



THE PHILIPPINE STOCK EXCHANGE, INC.
Corporate Governance Guidelines for Listed Companies
Disclosure Template for Year 2015
(PHILEX MINING CORPORATION)

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
Guidelines No.1:		
DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY		
1.1 Have a clearly defined vision, mission and core values.	√	<p>The Company has a clearly defined vision, mission and core values.</p> <p>Reference: (1) Website a) http://www.philexmining.com.ph/about-us/our-company/vision-and-mission b) http://www.philexmining.com.ph/about-us/our-company/core-values (2) Code of Business Conduct & Ethics - http://www.philexmining.com.ph/userfiles/code%20of%20business%20conduct%20and%20ethics.pdf</p>
1.2 Have a well developed business strategy.	√	<p>The Company has a well-developed business strategy. The Company's performance targets and long-term business plans are stated in the Company's Annual Report to shareholders</p> <p>Reference: Glossy Annual Report (pages 8-9) http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%201.pdf</p>
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.	√	<p>The Company, through its Human Resource Division (HRD), implements the Key Results Area (KRA) system in performance evaluation and management to ensure that it is attuned to the Company's business environment, management style and culture.</p> <p>Reference: Website http://www.philexmining.com.ph/corporate-governance/key-partners/management</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
1.4 Have its board continually engaged in discussions of strategic business issues.	√	<p>The Company's Board of Directors is mandated to, and is continually engaged, in discussions of strategic business issues.</p> <p>Reference: Website</p> <p>1.) http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates</p> <p>2.) http://www.philexmining.com.ph/corporate-governance/governance-structure/attendance--appraisal</p>
Guidelines No.2:		
ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD		
2.1 Have a board composed of directors of proven competence and integrity.	√	<p>The Company's Board is composed of directors with proven competence and integrity. The professional and educational background of directors are included in the Glossy Annual Report and the Information Statement for Stockholders' Meetings (SEC20-IS), and posted on the Company's website.</p> <p>Reference :</p> <p>1.) Website http://www.philexmining.com.ph/corporate-governance/the-board-of-directors</p> <p>2.) Guidelines on Search, Screening and Selection of Directors http://www.philexmining.com.ph/userfiles/PX%20Guidelines%20on%20SearchScreening%20and%20Selection%20of%20Directors.pdf</p> <p>3.) Amended by Laws pages (9-10) Section 3 http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf</p> <p>4.) Revised CG Manual page (25) Annex B http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf</p>
2.2 Be led a chairman who shall ensure that the board functions in an effective and collegial manner.	√	<p>The Chairman ensures that the Board functions effectively and in a collegial manner.</p> <p>Reference: http://www.philexmining.com.ph/corporate-</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
		governance/governance-structure/key-mandates
2.3 Have at least three (3) or thirty percent (30%), whichever is higher, of its directors as independent directors.	x	<p>Two (2) out of the Company's eleven (11) directors are independent directors in compliance 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: 1) Amended By Laws (Page 8); Annual Corporate Governance Report (or ACGR) (Page 4); http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf 2) http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates</p>
2.4 Have in place written manuals, guidelines and issuances that outlines procedures and processes.	√	<p>The Company has written manuals, guidelines and issuances that outline procedures and processes.</p> <p>Reference: (1) Consolidated Changes in Corporate Governance Report for 2015 (ACGR 2015) (Pages 60-64 Part G.2.f); http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (2) http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics (3) http://www.philexmining.com.ph/corporate-governance/our-policies</p>
2.5 Have Audit, Risk, Governance and Nomination and Election Committees.	√	<p>The Company has separate Audit, Risk, Corporate Governance and Nomination Committees.</p> <p>Reference : http://www.philexmining.com.ph/corporate-governance/the-board-committees</p>
2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.	√	<p>The positions of Chairman and CEO are held separately by individuals who are not related to each other. The Chairman is Mr. Manuel V. Pangilinan, while the CEO is Mr. Eulalio B. Austin, Jr.</p>

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		Reference: (1) ACGR 2015 Page (10) http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (2) Website http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates
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.	√	The Company has 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. Reference: Rights of Stockholders to vote (1) ACGR 2015 Page (4) / page (86) Part J.2.b http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (2) Guidelines on the Search Screening and Selection of Directors http://www.philexmining.com.ph/userfiles/PX%20Guidelines%20on%20SearchScreening%20and%20Selection%20of%20Directors.pdf (3) Amended By Laws pages (8- 12) Article II-A http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf
2.8 Have in place a formal board and director development program.	√	The Company has a development program for directors and officers embodied in the Company's Directors' and Officers' Orientation and Training Policy. References: Directors' and Officers' Orientation and Training Policy http://www.philexmining.com.ph/userfiles/Directors%20and%20Officers'%20Orientation%20and%20Training%20Policy.pdf

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2.9 Have a corporate secretary.	√	<p>The Company's Corporate Secretary is Atty. Barbara Anne C. Migallos.</p> <p>References: (1) Amended By Laws (Page 16-18) Section 6 http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf ; (2) Revised CG Manual (Page 13) Section 2.5 http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf ; (3) ACGR 2015 (Page 34) Part C.5.(c) http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</p>
2.10 Have no shareholder agreement, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	√	<p>The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the ability of directors to vote independently. Each director exercises independent judgment in the performance of duties and responsibilities.</p> <p>Reference: (1) Revised CG Manual (Page 7) Section 2.5.a http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</p>
Guidelines No. 3:		
MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM		
3.1 Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	√	<p>The Company's Internal Audit Division is a separate unit in the Company which reports to and overseen by the Board's Audit Committee.</p> <p>References: (1) CG Manual Page 14 Section 2.6 http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf ; (2) Audit Committee Charter page 3 Section 3.2 http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1)(1).pdf</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
		(3) Website: http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit
3.2 Have a comprehensive enterprise-wide compliance program that is annually reviewed.	√	<p>The Company's Audit Committee, Risk Committee and Corporate Governance Committee, annually reviews the audit program, risk management and compliance plans and activities, respectively, to ensure enterprise-wide compliance.</p> <p>Reference: (1) Audit Committee Charter http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1)(1).pdf (2) Risk Committee Charter http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf (3) Corporate Governance Committee Charter http://www.philexmining.com.ph/userfiles/Corporate%20Governance%20Committee%20Charter%20(1)(1).pdf (4) Internal Audit Charter http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit</p>
3.3 Institutionalize quality service programs for the internal audit function.	√	<p>The activities and service programs of the internal audit function are included in the Internal Audit Charter.</p> <p>Reference: http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit</p>
3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	√	<p>The Company has mechanisms in place such as the CEO Hotline and the Whistle-blowing Policy that allows employees to raise valid issues. Suppliers and other stakeholders may raise such issues by getting in touch with the Company through the telephone and fax numbers, and mailing or e-mail addresses provided in the "Contact Us" portion of the Company's website. Suppliers and stakeholders may also visit the Company's offices for any concerns.</p> <p>References: (1) CEO Hotline –available to employees</p>

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		<p>(2) http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit ;</p> <p>(3) Whistle-blowing Policy http://www.philexmining.com.ph/userfiles/WHISTLE%20BLOWING%20POLICY.pdf</p> <p>(4) Website (For investor relations, corporate affairs, trade creditors and suppliers and other stakeholders) http://www.philexmining.com.ph/talk-to-us/corporate-address</p>
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.	√	<p>The Chief Executive Officer and Chief Audit Executive annually attest in writing that a sound internal audit, control and compliance system is in place and working effectively.</p> <p>References: (1) Internal Audit Charter as provided in http://www.philexmining.com.ph/corporate-governance/key-partners/internal-audit ;</p> <p>(2) First Pacific CG Disclosure requirements http://www.philexmining.com.ph/userfiles/PMC%20(signed%20confirmation%20statement).pdf</p>
Guidelines No. 4:		
RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS		
4.1 Have its board oversee the company's risk management function.	√	<p>The Board has a Risk Committee which oversees the Company's risk management function in order to timely and more adequately address the evolving and attendant risks peculiar to the Company's business.</p> <p>References: Risk Committee Charter http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
4.2 Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	√	<p>The Risk Committee is guided by the Risk Committee Charter which sets out the Company's risk management and compliance processes and procedures.</p> <p>References: (1) ACGR 2015 Part F Page 51-57 http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf ;</p> <p>(2) Website: http://www.philexmining.com.ph/corporate-governance/risk-management</p>
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.	√	<p>The Company adopted a Risk Management Policy Manual, which encompasses the Enterprise Risk Management (ERM) framework for managing risk at an enterprise-wide level within Philex Mining Corp. and its subsidiaries (or the Philex Group). It contains the guidelines governing the risk management process of the Philex Group, including the roles and responsibilities for its implementation.</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>Reference: (1) Website: http://www.philexmining.com.ph/corporate-governance/risk-management (2) ACGR 2015 Part F Page 51-57 http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</p>

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4.4 Have a unit at the management level, headed by Risk Management Officer (RMO).	√	<p>The Company has a Risk Management Group that reports directly to the Risk Committee of the Board. The Chief Risk Officer is Mr. Manuel A. Agcaoili. Ms. Elisa R. Dungca is Division Manager of the Risk Management Group.</p> <p>Reference: (1)ACGR 2015 page 54 Part F.3.Process flow http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</p> <p>(2) Website: http://www.philexmining.com.ph/corporate-governance/risk-management</p>
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.	√	<p>The major business risks of the Company and the corresponding mitigation measures are disclosed in the Company's Annual Report (SEC Form 17-A). Information about the Company's risk management procedures and processes are disclosed in the Company's ACGR.</p> <p>Reference: (1) 2014 Annual Report (SEC Form 17-A; pages 16-19) http://www.philexmining.com.ph/userfiles/SEC-17A%20with%20ACGR%20-%202014(1).pdf (2) ACGR 2015 (Part F page 52-55) http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</p>
4.6 Seek external technical support in risk management when such competence is not available internally.	√	<p>The company seeks external technical support in risk management when the competence required is not available internally.</p> <p>Reference: (1) Risk Committee Charter (page1 Section 2.1) http://www.philexmining.com.ph/userfiles/PX%20Risk%20Committee%20Charter(1).pdf (2) http://www.philexmining.com.ph/corporate-governance/risk-management</p>

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Guidelines No. 5:		
ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION		
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.	√	<p>The Audit Committee reviews and approves in consultation with the Internal Audit Head and the Chief Financial Officer, 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. The Audit Committee periodically review fees for non-audit services paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses, and disallow any non-audit services that will conflict with the external auditor's duties to the Company as such or may pose a threat to its independence.</p> <p>References: (1) Audit Committee Charter page 3 Section 3.1.4 http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1)(1).pdf (2) ACGR 2015 pages 4-45 Part E.2.b. Audit Committee's responsibility http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (3) Website: http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</p>
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.	√	<p>The 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 by reviewing and evaluating the qualifications, performance and independence of the external auditor and its lead audit partner primarily responsible for the audit of the Company's financial accounts. If deemed necessary, the Audit Committee may recommend the removal or replacement of the external auditor.</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
		<p>References: (1) Audit Committee Charter page 3 Section 3.1 http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1)(1).pdf (2) ACGR 2015 pages 45-46 Part E.2.b. Audit Committee's responsibility http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (3) Website: http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</p>
5.3 Ensure that the external auditor has adequate quality control procedures.	√	<p>The Audit Committee ensures that the external auditor has adequate quality control procedures by annually reviewing the same, and any material issues raised by the most recent internal quality-control review or peer review of the external auditor, or by an investigation by governmental or professional authorities, if any.</p> <p>References: (1) Audit Committee Charter page 3 Section 3.1.6 http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1)(1).pdf (2) ACGR 2015 pages 44-45 Part E.2.b. Audit Committee's responsibility http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (3) Website: http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</p>
5.4 Disclose relevant information on the external auditors.	√	<p>Relevant information about the external auditor is disclosed in the Company's Annual Report (SEC Form 17-A), Information Statement for Stockholders' Meetings (SEC Form 20-IS), and Annual Corporate Governance Report.</p> <p>Reference:</p> <p>(1) 2014 Annual Report (SEC Form 17-A, page 41) http://www.philexmining.com.ph/userfiles/SEC-17A%20with%20ACGR%20-%202014(1).pdf</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
		<p>(2) Information Statement for 2015 Annual Stockholders' Meeting (SEC Form 20-IS, pages 26-27) http://www.philexmining.com.ph/userfiles/DIS2015.pdf</p> <p>(3) ACGR 2015 Pages 45-46 Part E.2.b. Audit Committee's responsibility; Page 64/ page76 http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf;</p> <p>(4) Website: http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</p>
5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	√	<p>The Audit Committee ensures that the external audit firm is selected based on competence, performance, and independence, and is determined via fair and transparent process.</p> <p>Reference: (1) Audit Committee Charter (Page 2-3) Section II.3.1. http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1)(1).pdf</p> <p>(2) ACGR 2015 pages 45-46 Part E.2.b. Audit Committee's responsibility http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</p>
5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	√	<p>The Audit Committee conducts periodical meetings with the external auditor as the Committee may deem necessary to bring to the surface issues warranting the attention of the Committee.</p> <p>Reference: Audit Committee Charter (Page 6) Section II.3.3.8 http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1)(1).pdf</p>
5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	√	<p>The Company's financial statements are attested to by the Company's Chairman of the Board of Directors, Chief Executive Officer and Chief Financial Officer in compliance with the SRC Rule 68, as shown in the Statement of</p>

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		<p>Management Responsibility attached to the said financial statements.</p> <p>Reference: (page 58 of the Company's Annual Report) http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf</p>
5.8 Have a policy of rotating the lead audit partner every five years.	√	<p>Under the Company's Corporate Governance Manual, it is the policy of the Company to rotate or change the external auditor, or its lead audit partner primarily responsible for the audit of the Company's financial statements, every five (5) years, in accordance with applicable laws and regulations.</p> <p>References: (1) Revised CG Manual (Page 16) Sec.2.7.1.c http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf ; (2)Website http://www.philexmining.com.ph/corporate-governance/key-partners/external-audit</p>
Guidelines No. 6:		
RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP		
6.1 Adopt the principle of "one share, one vote."	√	<p>The rule is "one share, one vote." Cumulative voting, which enhances the ability of minority shareholders in voting for the election of directors, is allowed in accordance with the Corporation Code.</p> <p>References: (1) ACGR 2015 (page 4) Part A.1.b http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (2)Website http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	√	<p>Shareholders are treated equally in all respects including voting rights, subscription rights and transfer rights in accordance with the Corporation Code. The Company has only one class of common shares.</p> <p>References: (1) Revised CG Manual (Pages 18-19) Section 4 http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf ; (2) ACGR 2015 (Page 4) Part A.1.b http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf ; (3) Website: http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</p>
6.3 Have an effective, secure and efficient voting system.	√	<p>The Company has an effective, secure and efficient voting system. Voting at stockholders' meetings is by balloting. Shareholders who are present and did not submit proxies before meetings are given ballots upon registration. In the case of proxies submitted prior to meetings, the proxy designated was provided with ballots for casting in accordance with the stockholders' instructions, as indicated in the proxy. Ballots are tabulated by the Company's stock transfer agent, under the guidance and supervision of the independent election inspectors elected by shareholders. Results of the voting are announced at stockholders' meetings, duly disclosed, and made available on the Company's website on the business day following the meeting.</p> <p>References: (1) Information Statement for 2015 Annual Stockholders' Meeting (SEC Form 20-IS; Item 19, page 31-32) http://www.philexmining.com.ph/userfiles/DIS2015.pdf (2) Amended By Laws (Pages 2-3) Section 7 http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf ; (2) Website: http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
6.4 Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	√	<p>Material and significant transactions involving related parties, including controlling shareholders, are reviewed by an ad hoc Board Committee, the membership of which must include all independent directors. As a matter of policy, all independent directors must endorse the transaction prior to approval of the Board.</p> <p>Reference: (1) Amended Related Party Transaction Policy http://www.philexmining.com.ph/userfiles/RPT%20Policy%202015(1).pdf</p>
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	√	<p>The Notice and Agenda, together with the Information Statement (SEC Form 20-IS) for the 2015 AGM held on 24 June 2015 were distributed to shareholders no later than 25 May 2015, or thirty (30) days prior to the AGM. The said Notice, Agenda and Information Statement were duly disclosed on 14 May 2015.</p> <p>Reference: (1) Definitive Information Statement http://www.philexmining.com.ph/userfiles/DIS2015.pdf (2) Disclosure re: Information Statement dated 14 May 2015 http://edge.pse.com.ph/openDiscViewer.do?edge_no=f3d5911411cab79bb15effbf9088d1ab#sthash.SHecOPvp.dpbs (3) Website: http://www.philexmining.com.ph/company-disclosure/notice-of-annual-or-special-stockholders-meetings</p>
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.	√	<p>Under the Company's By-laws, special meetings of stockholders may be called at any time for any purpose by the written request of stockholders representing a majority of the outstanding capital stock entitled to vote.</p> <p>At stockholders' meetings, stockholders are invited to raise matters not on the agenda or submit proposals for consideration</p>

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		<p>of the body during the “Other Matters” portion of the meeting.</p> <p>The Company ensures the attendance of the external auditors and senior officers of the Company to answer shareholder questions at stockholders’ meetings.</p> <p>References: (1) Article I, Section 2 of the By-Laws http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf (2) ACGR 2015 – Stockholders’ Rights (Part J [1][d]. page 80-81) http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (3) Revised CG Manual (Pages 18-19) Section 4.1 http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf (4) Website: http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</p>
6.7 Ensure that all relevant questions during the AGM are answered.	√	<p>The Company ensures that all relevant questions during the AGM are answered. For this purpose, the Company requires the attendance of the external auditors and senior officers of the Company to answer shareholder questions at stockholders’ meetings.</p> <p>References: (1) Article I, Section 2 of the By-Laws http://www.philexmining.com.ph/userfiles/Amended%20By-Laws(1).pdf (2) ACGR 2015 – Stockholders’ Rights (Part J [1][d]. page 80-81) http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (1) Revised CG Manual (Pages 18-19) Section 4.1.c&d http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf;</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	√	<p>The Company endeavors to always treat minority shareholders fairly and without discrimination. The Company's policies with respect to the treatment of minority shareholders are embodied in the Company's Revised Corporate Governance Manual (Secs. 4.1 and 4.2). The Company also has an Investor/Stockholders' Relation desk which attends to the concerns of minority stockholders, including their requests for information regarding the Company.</p> <p>References: (1) Revised CG Manual (Pages 18-19) Sections 4.1 & 4.2 http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf; (2) ACGR - Stockholders Rights (Pages 2-5) Part A.1.b (Pages 78-86) Part J http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (3) Website http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</p>
6.9 Avoid anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	√	<p>The Company does not have, nor does it practice, a "poison pill" strategy or other anti-take-over measures that may entrench ineffective management or the existing controlling shareholder group.</p> <p>References: (1) Revised CG Manual (Pages 18-19) Sections 4.1 & 4.2 http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf; (2) ACGR 2015 - Stockholders Rights (Pages 3-6) Part A.1.b. (Pages 78-86) Part J http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf (3) Website http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
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.	√	<p>The Company ensures that controlling shareholders and every person who is the beneficial owner of at least 10% of the outstanding shares of the Company timely files the required reports on ownership (SEC Form 23-A) or change of ownership (SEC Form 23-A or SEC Form 23-B) with the SEC, which reports are timely and duly disclosed by the Company. The Company also discloses periodic reports on its Top 100 stockholders and Public Ownership as required by the relevant rules of the PSE. The said reports include the number of shares held by controlling shareholders. The number of shares held by shareholders holding at least 5% of the Company's outstanding shares are also provided in the Information Statement (SEC Form 20-IS) distributed to shareholders for stockholders' meetings.</p> <p>References: (1) Sample SEC Form 23-A http://www.philexmining.com.ph/userfiles/SEC%2023A.PDF (2) Sample Report on Top 100 Stockholders http://www.philexmining.com.ph/userfiles/PX%20%20TOP%20100%20AND%20BENEFICIAL%20OWNER%20REPORT%20AS%20OF%20DECEMBER%2031%202015.pdf (3) Sample Public Ownership Report http://www.philexmining.com.ph/userfiles/PX%20public%20ownership%20as%20of%20December%2031%202015.pdf (4) 2015 Definitive Information Statement (Security Ownership of Certain Record and Beneficial Owners; Item 4, page 4-5) http://www.philexmining.com.ph/userfiles/DIS2015.pdf (5) Revised CG Manual (Pages 18-19) Sections 4& 5 http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf; (6) ACGR 2015 - Stockholders Rights (Pages 3-6) Part A.1.b http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
6.11 Have a communication strategy to promote effective communication with shareholders.	√	<p>The Company utilizes disclosures of material information, the Annual Report (SEC Form 17-A), Definitive Information Statement, and the Company's Website (http://www.philexmining.com.ph) to effectively communicate with shareholders.</p> <p>Related reference: http://www.philexmining.com.ph/investor-relations/contact-us/investor-relations</p>
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	√	<p>As of December 31, 2015, the Company has a 32.99% public float.</p> <p>Reference:</p> <p>(1) Public Ownership Report http://www.philexmining.com.ph/userfiles/PX%20public%20ownership%20as%20of%20December%2031%202015.pdf</p> <p>(2) http://www.philexmining.com.ph/investor-relations/shareholder-matters/shareholding-structure</p>
6.13 Have a transparent dividend policy.	√	<p>In 2010, the Company's Board of Directors adopted a policy to declare a cash dividend of up to 25% of the Company's core net income should the circumstances allow for its declaration.</p> <p>References: (1) 2015 Definitive Information Statement (Management Report, page 25) http://www.philexmining.com.ph/userfiles/DIS2015.pdf</p> <p>(2) ACGR 2015 (Page 5) Part A.1.b http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf ;</p> <p>(3) Website http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</p>
Guidelines No. 7:		

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME		
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.	√	<p>The Company's policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, and other disclosure requirements under existing laws are embodied in the Company's Corporate Governance Manual (Sec. 5, page 20-21). The Company also has a specific policy on dealings of corporate insiders in the Company's shares of stock.</p> <p>References:</p> <p>(1) Revised CG Manual (Sec. 5, page 20-21) http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</p> <p>(2) Amended Policy on Dealings in Company Shares of Stock http://www.philexmining.com.ph/userfiles/Amended%20Policy%20on%20Dealings%20in%20Company%20Shares%20-%20June%202014.pdf</p> <p>(3) http://www.philexmining.com.ph/investor-relations/investor-relations-programs</p>
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.	√	<p>The 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.</p> <p>Reference:</p> <p>(1) 2015 Definitive Information Statement (page 6) http://www.philexmining.com.ph/userfiles/DIS2015.pdf</p>
7.3 Disclose its director and executive compensation policy.	√	<p>The Company's director and executive compensation policy is disclosed on the Company's website and in its Annual Corporate Governance Report.</p> <p>References:</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
		<p>(1) Website http://www.philexmining.com.ph/corporate-governance/governance-structure/remuneration-policy;</p> <p>(2) ACGR 2015 (Pages 37-40) Part D.3. http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf</p>
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.	√	<p>The names of shareholders holding five percent (5%) or more ownership interest in the Company are disclosed in the Definitive Information Statement, and on the Company's website. This information is also disclosed in the Company's Public Ownership Reports and Reports on Top 100 stockholders.</p> <p>References: (1) 2015 Definitive Information Statement (Security Ownership of Certain Record and Beneficial Owners; Item 4, page 4-5) http://www.philexmining.com.ph/investor-relations/shareholder-matters/shareholding-structure</p> <p>2) Sample Report on Top 100 Stockholders http://www.philexmining.com.ph/userfiles/PX%20%20TOP%20100%20AND%20BENEFICIAL%20OWNER%20REPORT%20AS%20OF%20DECEMBER%2031%202015.pdf</p> <p>(3) Sample Public Ownership Report http://www.philexmining.com.ph/userfiles/PX%20public%20ownership%20as%20of%20December%2031%202015.pdf</p>
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.	√	<p>The Company timely discloses annual and quarterly consolidated reports, cash flow statements and special audit revisions. The Company's consolidated financial statements are published within ninety (90) from the end of the financial year, while interim reports are published within forty-five days from the end of the reporting period.</p> <p>References: (1) http://www.philexmining.com.ph/investor-relations/calendar-of-events/release-of-financial-results (2) http://www.philexmining.com.ph/company-</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
		disclosure/audited-financial-statement (3) http://www.philexmining.com.ph/company-disclosure/sec-form-17-a (4) http://www.philexmining.com.ph/company-disclosure/sec-form-17-g
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.	√	<p>The Company discloses to shareholders and the PSE any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.</p> <p>References:</p> (1) http://www.philexmining.com.ph/investor-relations/investor-relations-programs (2) http://www.philexmining.com.ph/corporate-governance/manual-on-corporate-governance (3) http://www.philexmining.com.ph/corporate-governance/annual-corporate-governance-report
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.	√	<p>Information and materials relevant to corporate actions that require shareholders' approval are in the Information Statement (SEC Form 20-IS) distributed to shareholders for stockholders' meetings. The Information Statement is distributed to shareholders no later than thirty (30) days prior to the Annual General Meeting of stockholders' meeting.</p> <p>Reference: (1) 2015 Definitive Information Statement http://www.philexmining.com.ph/userfiles/DIS2015.pdf (2) CG Manual (Pages 17-18) Section 3 http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf ; (2) ACGR 2015 (Pages 3- 6) Part A.1.b http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf ; (3) Website: http://www.philexmining.com.ph/investor-relations/investor-relations-programs</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
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).	√	<p>The Company discloses the trading of its shares by directors, officers (or persons performing similar functions) and controlling shareholders, as well as the Company's purchase of its own shares from the market, in accordance with the pertinent disclosure rules of the PSE. To enhance compliance with disclosure requirements, the Company adopted a Policy on Dealings in the Company's shares of stock requiring directors, officers and consultants to report dealings in the Company's shares of stock within two (2) trading days from the date of the transaction; and requiring the Company to report such transactions to the PSE the following day.</p> <p>References: (1) Amended Policy on Dealings in the Company's shares of stock; http://www.philexmining.com.ph/userfiles/Amended%20Policy%20on%20Dealings%20in%20Company%20Shares%20-%20June%2025.%202014.pdf (2) ACGR 2015 (Page 9) Part A.1.e. http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf ; (2)Website Disclosure http://www.philexmining.com.ph/company-disclosure/sec-form-23-ab</p>
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.	√	<p>The risks to the Company's minority shareholders associated with the exercise by the controlling shareholders of its voting power are disclosed in the Company's Annual Corporate Governance Report attached to its Annual Report (SEC Form 17-A).</p> <p>References: (1) ACGR 2014 (page 51) attached to 2014 Annual Report http://www.philexmining.com.ph/userfiles/SEC-17A%20with%20ACGR%20-%202014(1).pdf (2) ACGR 2015 (Page 53) Part F.2.c. http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf ;</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
Guidelines No. 8:		
RESPECTS AND PROTECTS THE RIGHTS AND INTEREST OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS		
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.	√	<p>The Company's policy to recognize and protect the rights and interest of key stakeholders are articulated in the Company's Corporate Governance Manual and in various portions of the Company's website.</p> <p>References: Website:</p> <p>a) http://www.philexmining.com.ph/corporate-governance/key-partners/shareholders</p> <p>b) http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/environmental-stewardship</p> <p>c) http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/health</p> <p>d) http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/education</p> <p>e) http://www.philexmining.com.ph/corporate-governance/key-partners/employees</p> <p>f) http://www.philexmining.com.ph/corporate-governance/key-partners/creditors</p>
8.2 Have in place a workplace development program.	√	<p>The Company conducts various development programs for employees and directors and officers.</p> <p>References:</p> <p>(1) Website</p> <p>a) http://www.philexmining.com.ph/corporate-governance/key-partners/employees</p> <p>b) http://www.philexmining.com.ph/userfiles/Directors%20and%20Officers'%20Orientation%20and%20Training%20Policy.pdf</p> <p>(2) Glossy Annual Report (pages 188-190)</p> <p>http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
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.	√	<p>The Company has stock option plans duly approved by shareholders that awards and incentivizes directors, officers and employees, and aligns their interest with the Company and shareholders as a whole.</p> <p>References: (1) ACGR 2015 (Pages 37-40) Part D.4 http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf ; and (2) Website http://www.philexmining.com.ph/corporate-governance/governance-structure/remuneration-policy</p>
8.4 Have in place a community involvement program.	√	<p>The Company champions community involvement and empowerment under its Corporate Social Responsibility programs.</p> <p>References: (1) Glossy Annual Report (pages 181-185) http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf (2) Website a) http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/health b) http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/education c) http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/livelihood d) http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/public-infrastructure e) http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/philex-group-foundation-inc</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
8.5 Have in place an environment-related program.	√	<p>The Company has award winning environmental programs implemented in all phases of mining starting from exploration, mine development, operations, and decommissioning.</p> <p>References: (1) Glossy Annual Report (page 164/page 182) http://www.philexmining.com.ph/userfiles/annual_reports_2014/PMC%202014%20Annual%20Report%20Part%202.pdf (2) Website http://www.philexmining.com.ph/corporate-governance/corporate-social-responsibility/environmental-stewardship</p>
8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	√	<p>The Company has a Vendor/Supplier Relations Policy, Policy on Gifts, Entertainment and Sponsored Travels, and Code of Business Conduct and Ethics to serve as a guide in its dealings with suppliers, customers, creditors, analysts, market intermediaries and other market participants.</p> <p>Reference: (1) Vendor/Supplier Relations Policy http://www.philexmining.com.ph/userfiles/Supplier%20Contractor%20Relations%20Policy.pdf (2) Policy on Gifts, Entertainment and Sponsored Travels http://www.philexmining.com.ph/userfiles/Policy%20on%20Gifts%20Entertainment%20and%20Sponsored%20Travels(1).pdf (3) Code of Business Conduct and Ethics http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics</p>
Guidelines No. 9:		
DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING		

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
9.1 Develop and disclose a policy governing the company's transactions with related parties.	√	<p>The Company has a duly disclosed policy on related party transactions.</p> <p>Reference: Amended Policy on Related Party Transactions http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf</p>
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.	√	<p>The thresholds for disclosure and approval of RPTs are clearly defined in the Company's policy on related party transactions. Under the said policy, the aggregate value of an RPT over any twelve (12) month period is considered in determining whether the RPT is material or significant.</p> <p>Reference: Amended Policy on Related Party Transactions http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf</p>
9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	√	<p>Under the Company's policy on RPTs, the Board, as it deems necessary, may require certain RPTs to be submitted to shareholders for ratification and final approval.</p> <p>Reference: Amended Policy on Related Party Transactions http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf</p>
9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.	√	<p>Under the Company's policy on RPTs, all independent directors must review and endorse material and significant RPTs prior to Board approval.</p> <p>Reference: Amended Policy on Related Party Transactions http://www.philexmining.com.ph/userfiles/Amended%20RPT%20Policy.pdf</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
9.5 Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	√	<p>All related party transactions, regardless of amount or nature, are disclosed in the Annual Report SEC Form 17A and the Audited Financial Statements.</p> <p>References: (1) SEC 17-A (Pages 50-53) http://www.philexmining.com.ph/userfiles/SEC-17A%20with%20ACGR%20-%202014(1).pdf</p>
9.6 Have clear policy in dealing with material non-public information by company insiders.	√	<p>The Company's policy in dealing with material non-public information by corporate insiders is embodied in the Company's Code of Business Conduct and Ethics and Amended Policy on Dealings in Company Shares.</p> <p>References: (1) Code of Business Conduct and Ethics http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics (2) Amended Policy on Dealings in Company Shares http://www.philexmining.com.ph/userfiles/Amended%20Policy%20on%20Dealings%20in%20Company%20Shares%20-%20June%202014.pdf (3) Investor Relations Programs http://www.philexmining.com.ph/investor-relations/investor-relations-programs</p>
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.	√	<p>All related party transactions, regardless of amount or nature, are disclosed in the Annual Report SEC Form 17-A and the Audited Financial Statements. In a specific case, Board approval is secured for advances from related parties.</p> <p>Reference (1) Investor Relations Programs http://www.philexmining.com.ph/investor-relations/investor-relations-programs</p>
Guidelines No. 10:		
DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE AND ENFORCEMENT		

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
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.	√	<p>The Company's Code of Business Conducts and Ethics, adopted in February 2014, guides individual behavior and decision making, clarifies responsibilities, and informs other stakeholders on the conduct expected from the Company's personnel.</p> <p>Reference: http://www.philexmining.com.ph/corporate-governance/code-of-business-conduct-and-ethics</p>
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.	√	<p>The Company has a formal comprehensive compliance program covering compliance with laws and relevant regulations. The Audit Committee together with the Compliance Officer, monitors compliance of the Company with relevant laws and regulations.</p> <p>References: (1) Audit Committee Charter (Page 6) Section 3.4 http://www.philexmining.com.ph/userfiles/PX%20Audit%20Committee%20Charter%20As%20Revised(1)(1).pdf (2) Revised Corporate Governance Manual (Section 2.8, page 16-17) http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf (2) Internal Audit Charter (Page 1) http://www.philexmining.com.ph/userfiles/Internal%20Audit%20Charter.pdf (3) http://www.philexmining.com.ph/investor-relations/investor-relations-programs</p>
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.	√	<p>The Company endeavors to comply with all laws, rules and regulations, and will only seek an exemption when absolutely necessary under the circumstances. In the latter case, the reasons for seeking the exemption and specific steps taken for compliance shall be duly disclosed.</p> <p>References: (1) Audit Committee Charter (Page 6) Section 3.4 http://www.philexmining.com.ph/userfiles/PX%20Audit%20Co</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
		mmittee%20Charter%20As%20Revised(1)(1).pdf (2) Internal Audit Charter (Page 1) http://www.philexmining.com.ph/userfiles/Internal%20Audit%20Charter.pdf
10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	√	<p>The Company's policies and procedures to curb and penalize involvement in corruption and bribery are embodied in the Company's Whistle Blowing Policy, Policy on Gifts and Entertainment, and Code of Business Conduct and Ethics.</p> <p>Reference:</p> <p>(1) Whistle Blowing Policy http://www.philexmining.com.ph/userfiles/WHISTLE%20BLOWING%20POLICY.pdf;</p> <p>(2) Policy on Gifts and Entertainment http://www.philexmining.com.ph/userfiles/Policy%20on%20Gifts%20Entertainment%20and%20Sponsored%20Travels(1).pdf</p> <p>(3) Code of Business Conduct and Ethics http://www.philexmining.com.ph/userfiles/code%20of%20business%20conduct%20and%20ethics.pdf</p>
10.5 Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	√	<p>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 relevant rules and regulations.</p> <p>Reference:</p> <p>(1) Revised Corporate Governance Manual (Section 2.8, page 16-17) http://www.philexmining.com.ph/userfiles/PMC%20Revised%20CG%20Manual(1).pdf</p> <p>(2) http://www.philexmining.com.ph/corporate-governance/governance-structure/key-mandates</p>

<u>PSE Questions</u>	<u>Apply</u>	<u>Explain</u>
10.6 Respect intellectual property rights.	√	<p>The Company conducts its business strictly in accordance with the Philippine and international laws, rules or regulations governing intellectual property and intellectual property rights.</p> <p>Reference: http://www.philexmining.com.ph/about-us/our-company/key-policy-statements </p>
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.	√	<p>In accordance with its Corporate Governance Manual, the Company has an alternative dispute resolution system that can, where practicable or feasible, amicably settle conflicts or difference between the Company and its stockholders and key stakeholders.</p> <p>References: (1) CG Manual (Page 7) Section 2.1.4.q http://www.philexmining.com.ph/userfiles/PMC%20Revised%20OCG%20Manual(1).pdf ; (2) ACGR Pages 32-33 Part B.6. http://www.philexmining.com.ph/userfiles/PXACGR2015.pdf </p>

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: PHILEX MINING CORPORATION

Date: March 31, 2016

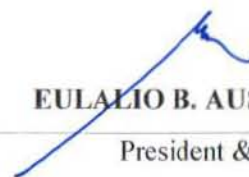
This is to certify that the undersigned reviewed the contents of the attached Corporate Governance Guidelines Disclosure Survey and to the best of my knowledge and belief, the information contained and set forth in such document as true, complete and correct.

Done this MAR 31 2016 in Pasig City.



WILFREDO A. PARAS

Independent director



EULALIO B. AUSTIN, JR.

President & CEO