar-events/annual-stockholders-meeting</a>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>6.6 Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.</b>	√	References: (1) Revised CG Manual (Page 18-19) Section 4.1 <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf</a> (2) Website: <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a>
<b>6.7 Ensure that all relevant questions during the AGM are answered.</b>	√	References: (1) Revised CG Manual (Page 18-19) Sec4.1.c&d <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf</a> ;
<b>6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.</b>	√	References: (1) Revised CG Manual (Page 18-19) Sec.4.1 & 4.2 <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf</a> ;  (2) Website <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a>
<b>6.9 Avoid anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.</b>	√	The Company doesn't have nor does it practice "poison pill" strategy. References: (1) Revised CG Manual (Page 18-19) Sec. 4.1 & 4.2 <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf</a> ; (3) Website <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>6.10 Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.</b>	√	References: (1) Revised CG Manual (Page 18-19) Sec. 4& 5 <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf</a> ; (2)Website <a href="http://www.philexmining.com.ph/investor-relations/corporate-disclosures/non---financial-reports">http://www.philexmining.com.ph/investor-relations/corporate-disclosures/non---financial-reports</a> ; <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a>
<b>6.11 Have a communication strategy to promote effective communication with shareholders.</b>	√	The Company utilizes Annual Report SEC Form 17A, Definitive Information Statement, and the Company's Website ( <a href="http://www.philexmining.com.ph">http://www.philexmining.com.ph</a> ) to communicate with shareholders and other stakeholders. Related reference: <a href="http://www.philexmining.com.ph/investor-relations/contact-us/investor-relations">http://www.philexmining.com.ph/investor-relations/contact-us/investor-relations</a>
<b>6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.</b>	√	As of December 31, 2016 the Corporations has 33.37% public float. Reference: <a href="http://www.philexmining.com.ph/investor-relations/shareholder-matters/shareholding-structure">http://www.philexmining.com.ph/investor-relations/shareholder-matters/shareholding-structure</a>
<b>6.13 Have a transparent dividend policy.</b>	√	References: (1) Amended By Laws (Page 22); Article VII Sec.3 <a href="http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf">http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf</a> ; (3) Website <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a>
<b>Guidelines No. 7:</b>		
<b>ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME</b>		

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>7.1 Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.</b>	√	References: (1) <a href="http://www.philexmining.com.ph/investor-relations/investor-relations-programs">http://www.philexmining.com.ph/investor-relations/investor-relations-programs</a>
<b>7.2 Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</b>	√	Company has no voting trust holders of 5% or more of Company's stocks. There are no arrangements that may result in a change of control of the Company.
<b>7.3 Disclose its director and executive compensation policy.</b>	√	References: (1) Website <a href="http://www.philexmining.com.ph/corporate-governance/governance-structure/remuneration-policy">http://www.philexmining.com.ph/corporate-governance/governance-structure/remuneration-policy</a>
<b>7.4 Disclose names of groups of individuals who hold five percent (5%) or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.</b>	√	References: (1) <a href="http://www.philexmining.com.ph/investor-relations/shareholder-matters/shareholding-structure">http://www.philexmining.com.ph/investor-relations/shareholder-matters/shareholding-structure</a>
<b>7.5 Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within ninety (90) days from the end of the financial year, while interim reports shall be published within forty-five (45) days from the end of the reporting period.</b>	√	References: (1) <a href="http://www.philexmining.com.ph/investor-relations/calendar-of-events/release-of-financial-results">http://www.philexmining.com.ph/investor-relations/calendar-of-events/release-of-financial-results</a> (2) <a href="http://www.philexmining.com.ph/company-disclosure/audited-financial-statement">http://www.philexmining.com.ph/company-disclosure/audited-financial-statement</a> (3) <a href="http://www.philexmining.com.ph/company-disclosure/sec-form-17-a">http://www.philexmining.com.ph/company-disclosure/sec-form-17-a</a> (4) <a href="http://www.philexmining.com.ph/company-disclosure/sec-form-17-q">http://www.philexmining.com.ph/company-disclosure/sec-form-17-q</a>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>7.6 Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.</b>	√	References: (1) <a href="http://www.philexmining.com.ph/investor-relations/investor-relations-programs">http://www.philexmining.com.ph/investor-relations/investor-relations-programs</a> (2) <a href="http://www.philexmining.com.ph/corporate-governance/manual-on-corporate-governance">http://www.philexmining.com.ph/corporate-governance/manual-on-corporate-governance</a> (3) <a href="http://www.philexmining.com.ph/corporate-governance/annual-corporate-governance-report">http://www.philexmining.com.ph/corporate-governance/annual-corporate-governance-report</a>
<b>7.7 Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.</b>	√	Reference: (1) CG Manual (Page 17-18) Section 3 <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf</a> ; <a href="http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf">http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</a> ; (3) Website: <a href="http://www.philexmining.com.ph/investor-relations/investor-relations-programs">http://www.philexmining.com.ph/investor-relations/investor-relations-programs</a>
<b>7.8 Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).</b>	√	References: (1) Website Disclosure <a href="http://www.philexmining.com.ph/company-disclosure/sec-form-23-ab">http://www.philexmining.com.ph/company-disclosure/sec-form-23-ab</a>
<b>7.9 Disclose in its annual report the principal risks to minority shareholders 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.</b>	√	References: (1) ACGR (Page 53) Part F.2.c. <a href="http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf">http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</a> ; (2) Glossy Annual Report (Pages 191-192) <a href="http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf">http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf</a> (3) Website: <a href="http://www.philexmining.com.ph/investor-relations/shareholder-matters/shareholding-structure">http://www.philexmining.com.ph/investor-relations/shareholder-matters/shareholding-structure</a>
<b>Guidelines No. 8:</b>		

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
<b>RESPECTS AND PROTECTS THE RIGHTS AND INTEREST OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS</b>		
<b>8.1 Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers and customers, creditors as well the community, environment and other key stakeholder groups.</b>	√	<p>References: Website:</p> <p>a) <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders">http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</a></p> <p>b) <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/environmental-stewardship">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/environmental-stewardship</a></p> <p>c) <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/health">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/health</a></p> <p>d) <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/education">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/education</a></p> <p>e) <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/employees">http://www.philexmining.com.ph/corporate-governance/key-partners/employees</a></p> <p>f) <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/creditors">http://www.philexmining.com.ph/corporate-governance/key-partners/creditors</a></p>
<b>8.2 Have in place a workplace development program.</b>	√	<p>References</p> <p>(1) Website</p> <p>a) <a href="http://www.philexmining.com.ph/corporate-governance/key-partners/employees">http://www.philexmining.com.ph/corporate-governance/key-partners/employees</a></p> <p>b) <a href="http://www.philexmining.com.ph/userfiles/Directors%20and%20Officers'%20Orientation%20and%20Training%20Policy.pdf">http://www.philexmining.com.ph/userfiles/Directors%20and%20Officers'%20Orientation%20and%20Training%20Policy.pdf</a></p> <p>(2) Glossy Annual Report (pages 64-65)</p> <p><a href="http://www.philexmining.com.ph/userfiles/file/Philex%20Annual%20Report%202013/PMC%20AR%20Reduced.pdf">http://www.philexmining.com.ph/userfiles/file/Philex%20Annual%20Report%202013/PMC%20AR%20Reduced.pdf</a></p>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>8.3 Have 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.</b>	√	References: (1) ACGR 2015(Page 37-40) Part D.4 <a href="http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf">http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</a> ; ; and (2) Website <a href="http://www.philexmining.com.ph/corporate-governance/governance-structure/remuneration-policy">http://www.philexmining.com.ph/corporate-governance/governance-structure/remuneration-policy</a>
<b>8.4 Have in place a community involvement program.</b>	√	Philex is a champion in terms of community involvement program. References: (1) Glossy Annual Report (pages 181-185) <a href="http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf">http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf</a> (2) Website a) <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/health">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/health</a> b) <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/education">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/education</a> c) <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/livelihood">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/livelihood</a> d) <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/public-infrastructure">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/public-infrastructure</a> e) <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/philex-group-foundation-inc">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/philex-group-foundation-inc</a>
<b>8.5 Have in place an environment-related program.</b>	√	References: (1) Glossy Annual Report (page 164/page 182) <a href="http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf">http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf</a> (2) Website <a href="http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/environmental-stewardship">http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/environmental-stewardship</a>



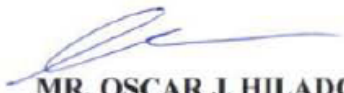
<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.</b>	√	Company has Supplier Relations Policy and Code of Business Conduct and Ethics. Reference: <a href="http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics">http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics</a> <a href="http://www.philexmining.com.ph/corporate-governance/our-policies">http://www.philexmining.com.ph/corporate-governance/our-policies</a>
<b>Guidelines No. 9:</b>		
<b>DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING</b>		
<b>9.1 Develop and disclose a policy governing the company's transactions with related parties.</b>	√	<a href="http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf">http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf</a>
<b>9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</b>	√	<a href="http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf">http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf</a>
<b>9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.</b>	√	<a href="http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf">http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf</a>
<b>9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.</b>	√	<a href="http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf">http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf</a>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>9.5 Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.</b>	√	All related party transactions, regardless of amount or nature, are disclosed in the Annual Report SEC Form 17A and the Audited Financial Statements. References: (1) SEC 17-A (Pages 61-62) <a href="http://www.philexmining.com.ph/userfiles/2015SEC17A%20with%20ACGR.pdf">http://www.philexmining.com.ph/userfiles/2015SEC17A%20with%20ACGR.pdf</a>
<b>9.6 Have clear policy in dealing with material non-public information by company insiders.</b>	√	References(1)Code of Business Conduct and Ethics <a href="http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics">http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics</a> (2) Amended Policy on Dealings in Company Shares <a href="http://www.philexmining.com.ph/userfiles/Amended%20Policy%20on%20Dealings%20in%20Company%20Shares%20-%20June%202014.pdf">http://www.philexmining.com.ph/userfiles/Amended%20Policy%20on%20Dealings%20in%20Company%20Shares%20-%20June%202014.pdf</a> (3) Investor Relations Programs <a href="http://www.philexmining.com.ph/investor-relations/investor-relations-programs">http://www.philexmining.com.ph/investor-relations/investor-relations-programs</a>
<b>9.7 Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.</b>	√	All related party transactions, regardless of amount or nature, are disclosed in the Annual Report SEC Form 17A and the Audited Financial Statements. In a specific case, Board approval was secured for the advances from related parties. (1) Investor Relations Programs <a href="http://www.philexmining.com.ph/investor-relations/investor-relations-programs">http://www.philexmining.com.ph/investor-relations/investor-relations-programs</a>
<b>Guidelines No. 10:</b>		
<b>DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE AND ENFORCEMENT</b>		
<b>10.1 Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.</b>	√	Code of Business Conducts and Ethics approved by BOD in February 2014. Reference: <a href="http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics">http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics</a>

<b><u>PSE Questions</u></b>	<b><u>Apply</u></b>	<b><u>Explain</u></b>
<b>10.2 Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</b>	√	References: (1) Audit Committee Charter (Page 7) Sec.3.4 <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a> ; (2) Internal Audit Charter (Page 1) <a href="http://www.philexmining.com.ph/userfiles/Internal%20Audit%20Charter.pdf">http://www.philexmining.com.ph/userfiles/Internal%20Audit%20Charter.pdf</a> (3) <a href="http://www.philexmining.com.ph/investor-relations/investor-relations-programs">http://www.philexmining.com.ph/investor-relations/investor-relations-programs</a>
<b>10.3 Not seek exemption from the application of a law, rule regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.</b>	√	References: (1) Audit Committee Charter (Page 7) Sec.3.4 <a href="http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf">http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1).pdf</a> ; (2) Internal Audit Charter (Page 1) <a href="http://www.philexmining.com.ph/userfiles/Internal%20Audit%20Charter.pdf">http://www.philexmining.com.ph/userfiles/Internal%20Audit%20Charter.pdf</a>
<b>10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.</b>	√	Whistle Blowing Policy, and Policy on Gifts and Entertainment were approved by BOD in February 2014. Reference: <a href="http://www.philexmining.com.ph/userfiles/WHISTLE%20BLOWING%20POLICY.pdf">http://www.philexmining.com.ph/userfiles/WHISTLE%20BLOWING%20POLICY.pdf</a>
<b>10.5 Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.</b>	√	The corporate governance / compliance officer reports to the chairman and the Corporate Governance Committee of the Board. His duty is primarily to monitor compliance by the corporation with the Code of Corporate Governance and the rules and regulations of regulatory agencies. Reference: (1) <a href="http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates">http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates</a>
<b>10.6 Respect intellectual property rights.</b>	√	<a href="http://www.philexmining.com.ph/about-us/our-company/key-policy-statements">http://www.philexmining.com.ph/about-us/our-company/key-policy-statements</a>
<b>10.7 Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.</b>	√	References: (1) CG Manual (Page 7) Sec.2.1.4.q <a href="http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf">http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf</a> ;

This is to certify that the undersigned reviewed the contents of the attached Corporate Governance Guidelines Disclosure Survey and to the best of my knowledge and belief, the information contained and set forth in such document as true, complete and correct.

Done this April 5, 2017 in Pasig City .

  
**MR. OSCAR J. HILADO**  
Independent director

  
**EULALIO B. AUSTIN, JR.**  
President & CEO